

**Brookfield**

**TAX RISK MANAGEMENT POLICY**

**Brookfield Asset Management Ltd.**

**May 2024**

# TAX RISK MANAGEMENT POLICY

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## TAX RISK MANAGEMENT POLICY

### OVERVIEW AND GOVERNANCE

The purpose of the Tax Risk Management Policy (the “Policy”) is to outline Brookfield Asset Management Ltd.’s (“Brookfield”, or the “Company”) approach to managing its tax function and provide a framework within which tax risks are assessed and managed in a controlled and effective manner. References to the Company also include Brookfield Asset Management ULC and its subsidiaries.

Brookfield’s Audit Committee (“AC”), which is comprised of members of Brookfield’s board of directors (the “Board”), has oversight responsibility for risk management throughout the Company. This Policy will be reviewed and approved annually by the AC and, if considered appropriate, the AC will recommend the Policy to the Board for approval.

The Chief Financial Officer (“CFO”) and the Managing Partner responsible for taxation (“Managing Partner”) are authorized to: (i) manage the tax risks of the Company; (ii) approve tax positions, tax settlements and payments; and (iii) establish new legal entities, in accordance with this Policy.

The following is a summary of the specific roles and responsibilities with respect to tax risk management:

	<b>Role</b>	<b>Frequency</b>
AC	Review of the Policy	Annually
	Review of quarterly report from management on material taxation risks and, if appropriate, report thereon to the Board	Quarterly
CFO	Responsibility for adherence to the Policy, reviewing quarterly reports, significant tax aspects of material and transactions and reporting to the AC	Quarterly ongoing
Managing Partner, Tax	Technical, commercial, and operational responsibility for adherence to the Policy and reporting to the CFO. and Responsibility for ensuring the related procedures are followed and documented	Quarterly ongoing

The Managing Partner, Tax will immediately report to the CFO any material developments, disputes or audits with Revenue Authorities and changes in the status thereof in relation to the taxation affairs of Brookfield. Any deviations from the Policy must also be reported to the CFO.

All material taxation risks will be reported to the AC as part of the overall annual risk management reporting, and the AC will report relevant matters to the Board, if appropriate. The AC will consider all reported material taxation risks in the overall risk management strategy and process for Brookfield.

## **SCOPE**

The Policy governs the corporate income tax risks of the Company and its wholly-owned subsidiaries through which the Company conducts its corporate activities and asset management operations.

For greater certainty, these subsidiaries are distinct from managed entities or wholly-owned or partially-owned business groups (such as Oaktree) and operating units that maintain their own governance and risk management practices.

The Company will manage its indirect corporate income tax exposure to activities conducted by other business groups in which it holds a controlling interest (“affiliates”) by reviewing the tax impact of certain proposed investment structures and transactions. The tax risk profile of these affiliates is reviewed at least on a quarterly basis by the Managing Partner, including review of each affiliate’s quarterly tax risk management report. The Company will also manage these tax exposures through participation in the development and implementation of the Tax Risk Management policy of these affiliates. All material taxation risks identified in affiliates that are assessed as high or are otherwise noteworthy will be reported to the CFO and AC as part of the overall quarterly risk management reporting.

## **TAX RISK MANAGEMENT POLICY**

Under the Policy, Brookfield seeks to comply with tax laws and filing deadlines in all jurisdictions in which Brookfield operates based on the legal and administrative practices in each jurisdiction. Brookfield may utilize available tax incentives, reliefs, and exemptions, provided these are aligned with the associated tax legislation.

Brookfield actively seeks to identify, evaluate, monitor, and manage tax risks to ensure that they are consistent with Brookfield’s objectives. In reviewing the tax risks associated with the business operations, Brookfield will consider the following:

- legal duties of directors and employees;
- compliance with internal policies and procedures, including Brookfield’s Transfer Pricing policy and International Business Travelers policy;
- impact on Brookfield’s relationships with tax authorities; and
- maintenance of Brookfield’s reputation as a world class asset manager.

In situations where tax law is unclear, subject to interpretation or where Brookfield does not have the internal expertise to assess a particular tax position, tax advice is obtained from external advisors who have the appropriate technical expertise. Brookfield is committed to maintaining a cooperative and open working relationship with tax authorities globally and ensuring that any tax audits are managed effectively. Brookfield seeks to make fair, accurate and timely disclosures in correspondence and tax returns and respond to queries in a timely manner.

## **POLICY REPORTING AND REVIEW**

The Company’s tax risk management process includes reporting on compliance with the Policy on a quarterly basis, with more frequent reporting to the CFO in respect of the status of ongoing tax matters. Tax positions are also reviewed periodically by the Managing Partner to assess the impact of major

transactions and strategic initiatives and adjusted as necessary.

The Managing Partner will prepare a Tax Risk Management Report on a quarterly basis addressed to the CFO containing the following:

1. Compliance with the Policy;
2. Status of any tax audits, appeals or litigation, an evaluation of the risks involved, the proposed resolution process and timing (this includes material tax exposures of affiliates);
3. Summary of compliance with taxation laws, including tax compliance obligations and payment of taxation liabilities, and
4. Any changes or proposed changes to taxation laws, taxation law interpretation or judicial and administrative practice and the impact on Brookfield.

The above quarterly reports will relate to the Company's direct activities and also will include those material tax risks of the Affiliates that are assessed as high or are otherwise noteworthy.

#### **DOCUMENTATION**

The Company will maintain tax files and documentation to support its tax filings and returns and will maintain such documentation in accordance with the statute of limitations prescribed under tax laws. Approvals of matters within the Policy may be provided either in written form or verbally.