

# **BAM INVESTMENTS CORP.**

## **NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that the Annual Meeting of Shareholders of **BAM Investments Corp.** (the "Corporation") will be held in Conference Room A&B, 2<sup>nd</sup> floor at the Ontario Bar Association Conference Centre, 20 Toronto Street, Toronto, Ontario, on **Wednesday, May 13, 2009** at the hour of **11:00 a.m.** (Toronto time) for the following purposes:

1. to receive the Annual Report to shareholders, including the consolidated financial statements of the Corporation for the fiscal year ended December 31, 2008, together with the external auditor's report thereon;
2. to elect directors who will serve until the end of the next annual meeting of shareholders;
3. to appoint the external auditor who will serve until the end of the next annual meeting of shareholders and authorize the directors to fix its remuneration;
4. to consider such other business as may properly come before the meeting or any adjournment thereof.

**If you are not able to be present at the meeting or if you wish to vote in advance of the meeting, please exercise your right to vote by signing and returning the form of proxy accompanying this notice not later than the close of business on Monday, May 11, 2009 or, if the meeting is adjourned, 48 hours (excluding Saturdays, Sundays and holidays) before the commencement of any adjourned meeting.** Proxies to be used at the meeting must be deposited with the Corporate Secretary c/o CIBC Mellon Trust Company either by mail at Proxy Department, P.O. Box 721, Agincourt, Ontario M1S 0A1 or by fax at 416-368-2502.

The accompanying Management Information Circular provides additional information relating to the matters to be dealt with at the meeting and forms part of this Notice.

By Order of the Board of Directors



Loretta M. Corso  
Secretary

Toronto, Canada  
March 31, 2009

*Note: If you are a new shareholder or a non-registered shareholder who did not elect to receive our 2008 Annual Report and you would like a hard copy of this report, please contact the Secretary of the Corporation.*

**BAM INVESTMENTS CORP.**

**MANAGEMENT INFORMATION CIRCULAR**

**T A B L E O F C O N T E N T S**

	<u>Page</u>
<b>PART I</b> <b>VOTING INFORMATION</b> .....	1
<b>PART II</b> <b>BUSINESS OF THE MEETING</b> .....	4
1. Annual Report and Financial Statements .....	4
2. Election of Directors .....	4
3. Appointment of External Auditor .....	6
<b>PART III</b> <b>STATEMENT OF CORPORATE GOVERNANCE PRACTICES</b> .....	7
<b>PART IV</b> <b>OTHER INFORMATION</b> .....	10
<b>SCHEDULE A - BOARD OF DIRECTORS CHARTER</b> .....	12

# BAM INVESTMENTS CORP.

## MANAGEMENT INFORMATION CIRCULAR

### 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 BAM Investments Corp. (the “Corporation”) to be held on Wednesday, May 13, 2009 at 11:00 a.m. in Conference Room A&B at the OBA Conference Centre, 2<sup>nd</sup> floor, 20 Toronto Street, Toronto, Ontario, 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 primarily by mail, but proxies may also be solicited personally by officers or regular employees of the Corporation. **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 9, 2009, except where otherwise noted.

#### APPOINTMENT OF PROXIES

The persons named in the enclosed form of proxy are management representatives and 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 CIBC Mellon Trust Company by mail at Proxy Department, P.O. Box 721, Agincourt, Ontario M1S 0A1 or by fax at 416-368-2502, so as to arrive not later than the close of business on **Monday, May 11, 2009**, or, if the meeting is adjourned, 48 hours (excluding Saturdays, Sundays and holidays) before the commencement of any adjourned meeting.

#### Non-Registered Shareholders

Only registered holders of common shares of the Corporation (“Common Shares”), or persons they appoint as their proxyholder, are permitted to attend and vote at the meeting. However, in many cases, Common Shares of the Corporation 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 Common Shares, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; or
- (ii) in the name of a depository (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101, the Corporation has distributed copies of the accompanying Notice of Meeting, this Circular and the enclosed form of proxy (collectively, the “meeting materials”) to the depository and Intermediaries for onward distribution to Non-Registered Shareholders.

Non-Registered Shareholders who have not waived the right to receive meeting materials will receive either a voting instruction form or, less frequently, a form of proxy. The purpose of these forms is to permit Non-Registered Shareholders to direct the voting of the Common Shares they beneficially own. Non-Registered Shareholders should follow the procedures set out below, depending on which type of form they receive.

- (i) **Voting Instruction Form.** In most cases, a Non-Registered Shareholder will receive, as part of the meeting materials, a voting instruction form. 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 the Holder's 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 the Holder's behalf), the Non-Registered Shareholder must complete, sign and return the voting instruction form in accordance with the directions provided and a form of proxy giving the right to attend and vote will be forwarded to the Non-Registered Shareholder.
- (ii) **Form of Proxy.** Less frequently, a Non-Registered Shareholder will receive, as part of the meeting materials, a form of proxy that has already been signed by the intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of shares beneficially owned by the Non-Registered Shareholder but which is otherwise uncompleted. 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 the Holder's behalf), the Non-Registered Shareholder must complete the form of proxy and deposit it with the Secretary of the Corporation c/o CIBC Mellon Trust Company by mail at Proxy Department, P.O. Box 721, Agincourt, Ontario M1S 0A1 or by fax at 416-368-2502 as described above. If a Non-Registered Shareholder wishes to attend and vote at the meeting in person (or have another person attend and vote on the Holder's behalf), the Non-Registered Shareholder must strike out the names of the persons named in the proxy and insert the Non-Registered Shareholder's (or such other person's) name in the blank space provided.

**Non-Registered Shareholders should follow the instructions on the forms they receive and contact their Intermediary promptly if they need assistance.**

## **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 aforesaid;
- (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 Chairman 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 Common 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 Common Shares will be voted accordingly. **In the absence of such direction, the Common 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 SHARES**

As at March 9, 2009, the Corporation had outstanding 79,386,710 Common Shares. Each holder of Common Shares of record at the close of business on **Friday, March 27, 2009**, the record date established for notice of the Meeting, will be entitled to one vote for each Common Share held by the holder on all matters to come before the Meeting.

To the knowledge of the directors and officers of the Corporation, the only person or corporation which beneficially owns, or controls or directs, directly or indirectly, securities of the Corporation carrying more than 10% of the votes attached to any class of outstanding voting securities of the Corporation is Partners Limited, which owns approximately 39 million Common Shares, representing 48.7% of the Common Shares.

Partners Limited was formed in 1995 for the purpose of owning shares of Brookfield Asset Management Inc. ("Brookfield") for the long term. Brookfield is an asset management company, with a focus on property, power and other infrastructure assets. The Class A Limited Voting Shares of Brookfield are listed on the Toronto, New York and Euronext Amsterdam stock exchanges. Mr. Edward C. Kress, the President of the Corporation, Mr. Brian D. Lawson, a director of the Corporation, and Mr. Frank N.C. Lochan, the Chairman and a director of the Corporation, are shareholders of Partners Limited.

A number of the senior officers and directors of Brookfield and its affiliates (collectively, “The Partners”) are shareholders of Partners Limited. The Partners collectively own, directly or indirectly, exercise control or direction over or have contractual arrangements, such as options, to acquire or otherwise hold beneficial interests in approximately 100 million Class A Limited Voting Shares of Brookfield, representing approximately 17% of such shares on a fully diluted basis. These interests include shares held directly and indirectly by individual shareholders as well as their *pro rata* interests in shares held by Partners Limited and the Corporation. Partners Limited owns 85,120 Class B Limited Voting Shares of Brookfield and 507,397 Class A Limited Voting Shares of Brookfield, representing 100% and 0.1%, respectively, of each class of shares.

As at March 9, 2009, senior officers of Brookfield and its affiliates own, directly and indirectly, approximately 32 million Common Shares, representing 41% of all issued and outstanding Common Shares of the Corporation, in addition to indirect interests held by these individuals through Partners Limited.

## **PART II: BUSINESS OF THE MEETING**

### **1. ANNUAL REPORT AND FINANCIAL STATEMENTS**

The annual financial statements of the Corporation for the fiscal year ended December 31, 2008 are included in the Corporation’s 2008 Annual Report, which is being mailed to all registered shareholders of the Corporation and Non-Registered Shareholders who have so requested and is available on SEDAR at [www.sedar.com](http://www.sedar.com). The 2008 Annual Report will be placed before the shareholders at the Meeting.

### **2. ELECTION OF DIRECTORS**

The articles of the Corporation provide for a minimum of one and a maximum of ten directors. By special resolution of the shareholders of the Corporation dated July 28, 1986, the board of directors of the Corporation (the “Board of Directors” or the “Board”) was empowered to determine the number of directors from time to time. In March 2009, the Board increased the number of directors from six to seven. The Board considers that this number of directors is appropriate, given the size of the Corporation and the scope of its operations. Accordingly seven directors will 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 Common 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 Common 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.

<b>Name, Municipality of Residence, Office and Principal Occupation</b>	<b>Year First Elected a Director</b>	<b>Number of Common Shares Beneficially Owned</b>
<b>James C. Bacon</b> <sup>(1, 2, 3)</sup> Ontario, Canada Corporate Director <i>Independent Director</i>	2007	—
<b>Howard Driman</b> <sup>(1, 2)</sup> Ontario, Canada Director of Finance UIA Federations Canada <i>(a national fundraising and community planning organization)</i> <i>Independent Director</i>	2007	—
<b>Edward C. Kress</b> <sup>(4)</sup> Ontario, Canada Group Chairman, Power Brookfield Asset Management Inc. <i>(a global asset management company)</i> <i>Director-elect</i>	—	—
<b>Brian D. Lawson</b> <sup>(5, 6)</sup> Ontario, Canada Chief Financial Officer, Brookfield Asset Management Inc. <i>(a global asset management company)</i> <i>Related Director</i>	1991	3,072,790
<b>R. Frank Lewarne</b> <sup>(1, 2, 7)</sup> Ontario, Canada Corporate Director <i>Independent Director</i>	1990	3,080
<b>Frank N.C. Lochan</b> <sup>(8)</sup> Ontario, Canada Chairman of the Corporation; and Corporate Director <i>Related Director</i>	1998	—
<b>Ralph J. Zarboni</b> <sup>(1, 2)</sup> Ontario, Canada Chairman and Chief Executive Officer The EM Group Inc. <i>(a plastics and electric products distribution company)</i> <i>Independent Director</i>	1999	—

(1) Member of the Audit Committee.

(2) Member of the Corporate Governance Committee.

(3) Mr. Bacon is also a director of West Street Capital Corporation and a trustee of Noranda Income Fund.

(4) Mr. Kress was appointed President of the Corporation on March 26, 2009, succeeding Mr. Lawson. Mr. Kress is a shareholder of Partners Limited and owns securities representing a 0.6% equity interest in Partners Limited. Mr. Kress is also President and Chairman of Brookfield Investments Corporation.

(5) Mr. Lawson is a shareholder of Partners Limited and owns securities representing a 4.1% equity interest in Partners Limited. Mr. Lawson is also Chairman and a director of BAM Split Corp., and President and a director of West Street Capital Corporation.

(6) Mr. Lawson served as a director of American Resource Corporation Limited ("ARCL") until April 2005. During that time, ARCL failed to file financial statements on a timely basis, and accordingly ARCL and its directors and officers become subject to management cease trade orders imposed by the Ontario Securities Commission and other provincial securities regulatory authorities. Brookfield controls all of the voting and 99% of the non-voting shares of ARCL. ARCL has corrected

*the filing deficiencies that led to the management cease trade orders and has made application to the relevant provincial securities regulatory authorities to have the management cease trade orders, which are still in effect, lifted.*

(7) *Mr. Lewarne is also a director of BAM Split Corp., a subsidiary of the Corporation.*

(8) *Mr. Lochan is a shareholder of Partners Limited and owns securities representing a 0.9% equity interest in Partners Limited. Mr. Lochan is also Chairman and a director of West Street Capital Corporation. Mr. Lochan retired as an officer of Brookfield in September, 2005.*

All of the persons named above were elected as members of the Board at the last annual meeting of shareholders on May 13, 2008.

### **Compensation of Directors**

Directors of the Corporation who are not employees of Brookfield (the “non-management directors”) are entitled to receive an annual fee of \$15,000, with no additional meeting attendance fees. During 2008, four directors of the Corporation were paid total cash compensation of \$75,000.

Non-management directors are also reimbursed for travel and other out-of-pocket expenses incurred in connection with attending Board and committee meetings.

### **Director Attendance Report**

During 2008, the Board met four times and the Audit Committee met four times. The Corporate Governance Committee did not meet during 2008, since its mandate was covered during regularly scheduled Board meetings.

The following table summarizes director attendance at these meetings.

<b>Meetings Attended in 2008</b>	<b>Board of Directors</b>	<b>Audit Committee<sup>(1)</sup></b>
James C. Bacon	4 of 4	4 of 4
Howard Driman	4 of 4	4 of 4
Brian D. Lawson	4 of 4	
R. Frank Lewarne	4 of 4	4 of 4
Frank N.C. Lochan	3 of 4	
Ralph J. Zarboni	4 of 4	4 of 4

(1) *Attendance is shown only for Audit Committee members.*

Private sessions of the Board without management and related directors were held after each Board meeting, chaired by the chairman of the Audit Committee. Private sessions of the Audit Committee without management present were also held after each Audit Committee meeting.

### **3. APPOINTMENT OF EXTERNAL AUDITOR**

The Audit Committee recommends the reappointment of Deloitte & Touche LLP 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 Common Shares represented by such proxy in favour of reappointing Deloitte & Touche LLP, Chartered Accountants, as the external auditor of the Corporation to hold office 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 Common 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.



## **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 supervises the conduct and affairs of the Corporation directly and through its committees. In so doing, the Board endeavours to always act in the best interests of the Corporation. In carrying out its responsibilities, the Board appoints the senior executives of the Corporation and meets with them on a regular basis to receive and consider reports on the Corporation's business. Along with those matters, which must by law be approved by the Board, key strategic decisions are also submitted by management to the Board for approval.

In addition to approving specific corporate actions, the Board reviews and approves the reports issued to shareholders, including annual and interim financial statements, as well as materials prepared for shareholders' meetings. The Board also approves the Corporation's overall business strategies and annual business plans for achieving its objectives.

The responsibilities of the Board are set out in a written charter, which is reviewed and approved annually. The Board's charter is reproduced in full as Schedule A to this Circular.

The Board meets at least once in each quarter, with additional meetings held when appropriate. In 2008, there were four regular Board meetings. Four regular meetings are scheduled for 2009. Meeting frequency may change depending on the opportunities or risks facing the Corporation.

### **Appointment of Directors**

The Corporation supports the appointment of directors nominated by its major shareholders, independent directors and directors drawn from senior management. This combination leads to a healthy exchange in Board deliberations resulting in objective, well-balanced and informed discussion and decision making. Nominees for election to the Board at the Corporation's annual shareholders' meetings are reviewed by the Board, directly or through its Corporate Governance Committee.

The Corporation believes that well-informed directors are essential for the effective performance of a Board. New directors are supplied with comprehensive information about the Corporation and its major investments. Directors are provided an opportunity to meet individually in work sessions with senior management to obtain further insight into the operations of the Corporation and its subsidiaries, and are involved on a regular basis in discussions with management. Individual directors are also free to consult with members of senior management whenever so required and to engage outside advisers with Board authorization.

Director compensation is reviewed annually by the Board, either directly or through its Corporate Governance Committee. Information on director compensation is set out on page 6 of this Circular.

### **Composition of the Board**

As authorized by a special resolution of the Corporation's shareholders, the Board increased the number of directors from six to seven at its meeting on March 26, 2009. The Corporation considers this to be an appropriate number to ensure an effective and efficient Board.

The Corporation believes that a majority of its directors should be independent of the Corporation: that is, free from any interest and any business or other relationships (other than interests and relationships arising from shareholdings) which could, or could be reasonably perceived to, materially interfere with a director's ability to act in the best interests of the Corporation. Four of the Corporation's six current

directors, namely Messrs. James Bacon, Howard Driman, Frank Lewarne and Ralph Zarboni, constituting 57% of the Board, are independent directors.

Two of the Corporation's current six directors, Messrs. Brian Lawson and Frank Lochan, constituting 29% of the Board, are non-independent directors (the "related directors"). Mr. Lawson is a shareholder of Partners Limited and the Chief Financial Officer of Brookfield. Mr. Lochan, the Chairman of the Corporation, is also a shareholder of Partners Limited and a retired officer of Brookfield.

One director position, constituting 14% of the Board, is currently vacant and will be filled upon the election of the directors of the Corporation at the Annual Meeting of Shareholders on May 13, 2009. Mr. Edward Kress, the President of the Corporation, is the proposed director nominee for this position. Mr. Kress is a shareholder of Partners Limited and Group Chairman, Power of Brookfield and, if elected, will be a non-independent director.

### **Committees of the Board**

The Board has two standing committees: the Audit Committee and the Corporate Governance Committee. Special committees may also be formed from time to time as required to review particular matters or transactions. The following is a brief description of the mandate of each standing committee, its composition and the meetings held this past year.

#### ***Audit Committee***

The Audit Committee is comprised of four directors, all of whom are independent, namely Messrs. Driman (Chairman), Bacon, Lewarne and Zarboni. The Board of Directors has determined that each of these directors is financially literate.

The Audit Committee is responsible for monitoring the Corporation's systems and procedures for financial reporting and controls, reviewing all public disclosure documents containing financial information and monitoring the performance of the Corporation's external auditor. The Audit Committee is also responsible for reviewing the Corporation's quarterly and annual financial statements prior to approval by the full Board. The responsibilities of the Audit Committee are set out in a written charter, which is reviewed and approved annually by the Board. The Audit Committee's charter is reproduced in full in the Corporation's Annual Information Form.

In 2008, the Audit Committee met once to review the annual financial information provided to shareholders, which included meeting with the Corporation's external auditors independent of management, and three times to review the Corporation's interim financial statements.

#### ***Corporate Governance Committee***

The Corporate Governance Committee is comprised of four directors, all of whom are independent, namely Messrs. Zarboni (Chairman), Bacon, Driman, and Lewarne.

The Corporate Governance Committee oversees the Corporation's approach to corporate governance. The Corporate Governance Committee's specific responsibilities include reviewing and making recommendations to the Board on the following: the Corporation's annual statement of corporate governance practices; the composition and effectiveness of the Board and its committees; orientation programs for new directors; nominees to fill vacancies on the Board; the relationship between management and the Board; the mandates of the Board and its committees; requests from directors for the engagement of outside advisors; and any other matters delegated to the committee by the Board. It is also the responsibility of the Board's Corporate Governance Committee, in consultation with the Chairman, to periodically assess the size and composition of the Board and its committees, to review the effectiveness of the Board's operations and its relations with management and to assess the performance of the directors.

The Corporate Governance Committee did not consider it necessary to meet separately outside of regularly scheduled Board meetings during 2008 as its mandate was covered within the Board meetings.

### **Relationship with Management**

Each year, the Board discusses the Corporation's strategic initiatives and business plans with management. The Board's annual approval of the business plan provides management with the mandate to conduct the business and affairs of the Corporation, with material deviations being reported to and approved by the Board as considered appropriate.

The position descriptions of the Chairman of the Board, the Chairman of the Audit Committee, the Chairman of the Corporate Governance Committee and the Corporation's President and Chief Executive Officer are reviewed annually by the Board, either directly or through its Corporate Governance Committee.

The Corporation believes that the information provided by management to the Board and its committees is critical to their effectiveness. In addition to the reports presented to the Board at its meetings, the Board is also kept informed by management of important corporate developments on a regular basis. The directors periodically assess the quality, completeness and timeliness of this information, particularly insofar as it relates to identifying the principal risks facing the Corporation and the initiatives being taken to manage them. The Board also meets independently of management from time to time.

The independent directors of the Board meet privately at the conclusion of every regularly scheduled Board meeting without related directors and members of management present under the leadership of the Chairman of the Audit Committee. Four such private sessions were held in 2008 and two have been held to date in 2009.

Members of management and related directors do not sit on the Audit Committee or the Corporate Governance Committee, but attend committee meetings at the invitation of the committee's chairman. The committees also meet privately without management and related directors present at the conclusion of every regularly scheduled committee meeting.

### **Code of Business Conduct**

Since the Corporation has no dedicated management or administrative staff, it has not adopted a written code of business conduct. The directors and officers of the Corporation who are also officers of Brookfield are subject to a written Code of Business Conduct and Ethics that has been adopted by the board of directors of that company. A copy of this code is available on the web site of Brookfield at [www.brookfield.com](http://www.brookfield.com) under *About Brookfield/Corporate Governance* and is filed on SEDAR at [www.sedar.com](http://www.sedar.com).

## **PART IV: OTHER INFORMATION**

### **EXECUTIVE COMPENSATION**

No cash compensation was paid or is payable by the Corporation or its subsidiaries to executive officers of the Corporation in their capacities as such during or in respect of the financial years ended December 31, 2008, 2007 or 2006. Management and administrative services are provided to the Corporation by Brookfield under a management services agreement described below.

### **MANAGEMENT SERVICES AGREEMENT**

Under a management services agreement Brookfield provides management administrative and financial services to the Corporation. During 2008, the Corporation paid Brookfield \$20,000 for services provided under this agreement.

### **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

Except as discussed in this Circular, during the fiscal year of the Corporation ended December 31, 2008, no director, senior officer or associate of a director or senior officer or, to the knowledge of the directors or senior officers of the Corporation after having made reasonable enquiry, any person or company who beneficially owns, directly or indirectly, voting securities of the Corporation carrying more than 10% of the voting rights attached to any class of voting securities of the Corporation outstanding at the date hereof, or any associate or affiliate thereof, had any material interest, direct or indirect, in any material transaction of the Corporation nor do any such persons have a material interest, direct or indirect, in any proposed transaction of the Corporation.

### **NORMAL COURSE ISSUER BID**

The Corporation believes that the purchase of a portion of its outstanding Common Shares is an appropriate and desirable use of available funds and is in the best interests of the Corporation. This repurchase arrangement is called a normal course issuer bid.

In August 2008, the Corporation filed a notice of intention to make a normal course issuer bid to purchase up to 3,760,000 Common Shares between August 23, 2008 and August 22, 2009. This is less than 10 percent of the public float of Common Shares as at August 20, 2008.

The Corporation purchased 31,500 Common Shares in 2008 under the notice of intention filed in August 2008.

### **AVAILABILITY OF DISCLOSURE DOCUMENTS**

The Corporation will provide any person or company, upon request to the Secretary of the Corporation, with a copy of this Circular and: (i) the most recent Annual Information Form of the Corporation; (ii) the 2008 Notice of Intention to Make a Normal Course Issuer Bid, (iii) the comparative financial statements of the Corporation for the fiscal year ended December 31, 2008, together with the report of the auditors thereon; (iv) the most recent Annual Report of the Corporation, which includes financial information, management's discussion and analysis for the year ended December 31, 2008; and (v) the interim financial statements of the Corporation for the quarterly periods subsequent to the end of its most recent fiscal year. Financial information can be found in the Corporation's comparative financial statements and MD&A for the most recently completed financial year.

Requests for the above-mentioned disclosure documents can be made to the Secretary of the Corporation by mail at Suite 300, 181 Bay Street, Brookfield Place, Box 762, Toronto, Ontario M5J 2T3, by telephone at 416-359-8620 or by facsimile at 416-365-9642. These documents and additional information relating to the Corporation are also available on SEDAR at [www.sedar.com](http://www.sedar.com).

**OTHER BUSINESS**

The Corporation knows of no 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 sending thereof to shareholders of the Corporation have been approved by the Board of Directors.

By Order of the Board of Directors

A handwritten signature in black ink, appearing to read 'L. Corso', with a large, stylized flourish at the beginning.

Loretta M. Corso  
Secretary

*Toronto, Ontario  
March 31, 2009*

## **SCHEDULE A**

### **BOARD OF DIRECTORS CHARTER**

#### **ROLE OF THE BOARD**

The role of the board of directors (the “Board”) of BAM Investments Corp. (the “Corporation”) is to oversee, directly and through its committees, the business and affairs of the Corporation, which are conducted by its officers and employees under the direction of the Chief Executive Officer (“CEO”). In doing so, the Board acts at all times with a view to the best interests of the Corporation and its shareholders.

The Board is elected by the Corporation’s shareholders to oversee management, with the objective of advancing the best interests of the shareholders by enhancing shareholder value in a manner that recognizes the concerns of other stakeholders in the Corporation, including its employees, suppliers, customers and the communities in which it operates.

#### **AUTHORITY AND RESPONSIBILITY**

The Board meets regularly to review reports by management on the Corporation’s performance. In addition to the general supervision of management, the Board performs the following functions:

- (a) strategic planning – overseeing the strategic planning process within the Corporation and, at least annually, reviewing, approving and monitoring the strategic plan for the Corporation including fundamental financial and business strategies and objectives;
- (b) risk assessment – assessing the major risks facing the Corporation and reviewing, approving and monitoring the manner of managing those risks;
- (c) Chief Executive Officer – developing a position description for the CEO including the corporate objectives that the CEO is responsible for meeting and selecting, evaluating and compensating the CEO;
- (d) senior management – overseeing the selection, evaluation and compensation of senior management and monitoring succession planning;
- (e) communications and disclosure policy – adopting a communications and disclosure policy for the Corporation, including ensuring the timeliness and integrity of communications to shareholders and establishing suitable mechanisms to receive stakeholder views;
- (f) corporate governance – developing the Corporation’s approach to corporate governance, including developing a set of corporate governance principles and guidelines applicable to the Corporation;
- (g) internal controls – reviewing and monitoring the controls and procedures within the Corporation to maintain its integrity including its disclosure controls and procedures, and its internal controls and procedures for financial reporting and compliance; and
- (h) maintaining integrity – on an ongoing basis, satisfying itself as to the integrity of the CEO and executive officers and that the CEO and other executive officers create a culture of integrity throughout the Corporation.

## 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. The Board proposes a slate of nominees to the shareholders for election. Any shareholder may propose a nominee for election to the Board either by means of a shareholder proposal upon compliance with the requirements prescribed by the *Business Corporations Act* (Ontario) or at the 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 activities. At least 50% of the directors will be independent directors based on the rules and guidelines of applicable stock exchanges and securities regulatory authorities.
- (c) Director orientation – The Corporation’s management team is responsible for providing an orientation and education program for new directors.
- (d) Meetings – The Board has at least four scheduled meetings a year. The Board is responsible for its agenda. Prior to each Board meeting, the CEO discusses agenda items for the meeting with the Chairman of the Board. Materials for each meeting are distributed to the directors in advance of the meetings.

At the conclusion of each regularly scheduled meeting, the independent directors meet without management and non-independent directors present. The directors have appointed the Chairman of its Audit Committee to chair these meetings.

- (e) Committees – The Board has established two standing committees to assist it in discharging its responsibilities: the Audit Committee and the Corporate Governance Committee. Special committees are 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 terms of reference of each standing committee are reviewed annually by the Board.
- (f) Evaluation – The Board directly or through its Corporate Governance Committee performs an annual evaluation of the effectiveness of the Board as a whole, the committees of the Board and the contributions of individual directors. In addition, each committee assesses its performance annually.
- (g) Compensation – The Board directly or through its Corporate Governance Committee reviews the compensation for non-management directors. In reviewing the adequacy and form of compensation, the Board seeks to ensure that the compensation reflects the responsibilities and risks involved in being a director of the Corporation and aligns the interests of the directors with the best interests of the shareholders.
- (h) Access to independent advisors – The Board and any committee may at any time retain outside financial, legal or other advisors at the expense of the Corporation. Any director may, subject to the approval of the Chairman of the Board, retain an outside advisor at the expense of the Corporation.



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