



## DISCLOSURE AND INSIDER TRADING POLICY

## TABLE OF CONTENTS

<b>A.</b>	<b>GENERAL .....</b>	<b>1</b>
1.	Definitions in this Policy.....	1
2.	Objectives of this Policy .....	1
3.	Application of this Policy .....	1
4.	Communications Covered by this Policy.....	1
5.	Distribution of this Policy .....	2
6.	Consequences of Non-Compliance with this Policy .....	2
7.	Documents Related to this Policy .....	2
<b>B.</b>	<b>DISCLOSURE COMMITTEE .....</b>	<b>2</b>
8.	Formation and Responsibilities of the Disclosure Committee.....	2
9.	Reporting to the Board.....	3
10.	Meetings and Minutes.....	4
<b>C.</b>	<b>DESIGNATED SPOKESPERSONS .....</b>	<b>4</b>
11.	Individuals Who are Authorized to Speak on Behalf of Brookfield.....	4
<b>D.</b>	<b>IDENTIFYING MATERIAL INFORMATION .....</b>	<b>4</b>
12.	Responsibility to Advise Disclosure Committee of Potential Material Information .....	4
13.	Determining Whether or Not Information is Material .....	5
<b>E.</b>	<b>APPROVALS.....</b>	<b>5</b>
14.	Approval by Disclosure Committee Before Public Disclosure.....	5
15.	Approval of Earnings Releases by the Audit Committee .....	7
16.	Approval of Core Documents by Board of Directors .....	7
<b>F.</b>	<b>DISCLOSURE OF MATERIAL INFORMATION.....</b>	<b>8</b>
17.	Disclosure of Material Changes .....	8
18.	Disclosure of Material Information that Does Not Constitute a Material Change.....	8
19.	Procedures When Material Information is Being Generally Disclosed .....	8
20.	Where Disclosure of Material Information Would Be Detrimental.....	10
21.	News Releases .....	11
22.	Correcting Errors .....	12
23.	Quiet Periods.....	12
24.	Disclosure Record.....	12
<b>G.</b>	<b>AVOIDING SELECTIVE DISCLOSURE .....</b>	<b>12</b>
25.	Shareholder Meetings, News Conferences, Analysts' Conferences, Industry	

	Conferences and On-Line Conferences .....	12
26.	Identifying and Rectifying Selective Disclosure.....	13
<b>H.</b>	<b>FORWARD-LOOKING INFORMATION .....</b>	<b>14</b>
27.	Brookfield’s Practice Regarding Earnings Guidance and Other Forward-looking Information .....	14
<b>I.</b>	<b>MAINTAINING CONFIDENTIALITY .....</b>	<b>15</b>
28.	Confidentiality .....	15
29.	Disclosure Permitted if Necessary in the Course of Business .....	16
30.	Confidentiality Agreements .....	16
31.	Rumours.....	17
<b>J.</b>	<b>RESPONSIBILITY FOR ELECTRONIC COMMUNICATIONS.....</b>	<b>17</b>
32.	Web Site and Electronic Communications .....	17
<b>K.</b>	<b>ANALYST DRAFT REPORTS AND MODELS .....</b>	<b>19</b>
33.	Reviewing Analyst Draft Reports and Models .....	19
34.	Distributing Analyst Reports .....	19
35.	Conference Calls.....	19
<b>L.</b>	<b>TRADING RESTRICTIONS AND BLACKOUT-PERIODS.....</b>	<b>20</b>
36.	Insider Trading and Tipping .....	20
37.	Trading Officer .....	20
38.	Black-out Periods.....	20
39.	Insider Reports.....	22
40.	Speculative and Short Sales .....	22
41.	Exercising Stock Options.....	22
42.	Pre-clearance of Securities Transactions by the Trading Officer .....	22

## **APPENDICES**

Appendix A - Definitions

Appendix B – Examples of Information That May Be Material

Appendix C – Examples of Disclosures That May Be Necessary in the Course of Business

## **A. GENERAL**

### **1. Definitions in this Policy**

Capitalized terms that are used in this disclosure policy (the “**Policy**”) have the meanings set forth in Appendix A or as otherwise defined. All other capitalized terms have the meanings set forth in the *Securities Act* (Ontario) and applicable rules thereunder.

### **2. Objectives of this Policy**

A principal objective of this Policy is to ensure that communications to the investing public about Brookfield Properties Corporation (“**Brookfield**”, “**our**”, “**we**”, or the “**Company**”) are timely, factual and accurate, and consistent and broadly disseminated in accordance with all applicable legal and regulatory requirements to make continuous and timely disclosure, and which impose liability for Misrepresentations in Corporate Documents and Public Oral Statements and restrict trading by Insiders.

Everyone who invests in Brookfield Securities should have equal access to information that may affect their investment decisions. Insiders of Brookfield and others who have Undisclosed Material Information about Brookfield are in a special relationship with Brookfield and should not purchase or sell Brookfield Securities or inform others of the Undisclosed Material Information unless it is necessary to do so in the ordinary course of business.

### **3. Application of this Policy**

This Policy applies to all directors, officers and other employees of Brookfield and its Subsidiaries.

Brookfield Asset Management Inc. (“**BAM**”) has acknowledged that it will comply with those parts of this Policy that are relevant to it as an Insider of Brookfield, including sections I.28, L.36, L.39 and L.40, and has provided Brookfield with a copy of BAM’s disclosure policy which governs BAM’s directors, officers and employees. The Disclosure Committee will monitor the Corporate Documents and Public Oral Statements of BAM to the extent they relate to Brookfield.

Sections B.9 and E.14 to I.31 of this Policy also apply to all other individuals authorized to speak on behalf of Brookfield, as contemplated by section C.11 of this Policy.

Sections K.33 to L.42 of this Policy also apply to each Associate of a director, officer or employee of Brookfield.

### **4. Communications Covered by this Policy**

This Policy applies to all methods and forms of communication by Brookfield, including disclosures that may reasonably be expected to be Generally Disclosed in Corporate Documents, statements made in our annual and quarterly reports, News Releases, letters to shareholders, speeches and presentations by senior officers or other persons speaking on behalf of Brookfield and information contained on Brookfield’s Web site and other electronic communications. It also extends to Public Oral Statements, including statements made in meetings and telephone conversations with analysts and investors, interviews with the media as well as press conferences and conference calls.

*This Policy confirms in writing our existing practices. The fact that this Policy contains lengthy and detailed provisions does not mean that it covers all circumstances that may arise. The subject matter of this Policy can raise difficult questions for Brookfield, senior officers and the board of directors.*

*Those questions can often be resolved satisfactorily only with experience and the making of informed judgments, often with the assistance of legal and other professional advice. This Policy should be interpreted and applied to achieve the purposes for which it was adopted.*

## **5. Distribution of this Policy**

The CC&AO of Brookfield will make available a copy of this Policy to each director and officer of Brookfield and its Subsidiaries upon becoming a director or officer, annually thereafter and whenever significant changes are made.

The Human Resources Department of Brookfield will make available either a copy of this Policy or a summary of this Policy to all other employees of Brookfield and its Subsidiaries upon becoming an employee, annually thereafter and whenever significant changes are made.

## **6. Consequences of Non-Compliance with this Policy**

*A director, officer or employee who violates this Policy may face disciplinary actions including termination of his or her employment with Brookfield for cause and without notice. The violation of this Policy may also violate certain securities laws. If Brookfield discovers that a director, officer or employee has violated any securities laws, we may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment and liability to investors and Brookfield for damages.*

## **7. Documents Related to this Policy**

From time to time, Brookfield may establish separate guidelines, policies and procedures that are related to the topics covered in this Policy.

## **B. DISCLOSURE COMMITTEE**

### **8. Formation and Responsibilities of the Disclosure Committee**

A committee must be formed consisting of the Chief Financial Officer (“**CFO**”), the Corporate Controller, the Corporate Counsel and CC&AO, the Vice President, Compliance and Assistant Corporate Counsel, and the Vice President, Investor Relations and Communications (the “**VP, Investor Relations**”) will be a member of the committee solely in connection with Press Releases and Brookfield’s Web site (the “**Disclosure Committee**”).

The Disclosure Committee has the responsibility to:

- (a) update this Policy regularly, including to take account of new developments and standards of practice;
- (b) make determinations about whether:
  - (i) any information is Material Information;
  - (ii) a Material Change has occurred;
  - (iii) selective disclosure has been or might be made; or
  - (iv) a Misrepresentation has been made;

- (c) monitor the effectiveness of and compliance with this Policy;
- (d) make all other determinations under this Policy and, in consultation with the Chairman of the Governance and Nominating Committee, grant any exemptions from this Policy;
- (e) educate Brookfield's directors, officers and other employees about the matters covered by this Policy;
- (f) review and approve, before they are Generally Disclosed, all written, electronic and oral disclosure before it is Generally Disclosed (including all News Releases, Corporate Documents and Public Oral Statements);
- (g) monitor Brookfield's Web site;
- (h) meet as needed, but at least once each quarter of every year, to discuss drafting responsibilities for public documents and to identify any areas of particular risk and sensitivity that require special care;
- (i) document, monitor and evaluate the disclosure controls and procedures and internal controls and procedures for financial reporting of Brookfield; and
- (j) provide a certification to the CEO and CFO of Brookfield prior to the filing with the SEC of each periodic report as to the Disclosure Committee's compliance with its policies and procedures and proper performance of its responsibilities and its conclusions resulting from its evaluation of the effectiveness of Brookfield's disclosure controls and procedures and internal controls and procedures for financial reporting.

## **9. Reporting to the Board**

The Disclosure Committee should report to the Audit Committee or the board of directors on any significant issues arising under this Policy, including circumstances where:

- (a) there may have been a Misrepresentation in a News Release, Corporate Document or Public Oral Statement;
- (b) there may have been a failure to make disclosure of Material Changes when required under applicable securities law;
- (c) there may have been a material breach of this Policy;
- (d) there may have been any significant changes, deficiencies and material weaknesses in the design or operation of Brookfield's disclosure controls and procedures or internal controls and procedures for financial reporting or any fraud (whether or not material) involving management or other employees, including corrective actions taken;
- (e) there is a serious occurrence of selective disclosure; or
- (f) securities regulators or stock exchanges have asked questions about or inquired into Brookfield's disclosure practices or whether any News Release, Corporate Document or Public Oral Statement may have contained a Misrepresentation or was, in any material

respect, misleading or untrue or whether Brookfield has failed to make disclosure of a Material Change when required.

The Disclosure Committee must report to the board of directors at least annually as to the effectiveness of and compliance with this Policy.

## **10. Meetings and Minutes**

It is not expected that the Disclosure Committee will have formal meetings and prepare minutes of meetings, although there may be circumstances where the Disclosure Committee considers it desirable to do so. Many decisions made by the Disclosure Committee will be made on a real-time basis as a result of informal meetings and consultations among the members of the Disclosure Committee who are then available. Where consultation with at least one other member of the Disclosure Committee is not reasonably possible on a timely basis, any member of the Disclosure Committee may make binding decisions under this Policy, subject to subsequent reports to and consultations with the other members of the Disclosure Committee with respect to those decisions. In all cases, however, the Disclosure Committee must prepare and retain a written or electronic copy of all of its decisions (including any exemptions granted), even if that record consists only of a memorandum-to-file describing the decisions made.

## **C. DESIGNATED SPOKESPERSONS**

### **11. Individuals Who are Authorized to Speak on Behalf of Brookfield**

Brookfield designates a limited number of Spokespersons who are authorized to make Public Oral Statements and who are responsible for communication with the media, analysts, investors, brokers and other members of the investment community. The CEO, the CFO and the VP, Investor Relations shall be the official Spokespersons (the “**Spokespersons**”) for Brookfield, with the CEO of BPO Properties Ltd. providing additional support for matters related to that entity. Individuals holding these offices may, from time to time, designate others to speak on behalf of Brookfield as back-ups or to respond to specific inquiries from the investment community or the media.

Other persons who are not authorized Spokespersons must not respond under any circumstances to inquiries from the investment community, the media or others. No other individual other than a Spokesperson has actual or implied authority to make any Public Oral Statement. Persons approached must immediately notify the VP, Investor Relations that the approach was made.

The names and telephone numbers of the Spokespersons must be provided to the market surveillance departments of the Toronto Stock Exchange and the New York Stock Exchange.

## **D. IDENTIFYING MATERIAL INFORMATION**

### **12. Responsibility to Advise Disclosure Committee of Potential Material Information**

A director, officer or other employee of Brookfield or its Subsidiaries who becomes aware of a new development, circumstance or information that may constitute Material Information must immediately

advise at least one member of the Disclosure Committee. If there is any doubt whether any particular information is Material Information, a member of the Disclosure Committee must be consulted.<sup>1</sup>

### **13. Determining Whether or Not Information is Material**

The Disclosure Committee is responsible for determining whether or not information is Material Information. When determining whether or not information is material, the Disclosure Committee must consider the following principles:

- (a) The nature of the information, Brookfield's existing disclosure record, the volatility and liquidity of Brookfield's Securities and prevailing market conditions will impact on materiality.
- (b) Material Information cannot be made immaterial by breaking it into smaller pieces.
- (c) The determination of whether or not information is material often involves the exercise of difficult business judgments based on experience.
- (d) If there is any doubt about whether information is material, Brookfield must err on the side of caution and the information must be disclosed to the public.
- (e) Regulators have given examples of events and information that they believe may be material. See Appendix B for examples of information that the Canadian securities regulatory authorities and the TSX believe may be material. It is understood that the examples in Appendix B would also be deemed material in the United States.
- (f) The Disclosure Committee should monitor the market's reaction to the release of information that is Generally Disclosed to assist it in making future judgments about the kinds of information that are likely to be Material Information.

## **E. APPROVALS**

### **14. Approval by Disclosure Committee Before Public Disclosure**

Corporate Documents (including News Releases that are associated with Corporate Documents) and Public Oral Statements must be reviewed and approved by the Disclosure Committee before they are issued or made. In approving the disclosure, the Disclosure Committee must apply the following principles:

- (a) The Disclosure Committee must be satisfied that the issuance or making, timing of release and content of any Corporate Document (including a News Release that is associated with a Corporate Document) or Public Oral Statement complies with Brookfield's disclosure obligations under applicable law and this Policy.
- (b) Before the issuance of any Corporate Document (including a News Release that is associated with a Corporate Document), or the making of any Public Oral Statement, the Disclosure Committee must:

---

<sup>1</sup> Regardless of whether any information may be Material Information, directors, officers and other employees must treat all corporate information as confidential unless they are absolutely certain the information has been announced in a News Release. See Section I.28 of this Policy.



- (i) conduct, or confirm that officers and/or other employees of Brookfield have conducted, or caused to be conducted, a reasonable investigation to satisfy themselves that the Corporate Document (including a News Release that is associated with a Corporate Document) or Public Oral Statement is not inaccurate, does not contain a Misrepresentation and is not, in a material respect, misleading or untrue; and
  - (ii) be satisfied that the Corporate Document (including a News Release that is associated with a Corporate Document) or Public Oral Statement is not inaccurate, does not contain a Misrepresentation and is not, in a material respect, misleading or untrue.
- (c) If any part of a News Release, Corporate Document or Public Oral Statement includes, summarizes or quotes from a report, statement or opinion made by an Expert, the Disclosure Committee must obtain the written consent of the Expert to the use of the report, statement or opinion and the Disclosure Committee must be satisfied that:
- (i) there are no reasonable grounds to believe that there is a Misrepresentation in the part of the News Release, Corporate Document or Public Oral Statement made on the authority of the Expert; and
  - (ii) the part of the News Release, Corporate Document or Public Oral Statement fairly represents the report, statement or opinion made by the Expert.
- (d) If any part of a Corporate Document (including a News Release that is associated with a Corporate Document) or Public Oral Statement is based upon disclosure (“**Third Party Disclosure**”) contained in a document filed by a person other than Brookfield (a “**Third Party**”) with the OSC or any other securities regulatory authority, the SEC, the TSX or the NYSE, the Disclosure Committee must:
- (i) be satisfied that the Third Party Disclosure was not corrected in another document filed by the Third Party with the OSC or any other securities regulatory authority in Canada, the SEC, the TSX or the NYSE, before the issuance of the Corporate Document (including a News Release that is associated with a Corporate Document) or the making of the Public Oral Statement;
  - (ii) ensure that the Corporate Document (including a News Release that is associated with a Corporate Document) or Public Oral Statement contains a reference identifying the document containing the Third Party Disclosure; and
  - (iii) have no reasonable grounds to believe that the Corporate Document (including a News Release that is associated with a Corporate Document) or Public Oral Statement contained a Misrepresentation.
- (e) If any part of a Corporate Document (including a News Release that is associated with a Corporate Document) or Public Oral Statement contains Forward-looking Information, the Disclosure Committee must comply with section H.27 of this Policy.
- (f) The Disclosure Committee should also consider and be satisfied that approval of the board of directors is not necessary or desirable prior to the issuance of a News Release or other Non-Core Document or the making of a Public Oral Statement. The Disclosure

Committee must not, however, delay the issuance of a News Release which the Disclosure Committee considers to be required by applicable law or this Policy for the purpose of obtaining board approval.

#### **15. Approval of Earnings Releases by the Audit Committee**

In addition to approval by the Disclosure Committee, each News Release announcing the results of operations for an interim or annual period must be approved by the Audit Committee.

#### **16. Approval of Core Documents by Board of Directors**

In addition to approval by the Disclosure Committee, each Core Document that is proposed to be issued by Brookfield must be reviewed and approved by the board of directors, or an appropriate committee of the board of directors, before its issuance.

Each Core Document submitted to the board of directors or a committee of the board of directors for approval will have a corresponding certificate signed by any two members of the Disclosure Committee (the “**Certifying Officers**”), in their capacities as officers of Brookfield, that will be retained in a paper or electronic file by the CC&AO for at least five years, certifying that:

- (a) the Disclosure Committee has reviewed the Core Document and approved its issuance;
- (b) after reasonable inquiry:
  - (i) they are satisfied that Brookfield has conducted a reasonable investigation to satisfy themselves that the Core Document is not inaccurate, does not contain a Misrepresentation and is not, in any material respects, misleading or untrue;
  - (ii) they are satisfied that the Core Document is not inaccurate, does not contain a Misrepresentation and is not, in any material respect, misleading or untrue;
  - (iii) if any part of a Core Document includes, summarizes or quotes from a report, statement or opinion made by an Expert, the Disclosure Committee has obtained the written consent of the Expert to the use of the report, statement or opinion and the Disclosure Committee is satisfied that:
    - (A) there are no reasonable grounds to believe that there is a Misrepresentation in the part of the Core Document made on the authority of the Expert; and
    - (B) the part of the Core Document made on the authority of the Expert, fairly represents the report, statement or opinion made by the Expert;
  - (iv) if any part of a Core Document is based upon Third Party Disclosure, the Disclosure Committee is satisfied that:
    - (A) the Third Party Disclosure was not corrected in another document filed by the Third Party with the OSC or other securities regulatory authority in Canada or a stock exchange before the issuance of the Core Document by Brookfield;

- (B) the Core Document contains a reference identifying the document containing the Third Party Disclosure; and
- (C) the Core Document does not contain a Misrepresentation; and
- (v) Brookfield's disclosure control system would in the ordinary course have given the Disclosure Committee knowledge of all the facts relevant to be disclosed in the Core Document.

## **F. DISCLOSURE OF MATERIAL INFORMATION**

### **17. Disclosure of Material Changes**

Subject to section F.20, Material Changes concerning Brookfield must be reported in a material change report which must be filed with the Canadian securities regulatory authorities and the SEC in accordance with the Multi-Jurisdictional Disclosure System as soon as practical upon the occurrence of a Material Change and no later than ten days after the Material Change occurs.

In complying with the requirement to disclose all Material Information under applicable laws and the TSX and NYSE rules, Brookfield will adhere, at a minimum, to the following basic disclosure rules:

- (a) **Disclosure must include any information which by omission would make the rest of the disclosure misleading (half truths are misleading).**
- (b) **Unfavourable Material Information must be disclosed as promptly and completely as favourable information.**
- (c) **There will be NO selective disclosure.** Previously Undisclosed Material Information must not be disclosed to selected individuals (for example, in an interview with an analyst or in a telephone conversation with a significant investor). If previously Undisclosed Material Information has been inadvertently disclosed, this information must be broadly disclosed as soon as practicable via News Release.
- (d) **Disclosure must be corrected** as soon as possible if Brookfield subsequently learns that earlier disclosure by Brookfield contained a misrepresentation at the time it was given.

### **18. Disclosure of Material Information that Does Not Constitute a Material Change**

Subject to section F.20, Material Information that does not constitute a Material Change must be Generally Disclosed immediately upon becoming known to the directors, officers or other employees of Brookfield or, in the case of information previously known, upon discovering that the information is Material Information.

Annual and interim financial results should be publicly released as soon as practicable following board approval of the financial statements and News Releases will be simultaneously posted on Brookfield's Web site.

### **19. Procedures When Material Information is Being Generally Disclosed**

- (a) The following procedure should be followed when Material Information is being Generally Disclosed:

- (i) The market surveillance departments of the TSX and the NYSE should be contacted before:
  - (A) the issuance of a News Release, if the TSX and the NYSE will be open at the time the News Release is to be issued, and be advised of the Material Information, the timing of the disclosure and whether a trading halt is requested, and be faxed a copy of the proposed News Release; or
  - (B) trading opens on the next trading day if the TSX and the NYSE was closed at the time the News Release was issued, and be advised of the News Release.
- (ii) News Releases will be disseminated through a news wire service that provides wide simultaneous distribution in Canada and the United States. News Releases will be transmitted to all stock exchange members, relevant regulatory bodies, major Canadian and United States national financial media and the local media in areas where Brookfield has its headquarters and operations.
- (b) Information contained in a News Release that is issued through a news wire service will not be considered to be Generally Disclosed until the News Release appears on such services and a reasonable period has elapsed (generally, at least 24 hours but it could be longer, depending on the circumstances) in order for the News Release to be adequately disseminated and to give investors a reasonable time to analyze the information. The reasonable period necessary for effective dissemination may vary depending on factors such as the complexity of the information and how broadly Brookfield is followed by analysts. Everyone to whom this Policy applies must treat the information as Undisclosed Material Information until this period has elapsed.
- (c) If circumstances permit, where the Material Information being Generally Disclosed is a planned disclosure (such as a scheduled earnings release) which is to be followed by a media conference call, Brookfield should:
  - (i) include in the News Release the date and time of the conference call, the subjects to be discussed and the means for accessing the conference call;
  - (ii) hold the conference call in an open manner, permitting investors and others to listen either by telephone or through the Internet; and
  - (iii) provide dial-in and/or web replay of the conference call or make transcripts available for some reasonable period after the conference call.
- (d) If circumstances permit, Brookfield should consider following the procedures described in paragraph F.19(b) any time when Material Information is being Generally Disclosed.
- (e) A copy of every News Release containing Material Information as determined by the Disclosure Committee that is issued and every material change report filed by Brookfield must be promptly distributed to the board of directors.

## 20. Where Disclosure of Material Information Would Be Detrimental

- (a) If the Disclosure Committee is of the reasonable opinion that the issuance of a News Release announcing Material Information would be unduly detrimental to Brookfield's interests (for example, if the release of the information would prejudice negotiations about a corporate transaction) the Disclosure Committee may:
  - (i) authorize and approve the filing of a confidential material change report in accordance with applicable securities law if, in its opinion, the Material Information may constitute a Material Change; and
  - (ii) follow the confidentiality procedures set out in paragraph F.20(b).
- (b) When a Material Change has not been Generally Disclosed in the circumstances described in paragraph F.20(a), the Disclosure Committee must:
  - (i) take steps to ensure that all persons with knowledge of the Material Information are aware of their obligation to keep the information confidential until such time as it is disclosed in a News Release and to refrain from purchasing or selling Brookfield's Securities or Related Financial Instruments, and Securities and related financial instruments of any other issuer that is affected by the Material Information, until such time as the information has been Generally Disclosed;
  - (ii) take reasonable steps to ensure that Brookfield does not release a Corporate Document or make a Public Oral Statement that, due to the Undisclosed Material Information, may contain a Misrepresentation;
  - (iii) promptly Generally Disclose the Material Information when in the reasonable opinion of the Disclosure Committee:
    - (A) the reasonable basis for confidentiality ceases to exist;
    - (B) the Material Change has become publicly known in a manner other than required under applicable securities law; or
    - (C) Brookfield has become aware or has reasonable grounds to believe that persons are purchasing or selling Brookfield's Securities or Related Financial Instruments, or Securities or related financial instruments of any other issuer that is affected by the Material Change, with knowledge of the Material Change;
  - (iv) monitor market trading activity in Brookfield's Securities, and in the Securities of any other issuer that is affected by the Material Change, in order to be able to make the decisions referred to in clauses F.20(b)(iii)(B) or F.20(b)(iii)(C) above; and
  - (v) review the circumstances at least every ten days and either renew the confidential filing of the material change report or ensure that the Material Change is promptly Generally Disclosed.

- (c) When a confidential material change report is filed or renewed, the Disclosure Committee must promptly advise the board of directors of:
  - (i) the fact that a confidential material change report was filed or renewed and distribute a copy of the report to them; and
  - (ii) their reasons for concluding that it would be unduly detrimental to Brookfield's interests for the Material Change to be Generally Disclosed.

## 21. News Releases

No News Release containing potentially Material Information can be released until the Disclosure Committee has determined that it is suitable. In making this determination, the Disclosure Committee must confirm that the News Release generally complies with the following principles:

- (a) The information must be factual, with appropriate due diligence having been performed by directors, officers or other employees of Brookfield or third party advisors, and must include any information that would make the rest of the disclosure misleading if it was omitted.
- (b) The information must present a balanced point of view.
- (c) The News Release must contain sufficient detail to enable the media and investors to understand the substance and importance of the information being disclosed.
- (d) The News Release must clearly and accurately communicate the nature of the information, without including unnecessary details, exaggerated reports or editorial commentary designed to colour the investment community's perception of the announcement.
- (e) The News Release must contain the name and contact information of Spokespersons from whom further information may be obtained.
- (f) Disclosure shall not be made of an intention to proceed with a transaction or activity unless Brookfield has the ability to carry out the intention.
- (g) The News Release must comply with applicable laws.
- (h) A News Release should be approved by Brookfield's board of directors or Audit Committee before being issued if it contains:
  - (i) earnings guidance; or
  - (ii) financial information which is based on or derived from Brookfield's financial statements; or
  - (iii) any other information that it would be appropriate for the Board to review as determined by the Disclosure Committee.
- (i) Exceptions to that practice in F.21(h) above may include a News Release issued to rectify an instance of selective disclosure or to correct any Misrepresentation.

## 22. Correcting Errors

If the Disclosure Committee determines that a News Release, Corporate Document or a Public Oral Statement issued or made contains a Misrepresentation or is in any material respect misleading or untrue, or there has been a failure by Brookfield to make timely disclosure of a Material Change, the Disclosure Committee must take immediate steps to Generally Disclose correcting information or the Material Change and immediately advise Brookfield's board of directors.

## 23. Quiet Periods

In order to avoid the potential for selective disclosure or even the perception or appearance of selective disclosure, Brookfield will observe a quarterly quiet period, during which Brookfield will not initiate any meetings or telephone contacts with analysts and investors and no discussion on earnings or the financial results of the Company for the fiscal year or the quarter will take place. The quiet period will generally commence on or about the first day of the month following the end of a quarter and will end with the issuance of a News Release disclosing quarterly results. For greater certainty, during a quiet period, the Company may respond to unsolicited inquiries about information that is not Material Information or that has previously been Generally Disclosed.

## 24. Disclosure Record

The CC&AO must retain an up-to-date paper or electronic file containing copies of all News Releases, Corporate Documents and Public Oral Statements (to the extent that there is a paper or electronic file containing such statements) for at least five years. The VP, Investor Relations must retain a record of all participants in analysts' conferences, private meetings with analysts, industry conferences and on-line conferences and transcripts or recordings of all shareholder meetings, news conferences, analysts' conferences, private meetings with analysts, industry conferences and on-line conferences ("**Outside Meetings**") for at least five years.

## G. AVOIDING SELECTIVE DISCLOSURE

### 25. Shareholder Meetings, News Conferences, Analysts' Conferences, Industry Conferences and On-Line Conferences

Selective disclosure occurs when Undisclosed Material Information is communicated to particular persons such as analysts, institutional investors, investment dealers or other third parties, other than in the necessary course of the Company's business, and is not Generally Disclosed so that all investors have access to the information. ***Selective disclosure of Undisclosed Material Information, including Earnings Guidance, is not permitted.***

When participating in Outside Meetings or in any other circumstances where a Public Oral Statement may be made, Brookfield Spokespersons will only provide information that is not material or Material Information that has previously been Generally Disclosed, recognizing that an analyst or investor may construct this information into a mosaic that could result in Material Information. Acceptable topics of discussion may, depending on the circumstances, include the Company's general prospects, the business environment, management's philosophy and long-term strategy.

If Brookfield intends to announce Material Information at an Outside Meeting, the announcement must be preceded by a News Release.

Brookfield recognizes that analysts are important conduits for disseminating information to the investing public and that analysts play a key role in interpreting and clarifying existing public data and in providing investors with background information and details that cannot practically be put in public documents. Brookfield recognizes that meetings with significant investors are an important element of the Company's investor relations program. Brookfield will meet with analysts and investors on an individual or small group basis as and will respond to analyst and investor calls in a timely, consistent and accurate fashion in accordance with this Policy.

Brookfield will, upon request, provide the same sort of information that is not Material Information to individual investors or reporters that it has provided to analysts and institutional investors.

To protect against selective disclosure, the following procedures must be followed where practical:

- (a) Spokespersons who are participating in meetings or conferences must script their comments and prepare answers to anticipated questions in advance of the meeting or conference;
- (b) more than one Brookfield representative must be present at Outside Meetings;
- (c) the scripts must be reviewed and approved by the Disclosure Committee (or by at least one member of the Disclosure Committee other than the member who has prepared the scripts or is proposing to make the statements contemplated for the scripts) before the meeting or conference and any Undisclosed Material Information that is contained in the scripts must be Generally Disclosed before the meetings or conferences or deleted from the scripts if it is premature for the information to be Generally Disclosed; and
- (d) detailed records or transcripts must be kept of the statements made and materials made available in the meetings and conferences.

## **26. Identifying and Rectifying Selective Disclosure**

Immediately after each Outside Meeting or following the making of any other Public Oral Statement, Spokespersons and other participants must review the disclosures made during the course of the meeting or conference or in the Public Oral Statement to determine if any Undisclosed Material Information was disclosed.

Should Undisclosed Material Information inadvertently be disclosed in a selective forum, Brookfield will immediately issue a News Release as soon as practicable in order to fully publicly disclose that information and must immediately report the circumstances to the board of directors.

Pending the Material Information being Generally Disclosed, Brookfield must, promptly and using reasonable means, contact the parties to whom the information was disclosed and inform them:

- (a) that the relevant information is Undisclosed Material Information; and
- (b) that they have a legal obligation to not disclose the information to others or to trade in Brookfield's Securities or Related Financial Instruments, or the Securities or related financial instruments of any other issuer that is affected by the Material Information.



## **H. FORWARD-LOOKING INFORMATION**

### **27. Brookfield's Practice Regarding Earnings Guidance and Other Forward-looking Information**

Brookfield may from time to time give Earnings Guidance or provide other Forward-looking Information through voluntary disclosure.

If Forward-looking Information is proposed to be disclosed, whether in writing or orally:

- (a) the Disclosure Committee must be satisfied that there is a reasonable basis for drawing a conclusion or making any forecast or projection contained in the Forward-looking Information;
- (b) the Disclosure Committee must obtain the approval of the board of directors or Audit Committee before issuing a News Release containing Forward-looking Information which is based on or derived from financial statements that have not been released;
- (c) Forward-looking Information must be accompanied by a statement that disclaims any obligation or intention to update or revise the Forward-looking Information, whether as a result of new information, future events or otherwise, except as required by law.
- (d) Brookfield must disclose in its MD&A:
  - (i) or in a News Release published beforehand, any events or circumstances that occurred during the period and that are reasonably likely to cause future results to differ materially from any previously disclosed material Forward-looking Information. The expected differences must be stated;
  - (ii) any material differences between actual results for the period and any previously disclosed future-oriented financial information or financial outlook, unless such information or outlook is properly withdrawn before the end of the period covered by the information or outlook; and
  - (iii) or in a News Release published beforehand, any decision to withdraw material Forward-looking Information and the events and circumstances that led to the decision, including any assumptions underlying the Forward-looking Information that are no longer valid;
- (e) If the Forward-looking Information is contained in a Corporate Document, the Corporate Document must contain, proximate to the Forward-looking Information:
  - (i) reasonable cautionary language identifying the information as Forward-looking Information and include a caution that actual results may vary from the Forward-looking Information;
  - (ii) the risks and uncertainties that may cause actual results to differ materially from those projected in the Forward-looking Information;

- (iii) the material factors or assumptions that are specific to Brookfield and were applied in drawing a conclusion or making a forecast or projection set out in the Forward-looking Information; and
  - (iv) with respect to future-oriented financial information and financial outlook, an explanation of its purpose and caution that the information may not be appropriate for other purposes;
- (f) If the Forward-looking Information is contained in a Public Oral Statement, the person making the Public Oral Statement must be instructed to:
- (i) make a cautionary statement that his or her comments contain Forward-looking Information;
  - (ii) state that the actual results could differ materially from a conclusion, forecast or projection in the Forward-looking Information;
  - (iii) state that certain material factors or assumptions were applied in drawing a conclusion or making a forecast or projection reflected in the Forward-looking Information; and
  - (iv) identify a readily-available Corporate Document (or portion of a readily-available Corporate Document) where additional information can be found about the material factors that could cause actual results to differ materially from the conclusion, forecast or projection in the Forward-looking Information, and the material factors or assumptions that were applied in drawing the conclusion or making the forecast or projection.

## I. MAINTAINING CONFIDENTIALITY

### 28. Confidentiality

Directors, officers and other employees privy to confidential information are prohibited from communicating this information to anyone else until it has been Generally Disclosed. ***Disclosure of Undisclosed Material Information, other than in the necessary course of business, may constitute illegal “tipping” under applicable securities law and may subject the individual making the disclosure to severe penalties, including possible jail term.*** Efforts will be made to limit access to such confidential information to only those who need to know the information, however directors, officers and other employees must assume that all information about the Company is confidential unless they are absolutely certain that the information has been Generally Disclosed, or they have first consulted with a member of the Disclosure Committee and have been advised that the information has been Generally Disclosed.

In order to prevent the misuse or inadvertent disclosure of confidential information, the following procedures must be observed:

- (a) **Confidential matters should not be discussed in places where the discussion may be overheard**, such as elevators, hallways, restaurants, public transit, airplanes or taxis.
- (b) **Confidential documents should not be read in public places** and should not be discarded where others can retrieve them.

- (c) **Directors, officers and employees must ensure they maintain the confidentiality of information** in their possession outside of the office as well as inside the office.
- (d) **Unnecessary copying of confidential documents** should be avoided and documents containing confidential information should be promptly removed from conference rooms and work areas after meetings have concluded. Extra copies of confidential documents should be shredded or otherwise destroyed.
- (e) **Access to confidential electronic data** should be restricted through the use of passwords, and code names must be used when it is prudent to do so.
- (f) **Documents and files** containing Undisclosed Material Information must be kept in a secure place where access is restricted to individuals who “need to know” that information in the necessary course of business.
- (g) **All proprietary information**, including computer programs and other records, remain the property of Brookfield and may not be removed, disclosed, copied or otherwise used except in the normal course of employment or with the prior permission of a member of the Disclosure Committee.

## **29. Disclosure Permitted if Necessary in the Course of Business**

Undisclosed Material Information may be disclosed to directors, officers and other employees of Brookfield and to third parties only if disclosure is necessary in the course of Brookfield’s business. Communication of Undisclosed Material Information other than in the necessary course of business may be illegal “tipping”, even if a confidentiality agreement has been entered into. Appendix C lists circumstances where securities regulators believe disclosure may be in the necessary course of business. Individuals should consult with Brookfield’s CC&AO to determine whether disclosure in a particular circumstance is in the necessary course of business.

Where any Undisclosed Material Information communicated in the necessary course of business becomes publicly known on a selective basis, there are rumours in the market with respect to such information or there are reasonable grounds to believe that persons are purchasing or selling Brookfield’s Securities or Related Financial Instruments with knowledge of such information, the Material Information must be promptly Generally Disclosed by News Release.

## **30. Confidentiality Agreements**

Outside parties privy to Undisclosed Material Information concerning Brookfield will be told that they must not divulge such information to anyone else, other than in the necessary course of business, and that they may not trade in Brookfield’s Securities until the information is Generally Disclosed unless they have written authorization from Brookfield. To the extent practical, such outside parties will be asked to confirm their commitment to non-disclosure in the form of a written confidentiality agreement. In exceptional circumstances where the Disclosure Committee considers it warranted, the directors, officers and other employees of the Company who have knowledge of a significant pending transaction, development or event that constitutes Material Information may also be asked to confirm their commitment to non-disclosure in writing.

### 31. Rumours

Spokespersons must not comment, affirmatively or negatively, on rumours. This also applies to rumours on the Internet. Brookfield's Spokespersons will respond consistently to those rumours, saying, "It is our Policy not to comment on market rumours or speculation." If Undisclosed Material information has leaked or become known and appears to be affecting trading activity in Brookfield's Securities, immediate steps must be taken to Generally Disclose the information, and if the Disclosure Committee determines it is appropriate, contact the market surveillance department of the TSX and/or Brookfield's Exchange representative at the NYSE to discuss the matter.

Should the TSX or the NYSE or other regulator request that Brookfield make a clarifying or definitive statement in response to a market rumour, particularly one that is causing significant volatility in the stock, Brookfield should, if the Disclosure Committee determines it is appropriate to do so, promptly issue a News Release:

- (a) denying the rumour, if the rumour is false; or
- (b) disclosing the relevant Material Information, if the rumour is correct in whole or in part.

## J. RESPONSIBILITY FOR ELECTRONIC COMMUNICATIONS

### 32. Web Site and Electronic Communications

This Policy also applies to electronic communications. Accordingly, officers and personnel responsible for Corporate Documents (including a News Release that is associated with a Corporate Document) and Public Oral Statements shall also be responsible for electronic communications. The VP, Investor Relations is responsible for updating the investor relations section of our Web site and is responsible for monitoring all information placed on the Web site to ensure that it is accurate, complete and up to date. The investor relations section of the Web site shall include a notice that advises the reader that the information posted was accurate at the time of posting, but may be superseded by subsequent disclosures. All data posted to the Web site, including text and audio-visual material, shall show the date that such material was posted. Any amendments or corrections to Brookfield's information must be updated immediately.

Outlined below are other electronic communications guidelines:

**Links from Brookfield's Web site to a third party Web site** must be approved by the VP, Investor Relations. Any such links will include a notice that advises the reader that he or she is leaving Brookfield's Web site and that we are not responsible for the contents of the other site.

**Only information that is not Material Information, or Material Information that has been Generally Disclosed, may be placed on the investor relations page of the Web site.**

**Disclosure on Brookfield's Web site alone does not constitute adequate disclosure of information** that is considered Undisclosed Material Information. Any disclosure of Material Information on our Web site will be preceded by a News Release.

**Response to electronic enquiries are the responsibility of the VP, Investor Relations.** Only public information or information which could otherwise be disclosed in accordance with this Policy shall be utilized in responding to electronic inquiries.

**No links may be created from the investor relations page or Brookfield's Web site to chat rooms, newsgroups or bulletin boards.**

**Directors, officers and employees are prohibited from participating in Internet chat room or newsgroup discussions** on matters pertaining to Brookfield's activities or its Securities. Directors, officers or employees who encounter a discussion pertaining to Brookfield should advise the VP, Investor Relations immediately.

**The investor relations information must be placed on a separate page on Brookfield's Web site** and must not be commingled with any sales and marketing or promotional material regarding Brookfield.

**The investor relations page must explain what information is posted** on the investor relations page of the Web site and the archiving and retention policies.

**The following information must be included on the investor relations page:**

- (a) all Material Information that has previously been Generally Disclosed, including, without limitation, all documents filed on SEDAR and EDGAR which may be included in the form of a link to the SEDAR and EDGAR Web sites;
- (b) all information that is not Material Information that is given to analysts, institutional investors and other market professionals (such as fact sheets, fact books, slides of investor presentations, materials distributed at analyst and industry conferences); and
- (c) transcripts or Web replays of shareholder meetings, analysts' conferences, private meetings with analysts, industry conferences or on-line conferences.

**The investor relations page must contain an e-mail link to Brookfield's Investor Relations Department** to facilitate communication with investors.

**Information required to be included on the investor relations page must be posted promptly following the occurrence of the event requiring such inclusion.**

**Inaccurate information must be promptly removed** from the investor relations page and a correction posted.

**Information contained on the investor relations page must be archived** when it is no longer current.

**The following retention periods must be observed** for information on the investor relations page of Brookfield's Web site:

- (a) News Releases must be retained for a period of one year from the date of issue;
- (b) other information must be retained for 2 years.

**If Brookfield is considering a distribution of its Securities, the content of the Web site must be reviewed by the Disclosure Committee** before and during the offering to ensure compliance with applicable securities laws.

## **K. ANALYST DRAFT REPORTS AND MODELS**

### **33. Reviewing Analyst Draft Reports and Models**

It is Brookfield's policy to review, upon request, analysts' draft research reports or models. Brookfield will review the report or model for the purpose of pointing out errors in fact based on Generally Disclosed information. It is our policy, when an analyst inquires about his/her estimates, to question an analyst's assumptions if the estimate is a significant outlier among the range of estimates and/or Brookfield's published earnings guidance. We will limit our comments in responding to these types of inquiries to the correction of factual errors based on Generally Disclosed information. Brookfield will not confirm, or attempt to influence, an analyst's opinions or conclusions and will not express comfort with the analyst's model and earnings estimates.

In order to avoid appearing to "endorse" an analyst's report or model, Brookfield must provide its comments orally or will attach a disclaimer to written comments to indicate the report was reviewed only for factual accuracy.

It is Brookfield's policy to communicate or provide to analysts only information that is not Undisclosed Material Information and Material Information that has been Generally Disclosed.

### **34. Distributing Analyst Reports**

Brookfield regards analysts' reports as proprietary information belonging to the analyst's firm. Re-circulating a report by an analyst may be viewed as an endorsement by Brookfield of the report. For these reasons, analysts' reports must not be circulated by directors, officers or other employees of Brookfield by any means, including posting such information on our Web site, to persons outside of Brookfield. Brookfield may post on our Web site a complete list, regardless of the recommendation, of all the investment firms and analysts who provide research coverage on the Company. If provided, such list will not include links to the analysts' or any other third party Web sites or publications.

### **35. Conference Calls**

Conference calls will be held for quarterly earnings and material corporate developments, in which discussion is accessible simultaneously by all interested parties, although some participants may be in a listen-only mode by phone or by Web cast on the Web site. The call will be preceded by a News Release. Conference calls about corporate developments and other Material Information likely to significantly affect Brookfield's common share price typically will be scheduled outside trading hours where possible, to avoid or minimize the risk of selective disclosure. A Spokesperson will provide cautionary language with respect to any Forward-looking Information in accordance with section H.27(f) of this Policy.

Brookfield will publicly announce the date and time of the call by sending invitations to analysts, institutional investors, the media and others invited to phone in, and by News Release and posting on the Web site for other persons to access the call. All supplemental information that is not Undisclosed Material Information will be posted on the Web site. A tape recording of the conference call or an archived audio Web cast on the Internet will be made available following the call for a minimum of 30 days, for anyone interested in listening to a replay.

A debriefing will be held after the conference call and if the debriefing uncovers selective disclosure of previously Undisclosed Material Information, Brookfield will immediately disclose the information broadly via News Release.

## **L. TRADING RESTRICTIONS AND BLACKOUT-PERIODS**

### **36. Insider Trading and Tipping**

It is illegal for anyone to purchase or sell Securities of any public company with knowledge of Material Information affecting that company that has not been Generally Disclosed. Except in the necessary course of business, it is also illegal for anyone to engage in “tipping”, meaning informing any other person of Undisclosed Material Information, other than when necessary in the course of business.

Insiders and employees with knowledge of confidential or Material Information about Brookfield or counter-parties in negotiations of material potential transactions, are prohibited from trading Securities of Brookfield or any counter-party until the information has been fully disclosed and a reasonable period of time has passed for the information to be widely disseminated.

### **37. Trading Officer**

The Disclosure Committee will designate a senior officer to monitor trading in Brookfield’s Securities by directors, officers and other employees (including all property managers and all assistants to officers) of Brookfield who routinely know of Undisclosed Material Information (the “**Trading Officer**”). Such directors, officers and other employees must obtain the approval of the Trading Officer before the purchase or sale of any Brookfield’s Securities in accordance with section L.42. The Trading Officer must obtain the approval of the CEO or CFO before purchasing or selling any of Brookfield’s common shares. If any director, officer or other employee requires any guidance or clarification, the matter should be referred to the Trading Officer prior to any trading activity.

The Trading Officer shall be Brookfield’s CC&AO.

### **38. Black-out Periods**

Trading Black-out Periods will apply to all directors, officers and employees with access to Undisclosed Material Information and during periods when financial statements are being prepared but results have not yet been Generally Disclosed. Applicable laws will be complied with in determining and implementing Black-out Periods associated with Brookfield’s compensation plans.

Black-out Periods may be prescribed from time to time as a result of special circumstances relating to Brookfield during which directors, officers and employees of Brookfield and its Subsidiaries would be precluded from trading in Securities of Brookfield. All parties with knowledge of special circumstances should be covered by the Black-out Period and this may include external advisors such as legal counsel, investment bankers and counter-parties in negotiations of material potential transactions.

#### **Regular Black-out Periods**

The regular Black-out Periods commence on the first day of the month following the end of a quarter and end on the second day following the issuance of the news release disclosing the quarterly results. The Black-out Period is a particularly sensitive period of time for trading in the Company’s Securities from the perspective of compliance with applicable securities laws. This sensitivity is due to the fact that directors, officers and certain other employees may, during that

period, possess Material Undisclosed Information about the expected financial results for the quarter. Without the express written consent of the Trading Officer, in consultation with the Chairman of the Governance and Nominating Committee, directors, officers and other employees of Brookfield are prohibited from entering into a Securities Transaction during the Black-out Period.

The Trading Officer shall be responsible for informing the directors, officers and other employees of the Black-out Periods. Such communication may be made via Brookfield's email or posting on Brookfield's intranet.

### **Special Black-out Periods**

Brookfield may also institute special Black-out Periods (the "**Special Black-out Periods**") in circumstances that may lead to a material corporate development. The Special Black-out Period supplements the general prohibition against entering into Securities Transactions while in possession of Material Undisclosed Information provided for in this Policy and that apply under applicable securities laws. The Trading Officer, in consultation with the Chairman of the Governance and Nominating Committee, shall determine the exact time and nature of the Special Black-out Period and shall create the list of persons ("**Designated Insiders**") subject to the Special Black-out Period. Notice of the Special Black-out Period will be distributed by the Trading Officer by means of a written or electronic communication specifying its duration and the Designated Insiders. In certain circumstances, the Designated Insiders shall be required to acknowledge in writing the existence of the Special Black-out Period.

The Designated Insiders will include all directors, officers and other employees who have access to confidential information about the material development and may include external advisors such as legal counsel, investment bankers and counter-parties in negotiations of material potential transactions.

Whether a Special Black-out Period is appropriate must be determined based on all the facts and circumstances that exist at the time. The following are some of the factors that may be considered:

- The effect of the transaction or event on the Company's financial position and results of operations (e.g. assets, revenue, funds from operations, leverage).
- The stage of the negotiations or discussions (e.g. an initial bid in the ordinary course, exclusive negotiations, the execution of a purchase contract on a confidential basis).
- Conditions to completion or occurrence.
- Public awareness of the circumstances.
- Strategic significance.
- Current state of the economy.

Generally, the Special Black-out Period will be instituted when the Company is actively pursuing a transaction or involved in another event that has a reasonable likelihood of being completed if the transaction or event could reasonably be expected to have a significant effect on the market



price or value of any Securities of the Company or be considered important to an investor in making an investment decision in the Company's Securities.

### **39. Insider Reports**

Immediately after becoming an Insider, immediately following the purchase or sale of Brookfield's Securities and immediately after transacting in a Related Financial Instrument, an Insider must complete all insider reports required by the securities regulators and provide the insider report to Brookfield's CC&AO who must file the report in a timely fashion. Brookfield's Corporate Human Resources Department will prepare and file insider reports relating to Insiders' incentive compensation, such as the granting of stock options, stock purchases and annual filings for Securities acquired under Brookfield's Share Option Plan or Deferred Share Unit Plan.

### **40. Speculative and Short Sales**

Investing in Brookfield's Securities provides an opportunity to share in the future growth of Brookfield. Investment in Brookfield and sharing in its growth, however, does not mean short-range speculation based on fluctuations in the market. Such activities may put the personal gain of the director, officer or employee in conflict with the best interests of Brookfield and its securityholders. Therefore, directors, officers and other employees of Brookfield who routinely know of Undisclosed Material Information may not purchase or sell Brookfield's Securities with the intention of reselling or buying back in a relatively short period of time in the expectation of a rise or fall in the market price of the Securities (as distinguished from purchasing or selling securities as part of a long term investment program) and may not, at any time, sell Brookfield's Securities short or buy or sell call or put options or other derivatives in respect of Brookfield's Securities.

Directors, officers and other employees of Brookfield must notify the Trading Officer of any pledge of Brookfield's Securities or any Brookfield Securities purchased on a margin and if such pledge or margin purchase exceeds \$500,000, such transaction must be approved in advance by Brookfield's Chief Executive Officer and reported to the Governance and Nominating Committee at their next quarterly meeting.

### **41. Exercising Stock Options**

A director, officer or employee is not prohibited from exercising stock options under the Company's stock option plans if such exercise results in the applicable officer or director owning Brookfield's securities, since the "strike price" does not vary with the market but is fixed by the terms of the option agreement or the plan. Upon the acquisition of such securities, the director or officer would be subject to the then applicable Black-out Periods or Special Black-out Periods.

### **42. Pre-clearance of Securities Transactions and Trading Plans by the Trading Officer**

All directors and officers of Brookfield and its subsidiaries, all property managers and all assistants to officers of Brookfield who have access to Material Information shall be required to obtain the Trading Officer's approval for all Securities Transactions (including without limitation, any purchase or sale of securities made pursuant to a written agreement) and the entering into of any trading plans (including without limitation automatic plans that comply with SEC Rule 10b5-1 and applicable Canadian securities laws and regulations).

In order to enter into such a Securities Transaction, such persons shall send an email to the trading officer at TradingOfficer@brookfieldproperties.com giving notice that they want to trade in Securities or exercise an option. Included in the request shall be the amount of shares or options, if options, when they were awarded, the strike price of the options to be exercised and if there is a floor below which the holder does not want the option shares to be sold. If there is no floor stated the option shares will be sold at the then prevailing market price.

The Trading Officer will respond promptly that the request has either been approved or, where trading is not appropriate, has been disapproved. Insider Reports are due 10 days after the date the securities are traded or options are exercised.

If the Trading Officer receives a request for approval of a Securities Transaction from the Chairman, Co-Chairman, Chief Executive Officer, any division President, the Chief Financial Officer or the Senior Vice President, Finance, the General Counsel or the CC&AO wishes to make a Securities Transaction him or herself, the Trading Officer shall consult with BAM's trading officer to ensure that such officers are not prohibited from entering into a Securities Transaction. Based upon such consultation, the Trading Officer will respond promptly that the request has either been approved or, where trading is not appropriate, has been disapproved.

*Adopted by the Board of Directors November 1, 2005.*

*Affirmed by the Board of Directors November 1, 2006.*

*Amended and Affirmed by the Board of Directors October 29, 2007.*

*Amended and Affirmed by the Board of Directors October 27, 2008.*

## APPENDIX A

### DEFINITIONS

“**Act**” means the *Canada Business Corporations Act*, as the same may be amended from time to time and any successor legislation thereto;

“**Associate**” of a director, officer or employee of Brookfield means:

- (a) a company of which the individual beneficially owns, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all voting securities;
- (b) any business partner of the individual;
- (c) any trust or estate in which the individual has a substantial beneficial interest or as to which the individual serves as a trustee;
- (d) the spouse or common law spouse of the individual, whether or not of the opposite sex, who resides in the same home as the individual; and
- (e) any relative of the individual or his or her spouse or common law spouse referred to in (d) who resides in the same home as the individual.

“**Black-out Period**” means:

- (a) each period (i) beginning on the first day of the month following the end of a quarter, and (ii) ending on the second day following the issuance of a News Release disclosing the quarterly results; and
- (b) any other period designated by the Disclosure Committee.

“**Canadian securities regulatory authorities**” means, collectively, each of the securities regulatory authorities of each of the provinces and territories of Canada.

“**Core Document**” means a prospectus, a take-over bid circular, an issuer bid circular, a directors’ circular, a rights offering circular, MD&A, an annual information form, an information circular and annual and interim financial statements.

“**Corporate Document**” means any written communication, including a communication prepared and transmitted only in electronic form, by Brookfield disclosing information with respect to the business, operations, capital, financial performance or prospects of Brookfield and includes any communication:

- (a) that is required to be filed with the OSC;
- (b) that is filed with the OSC;
- (c) that is filed or required to be filed with a government or an agency of a government under applicable law or with any stock exchange or quotation and trade reporting system; or
- (d) the content of which would reasonably be expected to affect the market price or value of the Securities of Brookfield.

**“Earnings Guidance”** means information about expected revenues, funds from operations, net income or profit, earnings or funds from operations per share, expenditure levels, and other financial information of Brookfield commonly referred to as earnings guidance.

**“Expert”** means a person or company whose profession gives authority to a statement made by the person or company in a professional capacity, including an accountant, an actuary, an appraiser, an auditor, an engineer, a financial analyst, a geologist, and a lawyer.

**“Forward-looking Information”** means Earnings Guidance and other disclosure about Brookfield regarding possible events, conditions or results of operations that is based on assumptions about future economic conditions and courses of action and includes financial outlook and future-oriented financial information with respect to prospective results of operations, financial position or cash flows that is presented either as a forecast or a projection.

**“Generally Disclosed”** means the public disclosure of information in a manner calculated to result in broad dissemination to the marketplace and the passage of a reasonable amount of time (generally at least 24 hours but it could be longer, depending on the circumstances) to permit adequate dissemination in the market and to give investors a reasonable time to analyze the information, and **“Generally Disclose”** means to disseminate information in that manner.

**“Insider”** includes each director and Officer of Brookfield and its Subsidiaries.

**“Material Change”** means a change in the business, operations or capital of Brookfield that would reasonably be expected to have a significant effect on the market price or value of any of the Securities of Brookfield and includes a decision by the board of directors or by senior management (where management believes that board of directors confirmation of the decision is probable) to implement such a change.

**“Material Fact”** means any fact that would reasonably be expected to have a significant effect on, the market price or value of any of the Securities of Brookfield.

**“Material Information”** means Material Changes and Material Facts, and any information that would reasonably be expected to have a significant influence on a reasonable investor’s investment decisions.

**“MD&A”** means management’s discussion and analysis of financial condition and results of operations prepared in accordance with applicable securities law.

**“Misrepresentation”** means an untrue statement of Material Fact or an omission to state a Material Fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

**“News Release”** means a news release that is to be or has been Generally Disclosed.

**“Non-Core Document”** means a Corporate Document other than a Core Document.

**“NYSE”** means the New York Stock Exchange.

**“Officer”** of Brookfield means a chair or vice-chair of the board of directors, a chief executive officer, a chief operating officer, a chief financial officer, a president, a vice-president, a secretary, an assistant secretary, a treasurer, an assistant treasurer and a general manager, every individual who is designated as

an officer under a by-law or similar authority of the registrant or issuer, and every individual who performs functions similar to those normally performed by an individual referred to above.

“**OSC**” means the Ontario Securities Commission.

“**Public Oral Statement**” means an oral statement relating to the business or affairs of Brookfield, that is made by or on behalf of Brookfield in circumstances in which a reasonable person would believe that information contained in the statement will be disclosed to the public.

“**Related Financial Instrument**” means:

- (a) an instrument, agreement or security where the value, market price or payment obligations are derived from, referenced to or based on the value, market price or payment obligations of a Security of Brookfield; and
- (b) any other instrument, agreement or understanding that affects, directly or indirectly:
  - (i) a person’s economic interest in a Security of Brookfield; or
  - (ii) economic exposure to Brookfield, or another reporting issuer;

but does not include any type of instrument, agreement, security or understanding which is exempt from insider reporting under Multilateral Instrument 55-103, Insider Reporting for Certain Derivative Transactions (Equity Monetization).

“**SEC**” means the U.S. Securities and Exchange Commission.

“**Securities Transaction**” means trading securities of Brookfield, BPO Properties Ltd. and Brookfield Asset Management Inc. (i.e., purchasing or selling common or preferred shares or other securities of Brookfield, exercising stock options and/or the redeeming of deferred share units).

“**Security**” or “**Securities**” means a security or securities as defined under applicable securities law (such as shares, units, options, warrants, rights and other instruments and interests), including the common shares of Brookfield which are traded on the TSX and the NYSE.

“**Subsidiary**” means each subsidiary of Brookfield within the meaning of the Act and any partnership or joint venture controlled by Brookfield;

“**TSX**” means the Toronto Stock Exchange.

“**Trading Day**” means a day on which either the TSX or the NYSE are open for trading and on which the trading in Brookfield’s Securities is not halted or suspended.

“**Undisclosed Material Information**” means Material Information that has not been Generally Disclosed.

## **APPENDIX B**

### **EXAMPLES OF INFORMATION THAT MAY BE MATERIAL** (Reproduced from National Policy 51-201)

#### **Changes in corporate structure**

- changes in share ownership that may affect control of Brookfield
- major reorganizations, amalgamations, or mergers
- take-over bids, issuer bids, or insider bids

#### **Changes in capital structure**

- the public or private sale of additional securities
- planned repurchases or redemptions of securities
- planned splits of common shares or offerings of warrants or rights to buy shares
- any share consolidation, share exchange, or stock dividend
- changes in a company's dividend payments or policies
- the possible initiation of a proxy fight
- material modifications to the rights of security holders

#### **Changes in financial results**

- a significant increase or decrease in near-term earnings prospects
- unexpected changes in the financial results for any period
- shifts in financial circumstances, such as cash flow reductions, major asset write-offs or write-downs
- changes in the value or composition of Brookfield's assets
- any Material Change in Brookfield's accounting policies

#### **Changes in business and operations**

- any development that affects Brookfield's resources, technology, products or markets
- a significant change in capital investment plans or corporate objectives
- major labour disputes or disputes with major contractors or suppliers

- significant new contracts, products, patents, or services or significant losses of contracts or business
- significant discoveries by resource companies
- changes to the board of directors or executive management, including the departure of Brookfield's CEO, CFO, Chief Operating Officer or President (or persons in equivalent positions)
- the commencement of, or developments in, material legal proceedings or regulatory matters
- waivers of corporate ethics and conduct rules for officers, directors, and other key employees
- any notice that reliance on a prior audit is no longer permissible
- de-listing of Brookfield's securities or their movement from one quotation system or exchange to another

#### **Acquisitions and dispositions**

- significant acquisitions or dispositions of assets, property or joint venture interests
- acquisitions of other companies, including a take-over bid for, or merger with, another company

#### **Changes in credit arrangements**

- the borrowing or lending of a significant amount of money
- any mortgaging or encumbering of Brookfield's assets
- defaults under debt obligations, agreements to restructure debt, or planned enforcement procedures by a bank or any other creditors
- changes in rating agency decisions
- significant new credit arrangements

\*\*\*\*\*

#### **EXAMPLES OF INFORMATION THAT MAY BE MATERIAL**

(Reproduced from Section 410 of the TSX Company Manual)

- changes in share ownership that may affect control of Brookfield
- changes in corporate structure, such as reorganizations, amalgamations, etc.
- take-over bids or issuer bids
- major corporate acquisitions or dispositions
- changes in capital structure

- borrowing of a significant amount of funds
- public or private sale of additional securities
- development of new products and developments affecting Brookfield's resources, technology, products or market
- significant discoveries by resource companies
- entering into or loss of significant contracts
- firm evidence of significant increases or decreases in near-term earnings prospects
- changes in capital investment plans or corporate objectives
- significant changes in management
- significant litigation
- major labour disputes or disputes with major contractors or suppliers
- events of default under financing or other arrangements
- any other developments relating to the business and affairs of Brookfield that would reasonably be expected to significantly affect the market price or value of any of Brookfield's Securities or that would reasonably be expected to have a significant influence on a reasonable investor's investment decisions



## APPENDIX C

### EXAMPLES OF DISCLOSURES THAT MAY BE NECESSARY IN THE COURSE OF BUSINESS

(Reproduced from National Policy 51-201)

The necessary course of business exception to the “tipping” prohibition would generally cover communications with:

- vendors, suppliers, or strategic partners on issues such as research and development, sales and marketing, and supply contracts
- employees, officers and board members
- lenders, legal counsel, auditors, underwriters, and financial and other professional advisors to the Company
- parties to negotiations
- labour unions and industry associations
- government agencies and non-governmental regulators
- credit rating agencies (provided that the information is disclosed for the purpose of assisting the agency to formulate a credit rating and the agency’s ratings generally are or will be publicly available), but disclosure to analysts, institutional investors, other market professionals and members of the press and other media is not considered to be in the necessary course of business.
- in connection with a private placement
- communications with controlling shareholders, in certain circumstances