

DIVIDEND REINVESTMENT PLAN

Brookfield



The following describes the Dividend Reinvestment Plan of Brookfield Asset Management Inc. which became effective on August 11, 1997. The Plan enables holders of the company's Class A Limited Voting Shares who are residents of Canada to conveniently purchase additional Class A Limited Voting Shares without payment of brokerage commissions or service charges. Eligible shareholders have the choice of either receiving cash dividends or automatically reinvesting all or a portion of their cash dividends in Class A Limited Voting Shares.

For further details, please read the full text of the Plan as well as the Questions and Answers which follow.

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BROOKFIELD ASSET MANAGEMENT INC. DIVIDEND REINVESTMENT PLAN

1. The Plan

The Dividend Reinvestment Plan (the "Plan") of Brookfield Asset Management Inc. ("Brookfield Asset Management" or the "Company") provides a convenient means for eligible holders of Class A Limited Voting Shares of the Company (the "Class A Shares") to purchase additional Class A Shares by reinvesting their cash dividends.

Under the Plan, Class A Shares will be acquired at 100% of their "Market Price" (as defined below). As these Class A Shares will be treasury shares purchased directly from the Company, no brokerage commissions or service charges will be payable. All administrative costs of the Plan will be paid by the Company.

Through the reinvestment of cash dividends, the Company will acquire additional capital funds which will be used for its general corporate purposes.

2. Eligibility and Enrollment

Any registered holder of Class A Shares who is a resident of Canada is eligible to become a participant in the Plan (a "Participant") at any time by completing a Participation Form and sending it to the Company's transfer agent, CIBC Mellon Trust Company (the "Agent"). A Participant may elect to reinvest either 50% or 100% of the cash dividends paid on all Class A Shares registered in his or her name.

A beneficial owner of Class A Shares whose shares are registered in a nominee account must become a registered holder by having his or her Class A Shares transferred into his or her name. However, a beneficial owner whose Class A Shares are held in a specific segregated registered account, such as a numbered account with a bank or trust company, may direct that bank or trust company to enroll the account in the Plan with respect to all Class A Shares held in the account.

The Plan is not available to shareholders who are not residents of Canada.

3. How the Plan Works

Depending upon the election of the Participant, either 50% or 100% of the cash dividends paid on all Class A Shares registered in the name of a Participant will be applied automatically on each dividend payment date (an “Investment Date”) to purchase additional Class A Shares under the Plan. All dividends paid on Class A Shares acquired under the Plan and held for the account of the Participant will be automatically reinvested in additional Class A Shares on each subsequent Investment Date.

The price that will be paid for Class A Shares under the Plan on any Investment Date (the “Market Price”) will be the weighted average price at which board lots of Class A Shares have traded on the Toronto Stock Exchange (the “Exchange”) during the period of five trading days immediately preceding the relevant Investment Date on which at least one board lot of Class A Shares has traded, as reported by the Exchange.

On each Investment Date, the Company will pay to the Agent the cash dividends otherwise payable to a Participant in respect of the Class A Shares registered in the name of the Participant or held by the Agent for the account of the Participant. Cash dividends paid on the Class A Shares registered in the name of the Participant will be used by the Agent to purchase Class A Shares from the Company for the account of the Participant in accordance with the election of the Participant. All cash dividends paid on Class A Shares held by the Agent for the account of the Participant will be used to purchase Class A Shares from the Company for the account of the Participant.

Class A Shares purchased under the Plan will be registered in the name of the Agent, as agent for the Participant, and the Participant’s account maintained by the Agent will be credited with the number of Class A Shares, including fractions computed to three decimal places, equal to the cash dividends (or relevant percentage) paid on the Participant’s Class A Shares divided by the relevant Market Price.

4. How to Enroll

Eligible shareholders may enroll in the Plan at any time by completing a Participation Form and sending it to the Agent. The Participation Form must be signed by all registered holders of Class A Shares which are registered in more than one name. Copies of the Plan and Participation Forms can be obtained from the Agent at any time.

A completed Participation Form must be received by the Agent no later than one business day prior to the record date for any cash dividend (which will usually be the first day of the month in which the dividend is payable) in order for that dividend to be reinvested under the Plan. For example, in the case of a cash dividend payable on November 30 in any year, where the dividend record date is November 1, the Participation Form must be received by the Agent on or before October 31 for the dividend to be reinvested under the Plan on the November 30 Investment Date. If the Participation Form were received on or after November 1, the shareholder would receive his or her November 30 dividend in cash and the first dividend invested under the Plan would be the next dividend payable.

Once a Participant has enrolled in the Plan, participation will continue until the Participant terminates his or her participation (as set forth below) or until the Plan is suspended or terminated.

5. Statements of Account

As soon as reasonably practicable after each Investment Date, a statement of account will be mailed to each Participant setting out the amount of the relevant cash dividend reinvested, the applicable Market Price, the number of Class A Shares purchased under the Plan on the Investment Date, and the total number of Class A Shares, computed to three decimal places, held for the account of the Participant under the Plan.

The statements are a continuing record of the cost of the Class A Shares purchased under the Plan and should be retained for income tax purposes. In addition, the Agent will annually provide each Participant with appropriate information for tax reporting purposes.

6. Certificates for Shares

A Participant may at any time obtain share certificates for any number of whole Class A Shares held for the Participant's account under the Plan by writing to the Agent. Certificates for Class A Shares acquired under the Plan will not be issued to Participants unless specifically requested.

If a request for a share certificate is received by the Agent on or after a dividend record date but before the related dividend payment date, the requested action will not be taken until after the dividend payment date.

Class A Shares held for the account of a Participant under the Plan may not be pledged, sold or transferred. Consequently, a Participant or nominee who wishes to effect a transaction of this type must request that certificates for his or her Class A Shares be issued by the Agent.

7. Termination of Participation

A Participant may terminate his or her participation in the Plan at any time by giving written notice to the Agent. The notice of termination must be received no later than one business day prior to the record date for a cash dividend in order for the notice to be effective with respect to that dividend. If notice of termination is received on or after a record date, the cash dividends payable on the relevant Investment Date will be invested under the Plan and the termination will be effective only with respect to cash dividends subsequently declared. The notice of termination must be signed by all registered holders of Class A Shares which are registered in more than one name.

Upon termination, the Participant will receive a share certificate for the number of whole Class A Shares held for his or her account under the Plan and a cash payment for any fractional share. The cash payment will be calculated on the basis of the closing price of the Class A Shares on the Exchange on the first day on which the Class A Shares are traded following receipt of the termination notice. All subsequent dividends will then be paid directly to the shareholder. Participation in the Plan may be renewed at any time by signing a new Participation Form and returning it to the Agent.

8. Voting of Shares Held Under the Plan

Whole Class A Shares held for the account of a Participant under the Plan on any record date for a vote of shareholders (as with Class A Shares not subject to the Plan) may be voted by the Participant, either in person or by proxy. Class A Shares for which instructions are not received will not be voted. Fractional Class A Shares may not be voted.

9. Stock Dividends and Stock Splits

Stock dividends declared on the Class A Shares and any shares resulting from the subdivision of the Class A Shares will be credited to the account of the Participant based on whole and fractional shares held for the account of the Participant under the Plan.

10. Rights Offering

If the Company makes available to holders of Class A Shares of record any right to subscribe for additional Class A Shares or other securities, rights certificates in respect of the number of whole Class A Shares then held for the account of the Participant under the Plan will be forwarded to each Participant. Rights in respect of fractional shares held for the account of a Participant will be sold by the Agent for the Participant's account and the net proceeds reinvested on the next Investment Date.

11. Death or Incompetence of a Participant

Participation in the Plan will not be affected by a Participant's death or incompetence and participation will remain effective until it is terminated in accordance with the provisions of the Plan.

12. Amendment, Suspension or Termination of the Plan

The Company reserves the right to amend, suspend or terminate the Plan at any time, but this action cannot have a retroactive effect that would prejudice the interests of Participants. Participants will be sent a written notice of any amendment to or suspension or termination of the Plan, except in the case of an amendment deemed by the directors not to be material. Amendments to the Plan are subject to regulatory approval.

If the Plan is suspended or terminated by the Company, each Participant will receive a certificate for the number of whole Class A Shares held for his or her account and a cash payment for any fractional shares.

If the Plan is suspended or terminated by the company, no investment will be made under the Plan on any subsequent Investment Date. Dividends that are paid after the effective date of any suspension or termination of the Plan will be remitted by the Company or the Agent, as the case may be, directly to each Participant.

13. Notices

All notices required to be given to a Participant will be mailed to the Participant at his or her latest address shown on the records of the Agent. All notices to the Agent should be mailed to the address shown on the back of this brochure. All notices to the Company should be addressed to Brookfield Asset Management Inc., Suite 300, BCE Place, 181 Bay Street, Toronto, Ontario M5J 2T3.

14. Canadian Income Tax Consequences

The following is a general summary of the Canadian federal income tax consequences under the *Income Tax Act* (Canada) or participating in the Plan to Participants who deal with the Company at arm's length and hold Class A Shares as capital property for tax purposes. **The tax consequences are stated in general terms. Any shareholder who has any question as to his or her personal tax position is urged to consult a professional tax advisor.**

On each dividend payment date, the cash dividends paid by the Company to the Agent for the account of a Participant will be treated for tax purposes as having been received by the Participant as a cash dividend from the company. Accordingly, the Participant will be subject to income tax on that amount on the same basis as cash dividends actually received by the Participant.

For purposes of computing any capital gain or loss that may be realized by a Participant on the disposition of Class A Shares acquired under the Plan, the cost of such Class A Shares will include their market price.

15. Administration

The Agent will act as administrator of the Plan for the Company and will maintain an account for each Participant. The Agent will keep all records necessary for the administration of the Plan.

The Company reserves the right to interpret and regulate the Plan as it deems necessary or desirable.

Neither the Company nor the Agent will be liable for any act or for any omission to act in connection with the operation of the Plan undertaken or omitted in good faith.

Participants should recognize that neither the Company nor the Agent can assure profit or protect against a loss on Class A Shares acquired under the Plan.

16. Effective Date

The effective date of the Plan is August 11, 1997.

QUESTIONS AND ANSWERS

What is the Dividend Reinvestment Plan?

The Dividend Reinvestment Plan (the “Plan”) of Brookfield Asset Management Inc. (“Brookfield Asset Management” or the “Company”) enables holders of the Company’s Class A Limited Voting Shares (“Class A Shares”) who are residents of Canada to acquire additional Class A Shares by reinvesting their cash dividends.

What are the advantages of the Plan?

As Class A Shares acquired under the Plan are treasury shares purchased directly from the Company, participants in the Plan (the “Participants”) do not pay brokerage commissions or service charges of any kind. All administrative costs of the Plan are borne by the Company.

Full investment of all cash dividends is possible since fractional shares will be credited to a Participant’s account.

Who is eligible to participate?

Any registered holder of Class A Shares who is a resident of Canada may participate in the Plan.

Beneficial owners of Class A Shares registered in nominee accounts must first become registered holders by having their Class A Shares transferred into their own names. However, a beneficial owner whose shares are held in a specific segregated registered account, such as a numbered account with a bank or trust company, may direct that bank or trust company to enroll the account in the Plan.

How does an eligible shareholder become a Participant in the Plan?

By completing the attached Participation Form and returning it to the Agent. Once a shareholder has enrolled, his or her participation continues until terminated by the shareholder or until the Plan is suspended or terminated by the Company.

Will it be possible for Participants to receive a proportion of their dividends in cash and have the remainder reinvested?

Yes. Shareholders may elect to reinvest either 50% or 100% of the cash dividends paid on all Class A Shares registered in their names by so indicating on the Participation Form. Where no preference is indicated, 100% of a Participant’s cash dividends will be reinvested.

Regular quarterly statements of account will be mailed to each Participant.

How will new Class A Shares be purchased for Participants?

The Company will pay to the Agent the cash dividends paid on the Class A Shares registered in the name of a Participant, in addition to the cash dividends paid on the Class A Shares held by the Agent for the account of a Participant under the Plan. Depending upon the election of the Participant, the Agent will apply these funds to purchase Class A Shares from the Company which will be held by the Agent for the account of the Participant.

What will be the price of new Class A Shares purchased under the Plan?

The price of Class A Shares purchased under the Plan will be the weighted average price at which board lots of Class A Shares have traded on The Toronto Stock Exchange during the period of five trading days immediately preceding the relevant reinvestment date.

Will certificates be issued for the new Class A Shares?

No. However, a Participant may at any time obtain a certificate for any number of whole Class A Shares held for the account of the Participant under the Plan by writing to the Agent.

Are there restrictions on dealing with Class A Shares purchased under the Plan?

Yes. Class A Shares held for a Participant's account may not be pledged, sold or otherwise transferred. Therefore, prior to a transaction of this type, a Participant must request that a share certificate be issued. Certificates will not be issued for fractional shares.

How does a Participant terminate participation in the Plan?

Participation in the Plan may be terminated at any time by giving written notice to the Agent.

When participation is terminated, or upon suspension or termination of the Plan by the Company, certificates for whole Class A Shares held for Participants under the Plan will be issued and a cash payment will be made for any fractional shares.

When is termination effective?

If notice of termination is received by the Agent between a dividend record date and the dividend payment date, the Participant's account will not be closed until after the dividend payment date and the reinvestment of that dividend under the Plan. Otherwise, termination will be effective with respect to the next quarterly dividend.

What statements will be sent to Participants?

After each dividend payment date, a statement of account will be mailed to each Participant. The statements are a continuing record of purchases made under the Plan and should be retained for tax purposes. In addition, the Agent will annually provide each Participant with appropriate information for tax reporting purposes.

What are the tax consequences of participation in the Plan?

Participants will be subject to income tax on dividends reinvested in accordance with the Plan as though they had received cash dividends from the Company equal to the reinvested amounts.

Where should further enquiries be directed?

Inquiries should be addressed to the Agent as follows:

By telephone: CIBC Mellon Trust Company
Shareholder Services
416-643-5500

Toll-free throughout North America
1-800-387-0825

By fax: InvestorFax
416-643-5501

By mail: CIBC Mellon Trust Company
P.O. Box 7010
Adelaide Street Postal Station
Toronto, ON M5C 2W9

Attention: Dividend Reinvestment Services

Inquiries can also be addressed to the Company's head office as follows:

By telephone: Brookfield Asset Management Inc.
416-363-9491

By fax: Investor Relations
461-363-2856

By email: enquiries@brookfield.com

By mail: Brookfield Asset Management Inc.
BCE Place, 181 Bay Street
Suite 300, P.O. Box 762
Toronto, ON M5J 2T3