

BROOKFIELD REAL ESTATE SERVICES INC.

Management Information Circular

**Relating to the Annual Meeting
of Shareholders**

March 28, 2014

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
AND AVAILABILITY OF INVESTOR MATERIALS**

NOTICE IS HEREBY GIVEN that the annual meeting (the “**Meeting**”) of holders of Restricted Voting Shares and Special Voting Shares (collectively, “**Shareholders**”) of BROOKFIELD REAL ESTATE SERVICES INC. (the “**Corporation**”) will be held at the Hockey Hall of Fame, Esso Theatre, Brookfield Place, 30 Yonge St., Toronto, Ontario, M53 1X8 on Tuesday, the 6th day of May, 2014 at 10:00 a.m. (Toronto time) for the following purposes:

1. to receive the annual report of the Corporation and the consolidated financial statements of the Corporation for the year commencing January 1, 2013 and ending December 31, 2013 together with the auditors’ report thereon;
2. to appoint auditors of the Corporation and to authorize the directors to fix the remuneration of the auditors;
3. to elect independent directors of the Corporation; and
4. to transact such further and other business as may properly come before the Meeting or any adjournment thereof.

Under recent changes to Ontario securities laws, Ontario companies are no longer required to distribute physical copies of certain annual meeting-related materials such as proxy circulars and annual financial statements to their investors. Instead, they may post electronic versions of such material on a website for investor review. This process, known as “notice and access”, directly benefits the Corporation through a substantial reduction in both postage and material costs and also helps the environment through a decrease in paper documents that are ultimately discarded.

Electronic copies of investor materials related to this meeting may therefore be found at and downloaded from www.meetingdocuments.com/cst/BRE, or on SEDAR at www.sedar.com. We have added features that will make searching for relevant sections and specific items a much easier process than finding this information in the paper versions of these documents.

Only Shareholders of record as at March 31, 2014, are entitled to vote their Shares at the Meeting, or at any adjournment thereof, either in person or by proxy. Shareholders who are unable to attend the Meeting in person are requested to review the matters under discussion for the meeting as described in our proxy circular at www.meetingdocuments.com/cst/BRE. Should you wish to receive paper copies of investor materials related to the Meeting, or have any questions, please contact CST Trust Company at 1-888-433-6443 or fulfilment@canstockta.com prior to April 23, 2014 and materials will be sent within three business days, giving you sufficient time to vote your proxy. Following the meeting the documents will remain available at the website listed above for a period of one year.

DATED this 28th day of March, 2014.

By Order of the Board of Directors

(signed) George Myhal
Chairman of the Board

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GLOSSARY OF TERMS

“**Agent**” means an individual who is licensed to buy or sell real estate, provided such individual is affiliated with a Broker;

“**Annual Report**” means the Corporation’s 2013 annual report, including MD&A and consolidated financial statements for the fiscal year ended December 31, 2013;

“**Board of Directors**” or the “**Board**” means the board of directors of the Corporation;

“**Broker**” means an individual licensed with the relevant regulatory body to manage a real estate brokerage office;

“**Brokerage Network**” means, collectively, the network of Franchisees licensed under Franchise Agreements to carry on residential property brokerage operations using one or more of the Trademarks (but excluding Franchises granted by the Manager that have not become Incremental Franchises);

“**Brookfield Asset Management**” means Brookfield Asset Management Inc., a corporation incorporated under the laws of Canada;

“**Brookfield Holdings**” means Brookfield Private Equity Direct Investments Holdings L.P., a partnership organized under the laws of the Province of Manitoba, a subsidiary of Brookfield Asset Management;

“**Business**” means the business of providing residential property brokerage services and acting as a franchisor to persons in the business of providing residential property brokerage services;

“**Circular**” means this management information circular, prepared and sent to the Shareholders in connection with the Meeting;

“**Declaration of Trust**” means the amended and restated declaration of trust dated as of the 7th day of August, 2003 pursuant to which the Fund was created, as same may be amended or restated from time to time;

“**Executive Officer**” means a chief executive officer, chief financial officer or one of the three most highly compensated officers at the end of the most recently completed financial year whose compensation was more than \$150,000;

“**Franchise Agreements**” means the franchise agreements pursuant to which brokerage offices offer residential brokerage services using the Trademarks;

“**Franchisees**” means the franchisees under the Franchise Agreements;

“**Fund**” means Brookfield Real Estate Services Fund, a trust established under the laws of the Province of Ontario and governed by the Declaration of Trust;

“**General Partner**” means Residential Income Fund General Partner Limited, a corporation incorporated under the laws of the Province of Ontario to be the general partner of the Partnership;

“**Incremental Franchises**” means franchises established pursuant to Franchise Agreements (other than renewals or replacements of existing Franchise Agreements) and including any acquisition made by existing Franchisees of additional offices and/or Agents and any business combination entered into by any existing Franchisee which results in the addition of offices and/or Agents, which meet the criteria established from time to time by the directors of the Corporation;

“**Independent Director**” means a director who is “independent” (as such term is defined in the rules and guidelines of the Toronto Stock Exchange and applicable securities regulatory authorities) to each of the Corporation, the Partnership, the Manager and each of their affiliated entities;

“Management Services Agreement” means the third amended and restated management services agreement made effective January 1, 2014, among the Partnership, the Corporation, the General Partner, Via Capitale L.P. and the Manager pursuant to which, among other things, the Manager provides management and administrative services to the Partnership, the Corporation, the General Partner and Via Capitale L.P. including management of the Partnership Assets on behalf of the Partnership and Via Capitale L.P., as more particularly described under “Information Concerning the Corporation — Management Services Agreement”;

“Manager” means Brookfield Real Estate Services Manager Limited, a corporation incorporated under the laws of the Province of Ontario to provide management and administrative services to the Corporation, the General Partner, the Partnership and Via Capitale L.P.;

“MD&A” means management’s discussion and analysis of financial conditions and results of operations;

“Meeting” means the annual meeting of Shareholders (or any adjournment thereof) to be held to consider and, if deemed advisable, to approve the matters as set forth in the Circular;

“Notice of Meeting” means the Notice of Meeting of Shareholders and Availability of Investor Materials;

“Ordinary LP Units” means the Class A ordinary limited partnership units of the Partnership;

“Partnership” means Residential Income Fund L.P., a limited partnership established under the laws of the Province of Ontario;

“Partnership Assets” means, collectively, the Trademarks, all rights under the Franchise Agreements owned by the Partnership, and all rights to receive the Royalties thereunder;

“Record Date” means March 31, 2014;

“Restricted Voting Shares” means the restricted voting shares in the capital of the Corporation;

“Royalties” means the royalties described in the Corporation’s Annual Information Form dated March 28, 2014 under “Description of the Business — Royalty Fees”;

“Shareholders” means the holders of Shares;

“Shares” means the Restricted Voting Shares and Special Voting Shares;

“Special Shareholders” means holders of Special Voting Shares from time to time;

“Special Voting Shares” means the share of the Corporation issued to represent voting rights in the Corporation that accompany securities convertible into or exchangeable for Restricted Voting Shares, including the Subordinated LP Units and Ordinary LP Units held by Brookfield Holdings or an affiliated entity of Brookfield Holdings or the Manager or an affiliated entity of the Manager;

“Subordinated LP Units” means the Class B subordinated limited partnership units of the Partnership, all of which are held by Brookfield Holdings or an affiliate of Brookfield Holdings;

“Trademarks” mean the trade-mark rights related to the Business held by or licensed to the Partnership or Via Capitale L.P.;

“Transfer Agent” means CST Trust Company;

“Via Capitale L.P.” means 9120 Real Estate Network, L.P./Reseau Immobilier 9120 S.E.C., a limited partnership established under the laws of the Province of Quebec; and

“**Via Capitale Manager**” means 9120-5583 Quebec Inc. a wholly owned subsidiary of the Manager incorporated under the laws of the Province of Quebec.

PART I – VOTING INFORMATION

Solicitation of Proxies

The information in this Management Information Circular (“Circular”) is furnished in connection with the solicitation of proxies to be used at the Annual Meeting (the “Meeting”) of Shareholders of Brookfield Real Estate Services Inc. (the “Corporation”) to be held at the Hockey Hall of Fame, Esso Theatre, Brookfield Place, 30 Yonge St., Toronto, Ontario, M53 1X8 on Tuesday, the 6th day of May, 2014 at 10:00 a.m. (Toronto time), and at all adjournments thereof, for the purposes set forth in the accompanying Notice of Meeting. It is expected that the solicitation will be made by mail, e-mail and by posting materials at www.meetingdocuments.com/cst/BRE and on SEDAR at www.sedar.com. Proxies may also be solicited personally by officers or regular employees of the Corporation at a nominal cost. **The solicitation of proxies is being made by or on behalf of the management of the Corporation, and the total cost of the solicitation will be borne by the Corporation.** The information herein is given as at March 28, 2014, except where otherwise noted.

Appointment of Proxies

The persons named in the enclosed form of proxy are directors of the Corporation. **Each Shareholder has the right to appoint a person other than the persons named in the enclosed form of proxy, who need not be a Shareholder of the Corporation, to represent such Shareholder at the Meeting or any adjournment thereof.** This right may be exercised by inserting the person’s name in the blank space provided in the form of proxy. The completed form(s) of proxy must be deposited with the Transfer Agent by mail at CST Trust Company, Proxy Department, P.O. Box 721, Agincourt, Ontario M1S 0A1, by fax at 416-368-2502 or 1-866-781-3111 or by e-mail at proxy@canadastockta.com, so as to arrive not later than 10:00 a.m. (Toronto time) on Monday, May 5, 2014, or, if the Meeting is adjourned, 24 hours (excluding Saturdays, Sundays and holidays) before the commencement of any adjourned meeting.

Notice and Access

On November 29, 2012, Canadian Securities Administrators published notice that they were adopting amendments to National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”) and to National Instrument 51-102 – *Continuous Disclosure Obligations*. These amendments, among other things, provide issuers with the option of using “Notice and Access” to provide proxy-related materials electronically by providing shareholders with notice of their availability and access to these materials online. Notice and Access came into force on February 11, 2013 and may be used by issuers in respect of meetings that occur on or after March 1, 2013.

The Corporation has adopted Notice and Access because it allows for the reduction of printed paper materials. Notice and Access is consistent with the Corporation’s philosophy towards sustainable growth and will reduce costs associated with Shareholder meetings. Instead of mailing proxy-related materials to Shareholders, this year the Corporation has posted the Circular on the website, www.meetingdocuments.com/cst/BRE. The Corporation has sent the Notice of Meeting, which is located on the cover to the Circular, to all Shareholders informing them that the Circular is available online and explaining how the Circular may be accessed.

For the Meeting, the Corporation is using Notice and Access for both registered and non-registered Shareholders. Registered and non-registered Shareholders who in 2013 requested a paper copy of the Annual Report will receive a copy of the Annual Report. Neither registered nor non-registered Shareholders will receive a paper copy of the Circular unless they contact the Transfer Agent after it is posted, in which case the Transfer Agent will mail the Circular within three business days of any request provided the request is made prior to April 23, 2014.

Non-Registered Shareholders

Only registered holders of Shares, or persons they appoint as their proxyholder(s), are permitted to attend and vote at the Meeting. However, in many cases, Shares of the Corporation that are beneficially owned by a holder (a “Non-Registered Shareholder”) are registered either:

(i) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Shareholder deals with in respect of the Shares, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered Registered Retirement Savings Plans, Registered Retirement Income Funds, Registered Education Savings Plans and similar plans; or

(ii) in the name of a depository (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant.

As required by Canadian securities legislation, you will have received from your Intermediary a voting instruction form for the number of Shares you beneficially own.

Since the Corporation has limited access to the names of its Non-Registered Shareholders, if you attend the Meeting, the Corporation may have no record of your shareholdings or of your entitlement to vote unless your Intermediary has appointed you as proxyholder. Therefore, if you wish to vote in person at the Meeting, insert your name in the space provided on the voting instruction form and return it by following the instructions provided. Do not otherwise complete the form as your vote will be taken at the Meeting. Please register with CST Trust Company upon arrival at the Meeting.

In accordance with the requirements of NI 54-101, the Corporation has distributed copies of the accompanying Notice of Meeting, this Circular and the Annual Report (collectively, the “**Meeting Materials**”) to non-objecting beneficial owners and for those Non-Registered Shareholders who have requested it, to the depository and Intermediaries for onward distribution to Non-Registered Shareholders. The Corporation does not intend to pay for Intermediaries to forward proxy-related materials and Form 54-101F7 to objecting beneficial owners, and objecting beneficial owners will only receive the materials if the Intermediary assumes the cost of delivery.

Non-Registered Shareholders who have not waived the right to receive Meeting Materials will receive a voting instruction form. The purpose of this form is to permit Non-Registered Shareholders to direct the voting of the Shares they beneficially own. Non-Registered Shareholders should follow the instructions on the form they receive and contact their Intermediaries promptly if they need assistance.

If the Non-Registered Shareholder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on his or her behalf), the voting instruction form must be completed, signed and returned in accordance with the directions on the form. Voting instruction forms in some cases permit the completion of the voting instruction form by telephone or through the Internet. If a Non-Registered Shareholder wishes to attend and vote at the Meeting in person (or have another person attend and vote on his or her behalf), the Non-Registered Shareholder must complete, sign and return the voting instruction form in accordance with the directions provided.

Revocation

A Shareholder who has given a proxy has the power to revoke it as to any matter on which a vote has not already been cast pursuant to the authority conferred by such proxy and may do so:

(i) by delivering another properly executed form of proxy bearing a later date and depositing it as set out above;

(ii) by depositing an instrument in writing revoking the proxy executed by the Shareholder or by the Shareholder’s attorney authorized in writing (i) at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or (ii) with the Chair of the Meeting, prior to its commencement, on the day of the Meeting or any adjournment thereof; or

(iii) in any other manner permitted by law.

A Non-Registered Shareholder may revoke a voting instruction form or a waiver of the right to receive meeting materials and to vote given to an Intermediary at any time by written notice to the Intermediary, except that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive materials and to vote that is not received by the Intermediary at least seven days prior to the Meeting.

Voting of Shares Represented by Management Proxies

The management representatives designated in the enclosed form of proxy will vote or withhold from voting the Shares in respect of which they are appointed by proxy on any ballot that may be called for in accordance with the instructions of the Shareholder as indicated on the proxy, and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly. In the absence of such direction, the Shares will be voted by the management representatives FOR the election of directors and FOR the appointment of the external auditor.

The enclosed form of proxy confers discretionary authority upon the management representatives designated therein with respect to amendments to or variations of matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. As at the date of this Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting.

Principal Holders of Voting Securities

An unlimited number of Restricted Voting Shares are issuable by the Corporation. Each Restricted Voting Share is transferable. All Restricted Voting Shares are of the same class with equal rights and privileges. The Restricted Voting Shares are not to be subject to future calls or assessments, and entitle the holder thereof to one vote for each Restricted Voting Share held at all meetings of Shareholders (except that the holders of Restricted Voting Shares will not be entitled to vote for the election of the directors appointed by the holder of the Special Voting Share). The Restricted Voting Shares carry approximately 74% of the voting rights attached to all voting securities of the Corporation.

The Corporation has issued one Special Voting Share that will be used for providing voting rights in the Corporation to Brookfield Holdings and the Manager and their affiliated entities in respect of their holdings of Subordinated LP Units and/or Ordinary LP Units and to persons who hold other securities, including, without limitation, LP Units that are, directly or indirectly, exchangeable for Restricted Voting Shares of the Corporation and that are entitled to voting rights with respect to the Corporation. The Special Voting Share was issued in conjunction with, and is not be transferable separately from, the Subordinated LP Units, Ordinary LP Units or other securities to which it relates. Special Voting Shares entitle the holder thereof to a number of votes at any meeting of Shareholders (except that the holder of Special Voting Shares will not be entitled to vote for the election of the Independent Directors) equal to the number of Restricted Voting Shares which may be obtained upon the exchange of the Subordinated LP Units, Ordinary LP Units or other securities to which the Special Voting Shares relate, but will not otherwise entitle the holder to any rights with respect to the Corporation's property or income. The Special Voting Share carries approximately 26% of the voting rights attached to all voting securities of the Corporation.

As at March 28, 2014, the Corporation had outstanding 9,483,850 Restricted Voting Shares and one Special Voting Share. Each holder of Shares of record at the close of business on March 31, 2014, the record date established for notice of the Meeting, will be entitled to vote at the Meeting or any adjournment thereof on all matters to come before the Meeting, subject to the limitations described above.

To the knowledge of the directors and officers of the Corporation, the only persons or corporations which beneficially own, directly or indirectly, control or direct securities of the Corporation carrying 10% or more of the votes attached to any class of outstanding voting securities of the Corporation are:

<u>Name</u>	<u>Number of Shares</u>	<u>Percentage of Class</u>
Brookfield Holdings*	1 Special Voting Share	100.0%
1832 Asset Management, L.P.	1,223,300 Restricted Voting Shares	12.9%
Fiera Capital Inc.	995,800 Restricted Voting Shares	10.5%

*This entity also holds 3,327,667 Subordinated LP Units and 315,000 Restricted Voting Shares.

PART II – BUSINESS OF THE MEETING

Receipt of Financial Statements

The annual financial statements of the Corporation for the fiscal year ended December 31, 2013 are included in the Annual Report, which is available on SEDAR at www.sedar.com. The Annual Report will be placed before the Shareholders at the Meeting.

Election of Directors

The Articles of Incorporation of the Corporation provides for a minimum of three and a maximum of ten directors. The Board considers that five directors are appropriate given the size of the Corporation and the scope of its operations. Brookfield Holdings is entitled to designate two-fifths of the directors of the Corporation so long as it and its affiliated entities hold an aggregate of at least 10% of the Shares (on a diluted basis). Brookfield Holdings has designated only George Myhal. The number of directors of the Corporation will be reduced to the extent any director designated by Brookfield Holdings is no longer entitled to serve as a director due to a reduction in the ownership of Shares by Brookfield Holdings. Brookfield Holdings can require the removal or replacement of the directors that it designated at any time at its sole discretion. The balance of the directors are to be elected by Shareholders at every annual Shareholders meeting. It is proposed that the Corporation's existing four Independent Directors be elected at the Meeting.

All directors elected at the Meeting will hold office until the next annual meeting of Shareholders of the Corporation or until their successors are elected or appointed. **On any ballot that may be called for in relation to the election of directors, the management representatives designated in the enclosed form of proxy intend to vote the Shares represented by such proxy in favour of the election of the nominees whose names are set forth below, unless the Shareholder who has given such proxy has directed that the Shares be withheld from voting in relation to the election of directors.**

The following table sets out the name of each of the persons proposed to be nominated for election as a director, all major positions and offices held in the Corporation or any of its significant affiliates by them, their principal occupation or employment, the year they were first elected a director of the Corporation, and the approximate number of securities of each class of Shares of the Corporation that such person has advised the Corporation are beneficially owned or subject to control or direction by them as at the date of this Circular.

Name and municipality of residence	Position and/or office with Corporation	Present principal occupation if different from office held	Period during which served as a director/trustee	Restricted Voting Shares beneficially owned or controlled as at March 28, 2014 ⁽³⁾
Lorraine Bell ^{(1) (2) (3) (4)} New York, NY, USA <i>Independent Director</i>	Director, Chair of the Audit Committee	Self-employed Consultant	Since Jan. 3, 2003	6,500
Simon Dean ^{(1) (2) (3) (5)} Oakville, ON, Canada <i>Independent Director</i>	Director	Self-employed Consultant	Since Jan. 3, 2003	4,000
Gail Kilgour ^{(1) (2) (3) (6)} Toronto, ON, Canada <i>Independent Director</i>	Director	Corporate Director	Since Jan. 3, 2003	5,000
George Myhal ^{(3) (7)} Toronto, ON, Canada <i>Related Director</i>	Chairman and Director	Chief Operating Officer, Brookfield Asset Management	Since Jan. 3, 2003	38,600

Notes:

- (1) Member of the Audit Committee
- (2) Member of the Governance Committee

- (3) As of March 28, 2014, the current directors of the Corporation owned beneficially, directly and indirectly, 54,100 Restricted Voting Shares representing approximately 0.6% of the issued and outstanding Restricted Voting Shares. Brookfield Holdings holds one Special Voting Share.
- (4) **Lorraine Bell – Director and Chair of the Audit Committee.** Since 1996, Ms. Bell has been self-employed. Ms. Bell is a Chartered Accountant with over thirty years of experience in the financial sector. Ms. Bell is a member of the Board of Directors and the Audit, Risk Management and Human Resources Committee of the Ontario Financing Authority and a director and member of the Audit committee of IBI Group Inc. She is also a member of the Board of Directors of University of Toronto Associates in New York. Prior to being self-employed, she was the founder and responsible for General Re Financial Products Canada, a derivatives services company, which she ran from 1993 until 1996.
- (5) **Simon Dean – Director.** Since April, 2005 Mr. Dean has been a self-employed consultant. Prior thereto he was Chief Executive Officer of the Manager (and its predecessor) since January 1995 and Managing Partner of Brookfield Business Services since 2001. Prior to joining the Manager's predecessor, he was President and Chief Executive Officer of three retail organizations owned by Rogers Communications Inc. from 1988 to 1993 and Executive Vice President of Rogers Cantel Mobile Communications Inc., a national cellular service provider from 1993 to 1994.
- (7) **Gail Kilgour – Director.** Ms. Kilgour, ICD.C, brings more than 25 years of experience in the financial services industry to the Board. She is a past Vice-Chair of the Board of Directors for the Ontario Realty Corporation and Chair of its Governance Committee, Director of Ontario Infrastructure and Lands Corporation and Trustee of the University of Guelph, where she Chaired its Audit Committee. She is also the Vice-Chair of the Board of St. George's Golf and Country Club and Chairs their Golf Activities Committee. A self employed consultant since 2004 and Corporate Director, Ms. Kilgour was prior to 2004, employed by a major Canadian bank, in a number of senior management roles including, Senior Vice-President, Government Sponsored Student Loans, President & Chief Executive Officer of EDULINX Canada Corporation and Senior Vice-President, e-Business Strategy, CIBC.com.
- (8) **George Myhal – Director and Chairman.** Mr. Myhal is a Senior Managing Partner of Brookfield Asset Management, the parent entity of the Manager. Mr. Myhal has held a number of senior positions within Brookfield Asset Management since joining the company in 1981. He has been instrumental in the development and growth of Brookfield's asset management business and is responsible for a number of other operations throughout Brookfield Asset Management including strategic planning, business development and public securities operations. He qualified as a Chartered Accountant and is an industrial engineering graduate of the University of Toronto.

Compensation of Directors

Independent Directors are paid an annual retainer of \$30,000 per director per year and \$1,750 per meeting per director for attending meetings of the Board of Directors and \$1,500 per meeting of a committee of the Board of Directors held in person or by telephone. The Chair of the Audit Committee is paid an additional annual retainer of \$10,000 and the Chair of the Governance Committee is paid an additional annual retainer of \$5,000. The chair and members of the special committee formed to assess the Management Services Agreement were paid an additional retainer of \$25,000 through March 31, 2013 and \$5,000 per month thereafter. The Corporation reimburses directors for out-of-pocket expenses incurred in attending meetings of the Board of Directors or its committees, and directors participate in the Corporation's insurance and indemnification arrangements. In 2013, the Independent Directors earned \$396,750 in aggregate compensation. Management directors received no compensation from the Corporation or the Partnership.

Appointment of External Auditors

It is proposed that Deloitte LLP be re-appointed as the external auditor of the Corporation.

On any ballot that may be called for in relation to the appointment of the external auditor, the management representatives designated in the enclosed form of proxy intend to vote the Shares represented by such proxy in favour of reappointing Deloitte LLP, Chartered Accountants, to serve as the external auditor of the Corporation until the next annual meeting of Shareholders, and authorizing the directors to fix its remuneration, unless the Shareholder who has given such proxy has directed that such Shares be withheld from voting in relation to the appointment of the external auditor.

Additional information on the external auditor is provided in the Corporation's Annual Information Form in the section entitled "Auditors, Transfer Agents and Registrars", which is incorporated by reference in this Circular. The Corporation's Annual Information Form is available on SEDAR at www.sedar.com and is available free of charge upon request to the Chief Financial Officer of the Corporation. See "Availability of Disclosure Documents".

PART III – STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Board of Directors is of the view that the Corporation's corporate governance policies and practices, outlined below, are appropriate and substantially consistent with the corporate governance guidelines established by Canadian securities regulators.

Mandate of the Board

The Board assumes explicit responsibility for the stewardship of the Corporation directly and through its committees. The Board is comprised of the directors of the Corporation. The responsibilities of the Board and each committee of the Board are set out in written charters, which are reviewed and approved periodically. The Board's charter is reproduced in full as Schedule A to this Circular. In fulfilling its mandate, the Board is, among other matters, responsible for the following:

- **Strategic Planning** – overseeing the strategic planning process for the Corporation together with the Manager and reviewing, approving and monitoring the strategic plan for the Corporation and the Partnership including fundamental financial and business strategies and objectives;
- **Risk Management** – assessing the major risks facing the Corporation and reviewing, approving and monitoring the manner of managing those risks;
- **Manager** – monitoring the performance of the Manager on behalf of the Corporation and the Partnership, with reference to the Management Services Agreement;
- **Incremental Franchises** – reviewing and evaluating the purchase of Incremental Franchises by the Partnership, including determining or amending appropriate criteria to be used as a basis for selecting Incremental Franchises; and
- **Maintaining Integrity** – reviewing and monitoring the controls and procedures within the Corporation to maintain its integrity including its disclosure controls and procedures, its internal controls and procedures for financial reporting and compliance with Brookfield Asset Management's Code of Business Conduct.

The Board reviews major strategic initiatives to ensure that the proposed actions are in accordance with Shareholder objectives. Prior to the beginning of each fiscal year, the Manager presents its business plan and its objectives for the current year in the context of the approved strategic plan. The Manager reports to the Board on a quarterly basis with respect to progress against the Corporation's current year's goals and analyzes financial results against the business plan. The Manager also provides the Board with regular operational reports and industry performance measures.

The Board ensures the Manager has considered the principal risks of the Corporation's businesses and monitors those risks based on regular business reports prepared by the Manager. In addition, the Audit Committee reviews the findings of the Corporation's internal and external auditors, and thereby provides additional awareness of the principal risks to the Corporation's businesses, and then reports thereon to the Board on a regular basis. The Audit Committee receives a copy of the results of each Franchise audit conducted by the Manager's internal audit department. The Board considers and approves plans recommended by the Manager to offset and manage those risks.

Disclosure Policy

The Corporation has adopted a Disclosure Policy which summarizes its policies and practices regarding disclosure of material information to investors, analysts and the media. The purpose of this policy is to ensure that the Corporation's communications with the investment community are timely, consistent and in compliance with all applicable securities legislation. The Disclosure Policy extends to all employees of the Corporation, the Partnership, the General Partner, Via Capitale L.P. and the Manager.

Meetings of the Board

The Board meets at least once in each quarter, with additional meetings held when appropriate. Meetings of the Board may be held by teleconference or other electronic means, as needed to discharge its responsibilities, but in most instances these meetings are held in-person. The Board also meets annually to review and approve the annual business plan and long-term strategic plan.

Time is allocated at each Board meeting for the Independent Directors to meet without management present. The Audit Committee follows a similar practice at each of its meetings. The Governance Committee meets not less than once each year. The Board of Directors of the General Partner meets at the same time as the Board of Directors of the Corporation.

Director Attendance Report

During 2013, five Board meetings, four meetings of the Audit Committees and one meeting of the Governance Committee were held and at each such meeting, time was allocated for the Independent Directors to meet without management present. The following table summarizes director attendance at these meetings.

	Board of Directors	Audit Committee	Governance Committee
Lorraine Bell	4 of 5	3 of 4	1 of 1
Simon Dean	5 of 5	4 of 4	1 of 1
Allen Karp, Q.C. ⁽¹⁾	5 of 5	4 of 4	1 of 1
Gail Kilgour	5 of 5	4 of 4	1 of 1
George Myhal	5 of 5	N/A	N/A

Note:

(1) Mr. Karp is not standing for re-election at the Meeting.

Composition and Size of Board and Directors

The Board is currently comprised of five directors. Three of the four independent directors are standing for election as directors at the Meeting. The Board of Directors considers that its size and composition are appropriate to ensure its effective and efficient operation.

The Corporation believes that a majority of its directors should be independent of the Corporation. A director is independent if the director is free from any direct or indirect relationships which could, or could be reasonably expected to, interfere with the exercise of a director's independent judgment. Four of the Corporation's five current directors, namely Ms. Bell, Mr. Karp, Ms. Kilgour and Mr. Dean, are Independent Directors. The other director, Mr. Myhal, is a director of the Manager and is an officer and director of its parent company. The Board of Directors of the General Partner is the same size and has the same composition as the Corporation's Board of Directors.

Appointment of Directors

The Board does not have a separate nominating committee for recommending the appointment of new directors. The Governance Committee is responsible for developing the approach of the Corporation to Board nominations, size and composition of the Board, Board member effectiveness, Board member orientation, and directors' compensation. Since the inception of Brookfield Real Estate Services Fund, the Corporation's predecessor in interest, in 2003, there have been no new members added to the Board.

Independence of Board of Directors

The Board Chair is a member of management and is not independent. The Chair of the Governance Committee, who is not a member of management and is independent, often acts as a liaison between management and the Board and is consulted by management between meetings of the Board. He also provides feedback to the Chief Executive Officer and observations made by the Independent Directors as to how communication and relationships between the Board and its committees and management can be improved. The Governance Committee Chair ensures that the Board is able to function independently of management.

Position Descriptions

The Board has not adopted specific position descriptions for the Board Chair or the Committee Chairs, however, the Board has adopted charters for each committee, copies of which are annexed in [Schedule A](#).

Ethical Business Conduct

None of the Corporation, the General Partner, the Partnership or Via Capitale L.P. have any employees. The Manager, a subsidiary of Brookfield Asset Management, is responsible for managing the affairs of the Partnership, and the Corporation pursuant to the terms of the Management Services Agreement. As such, the Manager and all of its officers, directors and employees are subject to Brookfield Asset Management's Code of Business Conduct and Ethics. The Board has reviewed and accepted Brookfield Asset Management's Code of Business Conduct and Ethics, which was published and remains available on SEDAR.

Orientation and Education

The Manager provides orientation programs for new directors and provides directors with ongoing information with respect to the Business and the industry in general. Presentations on different aspects of the operations of the Business as well as financing matters are regularly made to the Board by executives, including presentations on the next year's operational strategies and objectives.

Standing Committees

The Board has formally appointed two permanent committees, the Audit Committee and the Governance Committee.

The Audit Committee is currently comprised of four outside directors, all of whom are Independent Directors. The Audit Committee has primary responsibility for ensuring the integrity of the Corporation's financial reporting, risk management and internal controls. The committee has unrestricted access to the Corporation's personnel and documents and has direct communication channels with the Corporation's internal and external auditors in order to discuss audit and related matters whenever appropriate. Refer to [Schedule A](#) for the Audit Committee Charter.

In fulfilling the oversight responsibilities detailed in its charter, the Audit Committee reviews the audit efforts of the Corporation's independent auditors, and provides an open avenue of communication amongst the independent accountants, financial and senior management and the Board of Directors. In addition, the Audit Committee serves as an independent and objective party to monitor the Corporation's financial reporting process and internal controls regarding finance, accounting, and the Corporation's auditing, accounting, and financial reporting process generally. The Audit Committee approves the Corporation's policy on non-audit related work by its external auditor, and pre-approves or rejects any proposed non-audit related work to be conducted by the external auditor for the Corporation.

The Audit Committee is comprised of Lorraine Bell (Chair), Allen Karp, Gail Kilgour and Simon Dean, all of whom are independent. All members of the Audit Committee are financially literate, and the Chair of the Audit Committee is a Chartered Accountant. The Audit Committee meets on at least a quarterly basis with representatives of management and annually with the Corporation's external auditors for the express purpose of reviewing the Corporation's quarterly and annual financial statements, the Corporation's financing plans and the adequacy of

internal controls over financial and reporting systems and the effectiveness of the Corporation's management information systems. The Audit Committee meets directly with the Corporation's external auditors in the absence of management on at least an annual basis. The Audit Committee also reviews and recommends approval of the auditor's fees to the Board.

The Governance Committee currently consists of four directors, all of whom are Independent Directors. The Governance Committee is responsible for:

- (a) considering, and providing a recommendation on, any conflict of interest involving Brookfield Holdings or any of its affiliated entities and the Partnership (including any matter involving the Shareholders' Agreement, the Management Services Agreement, the Partnership Assets, the LP Units, the Via Capitale License Agreement and the Royal LePage Sub-License Agreement) before such conflict of interest is approved by the board of directors of the General Partner;
- (b) annually reviewing:
 - the performance of the Manager as manager under the Management Services Agreement, including its business plans and prospects for the ensuing year;
 - the performance of the management of the Manager; and
 - adjustments to be made pursuant to the Management Services Agreement;
- (c) developing the Partnership's approach to governance issues;
- (d) advising the Board in filling vacancies on the Board; and
- (e) periodically reviewing the composition and effectiveness of the Board and the contribution of directors.

Assessments

The Governance Committee conducts, on an annual basis, a review and assessment of the performance of the Board and its members. The Chair of the Governance Committee provides feedback to the Board Chair and the CEO with respect to the results of his or her review.

PART IV – REPORT ON EXECUTIVE COMPENSATION

Statement of Executive Compensation

Except as disclosed above, none of the Corporation, the Partnership, the General Partner or Via Capitale L.P. paid any salary, bonus, or other compensation to any officer or employee of any of the aforementioned entities for the period commencing January 1, 2013 and ended December 31, 2013. All of the Executive Officers of the Corporation, the Partnership, the General Partner and Via Capitale L.P. are employed by and remunerated by the Manager.

Employment and Severance Arrangements with Executive Officers

No Executive Officer of the Corporation, the Partnership, the General Partner or Via Capitale L.P. has a written employment contract with the Corporation, the Partnership, the General Partner or Via Capitale L.P.

Unit/Stock Options

No options to acquire securities of any of the Corporation, the Partnership, the General Partner or Via Capitale L.P., as the case may be, have been issued to any person. None of the Corporation, the Partnership, the General Partner or Via Capitale L.P. have adopted any option plan. No securities of any of the Corporation, the Partnership, the General Partner or Via Capitale L.P. have been acquired during the fiscal period commencing January 1, 2013 and ended December 31, 2013 pursuant to the exercise of options.

Report on Executive Compensation

The Corporation does not maintain a Compensation Committee, because it is the role of the Manager to provide the Executive Officers at no additional cost to the Corporation, the Partnership, the General Partner and Via Capitale L.P. The Manager has the responsibility to determine the level of compensation in respect of the Corporation's senior executives (including the Executive Officers) with a view towards providing such executives with competitive compensation packages having regard to performance.

PART V - INFORMATION CONCERNING THE CORPORATION

Indebtedness of Directors and Officers

As of the date hereof, no individual who is, or at any time during the most recently completed financial year of the Corporation ended December 31, 2013 was, a director or senior officer of the Corporation or the General Partner, or a trustee of the Partnership or Via Capitale L.P., an individual proposed as a nominee for election to any such position, nor any associates of any such director, senior officer or proposed nominee, has been indebted to the Corporation, the General Partner, the Partnership or Via Capitale L.P., nor has any such individual's indebtedness to another entity at any time since the beginning of the most recently completed financial year been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation, the General Partner, the Partnership or Via Capitale L.P. in connection with the purchase of securities of the Corporation.

Directors' and Officers' Liability Insurance and Indemnification

The directors and officers of the General Partner and the directors of the Corporation are covered under a directors and officers insurance policy that provides an aggregate limit of \$50 million of liability coverage and a limit applicable to the insured individuals of \$25 million, inclusive of costs to defend claims.

The by-laws of the Corporation and the General Partner also provide for the indemnification of its directors and officers from and against liability and costs in respect of any action or suit against them in connection with the execution of their duties of office, subject to certain usual limitations.

Interest of Informed Persons in Material Transactions

The Partnership and the Manager entered into an asset purchase agreement made effective the 1st day of January, 2012 with respect to the acquisition by the Partnership of 20 Incremental Franchises from the Manager. See "2012 Royal LePage Incremental Franchise Purchases" contained in the Corporation's Annual Information Form dated March 28, 2014. The Partnership and the Manager entered into an asset purchase agreement made effective the 1st day of January, 2013 with respect to the acquisition by the Partnership of 37 Incremental Franchises from the Manager. See "2013 Royal LePage Incremental Franchise Purchases" contained in the Corporation's Annual Information Form dated March 28, 2014. Via Capitale L.P. and the Via Capitale Manager entered into an asset purchase agreement made effective the 1st day of January, 2012 with respect to the acquisition by Via Capitale L.P. of two Via Capitale Incremental Franchises from the Via Capitale Manager. Via Capitale L.P. and the Manager entered into an asset purchase agreement made effective the 1st day of January, 2012 with respect to the acquisition by Via Capitale L.P. of three Via Capitale Incremental Franchises from the Manager. See "2012 Via Capitale Incremental Franchise Purchases" contained in the Corporation's Annual Information Form dated March 28, 2014. Via Capitale L.P. and the Via Capitale Manager entered into an asset purchase agreement made effective the 1st day of January, 2013 with respect to the acquisition by Via Capitale L.P. of four Via Capitale Incremental Franchises from the Via Capitale Manager. Via Capitale L.P. and the Manager entered into an asset purchase agreement made effective the 1st day of January, 2013 with respect to the acquisition by Via Capitale L.P. of three Via Capitale Incremental Franchises from the Manager. See "2013 Via Capitale Incremental Franchise Purchases" contained in the Corporation's Annual Information Form dated March 28, 2014. The Partnership and the Manager entered into an asset purchase agreement made effective the 1st day of January, 2014 with respect to the acquisition by the Partnership of 45 Incremental Franchises from the Manager. See "2014 Royal LePage Incremental Franchise Purchases" contained in the Corporation's Annual Information Form dated March 28, 2014. The Partnership and the Manager entered into an asset purchase agreement made effective the 1st day of January, 2014 with respect to the acquisition by the Partnership of one Incremental Franchises from the Manager. See "2014 Via Capitale Incremental Franchise Purchases" contained in the Corporation's Annual Information Form dated March 28, 2014.

Except as disclosed in this Circular, no insider or proposed nominee for election as a director of the Corporation and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction of the Corporation or its affiliates since January 1, 2013, or in any proposed transaction that in either such case has materially affected or will materially affect the Corporation.

Auditors and Transfer Agent and Registrar

The auditors of the Corporation are Deloitte LLP, Suite 1400, Brookfield Place, 181 Bay Street, Toronto, Ontario, Canada, M5J 2V1.

The Transfer Agent and registrar for the Corporation is CST Trust Company, 320 Bay Street, P.O. Box 1, Toronto, Ontario, M5H 4A6.

Management of the Corporation

The Corporation, the Partnership, the General Partner, Via Capitale L.P. and the Manager are parties to the Management Services Agreement. Pursuant to the provisions of the Management Services Agreement, the Manager, a subsidiary of Brookfield Asset Management, has agreed to provide certain management, administrative and support services to the Corporation, the General Partner, the Partnership and Via Capitale L.P. The duties of the Manager include: (i) ensuring compliance with continuous disclosure obligations under all applicable securities legislation and stock exchange requirements; (ii) providing accounting and financial services; (iii) ensuring prompt collections under the Franchise Agreements and otherwise ensuring compliance by Franchisees with their respective obligations under the Franchise Agreements; (iv) pursuing the growth of the Brokerage Network through the addition of Incremental Franchises; (v) negotiating and communicating with third parties with respect to contractual and other matters; (vi) providing investor relations services; (vii) providing or causing to be provided to Shareholders and holders of Special Voting Shares all information to which Shareholders and holders of Special Voting Shares are entitled; (viii) calling, holding and distributing materials (including notices of meetings and information circulars) in respect of all meetings of Shareholders and holders of Special Voting Shares; (ix) determining the amounts payable from time to time to Shareholders; (x) if necessary, dealing with Franchisees on questions of interpretation of the Franchise Agreements; (xi) attending to all administrative and other matters arising in connection with any redemption of Restricted Voting Shares. The principal and head office of the Manager is located at 39 Wynford Drive, Don Mills, Ontario, M3C 3K5.

In exercising its powers and discharging its duties under the Management Services Agreement, the Manager is required to exercise the degree of care, diligence and skill that a reasonably prudent manager having responsibilities of a similar nature would exercise in comparable circumstances. As a result of the services provided by the Manager under the Management Services Agreement, the Manager is “a person or company in a special relationship with a reporting issuer” with respect to the Corporation for the purposes of the *Securities Act* (Ontario).

Under the Management Services Agreement, the Manager is entitled to an annual fee, payable by the Partnership on a monthly basis in arrears, equal to 20% of the Distributable Cash of the Partnership (as defined in the Management Services Agreement) and 20% of the Distributable Cash of Via Capitale L.P. (as defined in the Management Services Agreement). During 2013, the Partnership and Via Capitale L.P. collectively paid the Manager \$6.7 million

The Management Services Agreement has a term of five years expiring on December 31, 2018, and is automatically renewable for successive five year terms unless notice of termination is given by either the Corporation, the General Partner and the Partnership or the Manager at least six months prior to the expiry of the initial or renewal term. The Management Services Agreement may be terminated earlier on behalf of the Corporation, the Partnership, the General Partner or Via Capitale L.P. by the Independent Directors if a substantial deterioration in the business of the Partnership occurs that is not caused by force majeure, provided that such termination is approved at a meeting of Shareholders and Special Shareholders by a resolution approved by holders representing at least 50% of the aggregate number of issued and outstanding Restricted Voting Shares and the Special Voting Share and at least 66 ²/₃% of the aggregate number of Shares voted at the Meeting, in each case excluding any Restricted Voting Shares and the Special Voting Share held by the Manager or any of its affiliated entities. In the event of such termination, and provided that the Manager is not then in default, the Corporation will pay to the Manager a fee equal to the aggregate of all fees paid to the Manager under the Management Services Agreement in the previous calendar year.

The Management Services Agreement may be terminated by the Manager in the event of the insolvency or receivership of the Corporation, the Partnership, the General Partner or Via Capitale L.P., or in the case of default by the Corporation, the Partnership, the General Partner or Via Capitale L.P. in the performance of a material obligation under the Management Services Agreement (other than as a result of the occurrence of a force majeure event) which is not remedied within 30 days after written notice thereof has been delivered. The Management Services Agreement may be terminated by the Corporation, the Partnership, the General Partner or Via Capitale L.P. in the event of the insolvency or receivership of the Manager, or in the case of default by the Manager in the performance of a material obligation under the Management Services Agreement (other than as a result of the occurrence of a force majeure event) which is not remedied within 30 days after written notice thereof has been delivered.

The Management Services Agreement contains provisions to regulate any conflicts of interest which may arise and provides for indemnification by the Manager of the Corporation, the Partnership, the General Partner and Via Capitale L.P. and by the Corporation, the Partnership, the General Partner and Via Capitale L.P. of the Manager in certain circumstances. The Management Services Agreement may be assigned by any party thereto with the prior written consent of all other parties.

The following individuals are the directors and senior officers of the Manager:

<u>Name and municipality of residence</u>	<u>Position and/or office with Manager</u>
Spencer Enright Oakville, Ontario, Canada	Chief Executive Officer
Philip Soper Toronto, Ontario, Canada	President and Director
Kevin Cash Markham, Ontario, Canada	Chief Financial Officer and Director
George Myhal Toronto, Ontario, Canada	Director
Sandra Helmi Mississauga, Ontario, Canada	Senior Vice President, Marketing & Communications
Carolyn Cheng Toronto, Ontario, Canada	Senior Vice President, Strategic Business Services
George Heos Newmarket, Ontario, Canada	Senior Vice President, Network Development
Lisa da Rocha Toronto, Ontario, Canada	Vice President & General Manager, Prudential Canada
Gino Romanese Markham, Ontario, Canada	Senior Vice President, Brokerage Services

Shareholder Proposals

The *Business Corporations Act* (Ontario) permits eligible Shareholders to submit proposals to the Corporation, which proposals may be included in a management information circular relating to an annual meeting of Shareholders. We did not receive any proposals for the upcoming Meeting. The final date by which we must receive proposals for the annual meeting of Shareholders to be held in 2015 is Saturday, March 7th, 2015.

Availability of Disclosure Documents

We will provide any person or corporation, upon request to the Chief Financial Officer of the Corporation, with a copy of:

1. our most recent Annual Information Form, together with a copy of any document or the pertinent pages of any document incorporated therein by reference;

2. our comparative financial statements for the fiscal year ended December 31, 2013, together with the report of the auditors thereon;
3. our most recent Annual Report, which includes our MD&A;
4. our interim financial statements for the periods subsequent to the end of the Corporation's fiscal year and the MD&A thereon; and
5. this Circular.

Financial information for the fiscal year ended December 31, 2013 is provided in our comparative financial statements and MD&A, which are included in our Annual Report.

Requests for the above-mentioned disclosure documents can be made to the Chief Financial Officer of the Corporation by mail at 39 Wynford Drive, Don Mills, Ontario, M3C 3K5. These documents and additional information relating to the Corporation are also available on SEDAR at www.sedar.com.

Other Business

The Corporation knows of no other matter to come before the Meeting other than the matters referred to in the accompanying Notice of Meeting.

DIRECTORS' APPROVAL

The contents of this Circular and the delivery thereof to the Shareholders of the Corporation has been approved by the Board of Directors. Information contained in this Circular is given as of March 28, 2014, unless otherwise stated.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) George Myhal
Chairman of the Board
Toronto, Ontario

March 28, 2014

SCHEDULE A

BROOKFIELD REAL ESTATE SERVICES INC.

BOARD OF DIRECTORS CHARTER

1. ROLE OF BOARD

The role of the Brookfield Real Estate Services Inc. (the “Corporation”) board of directors is to oversee, directly and through its committees, the business and affairs of the Corporation, which are conducted by the officers and employees of the Corporation’s manager, Brookfield Real Estate Services Manager Limited (the “Manager”). In doing so, the board acts at all times with a view to the best interests of the Corporation.

The board is elected by the shareholders to oversee management to ensure that shareholder value is advanced in a manner that recognizes the concerns of other stakeholders in the Corporation including its agents, brokers, franchisees, suppliers, customers and the communities in which they operate.

2. AUTHORITY AND RESPONSIBILITIES

The board of directors meets regularly to review reports by the Manager on the performance of the Corporation and the Residential Income Fund L.P. (the “Partnership”) which owns the assets from which the Corporation currently derives its sole source of revenue. In addition to the general supervision of the Manager, the board performs the following functions:

- (a) **Strategic Planning** – overseeing the strategic planning process for the Corporation together with the Manager and reviewing, approving and monitoring the strategic plan for the Corporation and the Partnership including fundamental financial and business strategies and objectives;
- (b) **Risk Management** – assessing the major risks facing the Corporation and reviewing, approving and monitoring the manner of managing those risks;
- (c) **Manager** – monitoring the performance of the Manager on behalf of the Corporation and the Partnership, with reference to the Management Services Agreement among the Corporation, the Manager, the Partnership, its general partner, and others;
- (d) **Incremental Franchises** - reviewing and evaluating the purchase of Incremental Franchises by the Partnership, as contemplated in the Corporation’s prospectus, including determining or amending appropriate criteria to be used as a basis for selecting Incremental Franchises; and
- (e) **Maintaining Integrity** - reviewing and monitoring the controls and procedures within the Corporation to maintain its integrity including its disclosure controls and procedures, its internal controls and procedures for financial reporting and compliance with its code of ethics.

3. COMPOSITION AND PROCEDURES

(a) **Size of board and selection process** – The directors of the Corporation are elected each year by the shareholders at the annual meeting of shareholders. Any shareholder may propose a nominee for election to the board at the annual meeting. The board also recommends the number of directors on the board to shareholders for approval. Between annual meetings, the board may appoint directors to fill vacancies until the next annual meeting.

(b) **Qualifications** – Directors should have the highest personal and professional ethics and values and be committed to advancing the best interests of the shareholders of the Corporation. They should possess skills and competencies in areas that are relevant to the Corporation’s and Partnership’s activities. A majority of the directors will be “independent” directors. “Independent” has the meaning based on the rules and guidelines of the Toronto Stock Exchange and applicable securities regulatory authorities.

(c) **Meetings** – The Board of Directors has at least four scheduled meetings each year. The Manager will be responsible for presenting an agenda to the Board for consideration. Prior to each board meeting, the Manager will present agenda items for the meeting with the Directors for consideration. Materials for each meeting will be distributed to the Directors in advance of the meetings.

(d) **Committees** – The board has established the following standing committees to assist the board in discharging its responsibilities – Audit and Governance. Special committees may be established from time to time to assist the board in connection with specific matters. The chair of each committee reports to the board following meetings of the committee. The charter of each standing committee will be reviewed annually by the board.

(e) **Access to independent advisors** – The board and any committee may at any time retain financial, legal or other advisors at the expense of the Corporation.

BROOKFIELD REAL ESTATE SERVICES INC.

AUDIT COMMITTEE CHARTER

A committee of the board of directors of the Corporation to be known as the Audit Committee (the “Committee”) shall have the following terms of reference set out below.

1. MEMBERSHIP AND CHAIRPERSON

(a) Following each annual meeting of shareholders, the board of directors of the Corporation (the “board”) shall appoint from its number three or more directors (the “members”) to serve on the Committee until the close of the next annual meeting of shareholders of the Corporation or until the member ceases to be a director, resigns or is replaced, whichever first occurs.

(b) All of the members of the Committee shall be independent directors, within the meaning of the rules and guidelines of the Toronto Stock Exchange and applicable securities regulatory authorities. No member of the Committee shall be an officer or employee of the Corporation or Brookfield Real Estate Services Manager Limited (the “Manager”), who manages the Corporation pursuant to a Management Services Agreement. A majority of the members of the Committee shall be directors who are resident Canadians.

(c) No director who receives any compensation from the Corporation, its affiliates or the Manager, other than director’s fees, shall be eligible for membership on the Audit Committee. Disallowed compensation for a Committee member includes fees paid directly or indirectly for services as a consultant or a legal or financial advisor, regardless of the amount. Disallowed compensation also includes compensation paid to such director’s firm for such consulting or advisory services, even if the director is not the actual service provider.

(d) Each member of the Committee shall, in the judgment of the board, be financially literate. In addition, at least one member of the Committee shall, in the judgment of the board, have accounting or related financial management expertise.

(e) The board shall appoint one of the directors as the chairperson of the Committee. If the chairperson is absent from a meeting, the members shall select a chairperson from those in attendance to act as chairperson of the meeting.

2. RESPONSIBILITIES

(a) The Committee shall generally assume responsibility for developing the approach of the Corporation to the following matters; publicly disclosed financial information; financial accounting and reporting; internal control; risk management and insurance; and external and internal audit; and shall review and make recommendations to the board on all such matters.

(b) The Committee shall review and, where appropriate, recommend for approval by or report to the board on the following:

- (i) interim financial statements;
- (ii) audited annual financial statements, in conjunction with the report of the external auditor;
- (iii) public disclosure documents containing audited or unaudited financial information, including management’s discussion and analysis of financial condition and results of operations;
- (iv) the effectiveness of management’s policies and practices concerning financial reporting and any proposed changes in major accounting policies; and
- (v) any report, which accompanies published financial statements (to the extent such a report discusses financial condition or operating results) for consistency of disclosure with the financial statements themselves.

(c) The Audit Committee shall have the following responsibilities in relations with the external and internal auditors of the Corporation:

- (i) to have the sole responsibility to retain or terminate the external auditor, subject to ratification by the shareholders, and to approve the fees and expenses of such auditor;

- (ii) to receive, at least annually, a report from the external auditor on their independence and to review any relationship between the auditor and the Corporation and the Manager or any other relationship that may adversely affect the independence of the auditor and, based on such review, to assess the independence of the auditor;
 - (iii) to determine, through discussion with the external and internal auditors, that no restrictions were placed by the Manager on the scope of their examination or on its implementation;
 - (iv) to approve the Corporation's policy on non-audit related work by its external auditor, and pre-approve or reject any proposed non-audit related work to be conducted by the external auditor for the Corporation;
 - (v) to meet with the external and internal auditors in private session, at least annually, to review any matters arising from the annual external audit and internal audits conducted throughout the year; and
 - (vi) to review and approve the annual Internal Audit Plan and Budget.
- (d) In addition, the Committee shall:
- (i) review such litigation, claims, tax assessments, transactions or other contingencies as the external auditor or any officer of the Corporation may bring to its attention and which may have a material impact on financial results or which may otherwise adversely affect the financial well-being of the Corporation; and
 - (ii) consider other matters of a financial nature as directed by the board.

3. MEETINGS

(a) Meetings of the Committee may be called by the chairperson of the Committee, the Chairman of the board of the Corporation or the Manager. Meetings will normally be held each quarter and shall be called not less than once annually.

(b) The powers of the Committee shall be exercisable by a meeting at which a quorum is present. A quorum shall be not less than a majority of the members of the Committee from time to time. Subject to the foregoing and unless otherwise determined by the board, the Committee shall have the power to fix its quorum and to regulate its procedure.

(c) Notice of each meeting shall be given to each member, and to the Chairman and the Manager. Notice of meeting may be given verbally or by letter, email, telephone facsimile transmission or telephone not less than 24 hours before the time fixed for the meeting. Members may waive notice of any meeting. The notice need not state the purpose or purposes for which the meeting is being held.

(d) Matters decided by the Committee shall be decided by majority vote.

(e) The Committee may invite from time to time such persons as it may see fit to attend its meetings and to take part in discussion and consideration of the affairs of the Committee.

(f) The Committee shall report to the board on its proceedings, review undertaken and any associated recommendations.

BROOKFIELD REAL ESTATE SERVICES INC.
GOVERNANCE COMMITTEE CHARTER

A committee of the board of directors of the Corporation to be known as the Governance Committee (the “Committee”) shall have the following terms of reference set out below.

1. MEMBERSHIP AND CHAIRPERSON

(a) Following each annual meeting of shareholders, the board of directors of the Corporation (the “board”) shall appoint from its number three or more directors (the “members”) to serve on the Committee until the close of the next annual meeting of shareholders of the Corporation or until the member ceases to be a director, resigns or is replaced, whichever first occurs.

(b) A majority of the members of the Committee shall be independent directors, within the meaning of the rules and guidelines of the Toronto Stock Exchange and applicable securities regulatory authorities.

(c) The board shall appoint one of the directors as the chairperson of the Committee. If the chairperson is absent from a meeting, the members shall select a chairperson from those in attendance to act as chairperson of the meeting.

2. RESPONSIBILITIES

(a) The Committee shall generally assume responsibility for developing the approach of the Corporation to the following matters: board nominations, size and composition of the board, board member effectiveness, board member orientation, directors’ compensation.

(b) Evaluation - The Governance Committee will perform an annual evaluation of the effectiveness of the board as a whole, the committees of the board and the contributions of individual directors.

(c) Compensation - The Governance Committee will recommend to the board the compensation and benefits for non-management directors. In reviewing the adequacy and form of compensation and benefits, the committee seeks to ensure that the compensation and benefits reflect the responsibilities and risks involved in being a director of the Corporation and align the interests of the directors with the best interests of the shareholders.

(d) The Committee shall consider other matters as directed by the board.

3. MEETINGS

Meetings of the Committee may be called by the chairperson of the Committee, the Chairman of the board of the Corporation or the Manager. Meetings will be called not less than once annually.

(a) The powers of the Committee shall be exercisable by a meeting at which a quorum is present. A quorum shall be not less than a majority of the members of the Committee from time to time. Subject to the foregoing, and unless otherwise determined by the board, the Committee shall have the power to fix its quorum and to regulate its procedure.

(b) Notice of each meeting shall be given to each member, and to the Chairman and the Manager. Notice of meeting may be given verbally or by letter, email, telephone facsimile transmission or telephone not less than 24 hours before the time fixed for the meeting. Members may waive notice of any meeting. The notice need not state the purpose or purposes for which the meeting is being held.

(c) Matters decided by the Committee shall be decided by majority vote.

(d) The Committee may invite from time to time such persons as it may see fit to attend its meetings and to take part in discussion and consideration of the affairs of the Committee.

(e) The Committee shall report to the board on its proceedings, review undertaken and any associated recommendations.