

Class A Preference Shares, Series 21 - BAM.PR.O

CUSIP: 112585 765

Share Provisions

The 5.00% Cumulative Class A Preference Shares, Series 21 (the "Series 21 Preferred Shares") trade on the Toronto Stock Exchange under the symbol **BAM.PR.O**.

Date Issued	June 25, 2008
Issue Price	C\$25.00
Number Outstanding	6,000,000

Dividends

The holders of the Series 21 Preferred Shares are entitled to receive fixed cumulative preferential cash dividends, if, as and when declared by the board of directors of Brookfield Asset Management, in an amount equal to C\$1.25 per share per annum, payable quarterly on the last day of March, June, September and December of each year. The first dividend for the period from June 25 to September 30, 2008 will be payable on September 30, 2008 and will be C\$0.3312 per share. Commencing with dividend payable on December 31, 2008, the regular quarterly dividend will be C\$0.3125 per share.

Redemption

The Series 21 Preferred Shares are not redeemable by the company before June 30, 2013. On or after this date, but subject to applicable law and to the provisions described below, the company may, at its option, at any time redeem all, or from time to time any part, of the outstanding Series 21 Preferred Shares, by the payment of an amount in cash for each such share so redeemed of C\$25.00 per share plus, in each case, all accrued and unpaid dividends up to but excluding the date fixed for redemption, less any taxes required to be deducted and withheld by the company.

Notice of any redemption will be given by the company at least 30 days and not more than 60 days prior to the date fixed for redemption. If less than all the outstanding Series 21 Preferred Shares are at any time to be redeemed, the shares will be redeemed on a *pro-rata* basis.

Conversion at the Option of the Company

The Series 21 Preferred Shares will not be convertible at the option of the company prior to June 30, 2013. On or after this date, the company may, subject to applicable law and other regulatory approvals, and upon notice, convert all, or from time to time any part, of the then outstanding Series 21 Preferred Shares into that number of Class A Limited Voting Shares determined (per Series 21 Preferred Share) by dividing the then applicable redemption price, together with all accrued and unpaid dividends up to but excluding the date fixed for conversion, by the greater of \$2.00 or 95% of the weighted average trading price of such Class A Limited Voting Shares on the TSX for the period of 20 consecutive trading days ending on the fourth day prior to the date specified for conversion or, if that fourth day is not a trading day, on the trading day immediately preceding such fourth day (the "Current Market Price"). Fractional Class A Limited Voting Shares will not be issued on any conversion of Series 21 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 21 Preferred Shares are at any time to be converted, the shares to be converted will be selected on a *pro-rata* basis.

Upon exercise by the company of its right to convert Series 21 Preferred Shares into Class A Limited Voting Shares, the company reserves the right not to issue Class A Limited Voting 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 to the rights of the company described below, on or after June 30, 2013, each Series 21 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 Class A Limited Voting Shares determined (per Series 21 Preferred Share) by dividing \$25.00, together with all accrued and unpaid dividends up to but excluding the date fixed for conversion, by the greater of \$2.00 or 95% of the then Current Market Price. Fractional Class A Limited Voting Shares will not be issued on any conversion of Series 21 Preferred Shares, but in lieu thereof the company will make cash payments.

Upon exercise of the conversion privilege by the holder of Series 21 Preferred Shares, the company reserves the right not to issue Class A Limited Voting 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.

The company, subject to the provisions described 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 21 Preferred Shares forming the subject matter of the applicable conversion notice, or (ii) cause the holder of such Series 21 Preferred Shares to sell on the first business day after the date fixed for conversion all or any part of such Series 21 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 21 Preferred Shares is or are found. Any such redemption or purchase shall be made by the payment of an amount in cash of \$25.00 per share, together with all accrued and unpaid dividends up to but excluding the date fixed for redemption or purchase, less any taxes required to be deducted and withheld by the company. The Series 21 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 21 Preferred Shares that are the subject of a conversion notice ("Subject Shares"), the company 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:

- (a) the number of Subject Shares to be redeemed for cash by the company;
- (b) the number of Subject Shares to be sold to another purchaser; and
- (c) the number of Subject Shares to be converted into Class A Limited Voting Shares.

such that all of the Subject Shares will be redeemed, purchased or converted on or before 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 date.

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 21 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 21 Preferred Shares will be entitled to receive C\$25.00 per share, together with all accrued and unpaid dividends up to but excluding the date of payment or distribution, less any taxes required to be deducted or withheld by the company, 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 21 Preferred Shares. Upon payment of such amounts, the holders of the Series 21 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 21 Preferred Shares are outstanding, Brookfield Asset Management will not, without the approval of the holders of the Series 21 Preferred Shares:

- i. 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 21 Preferred Shares) on shares of the company ranking as to dividends junior to the Series 21 Preferred Shares;
- ii. 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 21 Preferred Shares, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any shares of the company ranking as to capital junior to the Series 21 Preferred Shares;
- iii. 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, retire or make any return of capital in respect of any Class A Preference Shares, ranking as to the payment of dividends or return of capital on a parity with the Series 21 Preferred Shares; or
- iv. issue any additional Series 21 Preferred Shares or any shares ranking as to the payment of dividends or the return of capital prior to or on a parity with the Series 21 Preferred Shares,

unless, in each such case, all accrued and unpaid dividends up to and including the dividend payable for the last completed period for which dividends were payable on the Series 21 Preferred Shares and on all other shares of the company ranking prior to or on a parity with the Series 21 Preferred Shares with respect to the payment of dividends have been declared paid or set apart for payment.

Shareholder Approvals

In addition to any other approvals required by law, the approval of all amendments to the rights, privileges, restrictions and conditions attaching to the Series 21 Preferred Shares as a series and any other approval to be given by the holders of the Series 21 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 21 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 21 Preferred Shares then present would form the necessary quorum. At any meeting of holders of Series 21 Preferred Shares as a series, each such holder shall be entitled to one vote in respect of each Series 21 Preferred Share held.

Voting Rights

The holders of the Series 21 Preferred Shares are 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 21 Preferred Shares as a series) 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 21 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, and for only so long as any such dividends remain in arrears, the holders of the Series 21 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 21 Preferred Share held, provided that in respect of the election of directors, the holders of Series 21 Preferred Shares will vote with holders of Class A Limited Voting 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 2 may be entitled to elect if dividends on such shares are in arrears).

Upon payment of the entire amount of all Series 21 Preferred Share dividends in arrears, the voting rights of the holders of the Series 21 Preferred Shares shall forthwith cease.

