Brookfield

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

April 2015

GOVERNANCE

Brookfield Asset Management Inc. ("we," "us," "our," "Brookfield" or the "Corporation") is committed to good corporate governance. As such, we aim to continue to strengthen the Brookfield Board of Directors (the "Board") and management accountability to maintain public trust in the Corporation, and promote the long-term interests of our shareholders.

GOVERNANCE HIGHLIGHTS

Corporate Governance

- 10 Independent Director Nominees
- Separate Chair and CEO
- Private Sessions of Independent Directors after each Board Meeting
- Risk Oversight by the Risk Management Committee
- Annual Board and Committee Self-Evaluations
- All Directors Attended at least 75% of Meetings Held, with 13 of 16 Directors Attending every Meeting
- Robust Code of Conduct
- Only Independent Directors on Audit, Governance and Nominating, and Management Resources and Compensation Committees

Shareholder Rights

- Annual Election of Directors
- Majority Voting for Directors
- Cumulative Voting for Directors
- Active Shareholder Engagement

Compensation

- Executive Compensation Program Driven by Strong Pay for Performance Philosophy (described in the "Compensation Discussion and Analysis" section of this Circular)
- Director Share Ownership Guidelines requiring directors to hold shares and share units having a value of at least 3x their Annual Retainer
- Independent directors required to take 25% of their Annual Retainer in DSUs, regardless of ownership
- Share Retention Policy and Post Exercise Hold Period Requirements for Executives
- Incentive Awards subject to Clawback Provisions
- Anti-hedging, Short Sale and Pledging Restrictions

The Corporation's comprehensive corporate governance policies and practices are consistent with the guidelines for corporate governance adopted by Canadian Securities Administrators and the Toronto Stock Exchange ("TSX"). The Corporation's corporate governance practices and policies are also consistent with the requirements of the U.S. Securities and Exchange Commission, the listing standards of the New York Stock Exchange ("NYSE") and the applicable provisions under the U.S. Sarbanes-Oxley Act of 2002, as amended (the "Sarbanes-Oxley Act").

CODE OF BUSINESS CONDUCT AND ETHICS

The Corporation's policy is that all its activities be conducted with the utmost honesty and integrity and in compliance with all legal and regulatory requirements. The Corporation's Code of Conduct (the "Code") sets out the guidelines and principles for how directors and employees should conduct themselves as members of the Brookfield team. Preserving our corporate culture is vital to the organization and following the Code helps us do that.

All directors and employees are required to provide a written acknowledgment upon joining Brookfield that they are familiar with and will comply with the Code. All directors and employees of the Corporation are required to provide this same acknowledgement annually.

The Board annually reviews the Code to consider whether to approve changes in the Corporation's standards and practices. Recently, the Code was revised to include the Corporation's enhanced anti-bribery and corruption policies and emphasize the Corporation's commitment to conducting business in compliance with all applicable anti-bribery and corruption laws and practices.

Compliance with the Code is monitored by the Board through its Risk Management Committee, which receives regular reports on any non-compliance issues from the Corporation's internal auditor. The Code is posted on the Corporation's website, *www.brookfield.com* under "The Company/Conduct Guidelines" and is filed on SEDAR at *www.sedar.com* and EDGAR at *www.sec.gov/edgar*.

BOARD OF DIRECTORS

Mandate of the Board

The Board oversees the management of the Corporation's business and affairs directly and through four standing committees (the "Committees"). The responsibilities of the Board and each Committee, respectively, are set out in written charters, which are reviewed and approved annually by the Board. All Board and Committee charters are posted on the Corporation's website, *www.brookfield.com* under "The Company/Corporate Governance."

The Board is responsible for:

- overseeing the Corporation's overall long-term strategic-planning process and reviewing and approving its annual business plan;
- reviewing major strategic initiatives to determine whether management's proposed actions accord with long-term corporate goals and shareholder objectives;
- appointing the Chief Executive Officer (the "CEO"), overseeing the selection of other members of senior management and reviewing succession planning;
- assessing management's performance against approved business plans;

- reviewing and approving the reports issued to shareholders, including annual and interim financial statements;
- assessing the principal risks of the Corporation's businesses and reviewing, approving and monitoring the systems in place to manage these risks;
- promoting effective corporate governance; and
- safeguarding shareholders' equity interests through the optimum utilization of the Corporation's capital resources, including through approving issuances of debt and equity securities and setting an appropriate dividend policy.

Expectations of Directors

The Board has adopted a charter of expectations for directors (the "Charter of Expectations"), which sets out the Corporation's expectations for personal and professional competencies, share ownership, meeting attendance, conflicts of interest, changes of circumstance, and resignation events. Directors are expected to bring any potential conflict of interest to the attention of the Board Chair (the "Chair") or a Committee Chair in advance, and refrain from voting on such matters. Directors are also expected to submit their resignations to the Chair if: (i) they become unable to attend at least 75% of the Board's regularly scheduled meetings; or (ii) if they become involved in a legal dispute, regulatory or similar proceedings, take on new responsibilities or experience other changes in personal or professional circumstances that could adversely affect the Corporation or their ability to serve as a director. The Charter of Expectations is reviewed annually and a copy is posted on the Corporation's website, *www.brookfield.com* under "The Company/Corporate Governance."

Meetings of the Board

The Board meets at least once every quarter, and holds additional meetings as necessary to consider specific items of business. The Board also meets once a year to review the Corporation's annual business plan and long-term strategy, although the 2014 strategy session was held in February 2015. In 2014, there were four regularly scheduled meetings to review and approve general business matters and specific strategic initiatives. Four quarterly meetings and one strategy session are scheduled for 2015. The agenda for regularly scheduled Board meetings is set by the Chair, with input from the CEO and Chief Financial Officer (the "CFO"), before circulation to the full Board.

Meetings of Independent Directors

Private sessions of the independent directors without management and affiliated directors present are held at the end of each regularly scheduled and special Board meeting, chaired by the Chair, who reports back to the CEO on any matters requiring action by management. There were four meetings of independent directors during 2014.

Private sessions of the Committees without management and affiliated directors present are also held after each Committee meeting, chaired by the respective Committee Chair, who reports back to an appropriate executive on any matters requiring action by management.

Independent Directors

The Board has a policy that at least a majority of its directors are independent in order to ensure that the Board operates independent of management and effectively oversees the conduct of management. The Corporation obtains information from its directors annually to determine their independence. The

Board determines which directors are considered to be independent based on the recommendation of the Governance and Nominating Committee of the Board (the "Governance Committee"), who evaluates director independence based on the guidelines set forth under applicable securities laws.

In this process, the Board conducts an analysis of each director nominee to determine if they are an affiliated director (all director nominees who are also current members of management are, by definition, affiliated directors). Those directors who are not affiliated have been considered by the Board to be independent.

The following table shows the directors standing for election at the meeting and whether each nominee will be an Independent[1], Affiliated[2] or Management[3] director.

	Independent	*Affiliated*	*Management*	*Reason for Affiliated or Management Status*
Jeffrey M. Blidner		✓	✓	Mr. Blidner is a Senior Managing Partner of the Corporation
Angela F. Braly	✓			
Jack L. Cockwell		✓		Mr. Cockwell is one of the Partners, and the Chairman as well as a director of Partners Limited
Marcel R. Coutu	✓			
J. Bruce Flatt		✓	✓	Mr. Flatt is the CEO of the Corporation
Robert J. Harding		✓		Mr. Harding is a former Chairman of the Corporation
Maureen Kempston Darkes	✓			
David W. Kerr		✓		Mr. Kerr is one of the Partners and a director of Partners Limited
Lance Liebman	✓			
Philip B. Lind	✓			
Frank J. McKenna	✓			
Youssef A. Nasr	✓			
Lord O'Donnell		✓		Lord O'Donnell serves as a strategic advisor to the Corporation
Seek Ngee Huat	✓			
Diana L. Taylor	✓			
George S. Taylor	✓			

The Board considers that the 10 directors listed as Independent above (approximately 63% of the Board) are independent.

1 *"Independent" refers to the Board's determination of whether a director nominee is "independent" under Section 1.2 of the Canadian Securities Administrator's National Instrument 58-101 — Disclosure of Corporate Governance Practices.*

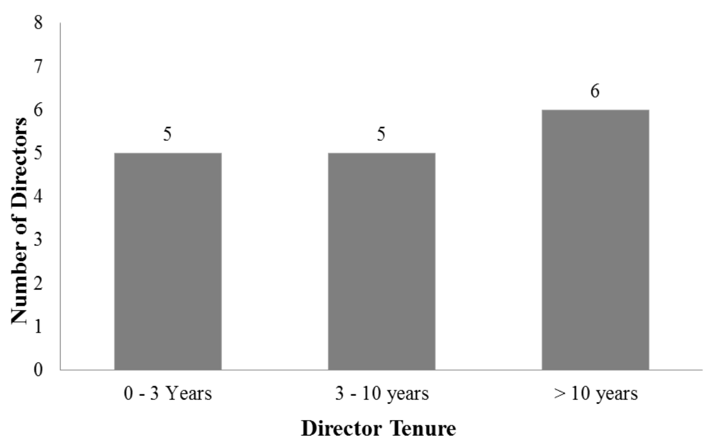
2 *"Affiliated" refers to a director nominee who (a) owns greater than a de minimis interest in the Corporation (exclusive of any securities compensation earned as a director) or (b) within the last two years has directly or indirectly (i) been an officer of or employed by the Corporation or any of its respective affiliates, (ii) performed more than a de minimis amount of services for the Corporation or any of its affiliates, or (iii) had any material business or professional relationship with the Corporation other than as a director of the Corporation. "de minimis" for the purpose of this test includes factors such as the relevance of a director's interest in the Corporation to themselves and to the Corporation.*

3 *"Management" refers to a director nominee who is a current member of management of the Corporation.*

Term Limits and Board Renewal
The Governance Committee leads the effort to identify and recruit candidates to join the Board. In this context, the Governance Committee's view is that the Board should reflect a balance between the experience that comes with longevity of service on the Board and the need for renewal and fresh perspectives.

The Governance Committee does not support a mandatory retirement age, director term limits or other mandatory Board turnover mechanisms because its view is that such policies are overly prescriptive; therefore the Corporation does not have term limits or other mechanisms that compel Board turnover. The Governance Committee does believe that periodically adding new voices to the Board can help the Corporation adapt to a changing business environment and this continues to be a priority.

The Governance Committee reviews the composition of the Board on a regular basis in relation to approved director criteria and skill requirements and recommends changes as appropriate to renew the Board (see the "Governance and Nominating Committee" section in this Statement of Corporate Governance Practices for further information on the Corporation's process to identify candidates for election to the Board). Assuming all director nominees are elected at the meeting, 10 new directors will have joined the Board over the past 10 years, with five new directors, three of whom are independent, having joined the Board over the past three years (a turnover of over 30% of the Board). The Board tenure profile of the Corporation is set out below.



Board Diversity Policy
Brookfield is committed to enhancing the diversity of the Board. The Corporation's deep roots in many global jurisdictions inform its perspective on diversity and the Corporation's view is that its Board should reflect a diversity of backgrounds relevant to its strategic priorities. This includes such factors as diversity of business expertise and international experience, in addition to geographic and gender diversity.

To achieve the Board's diversity goals, it has adopted the following written policy:

- Board appointments will be based on merit, having due regard for the benefits of diversity on the Board, so that each nominee possesses the necessary skills, knowledge and experience to serve effectively as a director;

- In the director identification and selection process diversity on the Board, including gender diversity, will influence succession planning and be a key criterion in adding new members to the Board; and

- The Board has a gender diversity target of ensuring at least 30% of independent directors are women.

Currently, of the 10 independent directors and 16 total number of directors on the Board, two directors are women (both independent directors, and both standing for re-election). Also nominated for election to the Board this year for the first time is Ms. Angela Braly. Therefore, if all of the director nominees are elected at the meeting there will be three women on the Board, or 30% of the independent directors on the Board.

The Governance Committee is responsible for implementing the Board diversity policy, monitoring progress towards the achievement of its objectives, and recommending to the Board any necessary changes that should be made to the policy.

Director Share Ownership Guideline

The Charter of Expectations sets forth share ownership requirements of directors, which are in place because the Corporation believes that directors can better represent shareholders if they have economic exposure to the Corporation themselves. The Corporation requires that a director hold Class A Shares, Restricted Shares or Deferred Share Units in the Corporation having, in the aggregate, a value equal to at least three times the director's annual retainer fee (the "Annual Fee"), as determined by the Board from time to time. New directors will have five years from the date of joining the Board to achieve this minimum economic ownership requirement. Directors will be required to take one-half of their Annual Fee in the form of Deferred Share Units until the minimum share ownership level is achieved. Thereafter, all independent directors will still be required to take one-quarter of their Annual Fee in the form of Deferred Share Units.

Anti-Hedging Policy

In order to maintain the alignment of interests between the Corporation and its directors, the Corporation prohibits all directors, including management and affiliated directors, from using derivatives or other financial instruments to retain legal ownership of their shares or share units in the Corporation while reducing their exposure to changes in the Corporation's share price. Moreover, a director may not hold a short position in any security of the Corporation or its affiliates, either by way of a short sale or by utilizing derivatives.

Director Education

The Corporation provides regular continuing education for directors. Time is set aside at all regularly scheduled Board meetings for presentations on different areas of the Corporation's businesses, led by executives responsible for or familiar with these operations. This includes at least one presentation each quarter that provides directors with an in-depth analysis of a business unit of the Corporation in order to further educate the directors about Brookfield. In addition, presentations on new developments and trends in corporate governance and director fiduciary duties are provided as appropriate. Director dinners, with senior management present, are held before or immediately following all regularly scheduled Board meetings, and director education is provided at these dinners by way of presentations on areas relevant to Brookfield's businesses.

In 2014, the Corporation launched a two-year initiative on site visits to the Corporation's facilities in key markets outside Toronto and New York, where regularly scheduled Board meetings are normally held. These site visits are designed to provide an opportunity for directors to learn about the Corporation's major businesses by viewing the operations firsthand and meeting in person with local management. In November 2014, 15 of the 16 directors on the Board, including all of the independent directors, visited the Corporation's assets in Los Angeles, California and surrounding areas. The greater Los Angeles area was selected because the region is home to operations representing all four of Brookfield's main platforms. While in Southern California, the Board visited office properties, wind farms, residential developments, a seaport and a retail mall. At each visit, the Board met with local management teams and received presentations educating them on the business operations. A similar Board trip is planned for September 2015 in London, England.

Director Orientation

New directors are provided with a comprehensive orientation package, which includes information on the Corporation's various businesses, its culture, its corporate governance practices and the Board and Committee framework in place to manage the Corporation's affairs and oversee management. Each new director is informed of the expectations that will be placed on them and the commitment they will be asked to make to the Corporation. New directors have private educational sessions with the Chair and the CEO and other members of senior management prior to or upon joining the Board.

Director Commitments

The Governance Committee monitors the demands placed on each director's time and attention outside of their service on the Board. This includes, among other things, reviewing the number of other public company boards that a director sits on to ensure that no director has excessive time commitments to other public companies that may result in a reduced ability for the director to provide effective oversight as a Board member. In this regard, each director is required to notify the Chair prior to accepting a directorship at another public company.

The view of the Governance Committee is that a policy limiting the number of other public company boards that a director can sit on is too prescriptive and would unnecessarily limit our pool of candidate directors. Instead, the Governance Committee's philosophy is to consider all outside commitments of a director in context and make a determination that each director is able to serve effectively on behalf of the Corporation's shareholders. The Governance Committee has determined that all director nominees at the meeting are able to devote the time and attention required to provide effective oversight as a Board member.

Interlocking Directorships

The Governance Committee monitors interlocking board and committee memberships among all directors. Board interlocks exist when two directors of one company sit on the board of another company and committee interlocks exist when two directors sit together on another board and are also members of the same board committee. There is currently one board and one committee interlock among the Corporation's independent directors: Mr. Coutu and Ms. Kempston Darkes serve together on the board of directors of Enbridge Inc., an energy delivery company, and serve together on the Safety & Reliability Committee of Enbridge Inc. No other board or committee interlocks exist. In February 2015, the Governance Committee determined that there were no interlocking board or committee memberships that were expected to adversely affect the ability of interlocking directors to act independently from each other and to act in the Corporation's best interests.

Affiliate Boards

The Corporation considers the participation of management and affiliated directors on the boards of its affiliates or as strategic advisors to certain of the Corporation's business operations an essential part of the Corporation's role in providing oversight of its investments. This additional service to the Corporation provided by certain management and affiliated directors does not conflict with the duties of these individuals as directors on the Board.

Through its representatives on the boards of its operating affiliates, the Corporation plays an active role in setting long-term strategic plans, reviewing management succession plans and assessing performance against approved business plans of these affiliates. Through these representatives, the Corporation also safeguards the interests of its shareholders by participating in the board decisions of its affiliates regarding the issuance of treasury shares, the payment of dividends and the optimum use of capital resources.

COMMITTEES OF THE BOARD

The four standing Committees of the Board assist in the effective functioning of the Board and help ensure that the views of independent directors are effectively represented:

- Audit Committee;
- Governance and Nominating Committee;
- Management Resources and Compensation Committee; and
- Risk Management Committee.

The responsibilities of these Committees, respectively, are set out in written Charters, which are reviewed and approved annually by the Board. The Charter of each Committee which includes the position description of its respective Committee Chair, can be found on the Corporation's website, *www.brookfield.com* under "The Company/Corporate Governance." It is the Board's policy that all members of these Committees, except members of the Risk Management Committee, must be independent directors. The Risk Management Committee must consist of a majority of independent directors and not include any current members of management. Special committees may be formed from time to time to review particular matters or transactions. While the Board retains overall responsibility for corporate governance matters, each standing Committee has specific responsibilities for certain aspects of corporate governance, in addition to their other responsibilities, as described below.

Audit Committee

The Audit Committee is responsible for monitoring the Corporation's systems and procedures for financial reporting and associated internal controls, and the performance of the Corporation's external and internal auditors. It is responsible for reviewing certain public disclosure documents before their approval by the full Board and release to the public including, among others, the Corporation's quarterly and annual financial statements and management's discussion and analysis. The Audit Committee is also responsible for recommending to the Board the Independent Registered Public Accounting Firm to be nominated for appointment as the external auditor, and for approving the assignment of any non-audit work to be performed by the external auditor. The Audit Committee meets regularly in private session with the Corporation's external auditors and internal auditors, without management present, to discuss and review specific issues as appropriate. The Audit Committee met five times in 2014.

In addition to being independent directors as described above, all members of the Audit Committee must meet an additional "independence" test under Canadian Securities laws and the Sarbanes-Oxley Act, in that their directors' fees must be and are the only compensation they receive, directly or indirectly, from the Corporation. Further, the Audit Committee requires that all its members disclose any form of association with a present or former internal or external auditor of the Corporation to the Board for a determination as to whether this association affects the independent status of the director.

At March 24, 2015, the Audit Committee is comprised of the following three directors: George S. Taylor (Chair), Marcel R. Coutu and Philip B. Lind. The Board has determined that all of these directors are independent and financially literate, and that Mr. Coutu and Mr. Taylor each qualify as a "designated financial expert." Mr. Coutu has a Master of Business Administration degree and over 20 years' experience in investment banking and corporate finance. He is the former President and Chief Executive Officer of Canadian Oil Sands Limited. Mr. Lind, formerly the Vice-Chairman of Rogers Communications, has 45 years of senior management experience. Mr. Taylor is a Certified Management Accountant and has extensive financial and senior management experience with a public company as an executive of John Labatt Limited from 1977 to 1995. He has served as an audit committee member and audit committee chair for a number of public companies and non-profit organizations during his business career. Messrs. Coutu and Taylor were members of the Audit Committee throughout 2014, while Mr. Lind has served as a member of the Audit Committee since May 2014.

For more information about the Audit Committee as required by Part 5 of National Instrument 52-110 — Audit Committees, see the Corporation's Annual Information Form for the year ended December 31, 2014 which is available on SEDAR at *www.sedar.com* and EDGAR at *www.sec.gov/edgar*.

Governance and Nominating Committee

It is the responsibility of the Governance Committee, in consultation with the Chair, to assess from time to time the size and composition of the Board and its Committees; to review the effectiveness of the Board's operations and its relations with management; to assess the performance of the Board, its Committees and individual directors; to review the Corporation's statement of corporate governance practices; and to review and recommend the directors' compensation. The Governance Committee met four times in 2014.

The Governance Committee reviews annually the guidelines which apply to the Corporation's investment and capital markets activities, including the thresholds and other criteria governing when such activities can be approved by management and when Board approval is required.

The Board has in place a formal procedure for evaluating the performance of the Board, its Committees and individual directors – the Governance Committee reviews the performance of the Board, its Committees and the contribution of individual directors on an annual basis.

The Governance Committee is responsible for reviewing the credentials of proposed nominees for election or appointment to the Board and for recommending candidates for Board membership, including the candidates proposed to be nominated for election to the Board at the annual meeting of shareholders. To do this, the Governance Committee maintains an "evergreen" list of candidates to ensure outstanding candidates with needed skills can be quickly identified to fill planned or unplanned vacancies. Candidates are assessed in relation to the criteria established by the Board to ensure that the Board has the appropriate mix of talent, quality, skills, diversity, perspectives and other requirements necessary to promote sound governance and Board effectiveness.

The Governance Committee reviews, at least once a year, the composition of the Committees to ensure that Committee membership complies with the relevant governance guidelines, that the workload for independent directors is balanced, and that Committee positions are rotated as appropriate. In doing so, the Committee consults with the Chair and makes recommendations to the Board, which appoints Committee members.

At March 24, 2015, the Governance Committee was comprised of the following three directors: Frank J. McKenna (Chair), Lance Liebman and Diana L. Taylor, all of whom are independent directors. Mr. McKenna also serves as the Board's Chair. Messrs. Liebman and McKenna were members of the Governance Committee throughout 2014, while Ms. Taylor has served as a member of the Governance Committee since May 2014.

Management Resources and Compensation Committee

The Management Resources and Compensation Committee (the "Compensation Committee") is responsible for reviewing and reporting to the Board on management resource planning, including succession planning and proposed senior management appointments, the job descriptions and annual objectives of senior executives, the form of executive compensation in general and the levels of compensation of the CEO and other senior executives. The Compensation Committee also reviews the performance of senior management against written objectives and reports thereon. The Compensation Committee met two times in 2014.

The Board has adopted a stringent test of independence for all members of the Compensation Committee, which mirrors the independence test in the listing standards of the NYSE. Additionally, the Compensation Committee evaluates the independence of any advisor it retains using the aforementioned NYSE independence test. The Board has adopted a governance policy that not more than one-third of the members of the Compensation Committee may be current chief executive officers of a publicly traded entity.

At March 24, 2015, the Compensation Committee was comprised of the following three directors: Lance Liebman (Chair), Marcel R. Coutu and James A. Pattison, all of whom meet the additional criteria for independence described in the paragraph above. None of the Compensation Committee members is the chief executive officer of a publicly traded entity. Mr. Pattison is the Chief Executive Officer of The Jim Pattison Group, a private company. Messrs. Liebman and Pattison were members of the Compensation Committee throughout 2014, while Mr. Coutu has served as a member of the Compensation Committee since August 2014. Mr. Pattison is not standing for re-election to the Board at the meeting on May 6, 2015 and will be replaced on the Compensation Committee by another independent director following the Corporation's annual shareholders meeting on May 6, 2015.

Risk Management Committee

The Risk Management Committee is responsible for monitoring the Corporation's financial and non-financial risk exposures, including market, credit, operational, reputational, fraud, bribery and corruption, strategic, systemic and business risks, and the steps senior management has taken to monitor and control such risk exposures. It reviews annually the guidelines which apply to the Corporation's treasury and risk management activities and also oversees the Corporation's overall risk management activities. The Committee regularly reports to the Board on its proceedings and any significant matters that it has addressed. The Risk Management Committee met four times in 2014.

At March 24, 2015, the Risk Management Committee was comprised of the following four directors: Maureen Kempston Darkes (Chair), David W. Kerr, Youssef A. Nasr and Seek Ngee Huat, all of whom are independent directors except for Mr. Kerr, who is an affiliated director. Ms. Kempston Darkes and Messrs. Kerr and Nasr were members of the Risk Management Committee throughout 2014, while Seek Ngee Huat has served as a member of the Risk Management Committee since May 2014.

Reporting

Each Committee Chair provides a report to the Board following a quarterly meeting, provided one has taken place that quarter. The Committee report to the Board provides a review of the matters that came before the Committee during its meeting and a summary of any decisions that the Committee made. Additionally, during the Committee's report, the Committee will recommend any resolutions that it proposes for adoption by the Board. On an annual basis, each Committee provides a report to shareholders highlighting its achievements during the prior year.

BOARD, COMMITTEE AND DIRECTOR EVALUATION

The Board believes that a regular and formal process of evaluation improves the performance of the Board as a whole, the Committees and individual directors. Each year, a survey is sent to independent directors inviting comments and suggestions on areas for improving the effectiveness of the Board and the Committees. The results of this survey are reviewed by the Governance Committee, which makes recommendations to the Board as required. Each independent director also receives a self-assessment questionnaire. All directors are required to complete a skill-set evaluation which is used by the Governance Committee for planning purposes. The Board Chair holds private interviews with each director annually to discuss the operations of the Board and the Committees, and to provide any feedback on the individual director's contributions. The Board Chair reports on these interviews to the Governance Committee as a basis for recommending to the Board the directors to be nominated for election at the next annual meeting of shareholders.

BOARD AND MANAGEMENT RESPONSIBILITIES

Separate Chair and CEO

The Corporation formally separates the positions of Chair and CEO and reserves the Chair position for an independent director; the Chair is Frank McKenna, an independent director, and the CEO is Bruce Flatt. The Board has adopted written position descriptions for each of the Chair and CEO, which are summarized below, as well as position descriptions for each Committee Chair. These position descriptions are reviewed annually by the Board and posted on the Corporation's website, *www.brookfield.com* under "The Company/Corporate Governance."

The Chair manages the business of the Board and ensures that the functions identified in the Board's Charter are being carried out effectively by the Board and the Committees. In addition, the Chair is responsible for: preparing the agenda for each Board meeting in consultation with the CEO and the CFO; ensuring directors receive the information required to perform their duties; ensuring an appropriate Committee structure; providing for an evaluation system to assess the performance of the Board as a whole, the Committees and individual directors; and working with the CEO and senior management of the Corporation in monitoring progress on strategic planning, policy implementation and succession planning. The Chair also presides over all private sessions of the independent directors of the Board that take place following each Board meeting and is responsible for ensuring that matters raised during these meetings are reviewed with management and acted upon.

The CEO provides leadership to the Corporation and, subject to approved policies and direction by the Board, manages the business and affairs of the Corporation and oversees the execution of its strategic plan. In addition, the CEO is responsible for the following functions: presenting to the Board for approval an annual strategic plan for the Corporation; presenting to the Board for approval the Corporation's capital and operating plans on an ongoing basis; acting as the primary spokesperson for the Corporation; presenting to the Board for approval an annual assessment of senior management and succession plans; recommending the appointment or termination of any senior executive of the Corporation; and, together with the CFO, ensuring that controls and procedures are in place to ensure the accuracy and integrity of the Corporation's financial reporting and public disclosures.

Management's Relationship to the Board

The Corporation's senior management team reports to and is accountable to the Board. Members of management and other directors attend Committee meetings at the invitation of the Committee Chairs.

The Corporation develops an annual business plan to ensure the compatibility of shareholder, Board and management views on the Corporation's strategic direction and performance targets, and the effective use of shareholder capital. The Board meets once a year to review the strategic initiatives and annual business plan submitted by senior management. The Board must approve the annual business plan, which provides a mandate for senior management to conduct the affairs of the Corporation within the terms of the plan. Material deviations from the annual business plan are reported to and considered by the Board.

The information provided by management to directors is critical to Board effectiveness. In addition to the reports presented to the Board and the Committees at meetings, the directors are also kept informed by management on a timely basis of corporate developments and key decisions taken by management in pursuing the Corporation's strategic plan and the attainment of its objectives. The directors annually evaluate the quality, completeness and timeliness of information provided by management to the Board.

COMMUNICATION AND DISCLOSURE POLICIES

The Corporation has a disclosure policy (the "Disclosure Policy") which summarizes its policies and practices regarding public disclosures of information to investors, analysts and the media. The Disclosure Policy ensures that the Corporation's communications with the investment community are timely, consistent and in compliance with all applicable securities legislation. The Disclosure Policy is reviewed annually by the Board and is posted on the Corporation's website, *www.brookfield.com* under "The Company/Conduct Guidelines."

The Corporation keeps its shareholders informed of its progress through a comprehensive annual report, quarterly interim reports and periodic news releases. The Corporation's website provides summary information on the Corporation and ready access to its published reports, news releases, statutory filings and supplementary information provided to analysts and investors. Directors and management meet with the Corporation's shareholders at the annual meeting of shareholders and, in the case of management, the annual investor day, and are available to respond to questions at that time. Shareholders who wish to contact the Chair or other Board members can do so directly or through the Corporate Secretary of the Corporation by phone at 1-866-989-0311 or by email at *inquiries@brookfield.com*.

The Corporation also maintains an investor relations program to respond to inquiries in a timely manner. Management meets on a regular basis with investors and investment analysts and hosts quarterly conference calls and webcasts to discuss the Corporation's financial results, with a transcript of these calls posted on the Corporation's website. The Corporation ensures that the media are kept informed of developments on a timely basis and have an opportunity to meet and discuss these developments with the Corporation's designated spokespersons.