

## **Class A Preference Shares, Series 11 - BAM.PR.I**

CUSIP: 112585 80 7

### **Share Provisions**

The 5.50% Non-Cumulative Class A Preference Shares, Series 11 (the "Series 11 Preferred Shares") trade on the Toronto Stock Exchange under the symbol **BAM.PR.I**.

<b>Date Issued</b>	May and July 2002
<b>Issue Price</b>	C\$25.00
<b>Number Outstanding</b>	4,032,401

The following is a summary of certain provisions of the Series 11 Preferred Shares. Please also refer to the Disclaimer and General Terms.

#### **Dividends**

The holders of the Series 11 Preferred Shares are entitled to received fixed non-cumulative preferential cash dividends, if, as and when declared by the board of directors of Brookfield Asset Management, in an amount per share per annum equal to C\$1.375 (representing a coupon rate of 5.5%), accruing daily from the date of issue, payable quarterly on the last day of March, June, September and December in each year. The regular quarterly dividend is C\$0.34375 per share.

#### **Redemption**

The Series 11 Preferred Shares are not redeemable before June 30, 2009. On or after this date, but subject to applicable law and to the provisions described below, Brookfield Asset Management may, at its option, at any time redeem all, or from time to time any part, of the outstanding Series 11 Preferred Shares, by the payment of an amount in cash for each such share so redeemed of C\$25.75 if redeemed before June 30, 2010, of C\$25.50 if redeemed on or after June 30, 2010, but before June 30, 2011, of C\$25.25 if redeemed on or after June 30, 2011, but before June 30, 2012, and of C\$25.00 thereafter plus, in each case, all declared and unpaid dividends up to but excluding the date fixed for redemption.

Notice of any redemption will be given by the company not less than 30 days and not more than 60 days prior to the date fixed for redemption. If less than all the outstanding Series 11 Preferred Shares are at any time to be redeemed, the shares to be redeemed will be selected in such manner as the company may determine.

#### **Conversion at the Option of the Company**

The Series 11 Preferred Shares are not convertible at the option of Brookfield Asset Management prior to June 30, 2009. On or after this date, the company may, subject to applicable law and any requirement to obtain regulatory relief, convert all, or from time to time any part, of the outstanding Series 11 Preferred Shares into that number of the company's Class A Limited Voting Shares ("Brookfield Asset Management Shares") determined (per Series 11 Preferred Share) by dividing the then applicable redemption price, together with all declared and unpaid dividends up to but excluding the date fixed for conversion, by the greater of C\$2.00 or 95% of the then Current Brookfield Asset Management Market Price. Fractional Brookfield Asset Management Shares will not be issued on any conversion of Series 11 Preferred Shares, but in lieu thereof the company will make cash payments.

Notice of any conversion will be given by the company not less than 30 days and not more than 60 days prior to the date fixed for conversion. If less than all the outstanding Series 11 Preferred Shares are at any time to be converted, the shares to be converted will be selected in such manner as the company may determine.

Upon exercise by the company of its right to convert Series 11 Preferred Shares into the company Shares, the company reserves the right not to issue the company Shares to any person whose address is in, or whom the company or its transfer agent has reason to believe is a resident of, any jurisdiction outside Canada, to the extent that such issue would require compliance by the company with the securities or other laws of such jurisdiction.



### **Conversion at the Option of the Holder**

Subject to applicable law and the rights of Brookfield Asset Management described below, on and after December 31, 2013, each Series 11 Preferred Share will be convertible at the option of the holder on the last day of each of March, June, September and December in each year on at least 30 days notice (which notice shall be irrevocable) into that number of Brookfield Asset Management Shares determined by dividing C\$25.00, together with all declared and unpaid dividends up to but excluding the date fixed for conversion, by the greater of C\$2.00 or 95% of the then Current Brookfield Asset Management Market Price. Fractional Brookfield Asset Management Shares will not be issued on any conversion of Series 11 Preferred Shares, but in lieu thereof the company will make cash payments.

Upon exercise of the conversion privilege by the holder of Series 11 Preferred Shares, the company reserves the right not to issue Brookfield Asset Management Shares to any person whose address is in, or whom the company or its transfer agent has reason to believe is a resident of, any jurisdiction outside Canada, to the extent that such issue would require compliance by the company with the securities or other laws of such jurisdiction.

Brookfield Asset Management, subject to the provisions set out below, as applicable, may by notice given not later than 20 days before the date fixed for conversion to all holders who have given a conversion notice, either (i) redeem on the first business day after the date fixed for conversion all or any part of the Series 11 Preferred Shares forming the subject matter of the applicable conversion notice, or (ii) cause the holder of such Series 11 Preferred Shares to sell on the first business day after the date fixed for conversion all or any part of such Series 11 Preferred Shares to another purchaser or purchasers in the event that a purchaser or purchasers willing to purchase all or any part of such Series 11 Preferred Shares is or are found. Any such redemption or purchase shall be made by the payment of an amount in cash of C\$25.00 per share, together with all declared and unpaid dividends up to but excluding the date fixed for redemption or purchase. The Series 11 Preferred Shares to be so redeemed or purchased shall not be converted on the date set forth in the conversion notice.

If the company elects to redeem or arrange for the purchase of any Series 11 Preferred Shares that are the subject of a conversion notice ("Subject Shares"), it shall, at least 20 days prior to the conversion date, give notice to all holders who have given a conversion notice to the company, stating:

1. the number of Subject Shares to be redeemed by Brookfield Asset Management;
2. the number of Subject Shares to be sold to another purchaser; and
3. the number of Subject Shares to be converted into Brookfield Asset Management Shares,

such that all of the Subject Shares will be redeemed, purchased or converted on the first business day after the date fixed for conversion and that the proportion of the Subject Shares which are either redeemed, purchased or converted on that conversion date shall, to the extent practicable, be the same for each holder delivering a conversion notice.

### **Purchase for Cancellation**

Subject to applicable law and to the provisions described below, Brookfield Asset Management may at any time purchase (if obtainable) for cancellation the whole or any part of the Series 11 Preferred Shares at the lowest price or prices at which in the opinion of the board of directors of the company such shares are obtainable.

### **Rights on Liquidation**

In the event of the liquidation, dissolution or winding-up of Brookfield Asset Management or any other distribution of assets of the company among its shareholders for the purpose of winding-up its affairs, the holders of the Series 11 Preferred Shares will be entitled to receive C\$25.00 per share, together with all declared and unpaid dividends up to but excluding the date fixed for payment, before any amount is paid or any assets of the company are distributed to the holders of any shares ranking junior as to capital to the Series 11 Preferred Shares. The holders of the Series 11 Preferred Shares will not be entitled to share in any further distribution of the assets of the company.



### **Restrictions on Dividends and Retirement and Issue of Shares**

So long as any of the Series 11 Preferred Shares are outstanding, Brookfield Asset Management will not, without the approval of the holders of the Series 11 Preferred Shares:

1. declare, pay or set apart for payment any dividends (other than stock dividends payable in shares of the company ranking as to capital and dividends junior to the Series 11 Preferred Shares) on shares of the company ranking as to dividends junior to the Series 11 Preferred Shares;
2. except out of the net cash proceeds of a substantially concurrent issue of shares ranking as to return of capital and dividends junior to the Series 11 Preferred Shares, redeem or call for redemption, purchase or otherwise pay off or retire any shares of the company ranking as to capital junior to the Series 11 Preferred Shares;
3. redeem or call for redemption, purchase or otherwise retire for value less than all of the Series 11 Preferred Shares then outstanding;
4. except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching thereto, redeem or call for redemption, purchase or otherwise pay off or retire any Class A Preference Shares, ranking as to the payment of dividends or return of capital on a parity with the Series 11 Preferred Shares; or
5. issue any additional Series 11 Preferred Shares or any shares ranking as to dividends or return of capital prior to or on a parity with the Series 11 Preferred Shares, except for an issue of Series 11 Preferred Shares pursuant to the Offer, any Compulsory Acquisition or any Subsequent Acquisition Transaction,

unless, in each such case, all declared and unpaid dividends up to and including the dividend payable for the last completed period for which dividends were payable on the Series 11 Preferred Shares and on all other shares of the company ranking prior to or on a parity with the Series 11 Preferred Shares with respect to the payment of dividends have been declared paid or set apart for payment.

### **Shareholder Approvals**

The approval of all amendments to the rights, privileges, restrictions and conditions attaching to the company's Series 11 Preferred Shares as a series and any other approval to be given by the holders of the Series 11 Preferred Shares may be given by a resolution carried by an affirmative vote of at least 66 2/3% of the votes cast at a meeting at which the holders of a majority of the outstanding Series 11 Preferred Shares are present or represented by proxy or, if no quorum is present at such meeting, at an adjourned meeting at which the holders of Series 11 Preferred Shares then present would form the necessary quorum. At any meeting of holders of Series 11 Preferred Shares as a series, each such holder shall be entitled to one vote in respect of each Series 11 Preferred Share held.

### **Voting Rights**

The holders of the Series 11 Preferred Shares will not (except as otherwise provided by law and except for meetings of the holders of Class A Preference Shares as a class and meetings of the holders of Series 11 Preferred Shares as a series) be entitled to receive notice of, attend, or vote at, any meeting of shareholders of Brookfield Asset Management unless and until the company shall have failed to pay eight quarterly dividends on the Series 11 Preferred Shares, whether or not consecutive and whether or not such dividends have been declared and whether or not there are any monies of the company properly applicable to the payment of dividends. In that event, until such time as the company pays the whole amount of a quarterly dividend, the holders of the Series 11 Preferred Shares will be entitled to receive notice of and to attend each meeting of the company's shareholders other than any meetings at which only holders of another specified class or series are entitled to vote, and to one vote for each Series 11 Preferred Share held, provided that in respect of the election of directors, the holders of Series 11 Preferred Shares will vote with holders of Brookfield Asset Management Shares and, in certain circumstances, with the holders of certain other series of the Class A Preference Shares in the election of one-half of the board of directors (less the number of directors which the holders of the Class A Preference Shares, Series 1, Class A Preference Shares, Series 2 and Class A Preference Shares, Series 3 may be entitled to elect). The voting rights of the holders of the Series 11 Preferred Shares shall forthwith cease upon payment by the company of the whole amount of a quarterly dividend on the Series 11 Preferred Shares subsequent to the time such voting rights first arose.

