

## Class A Preference Shares, Series 38 – BN.PF.E

CUSIP: 11271J735 (formerly 112585559)

### Share Provisions

The Cumulative Class A Preference Shares, Series 38 (the “**Series 38 Preferred Shares**”) are listed on the Toronto Stock Exchange under the symbol BN.PF.E (formerly BAM.PF.E).

<b>Date Issued</b>	March 13, 2014
<b>Issue Price</b>	C\$25.00
<b>Number Issued</b>	8,000,000
<b>Prior Designation</b>	Class A Preference Shares, Series 38 of Brookfield Asset Management Inc. (name change to Brookfield Corporation and ticker change from BAM to BN)

The following is a summary of certain provisions of the Series 38 Preferred Shares. Please also refer to the Disclaimer and General Terms.

#### Dividends

The holders of the Series 38 Preferred Shares are entitled to receive quarterly fixed cumulative preferential cash dividends, as and when declared by the board of directors payable quarterly on the last day of March, June, September and December in each year at an annual rate of \$1.10 per Series 38 share until March 31, 2020. The annual fixed dividend rate (the “**Annual Fixed Dividend Rate**”) for each subsequent 5-year fixed rate period will be equal to the sum of the Government of Canada Yield on the 30th day prior to the first day of such Subsequent Fixed Rate period plus 2.55%. The annual fixed dividend for each such period will be equal to the applicable Annual Fixed Dividend Rate multiplied by \$25.00.

As and when declared by the board of directors, the fixed quarterly dividend on the Series 38 Preferred Shares during the five-year period from April 1, 2020 until March 31, 2025 will be \$0.223 per share per quarter, which represents an annualized yield of 3.568% based on the redemption price of \$25 per share.

As and when declared by the board of directors, the fixed quarterly dividend on the Series 38 Preferred Shares during the five-year period from April 1, 2025 until March 31, 2030 will be \$0.3240625 per share per quarter, which represents an annualized yield of 5.185% based on the redemption price of \$25 per share.

#### Redemption

Brookfield Corporation may not redeem the Series 38 Preferred Shares prior to March 31, 2020. On March 31, 2020 and on March 31st every five years thereafter (each, a “**Conversion Date**”), the company may, subject to applicable law, at its option without the consent of the holders, redeem all or any part of the then outstanding Series 38 Preferred Shares by the payment of \$25.00 per share together with all accrued and unpaid dividends thereon up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld). Notice of any redemption must be given by the company at least 30 days and not more than 60 days prior to the date fixed for redemption.

#### Purchase for Cancellation

Brookfield Corporation may purchase (if obtainable) for cancellation the whole or any part of the Series 38 Preferred Shares in the open market or by private agreement or otherwise, at the lowest price obtainable in the opinion of the board of directors.

#### Conversion

Subject to certain restrictions, the holders of the Series 38 Preferred Shares have the right on any Conversion Date to convert any or all of the Series 38 Preferred Shares held by them for Cumulative Floating Rate Preferred Shares,

Series 39 of the company (the “**Series 39 Preferred Shares**”), on a one-for-one basis. Such a conversion of Series 38 Preferred Shares for Series 39 Preferred Shares must be initiated not less than 15 days and not more than 30 days prior to a Conversion Date. Under certain circumstances, the Series 38 Preferred Shares may automatically convert into Series 39 Preferred Shares, after March 31, 2020, on a one-for-one basis.

### **Voting**

At any time that eight quarterly dividends, whether or not consecutive, on the Series 38 Preferred Shares are not paid and thereafter until such time as all arrears of dividends on the Series 38 Preferred Shares are paid, the holders of Series 38 Preferred Shares shall be entitled to receive notice of and to attend each meeting of shareholders and to one vote in respect of each Series 38 Preferred Share held, provided that in respect of the election of directors, the holders of Series 38 Preferred Shares will vote with the 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). Except as aforesaid or as permitted by law, the holders of Series 38 Preferred Shares are not entitled to notice of or to attend any meeting of the shareholders of the company or to vote at any such meeting.

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

Brookfield Corporation will not without the approval of the holders of the Series 38 Preferred Shares:

1. declare, pay or set apart for payment any dividends (other than stock dividends in shares of the company ranking junior to the Series 38 Preferred Shares) on shares of the company ranking junior to the Series 38 Preferred Shares;
2. except out of the net cash proceeds of a substantially concurrent issue of shares ranking junior to the Series 38 Preferred Shares, redeem, purchase or otherwise retire or make any capital distribution on or in respect of shares of the company ranking junior to the Series 38 Preferred Shares;
3. redeem, purchase or otherwise retire less than all of the Series 38 Preferred Shares then outstanding; or
4. except pursuant to any retraction privilege, sinking fund, mandatory redemption or purchase obligation attaching thereto, redeem, purchase or otherwise retire any shares of any class or series ranking on a parity with the Series 38 Preferred Shares;

unless, in each such case, all dividends on outstanding Series 38 Preferred Shares accrued up to and including the dividend payable for the last completed period for which dividends were payable shall have been declared and paid.

### **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 38 Preferred Shares as a series and any other approval to be given by the holders of the Series 38 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 at least 25% of the outstanding Series 38 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 38 Preferred Shares then present would form the necessary quorum. At any meeting of holders of Series 38 Preferred Shares as a series, each such holder shall be entitled to one vote in respect of each Series 38 Preferred Share held.

### **Liquidation, Dissolution and Winding Up**

In the event of the liquidation, dissolution or winding up of Brookfield Corporation 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 38 Preferred Shares will be entitled to payment of an amount equal to C\$25.00 per share plus accrued and unpaid dividends up to but excluding the date of payment or distribution (less any tax required to be deducted or withheld) before any amount can be paid to the holders of shares ranking junior to the Series 38 Preferred Shares. Upon such payment, the holders of the Series 38 Preferred Shares will not be entitled to share in any future distribution of assets of the company.

### **Tax on Dividends**

Brookfield Corporation will elect, in the manner and within the time provided under Part VI.1 of the Income Tax Act (Canada) (the “**Tax Act**”), to pay or cause payment of the tax under Part VI.1 at a rate such that the corporate holders of Series 38 Preferred Shares will not be required to pay tax under Part IV.1 of the Tax Act on dividends received on such shares.