Brookfield

Tax Q&A – Distribution of the Manager

This is intended for informational purposes only for Canadian and U.S. shareholders of Brookfield Asset Management Inc. ("Brookfield") and is not tax advice. Canadian and U.S. shareholders should consult their tax advisors with respect to the tax implications of the distribution. Also, please refer to the discussion under the headings (i) "Certain Canadian Federal Income Tax Considerations", and (ii) "Material U.S. Federal Income Tax Consequences" in the Management Information Circular ("Circular") dated September 30, 2022.

CORPORATE STRUCTURE

- The distribution involves the division of Brookfield into two publicly traded companies listed on the TSX and NYSE pursuant to a court approved plan of arrangement: (i) Brookfield will change its name to Brookfield Corporation (the "Corporation") and trade under the new symbol "BN", focusing on deploying capital across its operating businesses, growing its cash flows and compounding that capital at over 15% a year over the long term, and (ii) Brookfield Asset Management Ltd. (the "Manager"), a pure-play asset manager with a leading global alternative asset management business, will be a newly listed Canadian corporation under the symbol "BAM".

- Approximately 99.3% of the Class A shares of the Manager will be distributed to shareholders of Brookfield. Following the distribution, the class A and class B shareholders of Brookfield Asset Management Reinsurance Ltd will receive a special distribution of, in aggregate, approximately 0.7% of the Class A shares of Manager.

- The Corporation and the Manager will own a 75% and 25% interest, respectively, in the asset management business.

TAX Q&A FOR CANADIAN SHAREHOLDERS

1. How many shares of each security will I own after the distribution?

In exchange for each Brookfield Class A share held, shareholders will continue to own 1 share of the Corporation and will receive 0.25 shares of Manager. Shareholders will receive cash in lieu of fractional shares.

2. Is the distribution a taxable transaction?

The distribution should be tax-deferred, and no capital gain or loss will be realized in respect of your Brookfield shares. In the Circular, an opinion is provided by Brookfield's Canadian tax counsel, Torys LLP, that the distribution should occur on a tax-deferred basis in respect of your original Brookfield shares.

3. Who should complete the letter of transmittal and election form that is provided with the Circular?

a) If you are a taxable Canadian shareholder, the distribution will be a tax deferred transaction and you are not required to complete the letter of transmittal and election form.

b) If you are a Canadian shareholder and exempt from Canadian tax, we recommend that you complete the letter of transmittal and election form and indicate your status as tax exempt. If the election is made, you will be treated as transferring your shares under the distribution steps at fair market value, however, this should not give rise to adverse Canadian tax consequences to you.

4. **Do I need to file any tax elections or other tax forms in respect of the distribution?**

   No tax elections or other additional tax forms are required to be filed with the Canada Revenue Agency. You should report the disposition of your Brookfield shares for proceeds equal to the tax basis on the appropriate schedule in your tax return.

5. **How will the tax basis of my Brookfield shares be allocated between the Corporation and the Manager shares?**

   The tax basis of your Brookfield shares will be allocated to the shares of the Corporation and Manager on the basis that (i) a proportion of the original tax basis equal to the Butterfly Proportion (as defined in the Circular) will be allocated to shares of Manager, and (ii) the balance of the original tax basis will be allocated to shares of the Corporation. It is currently estimated that the Butterfly Proportion will be 0.12, but the final determination will be disclosed before the distribution closes. Therefore, we estimate that the tax basis of your Brookfield shares will be allocated 88% to the Corporation shares, and 12% to the Manager shares that you receive on the distribution.

6. **How will the distributions from the Corporation and the Manager be taxed going forward?**

   The quarterly dividends paid by the Corporation and the Manager will be treated as eligible dividends for Canadian tax purposes. There will be no return of capital.

7. **What tax slip will shareholders of the Corporation and the Manager receive?**

   Dividends paid by the Corporation and the Manager will be reported annually on Form T5 which will be distributed to shareholders in February.

8. **Will distributions from the Corporation or the Manager be subject to withholding tax?**

   Canadian resident shareholders will not be subject to Canadian withholding tax.

9. **Will the shares of the Corporation and the Manager be eligible investments for purposes of registered accounts (RSP, TFSA, etc.)?**

   Yes, the shares of the Corporation and the Manager should be eligible investments for purposes of registered accounts.

10. **What are the tax implications of the distribution to holders of Brookfield Class A preference shares, series 8 and 9?**

    Holders of Class A preference shares, series 8 and 9 of Brookfield will receive a fraction of a Class A share of Manager and a new Class A preference share of the Corporation (new series 51 and 52, respectively) with terms comparable to the terms of the existing series 8 and 9 preference shares held. The new Class A preference shares (series 51 and 52) of the Corporation will have a reduced value, so that the aggregate value of the securities held after the plan of arrangement will be equal to the value of a Brookfield Class A preference share, series 8 and 9 before the plan of arrangement. There should be no gain or loss recognized for Canadian tax purposes by the holders of Brookfield Class A preference shares, series 8 and 9.

TAX Q&A FOR U.S. SHAREHOLDERS

1. How many shares of each security will I own after the distribution?

In exchange for each Brookfield Class A share held, shareholders will continue to own 1 share of the Corporation and will receive 0.25 shares of Manager. Shareholders will receive cash in lieu of fractional shares.

2. Is the distribution a taxable transaction?

The distribution should be tax-deferred for U.S. tax purposes, resulting in no capital gain or loss to U.S. shareholders in respect of your Brookfield shares. In the Circular, an opinion will be provided by Brookfield's U.S. tax counsel, Weil, Gotshal & Manges LLP, that the distribution should qualify as a tax-free distribution under section 355(a) of the Internal Revenue Code. The cash received in lieu of fractional shares will be taxable.

3. Who should complete the letter of transmittal and election form that is provided with the Circular?

If you are a U.S. shareholder, we recommend that you complete the letter of transmittal and election form and indicate your status as a non-resident of Canada (if applicable). If the election is made, you will be treated as transferring your shares under the distribution steps at fair market value. However, this should not give rise to adverse Canadian tax consequences to you.

4. How will the tax basis of my Brookfield shares be allocated between the Corporation and the Manager shares?

The U.S. tax basis of your Brookfield shares will be allocated between the shares of the Corporation and Manager in proportion to their relative fair market values immediately following the distribution. These fair market values are expected to be made available by the Corporation within 45 days of the distribution by posting IRS Form 8937 on the tax section of its website. This form will also contain other information regarding the qualification of the distribution under Section 355(a) of the Internal Revenue Code.

5. How will the distributions from the Corporation and the Manager be taxed going forward?

Quarterly distributions made by the Corporation and the Manager are expected to be treated as "qualified dividends" that are taxable to non-corporate U.S. shareholders at preferential rates. Distributions are not expected to be treated as returns of capital.

6. Which U.S. tax form will shareholders of the Corporation and the Manager receive?

Distributions by the Corporation and the Manager will be reported on IRS Form 1099-DIV, which will be distributed to shareholders annually, in February.

7. Will distributions from the Corporation or the Manager be subject to Canadian withholding tax?

Dividends paid by the Corporation and Manager to a non-resident shareholder will be subject to 25% Canadian withholding tax. However, the rate of withholding tax may be reduced under the Canada – U.S. Income Tax Treaty to 15% (for U.S. residents generally) or 0% (for shares held in a 401(k), IRA or similar tax deferred plan).

8. Will the Corporation or the Manager be a Passive Foreign Investment Company ("PFIC") after the distribution?

Based on their anticipated income, assets and operations following the distribution, neither the Corporation nor the Manager is expected to be classified for U.S. federal income tax purposes as a PFIC for the current taxable year or in the foreseeable future. However, no assurance can be provided in this regard.