City of Chicago

O2014-5750

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	6/25/2014
Sponsor(s):	Emanuel (Mayor)
Type:	Ordinance
Title:	Twenty-eighth amendment to District Cooling System Use Agreement with Thermal Chicago Corporation
Committee(s) Assignment:	Committee on Transportation and Public Way

TRANSP.

OFFICE OF THE MAYOR

CITY OF CHICAGO

RAHM EMANUEL
MAYOR

June 25, 2014

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Transportation, I transmit herewith an ordinance authorizing the 27th and 28th amendments to the District Cooling Agreement with Thermal Chicago Corporation.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

Rahm Emanuel

Mayor

ORDINANCE

WHEREAS, on the fourteenth (14th) day of September, 1994, the City Council (the "City Council") of the City of Chicago, Illinois (the "City") adopted an Ordinance authorizing the City to enter into a "District Cooling System Use Agreement" (the "Original Agreement") with MDE Thermal Technologies, Inc. (formerly Exelon Thermal Technologies, Inc., and formerly before that Unicom Thermal Technologies, Inc. and formerly before that Northwind, Inc., and referred to herein as "Grantee"), which grants to Grantee the non-exclusive right to use certain public ways of the City to construct, operate and maintain a district cooling system (the "System"); and

WHEREAS, the City and Grantee entered into the Original Agreement as of October 1, 1994; and

WHEREAS, on the (seventeenth) 17th day of May, 1995, the City Council adopted an ordinance authorizing the City to enter into a "First Amendment to District Cooling System Use Agreement" (the "First Amendment"); and

WHEREAS, the First Amendment is dated as of June 1, 1995; and

WHEREAS, on the (thirteenth) 13th day of July, 1995, the City Council adopted an ordinance authorizing the City to enter into a "Second Amendment to District Cooling System Use Agreement" (the "Second Amendment"); and

WHEREAS, the Second Amendment is dated as of July 15, 1995; and

WHEREAS, on the (tenth) 10th day of January, 1996, the City Council adopted an ordinance authorizing the City to enter into a "Third Amendment to District Cooling System Use

Agreement" (the "Third Amendment"); and

WHEREAS, the Third Amendment is dated as of February 1, 1996; and

WHEREAS, on the (sixth) 6th day of March, 1996, the City Council adopted an ordinance authorizing the City to enter into a "Fourth Amendment to District Cooling System Use Agreement" (the "Fourth Amendment"); and

WHEREAS, the Fourth Amendment is dated as of April 1, 1996; and

WHEREAS, on the (sixteenth) 16th day of April, 1996, the City Council adopted an ordinance authorizing the City to enter into a "Fifth Amendment to District Cooling System Use Agreement" (the "Fifth Amendment"); and

WHEREAS, the Fifth Amendment is dated as of October 1, 1996, and

WHEREAS, on the (thirtieth) 30th day of October, 1996, the City Council adopted an ordinance authorizing the City to enter into a "Sixth Amendment to District Cooling System Use Agreement (the "Sixth Amendment"); and

WHEREAS, the Sixth Amendment is dated as of November 7, 1996; and

WHEREAS, on the (eleventh) 11th day of December, 1996, the City Council adopted an ordinance authorizing the City to enter into a "Seventh Amendment to District Cooling System Use Agreement" (the "Seventh Amendment"); and

WHEREAS, the Seventh Amendment is dated as of January 15, 1997; and

WHEREAS, on the (seventh) 7th day of February, 1997, the City Council adopted an ordinance authorizing the City to enter into an "Eighth Amendment to District Cooling System Use Agreement" (the "Eighth Amendment"); and

WHEREAS, the Eighth Amendment is dated as of May 1, 1997; and

WHEREAS, on the (thirtieth) 30th day of July, 1997, the City Council adopted an ordinance authorizing the City to enter into a "Ninth Amendment to District Cooling System Use Agreement" (the "Ninth Amendment"); and

WHEREAS, the Ninth Amendment is dated as of August 1, 1997; and

WHEREAS, on the (tenth) 10th of September, 1997, the City Council adopted an ordinance authorizing the City to enter into a "Tenth Amendment" to District Cooling System Use Agreement (the "Tenth Amendment"); and

WHEREAS, the Tenth Amendment is dated as of October 1, 1997;

WHEREAS, on the (fifth) 5th day of February, 1998, the City Council adopted an Ordinance authorizing the City to enter into an "Eleventh Amendment" to District Cooling System Use Agreement (the "Eleventh Amendment"); and

WHEREAS, the Eleventh Amendment is dated as of March 12, 1998; and

WHEREAS, on the (twenty-ninth) 29th day of April, 1998, the City Council adopted an Ordinance authorizing the City to enter into a "Twelfth Amendment to District Cooling System Use Agreement" (the "Twelfth Amendment"); and

WHEREAS, the Twelfth Amendment is dated as of June 1, 1998; and

WHEREAS, on the (seventh) 7th day of October, 1998, the City Council adopted an ordinance authorizing the City to enter into a "Thirteenth Amendment to District Cooling System Use Agreement" (the "Thirteenth Amendment"); and

WHEREAS, the Thirteenth Amendment is dated as of October 8, 1998; and

WHEREAS, on the (twenty-first) 21st day of April, 1999, the City Council adopted an Ordinance authorizing the City to enter into a "Fourteenth Amendment to District Cooling System Use Agreement" (the "Fourteenth Amendment"); and

WHEREAS, the Fourteenth Amendment is dated as of April 21, 1999; and

WHEREAS, on the (sixteenth) 16th day of February, 2000, the City Council adopted an ordinance authorizing the City to enter into a "Fifteenth Amendment to District Cooling System Use Agreement" (the "Fifteenth Amendment"); and

WHEREAS, the Fifteenth Amendment is dated as of March 15, 2000; and

WHEREAS, on the sixteenth (16th) day of February, 2000, the City Council adopted an ordinance authorizing the City to enter into a "Sixteenth Amendment to District Cooling System Use Agreement" (the "Sixteenth Amendment"); and

WHEREAS, the Sixteenth Amendment is dated as of March 15, 2000; and

WHEREAS, on the seventeenth day of May, 2000, the City Council adopted an ordinance authorizing the City to enter into a "Seventeenth Amendment to District Cooling

System Use Agreement" (the "Seventeenth Amendment"); and

WHEREAS, the Seventeenth Amendment is dated as of June 1, 2000; and

WHEREAS, on the twenty-seventh (27th) day of September, 2000, the City Council adopted an ordinance authorizing the change of control and name change from Unicom Thermal Technologies Inc. to Exelon Thermal Technologies, Inc. now known as MDE Thermal Technologies, Inc.; and

WHEREAS, on the seventh (7th) day of March, 2001, the City Council adopted an ordinance authorizing the City to enter into an "Eighteenth Amendment to District Cooling System Use Agreement" (the "Eighteenth Amendment"); and

WHEREAS, the Eighteenth Amendment is dated as of August 1, 2001; and

WHEREAS, on the thirty-first (31st) day of October , 2001, the City Council adopted an ordinance authorizing the City to enter into a "Nineteenth Amendment to District Cooling System Use Agreement" (the "Nineteenth Amendment"); and

WHEREAS, the Nineteenth Amendment is dated as of November 1, 2001; and

WHEREAS, on the ninth (9th) day of May, 2002, the City Council adopted an ordinance authorizing the City to enter into a "Twentieth Amendment to District Cooling System Use Agreement" (the "Twentieth Amendment") and collectively with the Original Agreement and all prior amendments described above (the "Current Agreement"); and

WHEREAS, the Twentieth Amendment is dated as June 1, 2002 and the Current Distribution Facilities are described in Exhibit 1; and

WHEREAS, on the twenty-third (23rd) day of June, 2004, the City of Chicago adopted an ordinance authorizing the City to enter into a "Twenty-First Amendment to the District Cooling System Use Agreement" (the "Twenty-First Amendment") which authorized the change of ownership and control of Thermal Chicago Corporation from Exelon Thermal Holdings, Inc. to Macquarie District Energy, Inc.; and

WHEREAS, the Twenty-First Amendment is dated as of June 30, 2004; and

WHEREAS, on the twenty-third (23rd) day of June, 2004, the City Council adopted an ordinance authorizing the City to enter into a "Twenty-Second Amendment to the District Cooling System Use Agreement" (the "Twenty-Second Amendment") which authorized the change of ownership and control of Exelon Thermal Technologies, Inc. from Macquarie Investment Holdings, Inc. to Macquarie Infrastructure Assets, Inc. and collectively with the Original Agreement and all prior amendments described above the "Current Agreement" and the Current Distribution Facilities are described in Exhibit 1 and Exhibit 2; and

WHEREAS, the Twenty-Second Amendment is dated as of December 23, 2004; and

WHEREAS, on the sixth (6th) day of October, 2005, the City Council adopted an ordinance authorizing the City to enter into a "Twenty-Third Amendment to the District Cooling System Use Agreement" (the "Twenty-Third Amendment") which authorized amendments to the current Exhibits to include in the current Distribution Facilities a portion of East Randolph Street

from North Columbus Drive to a point approximately 340 feet east of the right-of-way line of North Columbus Drive, and collectively with the Original Agreement and all prior amendments described above, the "Current Agreement" and the Current Distribution Facilities are described in Exhibit 1 and Exhibit 2; and

WHEREAS, the Twenty-Third Amendment is dated as of November 1, 2005; and

WHEREAS, on the first (1st) day of November, 2006 the City Council adopted an ordinance authorizing the City to enter into a "Twenty-Fourth Amendment to the District Cooling System Use Agreement" (the "Twenty-Fourth Amendment") which authorized amendments to the current Exhibits to include in the current Distribution Facilities with respect to Plant #1 Wabash Avenue from Adams Street to 200 feet north of Monroe Street, with respect to Plant #3 in the LaSalle Street Trolley Tunnel, from Lake Street to Kinzie, in Kinzie Street from the LaSalle Street Trolley Tunnel to 75 feet east of State Street and in Erie Street from State Street to Michigan Avenue and collectively with the Original Agreement and all prior amendments described above, the "Current Agreement" and the Current Distribution Facilities are described in Exhibit 1 and Exhibit 2; and

WHEREAS, the Twenty-Fourth Amendment is dated as of November 1, 2006; and

WHEREAS, on the thirtieth (30th) day of July, 2008, the City Council adopted an ordinance authorizing the City to enter into a "Twenty-Fifth Amendment to the District Cooling System Use Agreement" (the "Twenty-Fifth Amendment") which authorized the extension of the Termination Date of the Original Agreement to December 31, 2040 in consideration of an increase in the use fee from 3.0% of Grantee's Total Gross Billings to 3.5% of Grantee's Gross

Billings commencing on January 1, 2009 and another .5% increase of Grantee's Gross Billings effective January 1, 2014, and the City reserved the right after considering and analyzing business and economic realities to increase the General Compensation by no more than 2% of Grantee's Gross Billings in 2024 in any event not to exceed in the aggregate 6.0% of Grantee's Gross Billings throughout the term of the Current Agreement; and

WHEREAS, the Twenty-Fifth Amendment is dated as of October 1, 2008; and

WHEREAS, On the eighth (8th) day of September 2011, the City Council of the City adopted an ordinance authorizing the City to enter into a "Twenty-Sixth Amendment to the District Cooling System Use Agreement" (the Twenty-Sixth Amendment") which authorized amendment to the current exhibits to include in the current Distribution Facilities a portion of Wabash Avenue, from Erie Street to Superior Street, and a portion of Superior Street, from Wabash Avenue to a point 100 feet west of Wabash Avenue, and collectively with the Original Agreement and all prior amendments described above, the "Current Agreement" and the "Current Distribution Facilities are described in Exhibit 1 and Exhibit 2; and

WHEREAS, The Twenty-Sixth Amendment is dated as of October 18, 2011; and

WHEREAS, the Grantee has informed the City that Macquarie District Energy Holdings II, LLC, a Delaware limited liability company ("MDE") intends to transfer ownership and control of the Grantee, by selling all its membership interest in Macquarie District Energy Holdings LLC, a Delaware limited liability company which owns all of the shares of Thermal Chicago Corporation (which in turn owns all of the shares in the Grantee) to BIF II District Energy Holdings II (Delaware) L.P., a Delaware limited partnership ("BIF II LP") (the "Second

Transfer") in accordance with the basic terms described in Exhibit 2 (the "Terms") attached hereto and incorporated herein; and

WHEREAS, although BIF II LP is the named "Buyer" in the Second Transfer, as described above, before closing the rights of BIF II LP to acquire all membership interests in Macquarie District Energy Holdings LLC will be assigned to District Energy Holdings L.P. ("Brookfield"), which will acquire the interests in, and, following closing, be the direct parent of, Macquarie District Energy Holdings, LLC and therefore own and control the Grantee.

WHEREAS, after the Second Transfer it is proposed to change the name of the Grantee to Enwave Chicago Inc.; and

WHEREAS, Section 4.1.4 of the Current Agreement requires prior City Council approval where ownership of 50 percent or more of the control of the Grantee is acquired during the term of the Current Agreement; and

WHEREAS, it is intended that Brookfield (or a subsidiary or other affiliate thereof) will be obtaining financing in connection with the Second Transfer, and to obtain such financing a pledge of all of the shares of Grantee may be required to secure the indebtedness incurred under such financing; and

WHEREAS, Section 4.1.5 of the Current Agreement requires prior City Council approval of a pledge where such pledge shall involve hypothecation of more than seventy-five (75%) of the fair market value of Grantee's District Cooling System; and

WHEREAS, the Grantee desires to obtain City Council approval for the Second Transfer and to amend the Current Agreement to reflect the change of ownership and operation of the Grantee to Brookfield and for a pledge to be granted of all of the shares of Grantee to secure indebtedness incurred under any financing obtained by Brookfield (or a subsidiary or other affiliate thereof) in connection with the Second Transfer (and any refinancing of such indebtedness); and

WHEREAS, Brookfield is a wholly-owned subsidiary of Brookfield Infrastructure Fund II, a private investment fund controlled by Brookfield Asset Management Inc., comprised of Delaware limited partnerships, and

WHEREAS, Brookfield is committed to retaining the Grantee's current labor force and management team to manage and operate the System, endeavor to employ locally in construction and operational efforts and to purchase supplies from local businesses when building future infrastructure; and

WHEREAS, Brookfield agrees to cause the Grantee to continue to comply with all of the provisions of the Current Agreement, including the MBE/WBE requirements, insurance provisions, letter of credit and permit fee requirements and the Municipal Code of Chicago; and

WHEREAS, the City is prepared to consent to the proposed change of control if: 1) the proposed changes of control do not adversely affect amounts to be paid the City under the Current Agreement, and 2) Brookfield shall cause the Grantee to continue to be responsible for the same or substantially similar obligations the Grantee has undertaken in the Current Agreement with regards to the System, and any and all construction, installation, operation and

maintenance of the System; and

WHEREAS, Brookfield has provided proof of legal, technical, financial and character qualifications to own a company which operates the System and has provided disclosure of ownership interests as required by Chapter 2-154 of the Municipal Code of Chicago; and

WHEREAS, the City, Grantee, and Brookfield have reached agreement as to the Terms under which the City will consent to the proposed change of control of the Grantee in the Second Transfer and of the proposed pledge to be granted of all of the shares of Grantee; and

WHEREAS, Grantee now requests the City, by action of this City Council to approve the proposed change of control of the Grantee to Brookfield, the name change of the Grantee and of the proposed pledge to be granted of all of the shares of Grantee; now, therefore

WHEREAS, Brookfield now request the City, by action of this City Council to approve the proposed change of control of the Grantee to Brookfield and of the proposed pledge to be granted of all of the shares of Grantee as consistent with the Terms; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. The above recitals are expressly incorporated herein and made a part of this ordinance by reference as though fully set forth herein.

SECTION 2. Approval is hereby granted in accordance with Section 4.1.4 of the Current Agreement, for the proposed change of control of the Grantee to Brookfield as well as the proposed subsequent change of control of Grantee as described in the Terms.

SECTION 3. The City hereby approves the change of the name of Grantee to Enwave Chicago Inc. .

SECTION 4. The City hereby approves in accordance with Section 4.1.5 of the Current Agreement the pledge to be granted of all of the shares of Grantee under any financing obtained by Brookfield (or a subsidiary or other affiliate thereof) in connection with the Second Transfer (and any refinancing of such indebtedness).

SECTION 5. The City hereby approves the form of consent attached here as Exhibit 3.

SECTION 6. Subject to the approval of the Corporation Counsel as to form and legality, the Commissioner of the Department of Transportation and the City Comptroller are hereby authorized to enter into and execute on behalf of the City, a Twenty-Eighth Amendment to the District Cooling System Use Agreement (the "Twenty-Eighth Amendment") substantially in the form attached hereto as Exhibit 4"), subject to such changes as shall be approved by the Commissioner and City Comptroller their execution constituting conclusive evidence of their approval and this City Council's approval of any such changes or revisions therein from the form of the Twenty-Eighth Amendment attached hereto. Such officials may also negotiate in the Twenty First Amendment and Twenty Second Amendment such additional environmental terms and conditions as shall be deemed desirable by the Commissioner of the City's Department of the Environment. In addition, such officials may also negotiate in the Twenty Eighth Amendment such changes to the insurance terms and conditions set forth in Section 6 of the Current Agreement as shall be deemed desirable by the City's Risk Manager.

SECTION 7. All ordinances, resolutions and agreements, or parts thereof, in conflict with this ordinance are, to the extent of such conflict, hereby repealed.

SECTION 8. This Ordinance shall be in full force and effect immediately upon its passage and approval.

Exhibit 1

Twenty-Eighth Amendment To District
Cooling System Use Agreement

The Grantee's District Cooling System is anticipated to be constructed in the Public Ways and at the approved plant locations set forth below. The exact location of each component of Grantee's Distribution Facilities shall be presented to and reviewed by the City as set forth in the Agreement on an on-going basis prior to construction and installation in order to obtain permits for construction and installation specifying the exact locations of the Grantee's Distribution Facilities.

Production Plant Number 1:	Northeast corner of South State Street and East Adams Street.
Distribution Piping:	In South LaSalle Street proceeding for two hundred (200) feet north, more or less, from the intersection of West Adams Street. In South Dearborn Street, from. West Adams Street to West Lake Street including the portions of the South Dearborn Street/West Madison Street intersection. In West Adams Street, from South LaSalle Street to South Michigan Avenue. In South Wabash Avenue, from West Adams Street to two hundred (200) feet north of West Monroe Street. In West Madison Street, from South Dearborn Street to the north/south public alley which lies one hundred twenty (120) feet west of the west right-of-way line of South State Street and in said alley, from West Madison Street to West Monroe Street. In City property at the northwest corner of West Carroll Avenue and North Dearborn Street. In West Adams Street, from South Franklin Street to a point one hundred (100) feet west of Lower Wacker Drive.
Production Plant Number 2:	Northwest corner of South Franklin Street and West Congress Parkway.

Distribution Piping:	In West Van Buren Street, from South Wacker Drive to South Franklin Street. In South Franklin Street, from West Van Buren Street to West Lake Street. In West Jackson Boulevard, from South Franklin Street to one hundred fifty (150) feet east of South State Street. In the West Jackson Boulevard/South Dearborn Street intersection and in South Dearborn Street, from such intersection to one hundred (100) feet south of such intersection. In North LaSalle Street, from West Wacker Drive to West Van Buren Street. In West Washington Street, from North LaSalle Street to approximately three hundred (300) feet west of North Franklin Street. In the Washington Street Trolley Tunnel, from three hundred (300) feet west of North Franklin Street to North Water Street. In West Randolph Street, from the South Branch of the Chicago River to a point 150 feet east of Canal Street. In West Lake Street, from the South Branch of the Chicago River to a point 150 feet east of Canal Street. On City property consisting of viaducts and/or bridge facilities located between South Canal Street and the south branch of the Chicago River in the following locations: West Washington Street and West Monroe Street. In West Monroe Street, from South Dearborn Street to South Clark Street.
Production Plant Number 3:	Northeast corner of East Randolph Street and North Columbus Drive (located in the Blue Cross/Blue Shield Building).
Distribution Piping:	In North Columbus Drive, from East Randolph Street to Est South Water Street. In East South Water Street, from North Columbus Drive to North Garland Court. In Garland Court, from East Lake Street to approximately three hundred

(300) feet north of East Wacker Drive. In West Lake Street, from North Garland Court to North LaSalle Street.

In LaSalle Street Trolley Tunnel, from West Lake Street to Kinzie Street. In West Carroll Avenue, from the westerly right-of-way line of North Wells Street to North Clark Street, and in addition, the North Clark Street/West Carroll Avenue and North Dearborn Street/West Carroll Avenue intersections, To the extent of City property interests therein, In the lower West Carroll Avenue access driveway (but only to the extent permitted by and consistent with City property interest therein) extending from the south line of West Kinzie Street beginning at a point eighty-eight (88) feet east of North Dearborn Street for a distance of approximately ninety-eight (98) feet south and thence generally in a southwesterly direction for approximately one hundred fifty-one (151) feet to the intersection of lower West Carroll Avenue and North Dearborn Street. In West Kinzie Street, from the LaSalle Street Trolley Tunnel to seventy-five (75) feet east of North State Street. In North LaSalle Street, from West Carroll Avenue to approximately fifty (50) feet north of West Carroll Avenue. Across and under West Kinzie Street, from the Merchandise Mart to the building commonly known as 400 North Franklin Street, for piping with a maximum trench-width of six (6) feet to be located west of the North Franklin Street/West Kinzie Street intersection and east of the North Orleans Street/West Kinzie Street intersection. Across and under North Orleans Street, from the Merchandise Mart to the Apparel Center for piping with a maximum trench-width of six (6) feet to be

	located south of the West Kinzie Street/North Orleans Street intersection and north of the Chicago River.
	In a portion of West Kinzie Street, from seventy-five (75) feet east of North Dearborn Street to North Dearborn Street. In North Dearborn Street, from West Kinzie Street to West Ontario Street. In West Ontario Street, from North Dearborn Street to North Wabash Avenue. In North Wabash Avenue, from East Grand Avenue to East Superior Street. In East Superior Street, from North Wabash Avenue to a point 100 feet west of North Wabash Avenue. In East Erie Street, from North State Street to North Michigan Avenue. In East Grand Avenue, from North Wabash Avenue to a point approximately one hundred fifty (150) feet east of North St. Clair Street. In North Rush Street, from East Erie Street to East Superior Street.
	In North Garland Court, from East Lake Street to East Benton Place, In East Benton Place, from East Garland Court to North Wabash Avenue. In East Randolph Street, from a point three hundred forty (340) feet east of North Columbus Drive to and including North Michigan Avenue.
Production Plant Number 4:	North Orleans Street on the west, North Wells Street on the east, West Kinzie Street on the north, and the Chicago River on the south (located in the Merchandise Mart building).
Distribution Piping:	In West Washington Street, from North Dearborn Street to North State Street. Under the North Orleans Street viaduct, from Grantee's existing piping (north of the Chicago River) to West Kinzie Street. In West Kinzie Street, from the West Kinzie

	Street/North Orleans Street intersection west to the north/south public alley west of North Orleans Street; north in said north/south public alley to the east/west public alley. In said east/west public alley west to a point two hundred twenty (220) feet west of North Orleans Street. In the north/south alley east of North Kingsbury Street, from West Hubbard Street to the existing piping in the east/west alley south of West Hubbard Street. In West Hubbard Street, from North Kingsbury Street to the north/south public alley immediately east of North Kingsbury Street. In North Kingsbury Street. from West Hubbard Street to West Chicago Avenue up to and including the intersection of North Kingsbury Street and West Chicago Avenue. In West Chicago Avenue, from North Kingsbury Street to North Larrabee Street. In North State Street, from Lake Street to Randolph Street.
Production Plant Number 5:	Southeast corner of North State Street and East Kinzie Street (located in the IBM Building) 301 North State Street.
Distribution Piping:	In East Kinzie Street from the LaSalle Street Trolley Tunnel to seventy-five (75) feet east of North State Street. In North State Street, from the intersection with West Kinzie Street to a point approximately two hundred (200) feet south of such intersection.

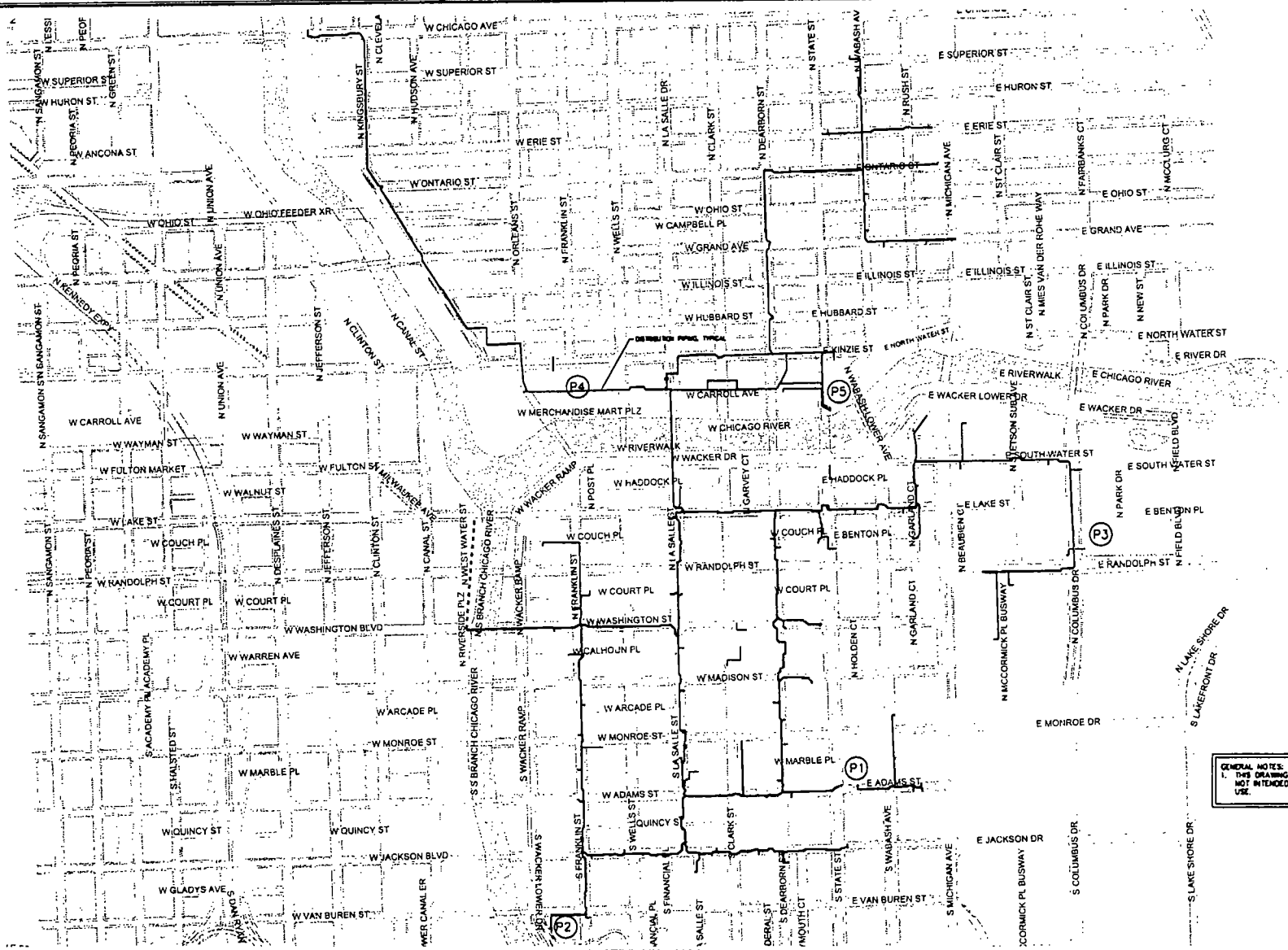
This exhibit is subject to amendment pursuant to the provisions of Section 7.1.2 of the Agreement (including City Council authorization and departmental approvals) to incorporate new Approved Plants and Additional Distribution Facilities and subject to amendment pursuant to the provisions of Section 7.1.1 of the Agreement (including departmental approvals) to amend the locations of the Distribution Facilities based on changes in construction conditions.

All amendments required changes in location not based on construction conditions shall require City Council authorization.

865565v1

COOK COUNTY
CHICAGO, ILLINOIS

PROJECT MANAGER: MATTHEW P. MURPHY



DISTRIBUTION MAP
SCALE: NOT TO SCALE

GENERAL NOTES:
1. THIS DRAWING IS NOT TO SCALE AND IS NOT INTENDED FOR ANY CONSTRUCTION USE.

DRAWING
DIST, MAP

NOTES

LEGEND
DISTRIBUTION PIPING
PROPOSED ADDITION
DISTRIBUTION PLANT #1 (P1)
DISTRIBUTION PLANT #2 (P2)
DISTRIBUTION PLANT #3 (P3)
DISTRIBUTION PLANT #4 (P4)
DISTRIBUTION PLANT #5 (P5)

ENGINEER
hbk ENGINEERING
CHICAGO, ILLINOIS

OWNER/DEVELOPER
Thermal Chicago Corporation

CONTRACTOR

TITLE
THERMAL CHICAGO CORP
DISTRIBUTION MAP
CHICAGO, ILLINOIS

REVISIONS

NO.	DATE	DESCRIPTION	BY
		INITIAL	MEM

DRAWN BY	MEM
CHECKED BY	THERMAL
PROJECT NUMBER	A13-0071
FILE NAME	DIST MAP.DWG
DRAWING NUMBER	N/A
ISSUE DATE	02-11-2014
SCALE	NOT TO SCALE
SHEET	OF.

Exhibit 3

Form of Consent

Terms of Transfer

Parties.

Seller:	Macquarie Infrastructure Company, LLC[1]("Macquarie")
Proposed Buyer:	District Energy Holdings L.P. (a wholly-owned subsidiary of Brookfield Infrastructure Fund II, a private investment fund controlled by Brookfield Asset Management Inc.) ("Brookfield")

Reference is made to that certain Ordinance dated as of [_____], 2014 (the "Ordinance"). All capitalized terms used herein but not defined herein shall have the meaning given such terms in the Ordinance. Macquarie intends to sell all of its interest in Macquarie District Energy Holdings, LLC ("MDE"), the indirect owner of MDE Thermal Technologies, Inc., to Brookfield.[2] Brookfield (or a subsidiary or other affiliate thereof) will be obtaining financing in connection therewith, including a pledge of all of the shares of Grantee to secure the indebtedness incurred under such financing.

I. Management By Brookfield.

Brookfield will purchase MDE and all of the businesses directly and indirectly owned by MDE, including the district cooling system (the "System") operated by MDE Thermal Technologies, Inc. (the "Grantee") . The Grantee will continue to operate the System and manage the personnel under the name Enwave Chicago Inc. Brookfield will continue to manage the operation of the System in the same manner as set forth in the Current Use Agreement as may be amended under the terms of the ordinance. As a core business of Brookfield, Brookfield has a particular interest in making sure that all goes well with the System. Brookfield's track record and performance in operating the System is critical to its reputation in the marketplace.

Brookfield will notify the City of any amendment to the applicable business license or any notices provided by parties thereunder with respect to defaults or termination.

II. Directors.

Brookfield will notify the City upon acceptance by the selected nominees for any directors of Brookfield of their proposed appointment and will consult with the City in good faith to resolve any concerns that the City may have regarding such persons.

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[1] Note: DLA to confirm entity.

[2] Note: Jack to confirm if minority interest seller should be referenced.

Exhibit 4

This Twenty-Eighth Amendment to District Cooling System Use Agreement ("Twenty-Eighth Amendment") dated as of _____ , 2014 (the "Effective Date") by and between the City of Chicago, Illinois (the "City"), a home rule unit and municipality under Article VII of the Constitution of the State of Illinois, MDE Thermal Technologies, Inc. (formerly Exelon Thermal Technologies, Inc. and formerly before that Unicom Thermal Technologies, Inc., and formerly before that Northwind, Inc.), an Illinois corporation (the "Grantee") and District Energy Holdings L.P., wholly-owned indirect subsidiary of Brookfield Infrastructure Fund II, a private investment fund controlled by Brookfield Asset Management Inc. (the "Transferee").

Witnesseth:

WHEREAS, the City and the Grantee have entered into that certain District Cooling System Use Agreement dated as of October 1, 1994 as amended (the "Current Agreement") which grants to the Grantee the non-exclusive right to use certain public ways of the City to construct, operate and maintain a district cooling system (the "System") and

WHEREAS, Section 4.1.4 of the Current Agreement requires prior approval of the City Council of the City ("City Council") where ownership of fifty percent (50 percent) or more of the control of Grantee is acquired during the term of the Current Agreement in any transaction or series of transactions by a person or one (1) or more persons acting in concert, none of whom owned or controlled fifty percent (50 percent) or more of the right to control Grantee, singly or collectively on the Effective Date of this amendment; and

WHEREAS, Macquarie Infrastructure Company, LLC, intends to sell all of its interest in Macquarie District Energy Holdings, LLC (the indirect corporate parent of the Grantee) to the Transferee and now request the City, by action of the City Council to approve the proposed change of control of the Grantee; and

WHEREAS, the City does not object to the transfer of control of Grantee for purposes of Section 4.1.4 of the Current Agreement; and

WHEREAS, the City is prepared to consent to the proposed change of control of the Grantee to the Transferee which has provided proof of legal, technical, financial and character qualifications to own the Grantee and operate the System and completed disclosure of ownership interests as required by the Municipal Code of Chicago and provided such other certifications as the City shall determine are required; and

WHEREAS, Section 4.1.5 of the Current Agreement requires prior City Council approval of a pledge where such pledge shall involve hypothecation of more than seventy-five (75%) of the fair market value of the System; and

WHEREAS, it is intended that Transferee (or a subsidiary or other affiliate thereof) will be

obtaining financing in connection with the above described transfer, and to obtain such financing a pledge of all of the shares of Grantee may be required to secure the indebtedness incurred under such financing (any any refinancing thereof); and

WHEREAS, the City is prepared to consent to the proposed pledge under Section 4.1.5 of the Current Agreement; and

WHEREAS, after the above described transfer it is proposed to change the name of the Grantee to Enwave Chicago Inc.; and

WHEREAS, the City council on _____ 2014 approved execution of a Twenty-Eighth Amendment to the Current Agreement in substantially the form of this Twenty-Eighth Amendment; and

WHEREAS, the City and the Grantee now desire to amend the Current Agreement on the terms and conditions set forth below;

Now, Therefore, It is agreed by the parties hereto as follows:

Section 1. The above recitals are expressly incorporated herein and made a part of this Twenty-Eighth Amendment by reference as though fully set forth herein.

Section 2. As of the Effective Date of this Twenty-Eighth Amendment, the Grantee agrees to continue to comply with all the provisions of the Current Agreement including the provisions of 4.1.4 and 4.1.5. It is acknowledged by the parties that a change of control of the Grantee is approved by the City and Transferee will become the indirect owner of Grantee for purposes of the Current Agreement, and the pledge of the equity in the Grantee is approved by the City, in accordance with the following terms:

The undersigned _____, and _____, the Commissioner of the Department of Transportation and the Commissioner of the Department of Business Affairs and Consumer Protection, on behalf of the City of Chicago (the "City") do hereby give our consent to the change of control of the Grantee to Brookfield in accordance with Section 4.1.4, of the Current Agreement and the pledge of the equity in the Grantee under Section 4.1.5 of the Current Agreement, and acknowledge that after the change in control the name of the Grantee will be changed to Enwave Chicago Inc.

Transferee represents that the Grantee is not in default of the Current Agreement as of the Effective Date.

Transferee acknowledges that it has read the Current Agreement and is familiar with its terms and will cause the Grantee to continue to comply with all the provisions of the Current Agreement, the Municipal Code of Chicago and all applicable local, state and federal laws.

Section 3. Commencing on the Effective Date, the Current Agreement is hereby amended to acknowledge the change of control of the Grantee, the pledge of the equity in the

Grantee, and the change in the name of the Grantee, in accordance with the terms of the Current Agreement, as amended by this Twenty-Eighth Amendment. All terms and conditions of the Current Agreement not modified by this Twenty-Eighth Amendment shall remain in full force and effect.

In Witness Whereof, the City has caused this Twenty-Eighth Amendment to be duly executed in its name and behold as of the date first written by its Commissioner of the Department of Transportation, its Commissioner of the Department of Business Affairs and Consumer Protection, the Grantee and the Transferee have signed and sealed the same on or as of the day and year first written.

[SEAL]

City of Chicago

By:_____
Title Commissioner
Department of Transportation
By:_____
Title: Commissioner
Business Affairs and Consumer Protection

Reviewed As To Form And Legality:

_____
Senior Counsel

Attest:

District Energy Holdings L.P.

By:_____
Title:

Attest:

MDE Thermal Technologies, Inc.

By:_____
Title:_____

DRAFT LETTER OF SUPPORT

Honorable Rebekah Scheinfield
Commissioner – Department of Transportation
30 North LaSalle Street/Room 500
Chicago, IL 60602

Dear Commissioner Scheinfield:

I am writing you this letter to support the introduction of the Ordinances which would approve the 27th and 28th Amendments to the Use Agreement between Thermal Chicago and the City of Chicago which regulates the distribution of chilled water to various buildings in the City of Chicago. My letter of support is based on the statements and representations made by John George, the attorney representing Thermal Chicago, a copy of his letter is attached hereto and it is incorporated herein.

Sincerely,

Ald. Brendan Reilly

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FORM 6-K

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934

For the month of May, 2014

Commission File Number: 033-97038

BROOKFIELD ASSET MANAGEMENT INC.

(Translation of Registrant's Name into English)

Suite 300, Brookfield Place, 181 Bay Street, P.O. Box 762, Toronto, Canada M5J 2T3

(Address of Principal Executive Offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F [ ] Form 40-F [X]

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ____

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ____

Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

DOCUMENTS FILED AS PART OF THIS FORM 6-K

See the Exhibit Index to this Form 6-K.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BROOKFIELD ASSET MANAGEMENT INC.

Date: May 15, 2014

By: /s/ A.J. Silber

Name: A.J. Silber

Title: Corporate Secretary

EX-1 2 d724345dex1.htm EX-1

Exhibit 1

Brookfield

Interim Report Q1 2014

FOR THE THREE MONTHS ENDED MAR. 31 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	2014	2013
Consolidated net income[1]	$ 843	$ 697
Funds from operations[2,3]	492	689
Per Brookfield share		
Net income[2]	$ 0.80	$ 0.51
Funds from operations[2,3]	0.72	1.03

1. Consolidated basis – includes amounts attributable to non-controlling interests
2. Excludes amounts attributable to non-controlling interests
3. See basis of presentation on page 21

	As at	
TOTAL (MILLIONS, EXCEPT PER SHARE AMOUNTS)	Mar. 31, 2014	Dec. 31, 2013
Assets under management	$ 190,172	$ 187,105
Consolidated total assets	115,282	112,745
Fee bearing capital	83,530	79,293
Diluted number of common shares outstanding	653.7	651.1
Market trading price per share – NYSE	$ 40.85	$ 38.83

volume of transactions under review should enable us to launch new funds in each of these strategies within the next 18 months.

We continue to be focused on investing capital along three themes: 1) Brazil, China and India and the opportunities available due to lack of investment capital in these markets; 2) Europe and the continued recapitalization of good businesses without strong access to capital; and 3) commodity producers and opportunities around the disruption caused by a reduction in capital available.

No country (or company) in the world is without its challenges. The real trick in investing is to separate countries (or businesses) which have fundamental flaws, from those with strong fundamentals and issues that can be solved over time. We believe Brazil, India and China fit into the latter category.

Recently this has led us to acquire a stake in a first class portfolio of office and retail property assets in central Shanghai; commit to acquire an interest in VLI, a leading port and rail logistics operator in Brazil; take over management of an Indian Real Estate Fund which had underperformed; and we are in the midst of acquiring an 8 million plus square foot portfolio of office buildings in India. We believe the above transactions, with gross enterprise value of ±$4 billion, are only the thin edge of the transaction pipeline for our funds, and therefore look forward to much more in each of these markets.

BREP operates one of the largest publicly traded, pure-play global renewable power platforms. This portfolio, primarily hydroelectric, totals approximately 6,000 megawatts of installed capacity and is diversified across 71 river systems and 12 power markets in the United States, Canada and Brazil. We operate the facilities through our three regional operating centres located in the United States, Canada and Brazil. In total the portfolio consists of 203 hydroelectric generating stations and 11 wind energy facilities which collectively generate nearly 23,000 gigawatt hours of electricity annually based on long-term averages.

More important than current value is our belief that we can create significant additional value in this business with our global franchise. We believe we can generate a compound return over the next five years of 15% plus, similar to what we achieved over the past 20 years. This will be dependent upon working our assets to enhance cash flows from leasing, attaining our contractual step-ups in rent, and redeveloping and leasing development of properties on plan.

Furthermore, we believe that there will also be opportunities for us to use this entity to create value over and above our base-case plan. We are never sure when this might occur, but as in past, we intend to be ready to respond to these opportunities.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS

Our Management's Discussion and Analysis ("MD&A") is provided to enable a reader to assess our results of operations and financial condition for the interim period ended March 31, 2014. This MD&A should be read in conjunction with our 2013 Annual Report. Unless the context indicates otherwise, references in this Report to the "Corporation" refer to Brookfield Asset Management Inc., and references to "Brookfield," "us," "we," "our" or "the company" refer to the Corporation and its direct and indirect subsidiaries and consolidated entities. All amounts are in U.S. dollars, and are based on financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board unless otherwise noted.

Additional information about the company, including our 2013 Annual Information Form, is available free of charge on our website at www.brookfield.com, on the Canadian Securities Administrators' website at www.sedar.com and on the EDGAR section of the U.S. Securities and Exchange Commission's ("SEC") website at www.sec.gov.

Organization of the MD&A

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We provide additional information on our basis of presentation of financial information contained in the MD&A and key financial measures on pages 34 and 35 of our December 31, 2013 Annual Report.

STATEMENT REGARDING FORWARD-LOOKING STATEMENTS AND USE OF NON-IFRS MEASURES

This Report to Shareholders contains forward-looking information within the meaning of Canadian provincial securities laws and applicable regulations and "forward-looking statements" within the meaning of the "safe harbour" provisions of the United States Private Securities Litigation Reform Act of 1995. We may make such statements in the Report, in other filings with Canadian regulators or the U.S. Securities and Exchange Commission or in other communications. See "Cautionary Statement Regarding Forward-Looking Statements and Information" on page 41.

We disclose a number of financial measures in this Report that are calculated and presented using methodologies other than in accordance with IFRS. We utilize these measures in managing the business, including performance measurement, capital allocation and valuation purposes and believe that providing these performance measures on a supplemental basis to our IFRS results is helpful to investors in assessing the overall performance of our businesses. These financial measures should not be considered as a substitute for similar financial measures calculated in accordance with IFRS. We caution readers that these non-IFRS financial measures may differ from the calculations disclosed by other businesses, and as a result, may not be

PART 1 – OVERVIEW AND OUTLOOK

OUR BUSINESS

Brookfield is a global alternative asset manager with over $175 billion in assets under management. For more than 100 years we have owned and operated assets on behalf of shareholders and clients with a focus on property, renewable energy, infrastructure and private equity.

We manage a wide range of investment funds and other entities that enable institutional and retail clients to invest alongside us in these assets and earn fees carried interests and other forms of performance income for doing so. As at March 31, 2014, our managed funds and entities represented $84 billion of invested and committed fee bearing capital. These products include publicly traded entities that are listed on major stock exchanges as well as private institutional partnerships that are available to accredited investors, typically pension funds, endowments and other institutional investors. We also manage public securities through a series of segregated accounts and mutual funds.

In addition, we have more than $25 billion of capital invested in our operations, based on IFRS carrying values, most of which is invested in our managed entities.

Our business model is simple: (i) raise pools of capital from ourselves and clients that target attractive investment strategies (ii) utilize our global reach to identify and acquire high quality assets at favourable valuations, (iii) finance them on a long-term basis, (iv) enhance the cash flows and values of these assets through our operating platforms to earn reliable, attractive long-term total returns, and (v) realize capital from asset sales or refinancings when opportunities arise.

Organization Structure

Our operations are organized into four principal groups ("operating platforms"): property, renewable energy, infrastructure and private equity. These platforms are responsible for operating the assets owned by our various funds and investee companies. The equity capital invested in these assets is provided by a series of listed and private funds which are managed by us and are funded with capital from ourselves and our clients.

We have formed a large capitalization listed entity in each of our property, renewable energy and infrastructure segments, which serves as the primary vehicle through which we will invest in each respective segment. As well as owning assets directly, these entities serve as the cornerstone investors in our institutional private funds, alongside capital committed by institutional investors. This approach enables us to attract a broad range of public and private investment capital and the ability to match our various investment strategies with the most appropriate form of capital.

Our private equity business is conducted primarily through private funds with capital provided by institutions and ourselves. We do not currently envisage the formation of a listed entity within these operations as we do not believe these investments would be properly valued in the capital markets on a standalone basis.

Our balance sheet capital is invested primarily in our three flagship listed issuers, our private equity funds, and in several directly held investments and businesses.

The following chart is a condensed version of our organizational structure.

ECONOMIC AND MARKET REVIEW
(As at April 30, 2014)

Overview and Outlook

The year began with extreme winter weather weighing on North American economies and investors continuing to pull back from emerging markets amid concerns over rising interest rates, and political unrest. A continued deceleration of economic activity in China and very low inflation in the Eurozone added to overall uncertainty. These concerns began to subside in February, as commentary from U.S. Federal Reserve Chairman Janet Yellen illustrated a commitment to the continuation of accommodative monetary policy for the foreseeable future. As the unusually cold winter weather in North America came to an end, economic indicators appeared to stabilize and optimism began to return to the U.S. economic outlook.

However, sentiment was challenged once again in March as international developments created uncertainty. In particular, Russia's invasion of Ukraine's sovereign territory and subsequent annexation of Crimea fueled concerns over the potential for a broader conflict. In addition, China exhibited a further deceleration in growth, as monthly data releases related to retail sales, industrial production and manufacturing all missed market expectations, culminating in official GDP growth of 7.4% for the first quarter of 2014, the lowest reading for China in 18 months. As the quarter came to a close, cautious optimism re-emerged as China implemented modest stimulus measures to shore up economic growth and the European Central Bank signaled that it was prepared to act to contain the strengthening Euro and disinflationary pressures.

United States

Following real GDP growth of 2.6% in the fourth quarter of 2013, U.S. growth decelerated sharply to 0.1% in the first three months of 2014 as unusually cold winter weather disrupted activity in a number of sectors. Real GDP growth should snap back from these cold weather effects and rebound to approximately 3% growth for the full year 2014, as the effects of government spending cuts and tax increases diminish, residential construction improves and business investment picks up.

Higher taxes and lower spending led to a decline in the U.S. federal government deficit from approximately 6.5% of GDP in 2012 to 4% of GDP last year, a decline of 2.5 percentage points. This "fiscal drag" weighed heavily on headline GDP, which still grew by 1.9% last year. While the U.S. federal deficit is expected to fall again in 2014, this should result in a more modest impact on GDP. Housing starts fell back to 920,000 units on an annualized basis for the quarter, after hitting 1.1 million units in November last year. The severe weather likely played a role in the softer residential construction numbers but tight credit conditions are still a problem for first time buyers. The low level of unsold housing stock and improving household balance sheets suggest that the conditions for the U.S. housing recovery are still intact. Industrial production and business investment appear poised to become more important drivers of economic activity this year. Industrial production rose 3.8% year-over-year in the first quarter with most sectors surpassing their pre-crisis level, with the exception of the construction sector. Moreover, capacity pressures are starting to build in some industries and together with strong corporate balance sheets and low interest rates, this should translate into a pickup in investment activity.

While many are looking for a broad acceleration in U.S. growth this year, the Federal Reserve continues to signal that it is in no hurry to raise interest rates. In February, the Federal Reserve stepped back from an earlier commitment to tighten monetary conditions when the unemployment rate reached a target of 6.5% as the unemployment rate has fallen to its current level of 6.7% much faster than anticipated and inflation remains low at 1.5% in March. The Federal Reserve's program of buying long-term bonds is expected to end in late 2014, which should put upward pressure on long-term rates and cause the U.S. dollar to appreciate against most other major currencies.

Canada

Canadian economic growth at the start of the year was also slower on weather-related weakness. It rose only 1.6% in the first quarter of 2014 but it is expected to strengthen to about 2.3% this year, only slightly faster than the 2.0% recorded in 2013. Stronger U.S. growth and a weaker currency should support Canadian manufacturing exports, helping to offset slowing domestic consumption growth and housing activity. The Canadian dollar has fallen from near parity early last year to about US$0.90 by the end of the first quarter.

Although industrial production continues to be substantially below pre-recession levels, the PMI manufacturing index is still pointing to expansion and industrial production rose 0.9% in February. The labour market continues to heal with an increase of 239,000 jobs in the three months to February, a slower pace than what was recorded at the end of 2013 but still enough to bring the unemployment rate down to 6.9%. At its April meeting, the Bank of England's Monetary Policy Committee held the Bank Rate at 0.5% and maintained its £375 billion stock of purchased assets. Pointing to weak near-term inflationary pressures with March inflation registering 1.6% year-over-year, the central bank signaled that any move to raise the Bank Rate and reverse asset purchases would be gradual – even if the unemployment rate has now breached the Bank of England's 7.0% threshold.

Europe

Eurozone GDP growth improved to 1% year-over-year in the first quarter but the recovery has been uneven with Germany and Ireland expected to see growth near 2% in 2014 while the rest of the Eurozone will grow by roughly 1% or less. The tepid pace of growth and labour market slack continue to put downward pressure on inflation. Weak inflation and deflation in some countries will make it more difficult for governments, consumers, and firms to deal with very high levels of debt, and has prompted the European Central Bank to signal that it is prepared to undertake more aggressive monetary actions via additional rate cuts or some form of quantitative easing. That said, there appears to be renewed confidence in financial markets that bond holders will be paid, as spreads on 10-year government bond yields have tightened to their lowest level since early 2010. Greece returned to international bond markets on April 9, 2014, raising €3 billion in a five-year bond at a 4.95% interest rate, despite the fact that its debt-to-GDP ratio now exceeds the level reached in the first half of 2012, when debt owed to private creditors was restructured. Portugal also successfully raised €750 million in a 10-year bond issue with a yield of 3.6%. Both auctions were oversubscribed.

Brazil

Brazil's real GDP growth in the first quarter remained weak at 2% year-over-year, a continuation of the slow growth observed in 2013. The drag on growth from net exports receded at the end of 2013 suggesting that the substantial depreciation of the Brazilian real may help to slow import growth and improve the competitiveness of Brazilian industry. We therefore expect economic activity in Brazil to pick up throughout the year. Inflation in Brazil rose to 6.2% in March as last year's electricity tariff cuts have now played through on the year-over-year inflation numbers. Despite persistently high inflation, the Brazilian central bank has signaled that it may be near the end of its tightening cycle. This tightening cycle has seen the SELIC rate rise from 7.25% in early 2013 to its current level of 11.0% in April.

China

Real GDP growth in China slowed to 7.4% in the first quarter, down from 7.7% growth in the fourth quarter. Retail sales were a key bright spot in the quarter while property markets, and to a certain extent exports, were responsible for the slowdown. Retail sales improved in the first quarter, growing in excess of 10% on a real basis, aided by rising household incomes. Urban households saw their disposable incomes rise in the first quarter by 7.2% on a year-over-year basis after adjusting for inflation, amid improving wages and continued strength in labour markets. In contrast, property sales fell 3.8% with residential property sales leading the decline, down 5.7% year-over-year. New property construction dropped 25% from last year – the worst first-quarter performance since 2009. Tighter credit conditions resulting in higher developer funding costs and elevated inventory levels in many cities contributed to first quarter weakness. Exports were down 3.4% year-over-year in the first quarter although we believe that partly reflects the Chinese government's clampdown on over-invoicing practices among exporters rather than a real slowdown in commerce. Estimates that correct for this over-invoicing bias suggest that exports grew by about 5.7% year-over-year. Overall, a modest pickup in activity in March and the mini-stimulus announcement by the Chinese government should see growth return back above the government's official GDP growth target of 7.5% next quarter although we continue to expect GDP growth to gradually moderate as rebalancing towards consumption and the need to absorb excess capacity in certain sectors will slow investment growth. Policy moves by China's central bank remained in focus in the first quarter, including the sharp depreciation of the renminbi to 6.25CNY per U.S. dollar, a departure from a long-term trend of appreciation, as well as selective actions taken to address concerns over the pace of credit growth.

Australia

Australian economic growth continues to improve, with fourth quarter growth of 2.8% beating expectations

PART 2 – FINANCIAL PERFORMANCE REVIEW

SELECTED FINANCIAL INFORMATION

CONDENSED STATEMENT OF OPERATIONS FOR THE THREE MONTHS ENDED MAR 31 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	2014	2013	Change
Total revenues and other gains	$ 4,373	$ 4,951	$ (578)
Direct costs	(2,990)	(3,420)	430
Equity accounted income	274	266	8
Expenses			
Interest	(626)	(655)	29
Corporate costs	(33)	(44)	11
Fair value changes	715	61	654
Depreciation and amortization	(376)	(365)	(11)
Income taxes	(494)	(97)	(397)
Net income	843	697	146
Non-controlling interests	(302)	(337)	35
Net income attributable to shareholders	$ 541	$ 360	$ 181
Net income per share	$ 0.80	$ 0.51	$ 0.29

BALANCE SHEET INFORMATION

(MILLIONS)	Mar. 31, 2014	Dec. 31, 2013	Change
Consolidated assets	$ 115,282	$ 112,745	$ 2,537
Borrowings and other non-current financial liabilities	55,199	53,061	2,138
Equity	46,954	47,526	(572)

The relevant exchange rates that impact our business are shown in the following table:

AS AT MAR 31, 2014 AND DEC 31, 2013 AND FOR THE THREE MONTHS ENDED MAR 31	Period-end Spot Rate			Average Rate		
	2014	2013	Change	2014	2013	Change
Australian dollar	0.9264	0.8918	4%	0.8968	1.0391	(14)%
Brazilian real	2.2711	2.3635	4%	2.3641	1.9972	(18)%
Canadian dollar	0.9051	0.9414	(4)%	0.9068	0.9925	(9)%

FINANCIAL PERFORMANCE

Overview

Net income attributable to shareholders for the first quarter of 2014 was $541 million, representing an increase of $181 million or 50% from a year ago. On a per share basis, net income was $0.80 and $0.51 in the current and prior year, respectively.

The increase in net income is primarily the result of a higher level of fair value changes compared to 2013, partially offset by increased income tax expenses incurred. We disposed of a partial interest in a private equity investment during the quarter which resulted in us losing control of the investment and recorded a $230 million gain on the revaluation of our remaining interest, which is included within fair value changes. Fair value changes in the current quarter also include a higher level of appraisal gains on consolidated investment properties and real estate investments. Income tax expense increased due to a change in tax legislation that increased the tax rate utilized in a key market for our property operations as well as deferred tax expense associated with the higher level of fair value gains compared to the prior quarter.

Both revenues and other gains and direct costs decreased from the prior year, due to the sale and

Statement of Operations

Total Revenues and Other Gains and Direct Costs

The following tables present consolidated total revenues and other gains and direct costs, which we have disaggregated into our operating segments, in order to facilitate a review of year-over-year variances. Segmented revenue is presented in the following table and reconciled to consolidated revenues and other gains.

	Total Revenues and Other Gains			Direct Costs		
FOR THE THREE MONTHS ENDED MAR 31 (MILLIONS)	2014	2013	Change	2014	2013	Change
Total revenues and other gains						
Asset management	$ 186	$ 123	$ 63	$ 98	$ 62	$ 36
Property	1,235	1,141	94	642	572	70
Renewable energy	540	412	128	140	130	10
Infrastructure	559	651	(92)	254	335	(81)
Private equity	649	1,243	(594)	539	974	(435)
Residential development	537	421	116	461	410	51
Service activities	784	929	(145)	769	901	(132)
Corporate activities	27	116	(89)	17	14	3
Eliminations and adjustments[1]	(144)	(85)	(59)	70	22	48
Total consolidated revenues	$ 4,373	$ 4,951	$ (578)	$ 2,990	$ 3,420	$ (430)

1. *Adjustment to eliminate base management fees and interest income earned from entities that we consolidate. See Note 3 to our Consolidated Financial Statements*

Total revenues and other gains declined by $578 million or 12% from the same period last year and direct costs declined by $430 million or 13%, resulting in a net reduction of $148 million.

Asset management: Revenues increased by $63 million to $186 million with increased base management fees contributing $39 million of the variance and carried interests contributing $8 million. Base management fees increased due to a 13% increase in fee bearing capital following the formation of Brookfield Property Partners in April 2013 and increases in capital committed to property and infrastructure funds. Direct costs increased by $36 million, reflecting the expansion of our operations as well as $10 million of additional costs reallocated from corporate activities to our asset management segment following the formation of Brookfield Property Partners in order to match them with the associated fee revenues.

Property: Revenues and direct costs increased by $94 million and $70 million, respectively, primarily due to increases in revenues at our hotel resort properties from strong pricing and volumes and the revenues and costs of industrial and logistics businesses acquired in 2013. Revenues in our U.S. office portfolio declined as a result of reduced occupancy levels, following the expected expiry of a large lease in the fourth quarter of 2013.

Renewable energy: Generation revenues were $128 million higher than the same period in prior year. Revenue from facilities owned throughout both years increased by $83 million due to higher realized prices, particularly in New York and New England. Newly acquired or commissioned assets contributed an additional $43 million of revenues and benefitted from market based pricing on uncontracted assets. Direct costs are largely fixed and increased by $10 million over the prior year reflecting the costs associated with new assets.

Infrastructure: Revenues decreased by $92 million compared to prior year due to lower timber revenues following the sale of our Pacific Northwest timberlands during the third quarter of 2013. This was partially offset by additional revenues from recently completed capital growth initiatives, including our Australian rail expansion, and the expansion of our UK regulated utility business. Direct costs decreased by $81 million compared to the prior year period, following the sale of Pacific Northwest timberlands which was partially offset by costs incurred within recently acquired or expanded businesses.

Service activities: Revenues decreased by $145 million, the majority of which occurred within our construction business as delays in planned completions and project milestones pushed out the recognition of revenue to subsequent quarters. Direct costs decreased with revenue.

Corporate activities: Revenues decreased, primarily from tempered capital market performance and $46 million of mark-to-market losses on interest rate and currency positions within our cash and financial asset portfolio.

Equity Accounted Income

Equity accounted income represents our share of the net income recorded by investments over which we exercise significant influence and is reported as a single line item in our consolidated statement of operations. The following table presents consolidated equity accounted income:

FOR THE THREE MONTHS ENDED MAR 31 (MILLIONS)	2014	2013	Change
General Growth Properties	$ 172	$ 170	$ 2
Other property operations	48	71	(23)
Infrastructure operations	31	10	21
Other	23	15	8
	$ 274	$ 266	$ 8

Equity accounted income from our investment in GGP was consistent with the first quarter of 2013 as the positive variance from a 5.7% increase in same-store revenues less direct costs and a gain on debt extinguishment was offset by lower fair value gains.

Equity accounted income from other property operations decreased by $23 million due to a lower level of valuation gains at Rouse Properties Inc. and our equity accounted transportation and logistics properties.

Equity accounted income from infrastructure operations increased by $21 million from the contribution from additional investments in our Brazilian toll road made in the third quarter of 2013 and improved results at our North American natural gas transmission investment, where higher natural gas demand over the winter months increased margins.

Other equity accounted income includes $9 million of earnings from a forest products business following its partial sale and deconsolidation and the commencement of equity accounting during the first quarter of 2014.

Interest Expense

The following table presents interest expense organized by the balance sheet classification of the associated liability:

FOR THE THREE MONTHS ENDED MAR 31 (MILLIONS)	2014	2013	Change
Corporate borrowings	$ 54	$ 50	$ 4
Non-recourse borrowings			
Property-specific mortgages	491	472	19
Subsidiary borrowings	70	119	(49)
Capital securities	11	14	(3)
	$ 626	$ 655	$ (29)

The majority of our borrowings are fixed rate long-term financings. Accordingly, changes in interest rates are generally limited to the impact of refinancing activities or changes in the level of debt as a result of acquisitions and dispositions.

Interest expense from corporate borrowings increased compared to the first quarter of 2013 as a result of a higher level of borrowings as we refinanced high cost subsidiary borrowings with lower coupon corporate debt.

Interest expense on property-specific borrowings increased over the prior year as a result of interest charges incurred from borrowings associated with acquisitions in our property operations. This was partially offset by lower interest recognized after the sale of our Pacific Northwest timber operations during the third quarter of

Fair Value Changes

The following table presents the components of fair value changes:

FOR THE THREE MONTHS ENDED MAR 31 (MILLIONS)	2014	2013	Change
Investment properties	$ 354	$ 203	$ 151
Private equity investment	230	—	230
Investment in Canary Wharf	141	46	95
Interest rate and inflation contracts	6	(87)	93
Power contracts	(13)	(50)	37
Other	(3)	(51)	48
	$ 715	$ 61	$ 654

Investment Properties

Fair value gains from changes in investment property values totalled $354 million in the first quarter of 2014 compared to $203 million in the same period in 2013. Most gains occurred within our U.S. office properties, particularly related to the further recovery of downtown Los Angeles and our continuing leasing activities in New York. Values continued to benefit from declines in discount rates and terminal capitalization rates, reflecting a continued favourable investment climate for high quality commercial office properties. Gains also reflected improvements in projected cash flows based on tenant profile and local market conditions at each year end, based on improvements in local economic conditions, tenant leasing profiles, and rental markets. An overall decline in discount rates contributed approximately 40% of the gains, while improvements in projected cash flows contributed approximately 60% of the gains.

Private Equity Investment

We disposed of a partial interest in a private equity investee company during the quarter, resulting in us deconsolidating the business from our results and revaluing our retained interest based on its quoted market price at the time of our loss of control. This gave rise to a $230 million revaluation gain relating to the excess of fair value over our IFRS book value of our retained interest.

Investment in Canary Wharf

Progress in development activities and an expansion into residential development, as well as the impact of lower discount rates on projected cash flows gave rise to an increase in the value of our investment in Canary Wharf of $141 million, $95 million higher than the prior year.

Interest Rate and Inflation Contracts

We recorded $58 million of mark-to-market losses in the 2013 quarter arising from the impact of changes in rates on inflation contracts that we use to mitigate the impact of inflation on assets and liabilities within our infrastructure operations.

Power Contracts

We recorded a mark-to-market loss of $13 million in the current period relating to power contracts because the projections for future electricity prices increased. Certain of our long-term power contracts are accounted for as derivatives with changes in fair value recorded in net income. These contracts generally relate to the future sale of electricity at fixed prices and therefore increase in value when prices decline, and vice versa.

Depreciation and Amortization

Depreciation and amortization is summarized in the following table:

FOR THE THREE MONTHS ENDED MAR 31 (MILLIONS)	2014	2013	Change
Renewable energy	$ 130	$ 133	$ (3)
Infrastructure	95	89	6
Property	85	62	23
Private equity	52	67	(15)
Other	14	14	—
	$ 376	$ 365	$ 11

Depreciation and amortization on our renewable energy facilities decreased by $3 million compared with the first quarter of 2013 as increases due to acquisitions and commissioning of new assets were more than offset by negative currency revaluation and a downward adjustment in carrying values arising from the annual revaluation in December 2013.

Infrastructure depreciation and amortization increased by approximately $6 million due to increased asset valuations, acquisitions and the developments coming on line.

Although most of our property assets are considered investment properties and are not depreciated under IFRS, our hotel operations are considered property, plant and equipment and utilize the revaluation method. The increase in depreciation over the 2013 period is due to increased asset valuations within these operations.

Depreciation and amortization within our private equity operations decreased due to asset sales between the first quarter of 2013 and 2014.

Income Taxes

Income tax expense increased by $397 million to $494 million in the first quarter of 2013. Deferred taxes totalled $457 million (2013 – $63 million) whereas current taxes totalled $37 million (2013 – $34 million).

In 2014, our North American office property operations incurred a $320 million non-recurring deferred tax expense because of a change in tax laws. In addition, we recorded a higher level of fair value gains in 2014 and although they do not give rise to a current tax liability, the effect of the unrealized gains on our deferred tax liabilities was larger than the amount recorded in 2013.

Our effective tax rate in 2014 was 37% (2013 – 12%), while our Canadian domestic statutory income tax rate for 2014 was 26% (2013 – 26%).

As an asset manager, many of our operations and the associated net income occur within partially owned, "flow through" entities such as partnerships, and any tax liability is incurred by the investors as opposed to the entity. As a result, while our consolidated net income includes income attributable to non-controlling ownership interest in these entities, our consolidated tax provision includes only our proportionate share of the tax provision of these entities. In other words, we are consolidating all of their net income, but only our share of their tax provision. This gave rise to a 4% reduction in the effective tax rate relative to the statutory tax rate in 2014.

In addition, as a global company, we operate in countries with different tax rates, most of which vary from our domestic statutory rate and we also benefit from tax incentives introduced in various countries to encourage economic activity. Differences in global tax rates gave rise to a 3% reduction in our effective tax rate compared to a 8% reduction in 2013. The difference will vary from year to year depending on the relative proportion of income in each country.

The aforementioned change in tax law added 24% to our effective tax rate.

Non-controlling Interests

Non-controlling interests represent the portion of net income of consolidated entities that is attributable to other investors. Non-controlling interests totalled $302 million in 2014 compared to $337 million in the first quarter of 2013, representing 36% and 48% of consolidated net income, respectively, in each of these periods. The increase in income tax expense which was attributable to non-controlling interests was greater than the amount of fair value gains attributable to non-controlling interests. The primary reason for the decrease in the proportion accruing to non-controlling interest in the current period is the private equity investment, that gave rise to a $230 million revaluation gain during the 2014 quarter, is held directly and therefore none of the gain was attributable non-controlling interests.

flows although timing may vary.

relevant notes to our consolidated financial statements.

million revaluation gain in fair value changes on a private equity investment.

Our residential development operations include our North American and Brazilian residential developers, which tend to be seasonal in nature, with the fourth quarter typically the strongest as most of the construction is completed and homes are delivered.

Our construction business is seasonal in nature and revenues are typically higher in the third and fourth quarters compared to the first half of the year, as weather conditions are more favourable in the latter half of the year.

The third quarter of 2013 includes other income of $525 million on the settlement of a swap agreement which more than offset the seasonal reduction in renewable energy revenues.

Dividends on the Class A and B Shares are declared in U.S. dollars whereas Class A Preferred Share dividends are declared in Canadian dollars.

the company's business.

Our definition of funds from operations may differ from the definition used by other organizations, as well as the definition of funds from operations used by the Real Property Association of Canada ("REALPAC") and the National Association of Real Estate Investment Trusts, Inc. ("NAREIT"), in part because the NAREIT definition is based on U.S. GAAP, as opposed to IFRS. The key differences between our definition of funds from operations and the determination of funds from operations by REALPAC and/or NAREIT, are that we include the following: realized disposition gains or losses that occur as normal part of our business and cash taxes payable on those gains, if any; foreign exchange gains or losses on monetary items not forming part of our net investment in foreign operations; and gains or losses on the sale of an investment in a foreign operation.

Infrastructure FFO was $59 million for the quarter and did not include any realized disposition gains. FFO in 2013, excluding realized disposition gains of $30 million, was $58 million. FFO benefitted from the contribution of new assets and completed development projects, including additional investments in our Brazilian toll roads and increased volumes at our Australian rail operations following the completion of our expansion program, as well as organic growth from inflation indexation and commissioning of projects into our rate base. These positive variances were largely offset by the removal of FFO from our Pacific Northwest Timberlands, following their sale in the third quarter of 2013.

ASSET MANAGEMENT

Overview

Our asset management operations consist of managing listed entities, private funds and public securities on behalf of ourselves and our clients. As at March 31, 2014, we managed approximately $84 billion of fee bearing capital, of which approximately $58 billion was from clients and the balance of $26 billion was from Brookfield. We also provide transaction and other advisory services. The following table disaggregates segment FFO into fee related earnings and carried interests to facilitate analysis.

FOR THE THREE MONTHS ENDED MAR 31 (MILLIONS)	2014	2013
Funds from operations		
Fee related earnings	$ 85	$ 61
Carried interests	3	—
	$ 88	$ 61

Revenues in this segment include fees earned by us in respect of capital managed for clients as well as the capital provided by Brookfield, with the exception of carried interests which exclude amounts earned on Brookfield capital. This is representative of how we manage the business and more appropriately measures the returns from our asset management activities and the returns from the capital invested in our funds.

We do not recognize carried interests until the end of any determination or "clawback" period, which typically occurs at or near the end of a fund term, however we do provide supplemental information on the estimated amount of unrealized carried interests that have accumulated to date based on fund performance up to the date of the financial statements.

Fee Related Earnings

We generated the following fee related earnings during the period:

FOR THE THREE MONTHS ENDED MAR 31 (MILLIONS)	2014	2013
Base management fees	$ 142	$ 103
Incentive distributions	12	8
Performance fees	2	1
Transaction and advisory fees	22	11
Fee revenues	178	123
Direct costs	(93)	(62)
Fee related earnings	$ 85	$ 61

Fee related earnings increased by 39% to $85 million for the quarter, primarily as a result of increases in fee bearing capital and associated fee revenues.

Base management fees increased 38% to $142 million compared to $103 million in the prior year. Base management fees from our listed issuers increased by 40% or $17 million to $60 million. We launched BPY in April 2013 and recorded $18 million of base fees from BPY in the current quarter, of which $6 million were a result of the increase in BPY's capitalization beyond its original amount after adjusting for the applicable fee credits. Our private funds contributed $14 million to the increase mainly resulting from new commitments to our infrastructure and real estate flagship funds. Base fees from our public securities activities increased by $8 million due to net inflows and market value appreciation of securities under management.

We received $12 million of incentive distributions from Brookfield Infrastructure Partners and Brookfield Renewable Energy Partners during the first quarter of 2014, representing an increase of $4 million from 2013. The increase was the result of a 12% growth in BIP's limited partnership unit distributions from $1.72 per unit during 2013 to an annualized rate of $1.92 per unit in 2014 and BREP's increase in annualized distributions from $1.45 to $1.55, which now exceeds the first hurdle for our incentive distributions.

Direct costs consist primarily of employee expenses and professional fees, as well as business related technology costs and other shared services. Operating margins, which are calculated as fee related earnings divided by fee revenues, were 48% for the quarter, compared to 50% in 2013. Operating margins decreased

Carried Interests

We recognized $8 million of carried interest during the first quarter ($3 million net of associated costs), compared to $nil in 2013. Carried interest in the current quarter was generated on the completion of a private fund mandate and asset sales within a mature fund, both within our real estate operations.

Accumulated unrealized carried interest totalled $344 million at March 31, 2014. This represents an increase of $34 million compared to year-end, prior to the $8 million realized. We estimate that direct expenses of approximately $120 million will arise on the realization of the income accumulated to date. The amount of unrealized carried interests and associated costs are shown in the following table:

FOR THE THREE MONTHS ENDED MAR 31, 2014 (MILLIONS)	Unrealized Carried Interest	Direct Costs	Net
Unrealized balance, beginning of year	$ 318	$ (118)	$ 200
In-period change			
Generated	34	(7)	27
Less: realized	(8)	5	(3)
Unrealized balance, end of period	$ 344	$ (120)	$ 224

Fee Bearing Capital

The following table summarizes our fee bearing capital:

AS AT MAR 31, 2014 AND DEC 31, 2013 (MILLIONS)	Listed Issuers[1]	Private Funds[1]	Public Securities	Total	2013
Property	$ 17,294	$ 12,347	$ 3,213	$ 32,854	$ 30,313
Renewable energy	9,906	2,169	—	12,075	11,494
Infrastructure	8,455	8,561	5,587	22,603	21,717
Private equity	—	2,785	—	2,785	2,683
Other	—	—	13,213	13,213	13,086
March 31, 2014	**$ 35,655**	**$ 25,862**	**$ 22,013**	**$ 83,530**	n/a
December 31, 2013	$ 32,997	$ 25,625	$ 20,671	n/a	$ 79,293

1 Includes Brookfield capital of $6.1 billion (2013 – $ 6.0 billion) in private funds and $ 19.7 billion (2013 – $ 19.7 billion) in listed issuers

Listed issuer capital includes the market capitalization of our listed issuers: BPY, BREP, BIP, Brookfield Canada Office Properties, Acadian Timber Corp. and several smaller listed entities, and also includes corporate debt and preferred shares issued by these entities to the extent these are included in determining base management fees.

Third party private fund capital includes $11.9 billion of invested capital and $7.9 billion of capital that has not been invested to date but which is available to pursue acquisitions within each fund's specific mandate. Of the total uncalled commitments, $1.9 billion relates to property funds, $5.1 billion relates to infrastructure funds and $0.9 billion relates to private equity funds. The invested capital has a remaining average term of eight years (10 years with two one-year extension options) and the uncalled commitments has an average term during which they can be called of approximately four years.

We manage fixed income and equity securities within our public securities operations, with a particular focus on real estate and infrastructure, including high yield and distress securities. Fee bearing capital within our public securities is typically redeemable at our investors' option.

properties, consisting of 149 million square feet, are equity accounted investments and the remaining are consolidated under IFRS.

Multifamily, Industrial and Hospitality Properties: This category includes 22,200 multifamily units in the United States and Canada and 58 million square feet of industrial space in North America and Europe. We also own eight hotels with 7,500 rooms and investments in mezzanine debt.

years and, together with our high overall occupancy, to exercise patience in signing new leases.

In Australasia, average in-place net rents in our 11.6 million square foot portfolio are $49 per square foot, which represents a 8% discount to market rents. The occupancy rate across the portfolio remains high at 97.6% and the weighted average lease term is approximately six years. Leases in Australia typically include annual escalations, with the result that in-place lease rates tend to increase along with long-term increases in market rents.

Our share of BREP's FFO increased by $12 million, or 11%, reflecting increased pricing on uncontracted generation as well as the contribution from newly acquired and commissioned assets. Our energy marketing group generated $44 million of FFO, representing an increase of $76 million over the prior year, as a result of a $58 per MWh increase in realized pricing on uncontracted generation. We completed a secondary offering of BREP in the first quarter of 2013 which generated proceeds of $233 million and a $172 million realized disposition gain.

Our wholly owned energy marketing group has entered into long-term purchase agreements and price guarantees with BREP as described below. We are entitled to sell the power as well as any ancillary revenues, such capacity payments and renewable credits or premiums.

BEMI purchased approximately 2,233 gigawatt hours of electricity from BREP during 2014 at an average price of $74 per megawatt hour and sold this power at an average price, including ancillary revenues, of $94 per megawatt hour, resulting in FFO of $44 million (2013 – deficit of $32 million). Approximately 829 gigawatt hours of BEMI power sales were pursuant to long-term contracts at prices modestly in excess of our purchase cost. The balance of 1,404 gigawatt hours was sold in

quarter of 2013.

Transport FFO increased by $28 million to $95 million ($8 million to $27 million of our share) during the quarter. Our Australian railroad contributed an additional $7 million over the prior year, primarily due to the completion of our $600 million expansion program at the end of Q1 2013 and a strong grain harvest. Our South American toll roads contributed an additional $18 million of FFO compared to Q1 2013, primarily from our increased ownership in these toll roads, following our $670 million investment and by higher traffic volumes and regulatory tariffs.

BIP's Energy FFO increased by $4 million to $26 million ($7 million of our share) driven by improved performance at our North American gas transmission business as a result of increased natural gas volume demand into the Chicago market due to extreme cold weather.

AS AT MAR 31, 2014 AND DEC 31, 2013 AND FOR THE THREE MONTHS ENDED MAR 31 (MILLIONS)	Funds from Operations		Common Equity by Segment	
	2014	2013	**2014**	2013
Service activities				
Construction	**$ 3**	$ 27	**$ 949**	$ 938
Property management	**9**	1	**359**	348
	$ 12	$ 28	**$ 1,308**	$ 1,286

million). Net working capital was relatively unchanged since year end.

Corporate costs declined to $33 million in 2014 from $48 million in the prior year as a result of $10 million of costs being reallocated to our asset management operations following the launch of BPY in April 2013.

Proportionate consolidation, which reflects our proportionate interest in the underlying entities, depicts the extent to which our underlying assets are leveraged, which we believe is an important component of enhancing shareholder returns. We believe that the levels of debt relative to total capitalization are appropriate given the high quality of the assets, the stability of the associated cash flows and the level of financings that assets of this nature typically support, as well as our liquidity profile.

Our proportionate share of non-recourse borrowings and accounts payable and other liabilities increased since 2013 primarily as a result of our increased ownership of our office portfolio, which increased from 44% to 67% at March 31, 2014 as part of the BPY tender offer as well as our share of BPY's $1.5 billion bridge facility which financed one-third of the acquisition.

Property-Specific Borrowings

As part of our financing strategy, the majority of our debt capital is in the form of property-specific mortgages, denominated in local currencies that have recourse only to the assets being financed and have no recourse to the Corporation.

AS AT MAR 31, 2014 AND DEC 31, 2013 ($ MILLIONS)	Average Term		Consolidated	
	2014	2013	**2014**	2013
Property	**4**	4	**$ 22,929**	$ 21,577
Renewable energy	**12**	12	**5,113**	4,907
Infrastructure	**10**	10	**6,108**	6,077
Residential development	**2**	2	**1,999**	2,215
Private equity	**4**	1	**647**	613
Corporate	**1**	1	**82**	106
Total	**6**	6	**$ 36,878**	$ 35,495

Subsidiary Borrowings

We endeavour to capitalize our principal subsidiary entities to enable continuous access to the debt capital markets, usually on an investment-grade basis, thereby reducing the demand for capital from the Corporation and sharing the cost of financing equally among other equity holders in partially owned subsidiaries.

AS AT MAR 31, 2014 AND DEC 31, 2013 ($ MILLIONS)	Average Term		Consolidated	
	2014	2013	**2014**	2013
Subsidiary borrowings				
Property	**2**	2	**$ 3,691**	$ 3,074
Renewable energy	**6**	7	**1,698**	1,717
Infrastructure	**4**	4	**474**	436
Residential development	**7**	8	**1,079**	1,080
Private equity	**2**	3	**506**	899
Other	**2**	1	**218**	186
Total	**4**	4	**$ 7,666**	$ 7,392

Subsidiary borrowings have no recourse to the Corporation with only a limited number of exceptions. Property borrowings increased due to borrowings assumed on acquisitions and our bridge facility utilized to fund the cash portion of the BPY tender offer. Private equity decreased due to the deconsolidation of Western Forest Products.

Capital Securities

Capital securities are preferred shares that are mostly denominated in Canadian dollars and are classified as liabilities because the holders of the preferred shares have the right, after a fixed date, to convert the shares into common equity of the issuer based on the market price of the common shares at that time unless they are previously redeemed by the issuer. The dividends paid on these securities are recorded in interest expense. As at March 31, 2014, C$175 million of the capital securities were issued by the Corporation and the balance are obligations of BPO and its subsidiaries. The company redeemed all of its outstanding Class A Series 12 preferred shares for cash effective April 7, 2014. The redemption price for each preferred share was C$26.00 plus accrued and unpaid dividends.

The average distribution yield on the consolidated capital securities at March 31, 2014 was 5.4% (December 31, 2013 – 5.3%) and the average term to the holders' conversion date was four years as at March 31, 2014 (December 31, 2013 – four years).

Preferred Equity

Preferred equity is comprised of perpetual preferred shares and represents permanent non-participating equity that provides leverage to our common equity. The shares are categorized by their principal characteristics in the following table:

AS AT MAR 31, 2014 AND DEC 31, 2013 (MILLIONS)	Average Rate			
	2014	2013	2014	2013
Floating rate	2.13%	2.13%	$ 480	$ 480
Fixed rate	4.82%	4.82%	753	753
Fixed rate-reset	4.94%	5.00%	2,046	1,865
	4.50%	4.51%	$ 3,279	$ 3,098

On March 13, 2014, the company issued 8.0 million Series 38 fixed rate-reset preferred shares with an initial dividend rate of 4.4% for total gross proceeds of C$200 million and used the proceeds to redeem C$175 million of 5.4% capital securities.

Fixed rate-reset preferred shares are issued with an initial fixed rate coupon that is reset after an initial period, typically between five and seven years, at a predetermined spread over the Canadian five-year government bond yield.

Non-controlling Interests

Non-controlling interests in our consolidated results primarily consist of co-investors interests in Brookfield Property Partners L.P., Brookfield Renewable Energy Partners L.P. and Brookfield Infrastructure Partners L.P., and their consolidated entities as well as other participating interests in our consolidated listed and unlisted investments as follows:

AS AT MAR 31, 2014 AND DEC 31, 2013 (MILLIONS)	2014	2013
Brookfield Property Partners L.P.	$ 12,413	$ 12,810
Brookfield Renewable Energy Partners L.P.	4,228	4,002
Brookfield Infrastructure Partners L.P.	5,031	5,127
Other participating interests		
Private equity operations	1,322	1,410
Residential development operations	929	1,020
Other	1,905	2,278
	$ 25,828	$ 26,647

Common Equity

Issued and Outstanding Shares

Changes in the number of issued and outstanding Class A Shares during the first quarter are as follows:

FOR THE THREE MONTHS ENDED MAR 31 (MILLIONS)	2014	2013
Outstanding at beginning of period	615.5	619.6
Issued (repurchased)		
Repurchases	(1.3)	(4.5)
Long-term share ownership plans[1]	1.4	0.8
Dividend reinvestment plan	0.1	—
Outstanding at end of period	615.7	615.9
Unexercised options[2]	38.0	39.0

In calculating our book value per share, the cash value of our unexercised options of $997 million (2013 – $904 million) is added to the book value of our common equity of $17,847 million (December 31, 2013 – $17,781 million) prior to dividing by the total diluted shares presented above.

As of May 12, 2014, the Corporation had outstanding 615,807,665 Class A Shares and 85,120 Class B Shares.

Basic and Diluted Earnings Per Share

The components of basic and diluted earnings per share are summarized in the following table:

FOR THE THREE MONTHS ENDED MAR 31 (MILLIONS)	Net Income	
	2014	2013
Net income	**$ 541**	$ 360
Preferred share dividends	**(38)**	(36)
	503	326
Capital securities dividends[1]	**2**	4
Net income available for shareholders	**$ 505**	$ 328
Weighted average shares	**615.4**	618.8
Dilutive effect of the conversion of options and escrowed shares using treasury stock method	**12.8**	13.3
Dilutive effect of the conversion of capital securities[1,2]	**4.7**	9.9
Shares and share equivalents	**632.9**	642.0

1. Subject to the approval of the Toronto Stock Exchange, the Series 12 preferred shares were convertible into Class A Shares at a price equal to the greater of 95% at the market price at the time of conversion and C$2.00, at the option of either the company or the holder. The Series 12 preferred shares were redeemed by the company effective April 7, 2014. The Series 21 preferred shares were redeemed by the company during 2013
2. The number of shares is based on 95% of the quoted market price at period end

LIQUIDITY

Overview

Our principal sources of short-term liquidity are corporate cash and financial assets together with undrawn committed credit facilities, which we refer to collectively as core liquidity. As at March 31, 2014 core liquidity at the corporate level was $2.1 billion, consisting of $1.2 billion in net cash and financial assets and $0.9 billion in undrawn credit facilities. Aggregate core liquidity includes the core liquidity of our principal subsidiaries, which consist for these purposes of BPY, BPO, BREP, and BIP, and was $6.1 billion at the end of the quarter, approximately $0.2 billion higher than at the end of 2013. The majority of the underlying assets and businesses in these asset classes are funded by these entities, and they will continue to fund our ongoing investments in these areas and, accordingly, we include the resources of these entities in assessing our liquidity. We continue to maintain elevated liquidity levels because we continue to pursue a number of attractive investment opportunities. We also hold $7.9 billion of third-party undrawn capital commitments to our private funds at March 31, 2014.

The following table presents core liquidity and undrawn capital commitments on a corporate and consolidated basis:

AS AT MAR 31, 2014 AND DEC 31, 2013 (MILLIONS)	Corporate		Principal Subsidiaries		Total	
	2014	2013	**2014**	2013	**2014**	2013
Cash and financial assets, net	**$ 1,189**	$ 814	**$ 948**	$ 913	**$ 2,137**	$ 1,727

REVIEW OF CONSOLIDATED STATEMENT OF CASH FLOWS

The following table summarizes the consolidated statement of cash flows within our consolidated financial statements:

FOR THE THREE MONTHS ENDED MAR 31 (MILLIONS)	2014	2013
Operating activities	$ 198	$ 122
Financing activities	1,653	857
Investing activities	(1,965)	(916)
Increase in cash and cash equivalents	$ (114)	$ 63

Operating Activities

Cash flow from operating activities generated $198 million, an increase of $76 million over the same period in 2013. These cash flows consist of net income, including the amount attributable to co-investors, less non-cash items such as undistributed equity accounted income, fair value changes, depreciation and deferred income taxes, and adjusted for changes in non-cash working capital. We also deduct gains and other income from net income, as the proceeds of these items are included within financing or investing activities. Cash flow from operating activities includes the net amount invested or recovered through the ongoing investment in and subsequent sale of residential land, houses and condominiums, which represented an outlay of $81 million in the first quarter of 2014. Compared to $237 million in the same period in 2013 as activity was lower in our Brazilian condominium development operations. Cash flow prior to non-cash working capital and residential inventory was $723 million during the 2014 quarter compared to $895 million in the 2013 quarter.

Financing Activities

Financing activities generated $1.7 billion of liquidity, compared to $0.9 billion in the first quarter of 2013. This includes $1.5 billion provided through capital calls to our institutional private fund partners (2013 – $557 million) representing increased levels of investing. Distributions to our investors increased to approximately $500 million (2013 – $300 million) as a result of increases in distributions to equity-holders of Brookfield and consolidated subsidiaries, and distributions of gains from asset sales. We arranged corporate borrowings and issued preferred shares to generate liquidity of approximately $630 million (2013 – $350 million) which refinanced prior positions at lower rates, decreasing our overall cost of capital. Property-specific financing provided $130 million of liquidity on a net basis as we arranged asset-specific financing for acquisitions of new operations and increased the notional amount of borrowings at existing assets at lower rates. The amounts decreased from 2013 as this activity generally corresponds with debt maturities, which were lower in the current year. Capital paid to non-controlling interest includes the cash portion of the shares tendered in the privatization of BPO, which totalled approximately $1.3 billion in the quarter, which was funded with subsidiary borrowings.

Investing Activities

We invested $4.2 billion in the privatization of BPO during the quarter, which included $1.3 billion of a net cash investment, $2.5 billion worth of BPY units issued, and $0.4 billion of BPO shares tendered pending settlement. BPY consolidates BPO, and therefore the cash portion of this purchase is classified as a payment to non-controlling interests and the equity portion is not reflected in this statement because it does not involve cash. We also invested $3.0 billion to expand our other operations in the current quarter compared to $1.8 billion in the 2013 period. Investing activities increased as we continue to deploy capital raised in our private funds and our public securities portfolios and includes approximately $1.6 billion in real estate assets and investments in our property operations, $571 million in renewable generation assets and investments, and $585 million in financial assets in our other operations which includes the investments of consolidated public securities funds. Dispositions totalled approximately $1.1 billion, up from $900 million in the comparative quarter last year, as we continued to capitalize on a favourable environment to monetize certain investments. Dispositions in the current year includes proceeds of $104 million on the partial sale of a forest products business within our private equity operations.

PART 5 – ADDITIONAL INFORMATION

ACCOUNTING POLICIES AND INTERNAL CONTROLS

Accounting Policies and Critical Judgments and Estimates

The preparation of financial statements requires management to select appropriate accounting policies and to make judgments and estimates that affect the carried amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

In making critical judgments and estimates, management relies on external information and observable conditions, where possible, supplemented by internal analysis as required. These estimates have been applied in a manner consistent with that in the prior year and there are no known trends, commitments, events or uncertainties that we believe will materially affect the methodology or assumptions utilized in this report. The estimates are impacted by, among other things, movements in interest rates and other factors, some of which are highly uncertain.

For further reference on accounting policies and critical judgments and estimates, see our significant accounting policies contained in Note 2 to the December 31, 2013 consolidated financial statements.

Adoption of Accounting Standards

IFRIC 21, *Levies* ("IFRIC 21") provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37, *Provisions, Contingent Liabilities and Contingent Assets,* and those where the timing and amount of the levy is certain. IFRIC 21 identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation. A liability is recognized progressively if the obligating event occurs over a period of time or, if an obligation is triggered on reaching a minimum threshold, the liability is recognized when that minimum threshold is reached. IFRIC 21 became effective on January 1, 2014. The adoption of IFRIC 21 did not have a material effect on the company's consolidated financial statements.

Future Changes in Accounting Standards

Financial Instruments

IFRS 9, *Financial Instruments* ("IFRS 9") was issued by the IASB on November 12, 2009 and will replace IAS 39, *Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is tentatively effective for annual periods beginning on or after January 1, 2018. The company has not yet determined the impact of IFRS 9 on its consolidated financial statements.

MANAGEMENT REPRESENTATIONS AND INTERNAL CONTROLS

Internal Control Over Financial Reporting

No changes were made in our internal control over financial reporting during the quarter ended March 31, 2014, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Declarations Under the Dutch Act of Financial Supervision

The members of the Corporate Executive Board, as defined in the Dutch Act of Financial Supervision ("Dutch Act"), as required by section 5:25d, paragraph 2, under c of the Dutch Act confirm that to the best of their knowledge:

The financial statements included in this Interim Report give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Corporation and the undertakings included in the consolidation

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS AND INFORMATION

Note: This Report to Shareholders contains "forward-looking information" within the meaning of Canadian provincial securities laws and "forward-looking statements" within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, Section 21E of the U.S. Securities Exchange Act of 1934, as amended, "safe harbour" provisions of the United States Private Securities Litigation Reform Act of 1995 and in any applicable Canadian securities regulations. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, include statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of the company and its subsidiaries, as well as the outlook for North American and international economies for the current fiscal year and subsequent periods, and include words such as "expects," "anticipates," "plans," "believes," "estimates," "seeks," "intends," "targets," "projects," "forecasts" or negative versions thereof and other similar expressions, or future or conditional verbs such as "may," "will," "should," "would" and "could."

Although we believe that our anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information because they involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, which may cause the actual results, performance or achievements of the company to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements and information.

Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to: the impact or unanticipated impact of general economic, political and market factors in the countries in which we do business; the behavior of financial markets, including fluctuations in interest and foreign exchange rates; global equity and capital markets and the availability of equity and debt financing and refinancing within these markets; strategic actions including dispositions; the ability to complete and effectively integrate acquisitions into existing operations and the ability to attain expected benefits; changes in accounting policies and methods used to report financial condition (including uncertainties associated with critical accounting assumptions and estimates); the effect of applying future accounting changes; business competition; operational and reputational risks; technological change; changes in government regulation and legislation within the countries in which we operate; changes in tax laws, catastrophic events, such as earthquakes and hurricanes; the possible impact of international conflicts and other developments including terrorist acts; and other risks and factors detailed from time to time in our documents filed with the securities regulators in Canada and the United States.

We caution that the foregoing list of important factors that may affect future results is not exhaustive. When relying on our forward-looking statements, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Except as required by law, the company undertakes no obligation to publicly update or revise any forward-looking statements or information, whether written or oral, that may be as a result of new information, future events or otherwise.

CONSOLIDATED STATEMENTS OF OPERATIONS

(UNAUDITED) FOR THE THREE MONTHS ENDED MAR 31 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	Note	2014	2013
Total revenues and other gains		$ 4,373	$ 4,951
Direct costs		(2,990)	(3,420)
Equity accounted income		274	266
Expenses			
Interest		(626)	(655)
Corporate costs		(33)	(44)
Fair value changes	9	715	61
Depreciation and amortization		(376)	(365)
Income taxes		(494)	(97)
Net income		$ 843	$ 697
Net income attributable to:			
Shareholders		$ 541	$ 360
Non-controlling interests		302	337
		$ 843	$ 697
Net income per share:			
Diluted	8	$ 0.80	$ 0.51
Basic	8	$ 0.82	$ 0.52

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(UNAUDITED) FOR THE THREE MONTHS ENDED MAR 31, 2014 (MILLIONS)	Common Share Capital	Contributed Surplus	Retained Earnings	Ownership Changes1	Accumulated Other Comprehensive Income: Revaluation Surplus	Accumulated Other Comprehensive Income: Currency Translation	Accumulated Other Comprehensive Income: Other Reserves2	Common Equity	Preferred Equity	Non-controlling Interests	Total Equity
Balance as at December 31, 2013	$ 2,899	$ 159	$ 7,159	$ 2,354	$ 5,165	$ 190	$ (145)	$ 17,781	$ 3,098	$ 26,647	$ 47,526
Changes in period											
Net income	—	—	541	—	—	—	—	541	—	302	843
Other comprehensive loss	—	—	—	—	—	137	(45)	92	—	(39)	53
Comprehensive income	—	—	541	—	—	137	(45)	633	—	263	896
Shareholder distributions											
Common equity	—	—	(92)	—	—	—	—	(92)	—	—	(92)
Preferred equity	—	—	(38)	—	—	—	—	(38)	—	—	(38)
Non-controlling interests	—	—	—	—	—	—	—	—	—	(386)	(386)
Other items											
Equity issuances, net of redemptions	23	—	(50)	—	—	—	—	(27)	181	60	214
Share-based compensation	—	13	(2)	—	—	—	—	11	—	5	16
Ownership changes	—	—	51	(362)	(34)	6	(82)	(421)	—	(761)	(1,182)
Total change in period	23	13	410	(362)	(34)	143	(127)	66	181	(819)	(572)
Balance as at March 31, 2014	$ 2,922	$ 172	$ 7,569	$ 1,992	$ 5,131	$ 333	$ (272)	$ 17,847	$ 3,279	$ 25,828	$ 46,954

1 Includes gains or losses on changes in ownership interests of consolidated subsidiaries
2 Includes available-for-sale securities, cash flow hedges, actuarial changes on pension plans and equity accounted other comprehensive income, net of associated income taxes

(UNAUDITED) FOR THE THREE MONTHS ENDED MAR 31, 2013 (MILLIONS)	Common Share Capital	Contributed Surplus	Retained Earnings	Ownership Changes1	Accumulated Other Comprehensive Income: Revaluation Surplus	Accumulated Other Comprehensive Income: Currency Translation	Accumulated Other Comprehensive Income: Other Reserves2	Common Equity	Preferred Equity	Non-controlling Interests	Total Equity
Balance as at December 31, 2012	$ 2,855	$ 149	$ 6,813	$ 2,088	$ 5,289	$ 1,405	$ (449)	$ 18,150	$ 2,901	$ 23,287	$ 44,338
Changes in period											
Net income	—	—	360	—	—	—	—	360	—	337	697
Other comprehensive income	—	—	—	—	(5)	(88)	36	(57)	—	(104)	(161)
Comprehensive income	—	—	360	—	(5)	(88)	36	303	—	233	536
Shareholder distributions											
Common equity	—	—	(993)	—	—	—	—	(993)	—	906	(87)
Preferred equity	—	—	(36)	—	—	—	—	(36)	—	—	(36)
Non-controlling interests	—	—	—	—	—	—	—	—	—	(179)	(179)
Other items											
Equity issuances, net of redemptions	(23)	—	(195)	—	—	—	—	(218)	—	327	109
Share-based compensation	—	(32)	—	—	—	—	—	(32)	—	6	(26)
Ownership changes	—	—	—	345	(202)	—	—	143	—	184	327
Total change in period	(23)	(32)	(864)	345	(207)	(88)	36	(833)	—	1,477	644
Balance as at March 31, 2013	$ 2,832	$ 117	$ 5,949	$ 2,433	$ 5,082	$ 1,317	$ (413)	$ 17,317	$ 2,901	$ 24,764	$ 44,982

1 Includes gains or losses on changes in ownership interests of consolidated subsidiaries
2 Includes available-for-sale securities, cash flow hedges, actuarial changes on pension plans and equity accounted other comprehensive income, net of associated income taxes

Investment properties	390	354
Property, plant and equipment	108	12
Equity accounted investments	141	138
Other financial assets	483	419
Cash disposed on disposition of subsidiaries	(5)	(17)
Restricted cash and deposits	(89)	(4)
	(1,965)	(916)
Cash and cash equivalents		
Change in cash and cash equivalents	(114)	63
Foreign exchange revaluation	6	13
Balance, beginning of period	3,663	2,850
Balance, end of period	$ 3,555	$ 2,926

determined the impact of IFRS 9 on its consolidated financial statements.

3. SEGMENTED INFORMATION

a) Operating Segments

Our operations are organized into eight operating segments which are reported regularly to our Chief Executive Officer (our Chief Operating Decision Maker). We measure performance primarily using the funds from operations generated by each operating segment and the amount of capital attributable to each segment.

Our operating segments are described below:

i. Asset management operations consist of managing our listed entities, private funds and public securities on behalf of ourselves and our clients. We generate contractual base management fees for these activities and we also are entitled to earn performance fees, including incentive distributions, performance fees and carried interests. We also provide transaction and advisory services.

iii. Segment Allocation and Measurement

Segment measures include amounts earned from consolidated entities that are eliminated on consolidation. The principal adjustment is to include asset management revenues charged to consolidated entities as revenues within the company's asset management segment with the corresponding expense recorded as corporate costs within the relevant segment. These amounts are based on the in-place terms of the asset management contracts amongst the consolidated entities. Inter-segment revenues are made under terms that approximate market value.

The company allocates the costs of shared functions, which would otherwise be included within its corporate activities segment such as information technology and internal audit, pursuant to formal policies.

FOR THE THREE MONTHS ENDED MAR 31 (MILLIONS)	2014	2013
Segmented equity accounted income	$ 260	$ 198
Fair value changes and other non-FFO items	14	68
Equity accounted income	$ 274	$ 266

Other	446	6,630	467	5,625
	$ 4,373	$ 115,282	$ 4,951	$ 112,745

Deferred income tax liabilities	—	(12)	**(12)**
Non-controlling interests[1]	(35)	—	**(35)**
	(581)	(14)	**(595)**
Net assets acquired	$ 321	$ 539	**$ 860**
Consideration[2]	$ 321	$ 539	**$ 860**

1. Includes non-controlling interests recognized on business combinations measured as the proportionate share of fair value of the assets and liabilities on the date of acquisition
2. Total consideration, including amounts paid by non-controlling interests. Property consideration includes $135 million of cash paid and $186 million of previously held interests

Accounts receivable and other	—	526	460	131	343	689
	$ 1,681	$ 822	$ 3,288	$ 1,074	$ 859	$ 2,729
Financial liabilities						
Accounts payable and other	$ —	$ 1,595	$ 137	$ 117	$ 1,046	$ 142
Interests of others in consolidated funds	—	221	1,044	—	139	947
	$ —	$ 1,816	$ 1,181	$ 117	$ 1,185	$ 1,089

There were no transfers between levels 1, 2 or 3 in the first three months of 2014 or 2013.

AS AT MAR 31, 2014 AND DEC 31, 2013 (MILLIONS)	2014	2013
Current portion	$ 691	$ 1,854
Non-current portion	6,975	5,538
	$ 7,666	$ 7,392

1. Net of 10,550,000 (2013 – 9,550,000) Class A Shares held by the company to satisfy long-term compensation agreements
2. Includes management share option plan and escrowed stock plan

expense was calculated using the Black-Scholes method of valuation, assuming an average 7.5 year term, 31.4% volatility, a weighted average expected dividend yield of 1.5% annually, a risk free rate of 2.3% and a liquidity discount of 25%.

The company previously established an Escrowed Stock Plan whereby a private company is capitalized with preferred shares issued to Brookfield for cash proceeds and common shares (the "escrowed shares") that are granted to executives. The proceeds are used to purchase Brookfield Class A Shares and therefore the escrowed shares represent an interest in the underlying Brookfield Shares. The escrowed shares vest on and must be held until the fifth anniversary of the grant date. At a date at least five years from and no more than ten years from the grant date, all escrowed shares held will be exchanged for a number of Class A Shares issued from treasury of the company, based on the market value of Class A Shares at the time of exchange. During the three months ended March 31, 2014, the company granted 2.75 million escrowed shares at a weighted average exercise price of $40.15 per share. The compensation expense was calculated using the Black-Scholes method of valuation, assuming an average 7.5 year term, 31.4% volatility, a weighted average expected dividend yield of 1.5% annually, a risk free rate of 2.3% and a liquidity discount of 30%.

SHAREHOLDER INFORMATION

Shareholder Inquiries

Shareholder inquiries should be directed to our Investor Relations group at:

Brookfield Asset Management Inc.
Suite 300, Brookfield Place, Box 762, 181 Bay Street
Toronto, Ontario M5J 2T3
T: 416-363-9491 or toll free in North America
1-866-989-0311
F: 416-363-2856
www.brookfield.com
inquiries@brookfield.com

Shareholder inquiries relating to dividends, address changes and share certificates should be directed to our Transfer Agent:

CST Trust Company
P.O. Box 700, Station B
Montreal, Quebec H3B 3K3
T: 416-682-3860 or toll free in North America:
1-800-387-0825
F: 1-888-249-6189
www.canstockta.com
inquiries@canstockta.com

Stock Exchange Listings

	Symbol	Stock Exchange
Class A Limited Voting Shares	BAM	New York
	BAM.A	Toronto
	BAMA	Euronext – Amsterdam
Class A Preference Shares		
Series 2	BAM PR.B	Toronto
Series 4	BAM.PR.C	Toronto
Series 8	BAM.PR.E	Toronto
Series 9	BAM PR G	Toronto
Series 13	BAM.PR.K	Toronto
Series 14	BAM.PR.L	Toronto
Series 17	BAM.PR M	Toronto
Series 18	BAM.PR N	Toronto
Series 22	BAM.PR.P	Toronto
Series 24	BAM.PR R	Toronto
Series 26	BAM.PR.T	Toronto
Series 28	BAM.PR.X	Toronto
Series 30	BAM.PR Z	Toronto
Series 32	BAM PF A	Toronto
Series 34	BAM.PF.B	Toronto
Series 36	BAM.PF.C	Toronto
Series 37	BAM.PF.D	Toronto
Series 38	BAM.PF E	Toronto

Investor Relations and Communications

We are committed to informing our shareholders of our progress through our comprehensive communications program which includes publication of materials such as our annual report, quarterly interim reports and news releases. We also maintain a website that provides ready access to

22, 24, 26, 28, 30, 32, 34, 36, 37 and 38	15th day of March, June, September and December	Last day of March, June, September and December
Series 8 and 14	Last day of each month	12th day of following month
Series 9	5th day of January, April, July and October	First day of February, May, August and November

1. All dividend payments are subject to declaration by the Board of Directors
2. Beginning May 31, 2014
3. Beginning June 30, 2014

F 212.417.7196

Toronto – Canada
Brookfield Place, Suite 300
Bay Wellington Tower

181 Bay Street, Box 762

Toronto, Ontario M5J 2T3
T 416 363.9491
F 416 365.9642

London – United Kingdom
99 Bishopsgate, 2nd Floor
London EC2M 3XD

United Kingdom

T 44 (0) 20 7659.3500
F 44 (0) 20.7659 3501

Rio de Janeiro – Brazil
Rua Lauro Muller 116, 21° andar.
Botafogo - Rio de Janeiro - Brasil

22290 - 160

CEP: 71 635 250
T 55 (21) 3527 7800
F 55 (21) 3527.7799

Mumbai
Unit 203, 2nd Floor
Tower A, Peninsula Business Park
Senapati Bapat Marg, Lower Parel
Mumbai - 400013
T 91 (22) 6600 0400
F 91 (22) 6600.0401

the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1 ***Control framework:*** The control framework the issuer's other certifying officer(s) and I used to design the issuer's ICFR is the *Internal Control – Integrated Framework* (1992) published by The Committee of Sponsoring Organizations of the Treadway Commission (COSO).

5.2 ***ICFR – material weakness relating to design: N/A***

EX-3 4 d724345dex3.htm EX-3

Exhibit 3

Brookfield

FORM 52-109F2

CERTIFICATION OF INTERIM FILINGS

FULL CERTIFICATE

I, **Brian D. Lawson**, *Chief Financial Officer*, Brookfield Asset Management Inc., certify the following:

1. ***Review:*** I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of Brookfield Asset Management Inc. (the "issuer") for the interim period ended March 31, 2014.

2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

4. ***Responsibility:*** The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, for the issuer.

5. ***Design:*** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer(s) and I have, as at the end of the period covered by the interim filings

1. designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that

    1. material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

    2. information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

Brookfield

5.2 ***ICFR – material weakness relating to design:*** *N/A*

5.3 ***Limitation on scope of design:*** *N/A*

6. ***Reporting changes in ICFR:*** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning January 1, 2014 and ended on March 31, 2014 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: May 15, 2014

/s/ Brian D. Lawson
Brian D. Lawson
Chief Financial Officer

40-F 1 d692712d40f.htm 40-F

U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 40-F

(Check One)

☐ **Registration statement pursuant to Section 12 of the Securities Exchange Act of 1934**

or

☒ **Annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934**

For the fiscal year ended December 31, 2013

Commission file number 1-15226

BROOKFIELD ASSET MANAGEMENT INC.

(Exact name of registrant as specified in its charter)

Ontario, Canada	1121, 1031, 1061, 1311, 1321, 2421, 4939, 6311	Not applicable
(Province or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number (if applicable))	(I.R.S. Employer Identification Number (if Applicable))

Suite 300, Brookfield Place, 181 Bay Street, P.O. Box 762, Toronto, Ontario, Canada M5J 2T3
(416) 363-9491
(Address and Telephone Number of Registrant's Principal Executive Offices)

Torys LLP, 1114 Avenue of the Americas, New York, NY 10036-7703
(212) 880-6000
(Name, Address (Including Zip Code) and Telephone Number (Including Area Code) of Agent For Service in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Class A Limited Voting Shares	New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: Debt Securities

For annual reports, indicate by check mark the information filed with this Form:

x **Annual Information Form** x **Audited Annual Financial Statements**

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report:

Class A Limited Voting Shares 625,181,338

Class B Limited Voting Shares 85,120

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes x No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). ¨ Yes ¨ No

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FORM 40-F

Principal Documents

The following documents, filed as Exhibits 99.1 through 99.2 hereto, are hereby incorporated by reference into this Form 40-F:

(a) Annual Information Form for the fiscal year ended December 31, 2013;

(b) Management's Discussion and Analysis of Financial Results ("MD&A") for the fiscal year ended December 31, 2013; and

(c) Consolidated Financial Statements for the fiscal year ended December 31, 2013.

ADDITIONAL DISCLOSURE

Certifications and Disclosure Regarding Controls and Procedures

(a) Certifications. See Exhibits 99.3, 99.4, 99.5 and 99.6 to this Annual Report on Form 40-F.

(b) Disclosure Controls and Procedures. As of the end of the registrant's fiscal year ended December 31, 2013, an evaluation of the effectiveness of the registrant's "disclosure controls and procedures" (as such term is defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) was carried out by the registrant's principal executive officer and principal financial officer.

Based upon that evaluation, the registrant's principal executive officer and principal financial officer have concluded that as of the end of that fiscal year, the registrant's disclosure controls and procedures were effective at the reasonable assurance level to ensure that information required to be disclosed by the registrant in reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms and (ii) accumulated and communicated to the registrant's management, including its principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure.

It should be noted that while the registrant's principal executive officer and principal financial officer believe that the registrant's disclosure controls and procedures provide a reasonable level of assurance that they are effective, they do not expect that the registrant's disclosure controls and procedures or internal control over financial reporting will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

(c) Management's Annual Report on Internal Control Over Financial Reporting.

(1) Management of the registrant is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed by, or under the supervision of, the Chief Executive Officer and the Chief Financial Officer and effected by the Board of Directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board .

(2) Management assessed the effectiveness of the registrant's internal control over financial reporting as of December 31, 2013, based on the criteria set forth in *Internal Control -- Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

(3) Based on this assessment, management concluded that, as of December 31, 2013, the registrant's internal control over financial reporting was effective. Also, management determined that there were no material weaknesses in the registrant's internal control over financial reporting as of December 31, 2013.

(4) Deloitte LLP, the independent registered public accounting firm that audited the registrant's consolidated financial statements for the fiscal year ended December 31, 2013, has issued its opinion on the registrant's internal control over financial reporting (the "Attestation Report").

(d) Attestation Report of the Independent Registered Public Accounting Firm. The Attestation Report is included in Exhibit 99.2 attached hereto, which is incorporated by reference into this Annual Report on Form 40-F.

(e) Changes in Internal Control over Financial Reporting. During the fiscal year ended December 31, 2013, there were no changes in the registrant's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Notices Pursuant to Regulation BTR

None.

Audit Committee Financial Experts

The registrant's board of directors has determined that Mr. Marcel R. Coutu and Mr. George S. Taylor, each of whom is a member of the registrant's audit committee, qualify as "audit committee financial experts" (as such term is defined in paragraph 8(b) of General Instruction B in Form 40-F) and are "independent" (as such term is defined in the rules of the New York Stock Exchange (the "NYSE")), in accordance with the director independence standards of the NYSE.

Code of Ethics

The registrant has adopted a "code of ethics" (as that term is defined in paragraph 9(b) of General Instruction B in Form 40-F), which it refers to as its Code of Business Conduct and Ethics, that applies to its principal executive officer, principal financial officer, principal accounting officer or controller, and persons performing similar functions.

The Code of Business Conduct and Ethics, which complies with the requirements of the NYSE, is available for viewing on the registrant's website at *www.brookfield.com* at *Corporate/Conduct Guidelines* and is available in print to any shareholder who requests it. Requests for copies of the Code of Business Conduct and Ethics should be made by contacting: Corporate Secretary, Brookfield Asset Management Inc., Suite 300, Brookfield Place, 181 Bay Street, P.O. Box 762, Toronto, Ontario, Canada M5J 2T3, Telephone: 416-363-9491. Alternatively, requests may be sent by email to *inquiries@brookfield.com*.

All amendments to the Code of Business Conduct and Ethics, and all waivers of the Code of Business Conduct and Ethics with respect to any of the directors, officers and employees covered by it, have been and will be posted promptly on the registrant's website.

Principal Accountant Fees and Services

The information required is included under the heading "Principal Accountant Fees and Services" in the Audit Committee Information section of the registrant's Annual Information Form for the fiscal year ended December 31, 2013, incorporated by reference as Exhibit 99.1 to this Annual Report on Form 40-F.

Pre-Approval Policies and Procedures

The information required is included under the heading "Pre-Approval Policies and Procedures" in the Audit Committee Information section of the registrant's Annual Information Form for the fiscal year ended December 31, 2013, incorporated by reference as Exhibit 99.1 to this Annual Report on Form 40-F.

Off-Balance Sheet Arrangements

The registrant does not have any off-balance sheet arrangements.

Tabular Disclosure of Contractual Obligations

The information required is included under the heading "Contractual Obligations" in Part 4, "Capitalization," in the registrant's MD&A for the fiscal year ended December 31, 2013, incorporated by reference as Exhibit 99.2 to this Annual Report on Form 40-F.

Identification of the Audit Committee

The registrant has a separately designated standing audit committee established in accordance with section 3(a)(58)(A) of the Exchange Act The members of the audit committee are: George S. Taylor who is the committee's Chair, Marcel R. Coutu and Diana L. Taylor, each of whom is "independent" (as such term is defined in the rules of the NYSE).

DISCLOSURE PURSUANT TO THE REQUIREMENTS OF THE NEW YORK STOCK EXCHANGE

Independence of Directors

The registrant's board of directors has determined that 11 of the registrant's 16 directors, comprising a majority of the board, are "independent directors," as that term is defined in the rules of the NYSE, and that none of these 11 directors has a material relationship with the registrant which would impair his independence from management or otherwise compromise his ability to act as an independent director.

The directors who have been determined to be independent on this basis are: Marcel R. Coutu, Maureen Kempston Darkes, Lance Liebman, Philip B. Lind, Frank J. McKenna, Youssef A. Nasr, Lord O'Donnell, James A. Pattison, Seek Ngee Huat, Diana L. Taylor and George S. Taylor.

Presiding Director at Meetings of Independent Directors

The registrant schedules regular meetings in which the registrant's independent directors meet without the participation of management and non-independent directors. Mr. Frank J. McKenna, the chair of the board of directors, serves as the chair at such sessions (the "Chair").

Communication with Independent Directors

Shareholders may send communications to the registrant's independent directors by contacting the Chair, c/o Corporate Secretary, Brookfield Asset Management Inc., Suite 300, Brookfield Place, 181 Bay Street, P.O. Box 762, Toronto, Ontario, Canada M5J 2T3, Telephone: (416) 363-9491. Alternatively, communications may be sent by e-mail to *inquiries@brookfield.com*. Communications will be referred to the Chair for appropriate action. The status of all outstanding concerns addressed to the Chair will be reported to the board of directors as appropriate.

Corporate Governance Guidelines

The rules of the NYSE require listed companies to adopt and disclose a set of corporate governance guidelines with respect to specified topics. Such guidelines are required to be posted on the listed company's website. The registrant operates under corporate governance principles that are consistent with the requirements of the NYSE rules, and which are summarized under the heading "Statement of Corporate Governance Practices" in the registrant's latest Management Information Circular available for viewing on the registrant's web site at *www.brookfield.com* under *Corporate/Corporate Governance.*

Board and Committee Charters

The charter of the registrant's board of directors is set out in Schedule A to the registrant's latest Management Information Circular. The charter of the registrant's audit committee is set out in Appendix C of the Registrant's Annual Information Form for the fiscal year ended December 31, 2013.

These documents are available for viewing on the registrant's web site at *www.brookfield.com* under *Corporate/Corporate Governance.*

The charters of the registrant's board of directors, audit committee, management resources and compensation committee, governance and nominating committee and risk management committee are each available for viewing on the registrant's web site at *www.brookfield.com* under *Corporate/Corporate Governance* and are available in print to any shareholder who requests them. Requests for copies of these documents should be made by contacting: Corporate Secretary, Brookfield Asset Management Inc., Suite 300, Brookfield Place, 181 Bay Street, P.O. Box 762, Toronto, Ontario, Canada M5J 2T3, Telephone: (416) 363-9491. Alternatively, requests may be sent by email to *inquiries@brookfield.com*.

UNDERTAKING AND CONSENT TO SERVICE OF PROCESS

A. Undertaking.

The registrant undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Securities and Exchange Commission (the "Commission") staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

B. Consent to Service of Process.

The Company has previously filed a Form F-X in connection with the class of securities in relation to which the obligation to file this report arises.

Any change to the name or address of the agent for service of process of the registrant shall be communicated promptly to the Commission by an amendment to the Form F-X referencing the file number of the registrant.

SIGNATURE

Pursuant to the requirements of the Exchange Act, the registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized, on March 31, 2014.

BROOKFIELD ASSET MANAGEMENT INC.

By: */s/ Brian D. Lawson*

Name: Brian D. Lawson

Title: Senior Managing Partner and Chief Financial Officer

EXHIBIT INDEX

Exhibit	Description
99.1	Annual Information Form for the fiscal year ended December 31, 2013
99.2	Management's Discussion and Analysis of Financial Results for the fiscal year ended December 31, 2013, the Consolidated Financial Statements for the fiscal year ended December 31, 2013, and the Attestation Report of Deloitte LLP
99.3	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934
99.4	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934
99.5	Certification of Chief Executive Officer pursuant to Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 and Section 1350 of Chapter 63 of Title 18 of the United States Code
99.6	Certification of Chief Financial Officer Form pursuant to Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 and Section 1350 of Chapter 63 of Title 18 of the United States Code
99.7	Consent of Deloitte LLP

EX-99.1 2 d692712dex991.htm EX-99.1

Exhibit 99.1

Brookfield Asset Management Inc.

Brookfield

ANNUAL INFORMATION FORM

March 31, 2014

Brookfield Asset Management Inc.

Brookfield

ANNUAL INFORMATION FORM

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BROOKFIELD ASSET MANAGEMENT INC.

ANNUAL INFORMATION FORM

THE CORPORATION

Brookfield Asset Management Inc. is a global alternative asset manager with over $175 billion in assets under management. For more than 100 years we have owned and operated assets on behalf of shareholders and clients with a focus on property, renewable energy, infrastructure and private equity. We have a range of public and private investment products and services which leverage our expertise and experience. Our Class A Limited Voting Shares ("Class A Shares") are co-listed on the New York Stock Exchange ("NYSE") under the symbol "BAM," the Toronto Stock Exchange ("TSX") under the symbol "BAM.A" and the NYSE Euronext under the symbol "BAMA."

The Corporation was formed by articles of amalgamation dated August 1, 1997 and is organized pursuant to articles of amalgamation under the *Business Corporations Act* (Ontario) dated January 1, 2005.

References in this Annual Information Form to the "Corporation" refer to Brookfield Asset Management Inc., including its predecessor companies. References to "Brookfield," "we," "us" and "our" refer to the Corporation and its consolidated subsidiaries and affiliates, individually or collectively, as applicable. The Corporation's registered office and head office is located at Suite 300, Brookfield Place, 181 Bay Street, Toronto, Ontario, Canada M5J 2T3.

All financial information in this Annual Information Form is expressed in U.S. dollars, unless otherwise noted. All references to C$ are to Canadian dollars. All references to A$ are to Australian dollars. All references to R$ are to Brazilian reais. All references to £ are to British Pound Sterling. All references to € are to Euros. All information is presented as at December 31, 2013, unless otherwise noted.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS AND INFORMATION

This Annual Information Form contains "forward-looking information" within the meaning of Canadian provincial securities laws and "forward-looking statements" within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, Section 21E of the U.S. Securities Exchange Act of 1934, as amended, "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995 and in any applicable Canadian securities regulations. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, include statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of the Corporation and its subsidiaries, as well as the outlook for North American and international economies for the current fiscal year and subsequent periods, and include words such as "expects," "anticipates," "plans," "believes," "estimates," "seeks," "intends," "targets," "projects," "forecasts" or negative versions thereof and other similar expressions, or future or conditional verbs such as "may," "will," "should," "would" and "could."

Although we believe that our anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information because they involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, which may cause our actual results, performance or achievements to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements and information.

Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to: the impact or unanticipated impact of general economic, political and market factors in the countries in which we do business; the behaviour of financial markets, including fluctuations in interest and foreign exchange rates; global equity and capital markets and the availability of equity and debt financing and refinancing within these markets; strategic actions including dispositions; the ability to complete and effectively integrate acquisitions into existing operations and the ability to attain expected benefits; changes in accounting policies and methods used to report financial condition (including uncertainties associated with critical accounting assumptions and estimates); the effect of applying future accounting changes; business competition; operational and reputational risks; technological change; changes in government regulation and legislation within the countries in which we operate; changes in tax laws; catastrophic events, such as earthquakes and hurricanes; the possible impact of international conflicts and other developments including terrorist acts; and other risks and factors detailed from time to time in our documents filed with the securities regulators in Canada and the United States.

We caution that the foregoing list of important factors that may affect future results is not exhaustive. When relying on our forward-looking statements, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Except as required by law, we undertake no obligation to publicly update or revise any forward-looking statements or information, whether written or oral, that may be as a result of new information, future events or otherwise.

SUBSIDIARIES

The following is a list of the Corporation's principal subsidiaries, indicating the jurisdiction of formation, the percentage of voting securities owned, or over which control or direction is exercised, directly or indirectly, by the Corporation and the equity ownership of the Corporation, in each case as at December 31, 2013:

Name	Jurisdiction of Formation	Percentage of Voting Securities Owned, Controlled or Directed	Equity Ownership Percentage
Infrastructure			
Brookfield Infrastructure Partners L.P. (a)	Bermuda	100.0	28.5
Property			
Brookfield Office Properties Inc. (b)	Canada	50.7	50.7
Brookfield Property Partners L.P. (c)	Bermuda	100.0	89.4 (d)
Renewable Energy			
Brookfield Renewable Energy Partners L.P. (e)	Bermuda	100.0	65.0
Residential			
Brookfield Residential Properties Inc.	Canada	68.5	68.5
Brookfield Incorporações S.A. (f)	Brazil	53.3	45.0

(a) The Corporation owns a 100% general partnership interest. The Corporation owns limited partnership units and units exchangeable into limited partnership units representing an aggregate 28.5% economic ownership interest in Brookfield Infrastructure Partners L.P. (on a fully exchanged basis).

(b) On March 31, 2014, the Corporation had a direct and indirect ownership interest in 84.4% of the common shares of Brookfield Office Properties Inc., following the take up of common shares of Brookfield Office Properties Inc. by Brookfield Property Partners L.P. pursuant to a tender offer (the "Offer"). See "Development of the Business – Property – 2014 Activity – to-date" on page 5 for further information.

(c) The Corporation owns a 100% general partnership interest. On December 31, 2013, the Corporation owned limited partnership units and units exchangeable into limited partnership units representing an aggregate 89.4% economic ownership interest in Brookfield Property Partners L.P. (on a fully exchanged basis).

(d) On March 31, 2014, the Corporation had an aggregate 71.9% economic ownership interest in Brookfield Property Partners (on a fully exchanged basis) following the issuance of limited partnership units to shareholders of Brookfield Office Properties Inc. who tendered common shares pursuant to the Offer.

(e) The Corporation owns a 100% general partnership interest. The Corporation owns limited partnership units and units exchangeable into limited partnership units representing an aggregate 68.5% economic ownership interest in Brookfield Renewable Energy Partners L.P. (on a fully exchanged basis).

(f) The Corporation exercises control over 53.3% of the common shares of Brookfield Incorporações S.A. through (i) a 45.0% equity ownership and (ii) influence over 8.3% of the shares held by previous members of management through voting agreements.

DEVELOPMENT OF THE BUSINESS

The following is a summary of recent developments since January 2011 in each of our principal areas of business and at the asset management and corporate levels.

Asset Management

2014 Activity – to date

We are in the process of raising capital for four funds with the objective of obtaining third-party capital commitments of approximately $2 billion.

On February 27, 2014, we announced that each of Helios Advantage Income Fund, Helios High Income Fund, Helios Multi-Sector High Income Fund and Helios Strategic Income Fund, all registered funds managed by Brookfield Investment Management

Inc. ("BIM"), would reorganize into Helios High Yield Fund. Effective March 1, 2014, Helios High Yield Fund was renamed Brookfield High Income Fund Inc.

2013 Activity

In 2013, we raised third-party capital commitments for private funds totaling approximately $7.2 billion.

On February 1, 2013, Brookfield Financial, the Corporation's global investment bank with expertise in real assets, advised T&T
Properties on its sale of a portfolio of shopping centers in Edmonton and Medicine Hat, Alberta to Primaris Retail REIT for approximately C$377 million.

On February 4, 2013, Brookfield Financial advised Dundee International REIT on its €257 million debt financing to acquire 11 office properties in Germany from SEB Asset Management AG for €420 million.

On March 7, 2013, BIM closed an initial public offering of Class A Preferred Shares, Series 1 of Global Champions Split Corp. (TSX: GCS) for gross proceeds of C$50 million. Global Champions Split Corp. invests in a diversified portfolio of large capitalization companies that BIM, as investment fund manager, believes are best in class within their respective industries.

On March 28, 2013, BIM closed a $420 million common stock offering of the Brookfield Mortgage Opportunity Income Fund (NYSE: BOI), a diversified closed-end management investment company.

On May 8, 2013 Brookfield Financial advised Revera Inc. on its sale of a 75% interest in 47 retirement residences in Canada to Health Care REIT for $1.01 billion.

On July 18, 2013, BIM closed an initial public offering of units in Brookfield Global Infrastructure Securities Income Fund (TSX: BGI) for gross proceeds of C$344 million. This fund invests in a portfolio comprised primarily of equity securities of publicly traded global infrastructure companies.

On October 25, 2013, Brookfield Global Listed Infrastructure Fund (NYSE: INF) completed a transferable rights offering which raised approximately $50 million of gross proceeds.

On December 6, 2013, Brookfield Financial advised F. Hannan (Properties) Pty Ltd. on its sale of 33 commercial buildings in the Sydney Corporate Park to the Goodman Australia Industrial Fund for A$343 million.

2012 Activity

In 2012, we raised third-party capital commitments for private funds totalling approximately $2.6 billion.

On June 19, 2012, BIM closed an initial public offering of units in Brookfield High Yield Strategic Income Fund (TSX: BHY) for gross proceeds of C$129.25 million. This fund invests in a portfolio comprised primarily of high yield bonds, debentures, notes, corporate loans, convertible debentures and other debt instruments rated below investment grade.

On August 8, 2012, Brookfield Financial advised the special committee of the board of directors of Gazit America Inc. ("Gazit America") in the sale of a medical office portfolio to First Capital Realty and the acquisition by Gazit-Globe Ltd. ("Gazit- Globe") of all of the issued and outstanding common shares of Gazit America that Gazit-Globe did not own. These transactions were valued, in the aggregate, at C$522 million.

On August 15, 2012, Helios Total Return Fund (NYSE: INF) completed a 1-for-4 reverse stock split. On October 22, 2012, Helios Total Return Fund completed a transferable rights offering which raised approximately $75 million of gross proceeds.

2011 Activity

In 2011, we raised third-party capital commitments for private funds totalling approximately $1.2 billion.

On April 1, 2011, BIM closed an initial public offering of units in Brookfield New Horizons Income Fund (TSX: BIF) for gross proceeds of C$130 million. This fund invests in a diversified portfolio of marketable securities in infrastructure, real estate and high yield corporate debt with the objective of earning stable and consistent income, without exposure to excessive risk.

On June 14, 2011, Brookfield Financial advised Lone Star Funds, a U.S. private equity firm, on its sale of 295 commercial properties in Germany to Dundee International REIT for €745 million.

On July 21, 2011, Brookfield Financial advised Dundee REIT on its acquisition of 29 office properties in Toronto, Ontario and western Canada from Blackstone Real Estate Advisors LP and Slate Properties Inc. for C$832 million.

On August 26, 2011, BIM completed the IPO of Brookfield Global Listed Infrastructure Fund for total levered proceeds of approximately $180 million.

On September 30, 2011, Brookfield Financial advised Dundee Kilmer Developments Ltd. on its successful bid to design, build and finance the 2015 Pan American Games Athletes Village in Toronto. The project is valued at C$700 million.

In November 2011, we announced the expansion of our registered funds business. Our registration became effective for four registered mutual funds in the United States: Brookfield Global Listed Real Estate Fund, Brookfield Global Listed Infrastructure Fund, Brookfield Global High Yield Fund and Brookfield High Yield Fund. Also in the fourth quarter of 2011, the Central Bank of Ireland authorized our four Irish domiciled UCITS Funds: Brookfield Global Listed Real Estate UCITS Fund, Brookfield U.S. Listed Real Estate UCITS Fund, Brookfield Global Listed Infrastructure UCITS Fund and Brookfield Global High Yield UCITS Fund.

Property

2014 Activity – to date

On January 6, 2014, Brookfield Office Properties Inc. ("Brookfield Office Properties") announced that it will commence construction of 1 London Wall Place, a 310,000 square foot office building in London.

On February 12, 2014, Brookfield Property Partners L.P. (together with its related entities, "Brookfield Property Partners") announced the commencement of its offer to acquire any or all of the shares of Brookfield Office Properties that it does not currently own (the "Offer"). Under the terms of the Offer, each Brookfield Office Properties shareholder can elect to receive consideration per Brookfield Office Properties common share of either 1.0 limited partnership unit of Brookfield Property Partners or $20.34 in cash, subject in each case to pro-ration based on a maximum number of Brookfield Property Partners limited partnership units and maximum cash consideration equating to 67% and 33%, respectively, of the total number of Brookfield Office Properties common shares subject to the Offer.

On March 20, 2014, Brookfield Property Partners announced that 195,880,947 common shares of Brookfield Office Properties, or 70.48% of the common shares that Brookfield Property Partners does not own, were tendered into the Offer. On March 24, 2014, Brookfield Property Partners issued 131,235,397 limited partnership units to shareholders of Brookfield Office Properties who tendered into the Offer, and this issuance decreased the Corporation's aggregate economic ownership in Brookfield Properties from 89% to 72%. Brookfield Property Partners has extended the Offer until March 31, 2014 and expects to complete a take-private transaction with Brookfield Office Properties following a special meeting of shareholders of Brookfield Office Properties in June 2014.

2013 Activity

We leased approximately 8.9 million square feet of commercial office property during 2013, resulting in overall occupancy of 88% and a 7.3 year average term. Our average in-place rent in the portfolio was $30.17 per square foot.

On January 15, 2013, Brookfield Office Properties commenced construction of the platform of its $4.5 billion, five million square foot mixed-use Manhattan West development on Manhattan's west side. Construction of the North Tower and South Tower on the Manhattan West development is expected to be completed in 2015.

On January 31, 2013, Brookfield Office Properties redeemed C$200 million Class AAA Preference Shares, Series F.

On February 11, 2013, the Brookfield Fairfield U.S. Multifamily Value Add Fund (the "Multifamily Fund") announced the acquisition of a portfolio of 19 apartment communities with 4,892 units located in North Carolina, South Carolina and Virginia from Babcock & Brown Residential for a total of $414 million.

On April 12, 2013, the Corporation acquired $157 million of ownership interests owned by other investors in the consortium holding the underlying common shares and warrants of General Growth Properties, Inc. ("GGP") and common shares of Rouse Properties, Inc. ("Rouse"). These common shares and warrants were subsequently transferred to Brookfield Property Partners in the spin-off that followed shortly thereafter, which is described immediately below.

On April 15, 2013, the Corporation launched its flagship global real estate public vehicle, Brookfield Property Partners, by way of a special dividend to the holders of the Corporation's Class A Shares and Class B Limited Voting Shares ("Class B Shares"). Prior to completion of the spin-off, Brookfield Property Partners acquired from the Corporation substantially all of its global commercial property operations, including its office, retail, multifamily and industrial assets.

On June 11, 2013, Brookfield Property Partners announced its acquisition of EZW Gazeley Limited from Economic Zones World, part of Dubai World, for $370 million.

On June 17, 2013, Brookfield Office Properties announced that it would commence construction of the 366,000 square foot second tower at 'Brookfield Place Perth.' Construction of the second tower is expected to be completed in late 2015.

On July 23, 2013, the Corporation announced the final close on the $4.4 billion Brookfield Strategic Real Estate Partners Fund, a global private fund focused on making opportunistic investments in commercial property assets.

On July 24, 2013, Brookfield Office Properties announced that it would commence construction of a 2.4 million square foot

office development project in downtown Calgary to be named 'Brookfield Place Calgary.' Construction of this development is expected to be completed in the latter half of 2017.

On October 15, 2013, Brookfield Office Properties together with institutional investors completed the acquisition of MPG Office Trust, Inc. ("MPG Office"). Brookfield Office Properties' portion of the consideration for the acquisition of MPG Office was $443 million. MPG Office consists of seven high-quality office properties comprising 8.3 million square feet of office space in downtown Los Angeles.

On October 31, 2013, Brookfield Property Partners announced its intention to acquire up to a $750 million investment in China Xintiandi, which owns retail and office properties in Shanghai. This transaction closed on February 17, 2014.

In October 2013, Brookfield Property Partners completed its acquisition of Industrial Developments International Inc. ("IDI") from the U.S. subsidiary of Kajima Corporation for equity consideration of $595 million. IDI was merged with Brookfield Property Partners' existing modern logistics facilities company, Verde Realty ("Verde"), to create a combined North American modern logistics facilities platform.

On November 15, 2013, Brookfield Property Partners acquired additional shares and warrants of GGP from other investors in the Corporation-led consortium. This $1.4 billion investment was funded through the issuance of $435 million of limited partnership units of Brookfield Property Partners to institutional investors and $995 million of redemption exchange units of Brookfield Property L.P. to the Corporation. This transaction increased Brookfield Property Partners' fully diluted ownership interest in GGP to 32%, assuming the exercise of all of the outstanding warrants, or approximately 28% on an undiluted basis. The Corporation earned approximately $558 million in performance fees based on the consortium's investment returns.

On November 26, 2013, Brookfield Office Properties acquired One North End Avenue, a 509,000 square foot office building in Lower Manhattan that will be integrated with Brookfield Place New York, for $200 million.

In 2013, we acquired 36 multifamily properties in the United States with 9,100 apartment units.

In 2013, we assumed management of a property fund in India with $300 million of commitments and commercial real estate investments in two major business centres.

2012 Activity

We leased approximately 6.8 million square feet of commercial office property during 2012, resulting in overall occupancy of 92% and a 7.4 year average term. Our average in-place rent in the portfolio was $30.93 per square foot.

On January 12, 2012, GGP completed the spin-off of Rouse through a special dividend of the common stock of Rouse to holders of GGP common stock. Following completion of the spin-off, we owned 37.5% of the common stock of Rouse. In the first quarter of 2012, following completion of the spin-off, Rouse distributed rights to its common stockholders entitling them to acquire 13,333,333 shares of common stock of Rouse at $15 per share. We agreed to purchase the shares of Rouse that we were entitled to purchase with our pro rata share of rights and to acquire any shares of Rouse that were not otherwise subscribed for in the rights offering. Brookfield Property Partners currently owns 39% of Rouse, which represents our entire ownership interest in the company.

On January 17, 2012, Brookfield Office Properties issued C$200 million principal amount of 4.30% senior notes due January 17, 2017.

On March 1, 2012, Brookfield Office Properties redeemed C$153.5 million Class AAA Preference Shares, Series I.

On March 12, 2012, the Brookfield Real Estate Opportunity Fund I, a private fund established by the Corporation, announced the sale of Convergence Office Center in Dallas for $123 million.

On March 14, 2012, we announced a joint venture with Hillwood (the "Hillwood JV"), a Dallas/Fort Worth-based real estate investor and developer, to acquire, develop and manage industrial property, principally large warehouses, across the United States. The Hillwood JV has an aggregate equity commitment of $400 million.

On April 16, 2012, Brookfield Office Properties issued C$150 million principal amount of 4.00% senior unsecured notes due April 16, 2018.

On June 5, 2012, Brookfield Office Properties announced that it acquired two office towers, Metropolitan Park East & West, in the Seattle central business district for $210 million.

On June 12, 2012, Brookfield Office Properties announced that it would commence development of the Bay Adelaide Centre East Tower in Toronto. Construction of Bay Adelaide Centre East is expected to be completed in 2016.

On June 19, 2012, Brookfield Office Properties announced that it had agreed to acquire a portfolio of premier office buildings and a development site in the London financial district from Hammerson plc ("Hammerson") for $829 million (£518 million). Brookfield Office Properties subsequently acquired an additional development site from Hammerson in partnership with Oxford Properties Group. This transaction closed later in 2012.

On September 13, 2012, Brookfield Office Properties issued C$250 million 4.60% rate-reset Preference Shares, Series T.

On September 25, 2012, the Corporation and Fairfield Residential Company LLC ("Fairfield") announced the final close of the Multifamily Fund with total commitments of $323 million. The Corporation committed $50 million to the Multifamily Fund.

Fairfield manages the Multifamily Fund, which is pursuing investment opportunities to acquire undervalued or underperforming multifamily apartment properties in infill or supply-constrained locations suitable for renovation, reposition and operational turnaround.

On October 10, 2012, Brookfield Office Properties and certain of the Corporation's funds acquired all of the outstanding shares of Thakral Holdings Group, an Australian public company ("Thakral"), for A$0.81 per share or A$474 million, securing a prime development site in Sydney and a portfolio of Australian hotel properties.

On October 15, 2012, Brookfield Office Properties acquired a 37.5% interest in the 100 Bishopsgate property in the City of London from Great Portland Estates for £47.2 million, giving Brookfield Office Properties control of the office project, which was previously an equal partnership between the two companies.

On November 20, 2012, Brookfield Office Properties announced the sale of two assets: the 33 South 6th Street / City Center property in Minneapolis and the KBR Tower office building in Houston, for net proceeds of $182 million.

On December 17, 2012, Brookfield Office Properties announced it had repaid C$480 million of promissory notes of Brookfield Residential Properties Inc. The promissory notes were held by Brookfield Office Properties as a portion of the compensation for the divestiture of the company's residential division associated with the formation of Brookfield Residential Properties Inc. in March 2011. Two tranches of notes, a C$265 million senior note and a C$215 million junior note, were due on December 31, 2015 and December 31, 2020, respectively. All principal and interest has been repaid in full.

On December 21, 2012, the Hillwood JV acquired 81% of Verde from Verde shareholders at a price of $12.85 per share for a total transaction value of $886 million.

On December 31, 2012, the Corporation acquired 18,432,855 warrants to acquire shares of common stock of GGP from affiliates of Pershing Square Capital Management LP in exchange for $272 million.

In 2012, we entered into a 50/50 joint venture with Peninsula Land Ltd. ("Peninsula") to launch a $100 million real estate fund. The joint venture evaluates and manages investments targeting the development of residential and commercial assets, primarily in Tier I cities in India.

2011 Activity

We leased approximately 11 million square feet of commercial office property during 2011, resulting in overall occupancy of 93% and a 7.3 year average term. Our average in place rent in the portfolio was $28.57 per square foot.

On January 18, 2011, we acquired 113.3 million common shares of GGP from The Fairholme Fund ("Fairholme") for aggregate consideration of approximately $1.7 billion, giving us and our consortium partners an approximate 38% equity interest in GGP at the time (43% on a fully diluted basis). The consortium was ended on November 15, 2013. Pursuant to an agreement with Fairholme, we issued 27.5 million Class A Shares, representing a 4.5% equity interest in the Corporation, to Fairholme that were valued at $907 million and paid Fairholme $804 million in cash. Fairholme subsequently sold its ownership stake in the Corporation through market sales.

We recapitalized our U.S. office property fund for $175 million by acquiring bank debt and converting it into equity. The fund owns a five million square foot portfolio of office properties on the west coast of the U.S., predominantly in California.

Brookfield Office Properties sold three U.S. office properties in 2011: 1400 Smith Street in Houston, Newport Tower in Jersey City and 53 State Street in Boston. These sales raised net equity proceeds of $555 million. The proceeds were reinvested in seven separate investments: a 75% interest in 450 West 33rd Street in New York, a 50% interest in Bankwest Tower in Perth, a 50% interest in Southern Cross West in Melbourne, a 100% interest in Three Bethesda Metro Center in Bethesda, a 49% interest in Brookfield Place, 250 Vesey Street (formerly Four World Financial Center) in New York (consolidating our ownership in Brookfield Place New York to 100%), a 51% interest in 1801 California St. in Denver, and the acquisition of a further 21% interest in our U.S. office property fund.

We partnered with the Investment Corporation of Dubai, a leading United Arab Emirates government agency, to establish a $1 billion platform to make opportunistic real estate investments in the Middle East. We committed $100 million to this initiative, as did our partner.

We acquired a $1 billion portfolio of defaulted property loans in New Zealand from a European bank. We also acquired a defaulted loan backed by 40% of Thakral.

We refinanced or secured $4.5 billion of new financing on our office properties portfolio during 2011, including the recapitalization of our U.S. office property fund and the financing of Bay Adelaide Centre West in Toronto, which was completed at a 4.4% interest rate. This $4.5 billion breaks down as $1.5 billion in our U.S. office property fund; $900 million in North America; $900 million in Australia; and acquisition-related financings of $1.2 billion. The average rate on these financings was 5.3%.

Brookfield Office Properties issued C$250 million of 5.1% rate-reset preferred shares.

We traded 33% of our interest in two malls in Arizona for $75 million of cash and the acquisition of freehold interests in six big box anchor locations in our malls that were owned by another company. We also sold three non-core retail centers in the U.S.

We foreclosed, through a defaulted mezzanine loan, on a hotel and casino containing 1,500 guestrooms located in Las Vegas, Nevada. We continue to own this property.

We completed construction of the first tower of Brookfield Place Perth.

Renewable Energy

2014 Activity – to date

On January 21, 2014, Brookfield Renewable Energy Partners L.P. (together with its related entities, "Brookfield Renewable Partners") acquired with certain institutional partners a 70 megawatts ("MW") hydroelectric portfolio in Maine consisting of nine facilities on three rivers ("Black Bear"). In February 2014, Brookfield Renewable Partners completed a $150 million private bond financing for its Black Bear portfolio. The senior bonds are non-amortizing and mature in 2024.

On February 3, 2014, Brookfield Renewable Partners acquired with certain institutional partners the remaining 50% interest in the 30 MW Malacha hydroelectric project located in northern California, bringing the total interest held by Brookfield Renewable Partners and its partners in the project to 100%.

On February 6, 2014, Brookfield Renewable Partners announced that it entered into an agreement with its institutional partners to acquire a 33% economic and a 50% voting interest in a 417 MW hydroelectric facility in Pennsylvania. The total purchase price for this transaction is $289 million subject to customary working capital adjustments.

2013 Activity

On January 29, 2013, Brookfield Renewable Partners issued C$175 million of 5.00% perpetual Class A Preference Shares, Series 5.

On February 21, 2013, Brookfield Renewable Partners announced that it was successful in its bid to purchase approximately 66% of the issued and outstanding common shares of Western Wind Energy Corp. ("Western Wind"), a company with 165 MW of wind and solar assets operating in California and Arizona. In subsequent transactions in March and May 2013, Brookfield Renewable Partners acquired the remainder of Western Wind's common shares. The aggregate purchase price of the bid and subsequent privatization of Western Wind was approximately $250 million.

In February 2013, Brookfield Renewable Partners refinanced indebtedness associated with its Comber Wind facility through a C$450 million broadly marketed private placement bond financing. The senior bonds are fully amortizing and mature in 2030.

On March 1, 2013, Brookfield Renewable Partners acquired a portfolio of 19 hydroelectric generating stations in Maine ("White Pine") from a subsidiary of NextEra Energy Resources, LLC for a total enterprise value of approximately $760 million, subject to typical closing adjustments. The portfolio consists of 19 hydroelectric facilities and eight upstream storage reservoir dams primarily on the Kennebec, Androscoggin and Saco rivers in Maine, with an aggregate capacity of 360 MW. On September 19, 2013, Brookfield Renewable Partners' institutional partners co-invested 49.9% in White Pine concurrently with the closing of a private fund sponsored by the Corporation.

On March 13, 2013, the Corporation sold 8,065,000 limited partnership units of Brookfield Renewable Partners through a secondary offering for gross proceeds of $250 million. As a result of this offering, the Corporation now owns an economic interest of approximately 65% in Brookfield Renewable Partners on a fully exchanged basis.

On March 20, 2013, Brookfield Renewable Partners acquired the remaining 50% interest held by its partner in Powell River Energy Inc., bringing its total interest to 100%.

In March 2013, approximately 88% of the $575 million in project level notes outstanding with respect to Brookfield Renewable Partners' White Pine portfolio were tendered and accepted for purchase by Brookfield Renewable Partners

pursuant to a previously announced cash tender offer. The purchase of the tendered notes was partially funded through a non-recourse, 24-month bridge loan of $279 million from a syndicate of banks that closed on March 6, 2013 (the "White Pine Bridge Facility"). On May 8, 2013, the same affiliate purchased an additional $125 million of notes pursuant to a previously announced change of control offer, which purchase was partially funded using the White Pine Bridge Facility.

In March 2013, Brookfield Renewable Partners refinanced indebtedness associated with its Gosfield Wind facility through a C$130 million floating rate credit facility.

In May 2013, Brookfield Renewable Partners issued 7,000,000 Class A Preference Shares, Series 6 for gross proceeds of C$175 million.

On June 11, 2013, the limited partnership units of Brookfield Renewable Partners began trading on the NYSE under the trading symbol BEP.

In December 2013, Brookfield Renewable Partners was identified as part of a consortium that was named by the Irish Government as the preferred bidder to acquire state-owned Bord Gáis Energy. Part of Bord Gáis Energy's business includes a portfolio of operating and development wind projects in Ireland and Northern Ireland. A purchase and sale agreement has been negotiated and the transaction is expected to close in the second quarter of 2014, once regulatory and merger approvals are received.

2012 Activity

On January 24, 2012, the Corporation announced the sale of 11.43 million limited partnership units of Brookfield Renewable Partners through a secondary offering that closed on February 2, 2012. In connection with this offering, the underwriters were granted an over-allotment option to purchase up to an additional 1.71 million limited partnership units at the offering price, which was exercised. The gross proceeds were $345 million. Following the sale, the Corporation owned an economic interest of approximately 68% in Brookfield Renewable Partners on a fully exchanged basis, which has since been reduced to 65%.

In January 2012, Brookfield Renewable Partners acquired a 150 MW wind project in the Tehachapi region of California. This project is located in close proximity to its other 102 MW wind farm in Tehachapi, California and benefits from a power purchase agreement ("PPA") with Southern California Edison. Brookfield Renewable Partners also acquired 22 MW of additional operating wind generation capacity from its existing partner, the Coram Energy Group, and an incremental 50% interest in the Tehachapi wind farm, bringing its total interest in the wind farm to 100%.

On February 7, 2012, Brookfield Renewable Partners issued C$400 million principal amount of 4.79% medium term notes, Series 8, due February 7, 2022.

In May 2012, Brookfield Renewable Partners refinanced indebtedness associated with its 50%-owned hydroelectric pumped storage facility in New England through a $125 million loan for a term of five years.

On August 29, 2012, Brookfield Renewable Partners acquired a 16% stake in Western Wind from an institutional investor for C$2.25 a share, or an aggregate purchase price of approximately $24 million. Western Wind has a wind farm in California that is adjacent to a Brookfield Renewable Partners property. Brookfield Renewable Partners completed a privatization of Western Wind in May 2013.

On October 11, 2012, Brookfield Renewable Partners issued C$250 million of 4.40% rate-reset Class A Preference Shares, Series 3.

On November 1, 2012, Brookfield Renewable Partners completed a C$175 million private placement bond financing for its $200 million 45 MW Kokish River hydroelectric project ("Kokish River") in the northern part of Vancouver Island near Port McNeill, British Columbia. These senior bonds bear an interest rate of 4.45% and are fully amortizing over their 41-year term. In 2012, following the receipt of provincial and federal permits, construction commenced on Kokish River. This facility is expected to enter commercial operation in April 2014 and will benefit from a 40-year PPA.

On November 15, 2012, we acquired a portfolio consisting of four hydroelectric generating stations in Tennessee and North Carolina from Alcoa Power Generating, Inc. for a total enterprise value of $600 million, subject to certain price adjustments. Brookfield Renewable Partners owns an approximate 25% interest and will manage and integrate these assets into its North American operating platform. The remaining equity interest is owned by an institutional fund managed by the Corporation.

In November 2012, Brookfield Renewable Partners refinanced indebtedness associated with its Prince Wind Energy Project facility through a C$232 million loan for a 15-year term.

2011 Activity

In early 2011, we acquired with certain institutional investors a 50% interest in the 30 MW Malacha wind project located in northern California.

In May 2011, the notice to proceed for construction of the Coram Wind project, a 102 MW facility located in California, was

issued. Construction financing of $150 million for the project was obtained during the second quarter of 2011. The project reached commercial operation in early 2012.

In 2011, Brookfield Renewable Partners purchased a 30 MW hydro facility in Brazil for R$300 million. This facility is located close to our operations in Mato Grosso State.

On November 28, 2011, we completed the strategic combination of the renewable power assets of Brookfield Renewable Power Inc. ("BRPI") and Brookfield Renewable Power Fund (the "BRP Fund") to launch Brookfield Renewable Partners, a Bermuda-based publicly traded limited partnership focused on renewable power generation. On completion of the combination, public unitholders of the BRP Fund received one limited partnership unit in exchange for each trust unit of the BRP Fund held, and the BRP Fund was wound up. The new limited partnership units were listed on the TSX on November 30, 2011 under the

symbol BEP. Following the combination, the Corporation owned 73% of Brookfield Renewable Partners on a fully exchanged basis (now 65%) and the remaining 27% (now 35%) was held by the public. In connection with the combination, Brookfield Renewable Partners assumed all obligations relating to approximately C$1.1 billion of unsecured public corporate bonds issued by BRPI. As well, Brookfield Renewable Power Preferred Equity Inc., a former subsidiary of the BRP Fund and the issuer of C$250 million of Class A Preference Shares, Series 1, became a subsidiary of Brookfield Renewable Partners.

In December 2011, we completed construction of our 99 MW Granite Reliable wind project in New Hampshire, the largest wind project in the state. This project entered commercial operation in February 2012.

In late 2011, Brookfield Renewable Partners completed construction of three other renewable power facilities with approximately 182 MW of aggregate capacity, including the 166 MW Comber Wind project in Ontario, a 10 MW hydro station in Minnesota and a 6 MW hydro station in West Virginia.

Infrastructure

2014 Activity – to date

In February 2014, Brookfield Infrastructure Partners L.P. (together with its related entities, "Brookfield Infrastructure Partners") signed agreements to invest alongside institutional investors to acquire an approximate 50% equity stake in APM Terminals' Port Elizabeth container terminal in New York/New Jersey, of which Brookfield Infrastructure Partners will invest 40%. Completion of this transaction is expected to occur in the first half of 2014, subject to obtaining all required consents and regulatory approvals.

2013 Activity

In May 2013, Brookfield Infrastructure Partners issued approximately 6.5 million limited partnership units at an offering price of $37.75 per unit, under its shelf registrations in the U.S. and Canada. The Corporation acquired approximately 2.6 million of redeemable partnership units of Brookfield Infrastructure Partners' holding limited partnership in order to maintain its approximate 28.1% interest on a fully exchanged basis. Net proceeds from this equity offering totalled approximately $330 million.

On June 7, 2013, Brookfield Infrastructure Partners completed the sale of its remaining 25% interest in Island Timberlands Limited Partnership, a partnership that owns British Columbian timberlands ("Island Timberlands"), for proceeds of $170 million.

On July 23, 2013, we closed our sale of Longview Timber LLC, a company that owned U.S. Pacific Northwest timberlands, to Weyerhaeuser Co. for $2.65 billion.

On September 6, 2013, Brookfield Infrastructure Partners invested approximately $490 million in Arteris S.A., its Brazilian toll road platform, increasing its ownership to approximately 31%.

On October 30, 2013, the Corporation announced the final close on the $7 billion Brookfield Infrastructure Fund II, a global private fund that will invest in infrastructure, with a focus on transportation, renewable power, utilities and energy assets in North and South America, Europe and Australasia.

On November 29, 2013, Brookfield Infrastructure Partners announced the completion of the sale of its 42% interest in its Australasian regulated distribution business for approximately $415 million.

On December 1, 2013, Brookfield Infrastructure Partners acquired 100% of Entergy Solutions District Energy ("Entergy") for $130 million in partnership with institutional investors. Brookfield Infrastructure Partners will own a 40% interest in Entergy. This acquisition will complement the Enwave district energy system that Brookfield Infrastructure Partners acquired in downtown Toronto in October 2012 and is a key milestone in its broader plan to build a leading North American district energy business.

On December 20, 2013, Brookfield Infrastructure Partners alongside institutional investors agreed to acquire an approximate 50% equity stake in container terminals in Los Angeles and Oakland from Mitsui O.S.K. Lines, Ltd., Brookfield Infrastructure Partners provided 40% of the capital to invest in our share of the business. This transaction closed on March 26, 2014.

On December 23, 2013, Brookfield Infrastructure Partners alongside institutional investors agreed to acquire a 27% interest in VLI, one of Brazil's largest rail and port logistics businesses, for approximately $850 million. Brookfield Infrastructure Partners invested approximately $350 million. This transaction is expected to close in the second quarter of 2014.

2012 Activity

In January 2012, Brookfield Infrastructure Partners purchased an electrical distribution network in Colombia for approximately $440 million.

On July 30, 2012, Brookfield Infrastructure Partners announced the following strategic initiatives: an agreement together with its institutional partners to acquire the remaining 45% of the Autopista Vespucio Norte toll road (the "AVN"), a key artery in the ring road network surrounding Santiago, Chile; an agreement to acquire an 85% interest in Inexus Group, a regulated

distribution utility in the UK; the issuance of 11.18 million limited partnership units in the U.S. and Canada and the concurrent private placement of 4.46 million redeemable partnership units of Brookfield Infrastructure Partners' holding limited partnership to the Corporation for aggregate gross proceeds of $500 million; and plans to explore strategic alternatives to divest certain of its timber and non-core assets. Brookfield Infrastructure Partners sold the last of its timber assets in July 2013.

On August 6, 2012, Brookfield Infrastructure Partners announced a joint venture with Abertis Infraestructuras, S.A. ("Abertis") to acquire a 60% interest in Obrascon Huarte Lain Brasil S.A. ("OHL Brasil") for approximately $1.7 billion, comprised of $1.1 billion of equity and $600 million of assumed liabilities. Brookfield Infrastructure Partners and its institutional partners currently own 49% of the joint venture and Abertis owns the remaining 51%. The joint venture launched a tender offer to acquire the remaining 40% of OHL Brasil that is publicly traded, which closed in September 2013.

On October 10, 2012, Brookfield Infrastructure Partners issued C$400 million principal amount of 3.455% medium term notes, Series 1, due October 10, 2017.

On October 31, 2012, Brookfield Infrastructure Partners in partnership with institutional investors acquired Enwave Energy Corporation ("Enwave") from Borealis Infrastructure and the City of Toronto for C$480 million including assumption of debt. Formerly known as the Toronto District Heating Corporation, Enwave is a fully integrated, sustainable energy services provider with operations in Toronto and Windsor, operating one of North America's largest district energy systems.

On December 31, 2012, the Corporation disposed of all of its direct interest in Island Timberlands, representing a 12.5% ownership interest in Island Timberlands, for approximately $85 million. Additionally, Brookfield Infrastructure Partners disposed of one-third of its interest in Island Timberlands, representing a 12.5% ownership interest in Island Timberlands, for approximately $85 million. Brookfield Infrastructure Partners sold its remaining 25% interest in Island Timberlands in June 2013.

2011 Activity

We acquired a 54% interest in 33 kilometres of the AVN for a total value of approximately $760 million from a Spanish construction company.

We acquired Cross Sound Cable, a 39 kilometre electricity transmission cable connecting Long Island, New York to Connecticut, for $190 million.

Brookfield Infrastructure Partners completed a public offering and issued approximately 19.4 million limited partnership units. The Corporation concurrently purchased approximately 8.3 million redeemable partnership units of Brookfield Infrastructure Partners' holding limited partnership to maintain its approximate then 30% interest in Brookfield Infrastructure Partners on a fully exchanged basis (now 28%). The aggregate gross proceeds to Brookfield Infrastructure Partners of the public offering and the concurrent private placement were approximately $675 million.

We signed five new customer contracts which underwrote our rail expansion plans in Western Australia. These contracts supported our investment of over $600 million to upgrade our rail tracks, completed in early 2014.

After receiving regulatory approval, we began construction of a Texas transmission project at a total cost of approximately $750 million. The construction is now completed.

Private Equity and Other

This includes activities within our private equity, residential development and service activities businesses.

2014 Activity – to date

On January 31, 2014, we completed a sale of a portion of our equity interest in Western Forest Products Inc. ("Western Forest") through a C$91 million secondary offering. We continue to control Western Forest.

2013 Activity

In 2013, Brookfield Multiplex, our global construction business, completed A$4.9 billion of projects.

On April 16, 2013, we completed a sale of a portion of our equity interest in Norbord Inc. ("Norbord") through a C$125 million secondary offering. We continue to control Norbord.

On June 3, 2013, Brookfield Capital Partners Fund III L.P. ("Brookfield Capital Partners III") completed the acquisition of the Canadian logistics operations of Millard Refrigerated Services, launching a national cold storage company known as Brookfield Cold Storage.

On June 7, 2013, Brookfield Capital Partners III closed a $130 million term loan financing with North American Palladium Ltd. ("NAP"), which bears interest at 15% per annum and is due June 7, 2017. In December 2013, Brookfield Capital Partners III committed a further $21.4 million in cash to NAP to support working capital needs and continue funding operating and capital expenditures at its Lac des Iles palladium mine in Quebec.

On June 11, 2013, Centract Settlement Services, a subsidiary of the Corporation, changed its legal name to Brookfield Real Property Solutions Inc. and is now operating under the Brookfield RPS brand.

On June 25 2013, Brookfield Residential Properties Inc., a North American homebuilder and land developer ("Brookfield Residential") raised a total of $500 million from the issuance of unsecured senior notes due 2022 with an interest rate of 6.125% per annum.

On June 28, 2013, we acquired approximately an additional 44 million common shares of Second Wave Petroleum Inc. ("Second Wave") pursuant to a plan of arrangement, increasing our ownership to 100%. In July 2013, we committed a further C$62 million in funding to Second Wave to support working capital needs and the paying down of its senior credit facility.

On July 18, 2013, Brookfield Capital Partners III closed its sale of Longview Fibre Paper and Packaging Inc. ("Longview Fibre") to KapStone Paper and Packaging for $1.025 billion.

On July 19, 2013, Brookfield Capital Partners II L.P. ("Brookfield Capital Partners II") completed a plan of arrangement to acquire all of the issued and outstanding common shares of Insignia Energy Ltd. ("Insignia") that it did not own, other than those owned or controlled by certain executive officers and a director of Insignia ("Insignia Management"), for C$22.3 million. Insignia is a Calgary-based oil and natural gas company engaged in the exploration for and the acquisition, development and production of natural gas and crude oil in Canada. Brookfield Capital Partners II currently owns 95.9% of the common shares of Insignia while Insignia Management owns 4.1%.

In August 2013, Western Forest completed an issuer bid during which Western Forest purchased for cancellation approximately C$95 million of our outstanding equity in Western Forest. On October 9, 2013, we completed a sale of a portion of our equity in Western Forest through a C$67 million secondary offering.

On December 6, 2013, Brookfield Multiplex completed the $1.7 billion Fiona Stanley Hospital project in Perth.

In 2013, Brookfield Multiplex expanded into the Kingdom of Saudi Arabia with the Lamar Towers project, which will be amongst the tallest towers in the Jeddah area once completed.

2012 Activity

In 2012, we fully realized our final investment in Brookfield Capital Partners I, our first private equity fund. Over the life of the fund we generated an overall net internal rate of return of 24.5% and a net 1.9x initial investment return for our investors.

In 2012, Brookfield Multiplex completed A$3.4 billion of projects.

In September 2012, we held the final closing for our third private equity fund, Brookfield Capital Partners III, which has $1 billion of capital commitments.

On October 30, 2012, we partnered with HomeServices of America, Inc. to create Berkshire Hathaway HomeServices, a new franchise brand that joins the existing brands and affiliate networks of Prudential Real Estate and Real Living Real Estate. We received consideration consisting of cash and a one-third interest in Berkshire Hathaway HomeServices.

On November 20, 2012, Brookfield Residential raised a total of $222 million in an equity offering and private placement, and used the proceeds to pay down debt owed to Brookfield Office Properties. Following the offering, the Corporation owned 68.9% of Brookfield Residential (now 68.5%).

On November 21, 2012, the Corporation and Johnson Controls, Inc. agreed to merge their respective Australian and New Zealand property and facility operations to create Brookfield Johnson Controls. The merger combined the local operations of Brookfield Multiplex Services, which provides real estate, facilities and project management services to a range of large corporate and government occupiers, with the Australian and New Zealand business of Johnson Controls Global WorkPlace Solutions, a provider of facilities, corporate real estate and energy management services. This merger closed in the first quarter of 2013.

In November 2012, Longview Fibre paid us a $58 million distribution. We invested $114 million to acquire Longview Fibre in 2007 and sold it in July 2013.

On December 4, 2012, Brookfield Residential acquired a California development site called Playa Vista in central Los Angeles, and entered into a partnership with a U.S. pension fund to develop certain properties in Alberta.

On December 14, 2012, Brookfield Residential completed a private placement offering of $600 million aggregate principal amount of senior unsecured notes due 2020.

In December 2012, we completed a sale of a portion of our equity in Western Forest through a C$75 million secondary offering.

In December 2012, Ainsworth Lumber Company ("Ainsworth") completed a C$175 million rights offering and an issuance of $350 million principal amount of 7.5% notes. The proceeds were used to repay C$100 million in term debt and $400 million of 11% senior unsecured notes. This recapitalization refinanced substantially all of Ainsworth's indebtedness, reducing interest costs by 46% and extending maturities from 2014 to 2017. We backstopped the C$175 million rights offering and remain Ainsworth's largest shareholder, with 55.3% of the common equity.

In December 2012, Armtec Infrastructure Inc. ("Armtec") refinanced an existing C$125 million senior secured loan from us with new financing consisting of a C$60 million revolving bank line with a Schedule I bank and a C$110 million term loan with us. We subsequently syndicated a $60 million senior participation and continue to hold a $50 million junior position in the loan.

In late 2012, Brookfield Multiplex completed the 65 storey Trump International Hotel and Tower Toronto.

2011 Activity

In 2011, our global construction business completed A$2.2 billion of projects.

On March 31, 2011, we combined Brookfield Homes Corporation, a residential homebuilding company, with the North American residential land development division of Brookfield Office Properties to form Brookfield Residential. As consideration, Brookfield Office Properties received Brookfield Residential common shares representing in the aggregate approximately 50.7% of the outstanding common shares of Brookfield Residential, a $265 million senior unsecured promissory note and a $215 million junior unsecured promissory note. Brookfield Office Properties distributed certain rights to its common shareholders entitling them to acquire, at $10 per share, the Brookfield Residential common shares that Brookfield Office Properties had acquired in the merger. The Corporation agreed to purchase the shares of Brookfield Residential that the Corporation would have been entitled to purchase if it had received its pro rata share of rights to acquire any shares of Brookfield Residential that were not otherwise subscribed for in the rights offering. As a result, following completion of the transactions and the rights offering, the Corporation purchased 33,325,272 common shares of Brookfield Residential and held 73.5% of Brookfield Residential's common shares on a fully diluted basis, which has since been reduced to 68.5%.

We committed a C$125 million senior secured loan to Armtec, who was facing a debt default.

Longview Fibre issued $480 million of high yield bonds and repatriated the net proceeds back to Brookfield.

We closed a fund dedicated to the agriculture business in Brazil, with total committed capital of $330 million. This fund is focused on investing in high-quality agricultural growth opportunities.

Fraser Papers Inc. ("Fraser"), which initiated a court-supervised restructuring in June 2009, implemented a plan of arrangement approved by the courts in February 2011 whereby its U.S. subsidiaries (including two lumber mills located in Northern Maine) were sold to us. Following the completion of the sale, Fraser's interests in the Twin Rivers Company were distributed to Fraser's unsecured creditors.

Brookfield Capital Partners II acquired 891,843 common shares of Insignia through market purchases and purchased a further 21,146,849 common shares in connection with Insigna's rights offering.

We sold our Australian residential land business to a publicly traded developer for A$270 million. These operations largely consisted of two land assemblies in Perth.

Brookfield Multiplex expanded into Canada and Qatar, commencing construction operations in these two markets.

In late 2011, we acquired a large relocation and residential brokerage business, significantly expanding our market position in these sectors.

Corporate Activities

2014 Activity – to date

On January 28, 2014, the Corporation issued C$500 million of 4.825% medium term notes due January 2026.

On March 6, 2014, the Corporation announced its intention to redeem all of its outstanding Class A Preference Shares, Series 12 on April 6, 2014.

On March 13, 2014, the Corporation issued $200 million of 4.40% rate-reset Class A Preference Shares, Series 38.

2013 Activity

On February 4, 2013, the Corporation issued C$175 million of 3.95% medium term notes due April 9, 2019. The Corporation also issued C$175 million of 4.54% medium term notes due March 31, 2023.

On March 6, 2013, the Corporation redeemed C$150 million of 8.95% medium term notes due June 2, 2014. The Corporation had previously redeemed C$350 million principal amount of these notes, originally issued as C$500 million principal amount, on October 15, 2012.

On April 19, 2013, the Corporation announced the approval for a normal course issuer bid to purchase up to 53.6 million Class A Shares, representing at the time approximately 10% of the public float of its issued and outstanding Class A Shares, through open market purchases on the NYSE and TSX. Under the bid, which commenced on April 23, 2013 and will expire on April 22, 2014, the Corporation has purchased 2,385,537 Class A Shares at an average price of $35.10 as of March 25, 2014.

On July 9, 2013, the Corporation announced that in connection with its previously announced normal course issuer bid, it would enter into an automatic purchase plan with its designated broker to allow for purchases of its Class A Shares when the Corporation ordinarily would not be active in the market due to its own internal trading black-out period, insider trading rules or otherwise. Outside of these periods, Class A Shares are to be repurchased in accordance with management's discretion, subject to applicable law.

On June 13, 2013, the Corporation issued C$200 million of 4.90% perpetual Class A Preference Shares, Series 37.

On June 30, 2013, the Corporation redeemed all of its outstanding Class A Preference Shares, Series 21.

On August 23, 2013, the Corporation reached agreement with American International Group, Inc. ("AIG") to terminate two related 25-year interest rate swap agreements executed in 1990 between Brookfield and AIG (the "Swap Agreement"), which were accounted for in the Corporation's financial statements as an approximate $1.4 billion liability (the "Swap Liability"). As consideration for terminating the Swap Agreement and eliminating the Swap Liability, Brookfield agreed to pay a single lump sum payment of $905 million to AIG.

In September 2013, the Corporation issued C$300 million of 5.04% medium term notes due March 2024 and C$125 million aggregate principal amount of 5.95% debentures due June 2035.

In October 2013, the Corporation issued C$200 million of 5.04% medium term notes due March 2024.

2012 Activity

On March 13, 2012, the Corporation issued C$300 million of 4.50% rate-reset Class A Preference Shares, Series 32.

On April 5, 2012, the Corporation redeemed C$250 million of 5.75% convertible redeemable Class A Preference Shares, Series 10.

On April 9, 2012, the Corporation issued C$425 million of 3.95% medium term notes due April 9, 2019.

On April 19, 2012, the Corporation announced the approval for a normal course issuer bid to purchase up to 53.8 million Class A Shares, representing at the time approximately 10% of the public float of its issued and outstanding shares, through open market purchases on the NYSE and TSX. Under this bid, which commenced on April 23, 2012 and expired on April 22, 2013, the Corporation purchased 2,004,122 Class A Shares at an average price of $36.26.

On September 12, 2012, the Corporation issued C$425 million of 4.54% medium term notes due March 31, 2023.

On September 12, 2012, the Corporation issued C$250 million of 4.20% rate-reset Class A Preference Shares, Series 34.

On October 1, 2012, the Corporation redeemed C$100.8 million of non-cumulative convertible redeemable Class A Preference Shares, Series 11.

On October 15, 2012, the Corporation redeemed C$350 million of 8.95% medium term notes due June 2, 2014.

On November 27, 2012, the Corporation issued C$200 million of 4.85% perpetual Class A Preference Shares, Series 36.

2011 Activity

In February 2011, the Corporation issued 17,595,000 Class A Shares for gross proceeds of C$578 million and 9,400,000 of 4.60% rate-reset Class A Preference Shares, Series 28 for gross proceeds of C$235 million.

On April 19, 2011, the Corporation announced the approval for a normal course issuer bid to purchase up to 50 million Class A Shares, representing at the time approximately 9.2% of the public float of its issued and outstanding Class A Shares, through open market purchases on the NYSE and TSX. Under this bid, which commenced on April 21, 2011 and expired on April 20, 2012, the Corporation purchased 2,944,300 Class A Shares.

On November 2, 2011, the Corporation issued C$250 million of 4.80% rate-reset Class A Preference Shares, Series 30.

BUSINESS OF THE CORPORATION

Our Business

Our business is focused on the ownership and operation of real assets, which we define as long-lived, hard assets that form the critical backbone of economic activity, including property, infrastructure and renewable energy facilities. Whether they provide high-quality office or retail space in major urban markets, generate reliable clean electricity, or transport goods and resources between key locations, these assets play an essential role within the global economy. Additionally, these assets typically benefit from some form of barrier to entry, regulatory regime or other competitive advantage that provide for relatively stable cash flow streams, strong operating margins and value appreciation over the longer term.

We currently own and manage one of the world's largest portfolios of real assets. We have established a variety of investment products through which our clients can invest in these assets, including both listed entities and private funds. Given our lengthy experience as an owner and operator of real assets and our belief in their future growth potential, we actively invest our own capital alongside our clients, ensuring a meaningful alignment of interests. This incremental capital generates management fees and performance-based income and provides additional funding to grow our business and compete for larger transactions.

We are active managers of capital. We strive to add value by opportunistically re-allocating capital among our businesses to increase returns. Our operating platforms retain over 28,000 employees worldwide who are instrumental in maximizing the value of, and cash flows from, our assets. As real asset operations tend to be industry-specific and often driven by complex regulations, operational experience is necessary to maximize efficiency and productivity. Our track record shows that we can add meaningful value and increase cash flow through "hands-on" operational expertise. This includes by way of negotiating property leases, energy contracts or regulatory agreements, and/or by focusing on optimizing asset development, operations or other activities.

We finance our operations on a long-term, investment-grade basis, often employing stand-alone asset-by-asset financing with minimal recourse to other parts of the organization. We also strive to maintain excess liquidity at all times in order to respond to opportunities as they arise. This strengthens our ability to weather financial cycles and enables our management teams to focus on operations and other growth initiatives.

We prefer to invest when capital is less available to a specific market or industry and in situations that tend to be multi-faceted and intensive. We believe these situations provide much more attractive valuations than competitive auctions and we have considerable experience in this specialized field.

We maintain development and capital expansion capabilities and a large pipeline of attractive opportunities. This provides flexibility in deploying growth capital, as we can invest in both acquisitions and organic developments, depending on the relative attractiveness of returns.

As an asset manager, we create value for shareholders in the following ways:

- We offer attractive investment opportunities to our clients that will, in turn, enable us to earn base management fees based on the amount of capital that we manage, and additional returns such as incentive distributions and carried interests based on our performance. Accordingly, we create value by increasing the amount of capital under management and by achieving strong investment performance that leads to increased cash flows and asset values.
- We invest significant amounts of our own capital alongside our clients in the same assets. This differentiates us from many of our competitors, creates a strong alignment of interest with our clients and enables us to create value by directly participating in the cash flows and value increases generated by these assets, in addition to the performance returns that we earn through our management activities.
- Our operating capabilities enable us to increase the value of the assets within our businesses, and the cash flows they produce. Through our operating expertise, development capabilities and effective financing activities, we believe our specialized real asset experience can help to ensure that an investment's full value creation potential is realized. We believe this is one of our most important competitive advantages as an asset manager.
- We aim to finance assets effectively, using a prudent amount of leverage. We believe the majority of our assets are well suited to support a relatively high level of investment-grade secured debt with long-dated maturities given the predictability of the cash flows and tendency of these assets to retain substantial value throughout economic cycles.

This is reflected in our return on net capital deployed, our overall return on capital and our cost of capital. While we tend to hold our assets for extended periods of time, we endeavour to maximize our ability to realize the value and liquidity of our assets on short notice and without disrupting our operations.

- Finally, as an investor and capital allocator with a value investing culture and expertise in recapitalizations and operational turnarounds, we strive to invest at attractive valuations and with a margin of safety.

Principal Business Activities

We have six principal business activities: asset management, property, renewable energy, infrastructure, private equity and corporate activities. Property, renewable energy, infrastructure and private equity constitute our four business operating platforms ("operating platforms"). The operating platforms are responsible for operating the assets owned by our various funds and investee companies. The equity capital invested in these assets is provided by a series of listed and private funds managed by us that are in turn funded by capital from us, our clients and the public. Outside of the operating platforms, our principal business activities consist of asset management and corporate activities.

We have formed large capitalization listed entities for each of our property, renewable energy and infrastructure operating platforms, which serve as the primary vehicles through which we invest in each respective operating platform. As well as owning assets directly, these entities serve as cornerstone investors in our private funds, alongside capital committed by institutional investors. This approach enables us to attract a broad range of public and private investment capital and the ability to match our various investment strategies with the most appropriate form of capital. Given the nature of our investment strategies, we do not currently envisage the formation of a listed entity within our private equity operating platform.

Asset Management

We offer a range of public and private investment products which allow our clients to benefit from our expertise and experience by investing alongside us. These include entities that are listed on major stock exchanges as well as private funds that are available to accredited investors, typically pension funds, endowments and other institutional investors. We also manage public securities through a series of segregated accounts and mutual funds. As at December 31, 2013, fee bearing capital in our managed funds was approximately $80 billion, of which $26 billion was invested by Brookfield.

Property

We own virtually all of our commercial property assets through Brookfield Property Partners, which is listed on the NYSE and TSX and is our flagship listed entity in the property sector. We also own $1.3 billion of preferred shares of Brookfield Property Partners which yield 6.2% and a small number of other property assets.

Brookfield Property Partners' operations are principally organized as follows:

Office Properties: We own interests in and operate commercial office portfolios, consisting of 163 properties containing over 93 million square feet of commercial office space. The properties are located in major financial, energy, technology and government centres in North America, Europe and Australia. We also develop office properties on a selective basis in close proximity to our existing properties and our office development assets consist of interests in 21 sites totalling approximately 19 million square feet. The majority of Brookfield Property Partners' office properties are held through our 51% owned Brookfield Office Properties and a 22% equity interest in Canary Wharf Group.

Retail Properties: Our retail portfolio consists of an interest in 163 retail properties in the United States, Brazil and Australia, encompassing 153 million square feet. Our North American retail operations are held through our 32% fully diluted interest in GGP and a 39% interest in Rouse. Our Brazilian operations are held through a 35% owned institutional fund managed by us. We also directly own property interests in Australia.

MultiFamily, Industrial and Other Properties: Our expanding platform currently includes 25,500 multifamily units in the U.S. and Canada and 68 million square feet of industrial space in North America and Europe. These interests are held through institutional funds that we manage. We also have interests in certain real estate opportunity and finance funds which hold investments in distressed and under-performing real estate assets and businesses and commercial real estate mortgages and mezzanine loans in North America, Europe and Australia, as well as interests in two hotel and resort properties.

Renewable Power

We hold our renewable energy operations primarily through Brookfield Renewable Partners, which is listed on the NYSE and TSX and is our flagship listed entity in the renewable energy sector. Brookfield Renewable Partners operates renewable power facilities and owns them both directly as well as through joint ventures and institutional infrastructure funds that we manage. We arrange for the sale of power generated by Brookfield Renewable Partners through our energy marketing business known as Brookfield Energy Marketing Inc. We purchase a portion of Brookfield Renewable Partners' power pursuant to long-term

contracts at pre-determined prices, providing a stable revenue profile for unitholders of Brookfield Renewable Partners and providing us with continued participation in future increases (or decreases) in power prices.

Infrastructure

Our infrastructure operations are held primarily through Brookfield Infrastructure Partners, which is listed on the NYSE and TSX and is our flagship listed entity in the infrastructure sector. Brookfield Infrastructure Partners owns a number of infrastructure businesses directly as well as through private funds, joint ventures and institutional infrastructure funds that we manage. We have categorized Brookfield Infrastructure Partners' business into two categories as follows:

Utilities operations: which consist of our regulated distribution, regulated terminal and our electricity transmission operations. These businesses typically earn a pre-determined return based on their asset base, invested capital or capacity and the applicable regulatory frameworks and long-term contracts. Accordingly, the returns tend to be highly predictable and typically not impacted to any great degree by short-term volume or price fluctuations.

Transport and Energy: which include our railroad, toll roads, ports, energy transmission, distribution and storage and district energy operations. These businesses operate, in most cases, under long-term contracts or regulatory frameworks that govern prices, but not volumes. As a result, financial performance may fluctuate due to changes in activity levels or short-term price variances; however, these are usually within a narrow band of fluctuation.

Private Equity and Other

Our private equity operations are conducted through a series of institutional private equity funds operated under the Brookfield Capital Partners brand with total committed capital of $3.0 billion as well as direct investments in several public companies including Norbord and Western Forest.

The private equity fund portfolios include 12 investments in a diverse range of industries. Our average investment is $41 million and our largest single exposure is $114 million at accounting fair value, or $211 million based on stock market prices. We concentrate our investing activities on businesses with tangible assets and cash flow streams in order to better protect our capital. Our largest direct investment is a 52% interest in Norbord, which is one of the world's largest producers of oriented strand board.

Our residential development operations consist of our direct investment in two public companies: Brookfield Residential and Brookfield Incorporações S.A. ("BISA"), as well as our privately held residential operations in Australia that we are in the process of winding down.

Our North American business is conducted through Brookfield Residential. Brookfield Residential is active in 11 principal markets located primarily in Canada and the U.S., and controls over 110,000 lots in these markets. Our major focus is on entitling and developing land for building homes or for the sale of lots to other builders.

Our Brazilian residential and commercial development business is conducted through BISA, which in listed on the BM&F Bovespa stock exchange. BISA is one of the leading developers in Brazil. Its operations include land acquisition and development, construction, and sales and marketing of a broad range of "for sale" residential and commercial office units, with a primary focus on middle income residential. The operations are conducted in Brazil's main metropolitan areas, including São Paulo, Rio de Janeiro, the Brasilia Federal District, and five other markets that collectively account for the majority of the Brazilian real estate market.

Our service activities businesses consist primarily of construction services, which we conduct through Brookfield Multiplex, and property services businesses. Our property services businesses generate fees from property and facility management, leasing and project management and a range of other real estate services.

Corporate Activities

Our corporate operations include: allocating capital to our various operating platforms, principally through our flagship listed issuers (Brookfield Property Partners, Brookfield Renewable Energy Partners and Brookfield Infrastructure Partners) and through directly held investments and interests in our private equity funds, as well as funding this capital through the issuance of corporate borrowings and preferred shares. We also invest capital in portfolios of financial assets and enter into financial contracts to manage our foreign currency and interest rate risks.

Financing Strategy

The following are the key elements of our capital strategy:

- Match our long-life assets with long-duration mortgage financings with a diversified maturity schedule;
- Provide recourse only to the specific assets being financed, with limited cross-collateralization or parental guarantees;

- Limit borrowings to investment-grade levels based on anticipated performance throughout a business cycle; and
- Structure our affairs to facilitate access to a broad range of capital and liquidity at multiple levels of the organization.

Most of our borrowings are in the form of long-term, property-specific financings such as mortgages or project financings secured only by the specific assets. We attempt to diversify our maturity schedule so that financing requirements in any given year are manageable. Limiting recourse to specific assets or business units is intended to limit the impact of weak performance by one asset or business unit on our ability to finance the balance of our operations.

Most of our financings have investment-grade characteristics which is intended to ensure that debt levels on any particular asset or business can typically be maintained throughout a business cycle, and to enable us to limit covenants and other performance requirements, thereby reducing the risk of early payment requirements or restrictions on the distribution of cash from the assets being financed. Furthermore, our ability to finance at the corporate, operating unit, and asset level on a private or public basis is intended to lessen our dependence on any particular segment of the capital markets or the performance of any particular unit.

To enable us to react to attractive investment opportunities and deal with contingencies when they arise, we typically maintain sufficient liquidity at the corporate level and within our key operating platforms. Our primary sources of liquidity, which we refer to as "core liquidity," consist of our cash and financial assets, net of deposits and other associated liabilities, and undrawn committed credit facilities.

We have historically generated substantial liquidity within our operations on an ongoing basis through our operating cash flow, as well as from the turnover of assets with shorter investment horizons and periodic monetization of our longer-term assets through sales, refinancings or co-investor participations. Accordingly, we believe we have the necessary liquidity to manage our financial commitments and capitalize on opportunities to invest capital at attractive returns.

Operating Capabilities

We believe that we have the necessary capabilities to execute our business strategy. To this end, we strive for excellence and quality in each of our operating platforms in the belief that this approach will produce strong returns over the long term.

We endeavour to engage in value investing and follow a disciplined investment approach. Our management team has considerable expertise in investment analysis, mergers and acquisitions, divestitures and corporate finance that enable us to acquire assets, often at below replacement cost, finance them effectively, and to ultimately realize value created during our ownership.

Our operating platforms and depth of experience in managing real assets differentiate us from those competitors that have shorter investment horizons and a more speculative focus. Our operating platforms have been established over the course of many years and are fully integrated into our organization. This has required considerable investment in building the management teams and the necessary resources; however, we believe these platforms enable us to optimize the cash returns and values of the assets that we manage.

We have established strong relationships with a number of leading institutional investors and believe we are well positioned to continue increasing the capital we manage on a fee bearing basis. We are investing in our distribution capabilities to encourage existing and potential clients to commit capital to our investment strategies. To achieve this end, we are continually expanding the breadth of resources we devote to these activities, and our efforts continue to be assisted by our favourable investment performance.

The diversification within our operations allows us to offer a broad range of products and investment strategies to our clients. We believe this is of considerable value to investors with large amounts of capital to deploy. In addition, our commitment to transparency and ethical business conduct, as well as the Corporation's position in the market as a well-capitalized public company listed on major North American and European stock exchanges, positions us as a desirable long-term partner for our clients.

Finally, our commitment to invest a meaningful amount of capital alongside our investors creates a strong alignment of interest between us and our investment partners and also differentiates us from many of our competitors. Accordingly, our strategy includes maintaining a considerable surplus of financial resources to commit to investment opportunities on our own account when appropriate or in anticipation of future syndications.

Employees

As at December 31, 2013, we employed over 28,000 people worldwide.

CODE OF BUSINESS CONDUCT AND ETHICS

We have a Code of Business Conduct and Ethics (the "Code") that sets out the expected conduct of our directors, officers and employees, and those of the Corporation's subsidiaries, in relation to honesty, integrity and compliance with all legal and regulatory requirements. The Corporation's board of directors (the "Board") approved the Code on February 13, 2014, copies of which are available on System for Electronic Document Analysis and Retrieval ("SEDAR") at *www.sedar.com* and the Electronic Data Gathering, Analysis and Retrieval System ("EDGAR") at *www.sec.gov/edgar,* and may also be obtained on our website at *www.brookfield.com* under "The Company/Conduct Guidelines."

BUSINESS ENVIRONMENT AND RISKS

Our businesses continuously face certain micro and macro economic risks that could adversely impact our financial condition, our results of operations and the value of our equity. For information about risk factors related to Brookfield and its businesses, reference is made to the section entitled "Business Environment and Risks" on pages 60 to 71 of our Consolidated Financial Statements and Management Discussion and Analysis of Financial Results for the fiscal year ended December 31, 2013, which pages are incorporated by reference in this Annual Information Form and available on SEDAR at *www.sedar.com* and EDGAR at *www.sec.gov/edgar*.

CORPORATE SOCIAL RESPONSIBILITY

As owners of long-life assets, we recognize that Brookfield's future success depends on the long-term health of the communities in which we do business and the environment in which we operate. That view drives the company's commitment to corporate social responsibility. At Brookfield, we believe that sustainable business practices are linked to the creation of long-term wealth for our shareholders, and we strive for excellence in environmental sustainability and community engagement in all our operations. The Board and the Corporation's management consider corporate social responsibility to be a high priority, shaping our strategy and decisions. We are committing the resources needed to make a positive, lasting social impact in all we do. As Brookfield grows and becomes more global in scope, we see increased opportunities to improve our commitment to building a better world. Across Brookfield, our corporate social responsibility initiatives are broadly focused on two themes:

- Sustainable Growth
- Community Engagement

Sustainable Growth

Brookfield has more than 100 years of experience as an operator of real assets – property, renewable energy, infrastructure and private equity – and has built an expertise in sustainable investing. This includes an ongoing commitment to reduce greenhouse gas emission and improve our efforts on energy and water conversation, recycling, wildlife preservation, reforestation and erosion control. We participate in global benchmarking of our sustainability initiatives. As our portfolio expands, we are finding new ways to incorporate sustainability into our operations. For example, our newly acquired warehouse properties use energy-saving, sustainable building practices that include skylights to reduce artificial lighting and storm water systems that store rain for use in irrigation. This approach is good for the environment and good for business, as it translates into lower utility bills, better worker productivity and higher occupancy rates.

Property

In our global property operations, we provide responsible environmental solutions and energy-saving strategies to our tenants and our communities. We achieve this goal through an approach that is based on three principals which guide our actions on sustainability:

- Develop, operate and renovate properties to reduce carbon emissions and achieve optimum energy efficiency and occupant satisfaction.
- Incorporate innovative environmental strategies to achieve best-in-industry sustainability performance in new developments and in retrofitting and redesign of existing properties.

- Support industry initiatives that foster energy- and resource-efficient property operations, and seek the highest standard of environmental certification.

For our clients, sustainability is a priority and we strive to exceed their expectations by constantly improving our properties.

In North America, the standard in environmental excellence is the Leadership in Energy & Environmental Design or LEED designation. We received this certification on four buildings over the course of the year, with 41 Brookfield properties now LEED certified. Moving forward, we have pledged to build all future office developments to a minimum of LEED Gold or its local equivalent. Our newest development project in Toronto, Bay Adelaide East, will achieve LEED Platinum status, signifying the highest level of sustainable design. Our properties also meet or exceed recognized environmental standards in Australia, South America and Europe.

Within our buildings, Brookfield is working with tenants to increase awareness of sustainability and incorporate best practices in environmental management. Our employees take part in ongoing education programs focused on the latest initiatives in sustainable development and many have been certified with sustainable building management designations. This knowledge has enabled Brookfield to launch property programs that include energy efficient transportation, such as car pools and biking, and tenant energy reporting portals, which allow our clients to better understand and control their electricity use. We have launched water reduction programs in our office properties, resulting in a 15% decline in water use at our Canadian portfolio over the past five years. We installed electric vehicle charging stations in 10 office buildings last year, and 45 Brookfield properties now feature these facilities.

Renewable Energy

With approximately 200 hydro stations and 11 wind farms on three continents, Brookfield is one of the world's largest suppliers of renewable energy. In 2013, we added to our expertise with our first solar power project, located in Puerto Rico, and by making our first investments in European wind farms, an entry into the most sophisticated renewable energy market in the world. In an average year, our $19 billion portfolio provides enough clean electricity to supply approximately two million homes, offsetting power generation that may otherwise increase greenhouse gas emissions. The ability of our hydro assets to produce energy at peak periods and conserve water during off-peak periods meets an important social need, as we deliver clean power when demand is at its highest.

Brookfield's renewable energy operations meet or exceed sustainability standards set by industry groups such as the U.S. Low Impact Hydropower Institute and the Canadian Electricity Association. In 2013, the London-based Climate Bond Institute designated a $440 million wind farm debt offering from one of our subsidiaries as a "green bond" issue in the Canadian fixed income market, calling this a "significant breakthrough" in climate change mitigation.

Infrastructure

Our $29 billion infrastructure portfolio includes 3.8 million acres of timberlands under management in North and South America and 580,000 acres of farmland in Brazil. These trees and crops offset greenhouse gas emissions by capturing and storing carbon dioxide and are a truly renewable resource. In managing our timber and agriculture assets, we incorporate sustainable harvesting practices, along with our own internal standards and regulations set down in government statutes in 14 states and provinces located in three countries. Our timber operations meet or exceed measures set under the U.S. Sustainable Forestry Initiative® Program (SFI 2010-2014 Standard).

Community Engagement

We encourage and support a culture of philanthropy and volunteerism among our employees and around the world. Brookfield and its people contribute to their communities. Our commitment shows in everyday activities in support of charities, and in exceptional contributions during times of need, such as the donations we sent to assist in the recovery efforts following the typhoon in the Philippines in 2013.

All of our employees are encouraged to participate in community activities and fund raising, and our executives hold leadership positions on the boards and capital campaigns at major charities and public institutions, such as hospitals and universities. Our Brookfield Partners Foundation supports health care, education and cultural initiatives. In many cases, we match charitable donations by employees.

Our arts and events program, Arts Brookfield, has been in operation for 25 years and staged more than 400 events in 2013, including concerts, exhibitions and public art installations. These programs are offered free to the public and staged in public spaces at our flagship properties in North and South America, Australia and Europe.

CORPORATE GOVERNANCE

On behalf of all shareholders, the Board and the Corporation's management are committed to excellence in corporate governance at all levels of the organization. We believe the Corporation's directors are well equipped to represent the interests of the Corporation and its shareholders, with an independent chair leading a board of directors that features global business experience and proven governance skills. We continually strive to ensure that we have sound governance practices to maintain investor confidence. We constantly review our approach to governance in relation to evolving legislation, guidelines and best practices. The Board is of the view that the Corporation's corporate governance policies and practices and its disclosure in this regard are appropriate, effective and consistent with the guidelines established by Canadian and U.S. securities regulators.

The Board believes that communication with shareholders is a critical element of good governance and the Board encourages all shareholders to express their views, including by way of an advisory shareholder resolution on executive compensation which is voted on annually by holders of Class A Shares.

The Corporation outlines its commitment to good governance in the Statement of Corporate Governance Practices (the "Statement") that is published each year in the Corporation's Management Information Circular (the "Circular") and mailed to shareholders who request it. The Statement is also available on our website, *www.brookfield.com, at "About Brookfield/ Corporate Governance."*

Shareholders can also access on our website the following documents that outline our approach to governance: the Board of Directors Charter, the Charter of Expectations for Directors, the Charters of the Board's four Standing Committees (Audit, Governance and Nominating, Management Resources and Compensation and Risk Management), Board Position Descriptions, the Code and our Corporate Disclosure Policy.

DIRECTORS AND OFFICERS

Directors of the Corporation

The Corporation's directors are elected annually and hold office until the next annual meeting of shareholders of the Corporation or until their successors are elected or appointed. As of the date of this Annual Information Form, the Board has 16 directors. Particulars relating to each of the 16 current directors are set out below. Each has been appointed to serve until the Annual Meeting of Shareholders to be held on May 7, 2014 or until his or her successor is elected or appointed.

Directors

Name, Municipality of Residence	*Director Since*	*Principal Occupation*
JEFFREY M. BLIDNER Toronto, Ontario, Canada	2013	Senior Managing Partner, Brookfield Asset Management Inc.
JACK L. COCKWELL Toronto, Ontario, Canada	1979	Group Chair, Brookfield Asset Management Inc.
MARCEL R. COUTU (1) (2) Calgary, Alberta, Canada	2006	Former President and Chief Executive Officer, Canadian Oil Sands Limited
J. BRUCE FLATT Toronto, Ontario, Canada	2001	Chief Executive Officer, Brookfield Asset Management Inc.
ROBERT J. HARDING Toronto, Ontario, Canada	1992	Past Chairman, Brookfield Asset Management Inc.
MAUREEN KEMPSTON DARKES (1) (4) (5) Lauderdale-by-the-Sea, Florida, U.S.A.	2008	Corporate Director and former President, Latin America, Africa and Middle East, General Motors Corporation
DAVID W. KERR (5) Toronto, Ontario, Canada	1987	Chairman, Halmont Properties Corp.
LANCE LIEBMAN (1) (3) (4) New York, New York, U.S.A.	2005	Director, America Law Institute
PHILIP B. LIND (1) (3) Toronto, Ontario, Canada	1994	Vice-Chairman, Rogers Communications Inc.
THE HON. FRANK J. MCKENNA (1) (3) Toronto, Ontario and Cap-Pele, New Brunswick, Canada	2006	Chair, Brookfield Asset Management Inc. and Deputy Chair, TD Bank Financial Group
YOUSSEF A. NASR (1) (5) Beirut, Lebanon	2010	Corporate Director and former Chairman and CEO of HSBC Middle East Ltd. and former President of HSBC Bank Brazil
LORD O'DONNELL (1) London, United Kingdom	2013	Chairman of Frontier Economics and Strategic Advisor, TD Bank Financial Group
JAMES A. PATTISON (1) (4) Vancouver, British Columbia, Canada	2006	Chief Executive Officer, The Jim Pattison Group, a diversified consumer-oriented company
SEEK NGEE HUAT (1) Singapore	2012	Former Chairman of the Latin American Business Group, Government of Singapore Investment Corporation
DIANA L. TAYLOR (1) (2) New York, New York, U.S.A.	2012	Managing Director, Wolfensohn Fund Management, L.P., a global emerging markets private equity firm
GEORGE S. TAYLOR (1) (2) St. Marys, Ontario, Canada	1994	Corporate Director

(1) Independent Director

(2) Member of the Audit Committee
(3) Member of the Governance and Nominating Committee
(4) Member of the Management Resources and Compensation Committee
(5) Member of the Risk Management Committee

Each of the directors has had the principal occupation referred to opposite his or her name during the past five years, except Marcel R. Coutu, who was the President and Chief Executive Officer of Canadian Oil Sands Limited from 2001 to 2013, Lord O'Donnell, who was the Cabinet Secretary and head of the British Civil Service between 2005 and 2011, and Seek Ngee Huat, who was President of GIC Real Estate Pte Ltd. from 1996 to 2011.

Ms. Kempston Darkes was Group Vice-President and President, Latin America, Africa and Middle East, General Motors Corporation when the company filed for bankruptcy protection under Chapter 11 of the United States Bankruptcy Code in June 2009. Mr. Kerr was a director of Canwest Global Communications Corp. ("Canwest") when Canwest and certain of its subsidiaries voluntarily applied for and obtained an order for creditor protection under the *Companies' Creditors Arrangement Act* (Canada) in October 2009. Mr. Liebman was a director of Tarragon Realty Corp. when the company filed for bankruptcy protection under Chapter 11 of the United States Bankruptcy Code in January 2009. Messrs. Cockwell and Harding were directors of Fraser until April 2009. Fraser voluntarily applied and obtained an order for creditor protection under the *Companies' Creditors Arrangement Act* (Canada) in June 2009, and on February 10, 2011, an Ontario court sanctioned an amended plan of compromise and arrangement under that statute that provided for, among other things, the sale of most of Fraser's remaining property and the making of distributions to Fraser's creditors.

Executive and Corporate Officers of the Corporation

The names of the executive and corporate officers of the Corporation, their location of residence, their current offices and their dates of appointment are shown in the following table:

Executive and Corporate Officers

Name	*Residence*	*Current Office*	*Date of Appointment*
JEFFREY M. BLIDNER (a)	Toronto, Canada	Senior Managing Partner	2003
J. BRUCE FLATT (a)	Toronto, Canada	Senior Managing Partner and Chief Executive Officer	2002
BRIAN D. LAWSON (a)	Toronto, Canada	Senior Managing Partner and Chief Financial Officer	2002
GEORGE E. MYHAL (a)	Toronto, Canada	Senior Managing Partner	2003
SAMUEL J.B. POLLOCK (a)	Toronto, Canada	Senior Managing Partner	2003
A.J. SILBER (b)	Toronto, Canada	Vice President, Legal Affairs and Corporate Secretary	2012

(a) Executive Officer
(b) Corporate Officer

Each of the executive and corporate officers has had the principal occupation referred to opposite his or her name during the past five years, except Mr. Silber, who prior to his appointment in 2012 was an associate at a Canadian law firm.

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 became subject to management cease trade orders imposed by the Ontario Securities Commission and other provincial securities regulatory authorities. ARCL corrected the filing deficiencies that led to the management cease trade orders and the relevant provincial securities regulatory authorities fully revoked the management cease trade orders in June 2008.

Mr. Pollock was a director of Fraser until February 2011. Fraser voluntarily applied for and obtained an order for creditor protection under the *Companies' Creditors Arrangement Act* (Canada) in June 2009, and on February 10, 2011, an Ontario court sanctioned an amended plan of compromise and arrangement under that statute that provided for, among other things, the sale of most of Fraser's remaining property and the making of distributions to Fraser's creditors.

Share Ownership of Directors and Executive Officers in Brookfield

As at March 25, 2014, the directors and executive officers of the Corporation together owned, or controlled or directed, directly or indirectly, approximately 25.2 million Class A Shares, representing approximately 4.1% of the Corporation's issued and outstanding shares of this class. These ownership interests do not include the pro rata interests of the Corporation's affiliated directors and executive officers held beneficially through Partners Limited and Partners Value Fund Inc. which totalled approximately 32.2 million shares, representing approximately 5.2% of the Corporation's issued and outstanding Class A Shares at the same date. None of the Corporation's directors or executive officers own directly any of the Corporation's Class B Shares. As at March 25, 2014, the directors and executive officers of the Corporation together owned, or controlled or directed, directly or indirectly, approximately 1,901,868 units of Brookfield Property Partners, 1,037,221 units of Brookfield Infrastructure Partners, 68,700 units of Brookfield Renewable Partners, 1,000 common shares of Brookfield

Office Properties, 121,074 common shares of Brookfield Residential and 24,978 common shares of Norbord, representing less than 1% of the issued and outstanding securities of each of these classes, respectively.

MARKET FOR SECURITIES

The Corporation's publicly traded securities that are currently issued and outstanding as of the date of this Annual Information Form are listed on the following exchanges under the symbols shown below:

Security	Symbol	Stock Exchange
Class A Shares	BAM	New York
	BAM.A	Toronto
	BAMA	NYSE Euronext
Class A Preference Shares		
Series 2	BAM.PR.B	Toronto
Series 4	BAM.PR.C	Toronto
Series 8	BAM.PR.E	Toronto
Series 9	BAM.PR.G	Toronto
Series 12 (a)	BAM.PR.J	Toronto
Series 13	BAM.PR.K	Toronto
Series 14	BAM.PR.L	Toronto
Series 17	BAM.PR.M	Toronto
Series 18	BAM.PR.N	Toronto
Series 22	BAM.PR.P	Toronto
Series 24	BAM.PR.R	Toronto
Series 26	BAM.PR.T	Toronto
Series 28	BAM.PR.X	Toronto
Series 30	BAM.PR.Z	Toronto
Series 32	BAM.PF.A	Toronto
Series 34	BAM.PF.B	Toronto
Series 36	BAM.PF.C	Toronto
Series 37 (b)	BAM.PF.D	Toronto
Series 38 (c)	BAM.PF.E	Toronto

(a) The Corporation's Class A Preference Shares, Series 12 are expected to be de-listed following their redemption by the Corporation, which will be effected on April 7, 2014.

(b) The Corporation's Class A Preference Shares, Series 37 were listed for trading on the TSX on June 13, 2013.

(c) The Corporation's Class A Preference Shares, Series 38 were listed for trading on the TSX on March 13, 2014.

Information on the trading prices and volumes for each of the above securities and for the Corporation's Class A Preference Shares, Series 21, which were redeemed on July 2, 2013, for each month of the calendar year ended December 31, 2013 is set out in Appendix A to this Annual Information Form.

RATINGS AND LIQUIDITY

The credit ratings for the Corporation's securities as at the date of this Annual Information Form are as follows:

	DBRS		Standard & Poor's		Moody's		Fitch	
Securities of the Corporation	Rating	Outlook	Rating	Outlook	Rating	Outlook	Rating	Outlook
Commercial paper	R-1 (low)	Negative	A-1 (low)	Stable	Not rated	Not rated	Not rated	Not rated
Senior notes and debentures	A (low)	Negative	A-	Stable	Baa2	Stable	BBB	Stable
Subordinated notes and debentures	Not rated	Not rated	BBB	Stable	Not rated	Not rated	Not rated	Not rated
Preferred shares	Pfd-2 (low)	Negative	P-2	Stable	Not rated	Not rated	Not rated	Not rated

Credit ratings are important to the Corporation's borrowing costs and ability to raise funds. A rating's downgrade could potentially result in adverse consequences by reducing the Corporation's access to capital markets and increasing its borrowing costs. The terms of our various credit agreements and other financing documents require us to comply with a number of customary financial and other covenants, such as maintaining debt service coverage and leverage ratios, insurance coverage and, in limited circumstances, ratings levels. These covenants may limit our operational flexibility, and breaches of these covenants could result in defaults under the instruments governing the applicable indebtedness even if we had satisfied our payment obligations.

Credit ratings are intended to provide investors with an independent measure of the credit quality of an issue of securities. Each of the Corporation's debt and preferred securities are rated by DBRS Limited ("DBRS") and by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("S&P"), and its senior notes and debentures are also rated by Moody's
Investors Service, Inc. ("Moody's") and Fitch Ratings, Inc. ("Fitch"). The following is a brief description of each rating agency's rating schedule.

DBRS rates commercial paper, long-term debt and preferred shares with ratings of "R-1," "AAA" and "Pfd-1," respectively, which represent the highest ratings, to "R-5," "C" and "Pfd-5," which represent the lowest, with "D" for issues in payment default. To show relative rankings within these rating categories, DBRS may modify them by the addition of "(high)" or "(low)."

S&P rates commercial paper, long-term credit and preferred shares with ratings of "A-1," "AAA" and "P-1," respectively, which represent the highest ratings, to "C" which represents the lowest, with "D" for issues in payment default. To show relative rankings within these rating categories, S&P may modify them by the addition of a plus "(+)" or minus "(-)." DBRS and S&P further modify their ratings by indicating the stability of an assigned rating with terms such as "stable," "positive" and "negative."

Moody's rates long-term obligations with ratings of "Aaa," which represents the highest rating, to "C," which represents the lowest. To show relative rankings within these rating categories, Moody's may modify them by the addition of a "1," "2" or "3" to indicate relatively higher, middle or lower ranking.

Fitch rates long-term obligations with ratings of "AAA," which represents the highest rating, to "C," which represents the lowest with "RD" and "D" for issues in payment default. To show relative rankings within these categories, Fitch may modify them by the addition of a plus "(+)" or minus "(-)." Fitch modifies its ratings by indicating the outlook of an assigned rating with terms such as "stable," "positive," "evolving" and "negative."

A definition and description of the categories of the credit ratings described above are publicly available on the respective websites of each of the individual ratings agencies.

The Corporation has paid customary ratings fees to DBRS, S&P, Moody's and Fitch in connection with some or all of the above-mentioned ratings. In addition, the Corporation has made customary payments in respect of certain other services provided to the Corporation by each of DBRS, S&P, Moody's and Fitch during the last two years.

The ratings discussed above for the Corporation's debt and preferred securities are not a recommendation to purchase, hold or sell the Corporation's debt and preferred securities and do not comment as to the appropriateness of market price or suitability

for a particular investor. There can be no assurance that the ratings shown above will remain in effect for any given period of time or that the ratings will not be revised or withdrawn in their entirety by any or all of DBRS, S&P, Moody's or Fitch in the future if, in their sole discretion, circumstances so warrant.

The investment ratings of our publicly traded subsidiaries are presented in the respective Annual Information Forms of these subsidiaries, which are available on SEDAR at *www.sedar.com* and EDGAR at *www.sec.gov/edgar*.

DIVIDENDS AND DIVIDEND POLICY

Class A Shares and Class B Shares

The declaration and payment of dividends on the Class A Shares and Class B Shares are at the discretion of the Board. Beginning on June 30, 2014, dividends on the Class A Shares and Class B Shares will be paid quarterly, at the end of March, June, September and December of each year. The Board supports a stable and consistent dividend policy for these shares and will consider increasing dividends from time to time at a rate based on a portion of the growth rate in cash flow from operations per share. Special dividends may also be declared from time to time to implement corporate strategic initiatives.

The Corporation has a Dividend Reinvestment Plan which enables registered holders of Class A Shares who are resident in the United States or Canada to receive their dividends in the form of newly issued Class A Shares.

Registered shareholders of Class A Shares who are resident in the United States may elect to receive their dividends in the form of newly issued Class A Shares at a price equal to the volume-weighted average price (in U.S. dollars) at which the shares traded on the NYSE based on the average closing price during each of the five trading days immediately preceding the relevant dividend payment date (the "NYSE VWAP").

Registered shareholders of Class A Shares who are resident in Canada may also elect to receive their dividends in the form of newly issued Class A Shares at a price equal to the NYSE VWAP multiplied by an exchange factor which is calculated as the average noon exchange rate as reported by the Bank of Canada during each of the five trading days immediately preceding the relevant dividend payment date.

Our Dividend Reinvestment Plan allows current shareholders of the Corporation who are resident in the United States or Canada to increase their investment in the Corporation free of commissions.

Preferred Shares

The declaration and payment of dividends on the Corporation's preferred shares are at the discretion of the Board. Dividends on the Corporation's Class A Preference Shares, Series 2, 4, 5, 7, 12, 13, 15, 17, 18, 19, 20, 22, 24, 26, 28, 30, 32, 34, 36, 37 and 38 are paid quarterly, normally at the end of March, June, September and December of each year. Dividends on the Corporation's Class A Preference Shares, Series 9 are paid quarterly, normally at the beginning of February, May, August and November. Dividends on the Corporation's Class A Preference Shares, Series 8, 14 and 16 are paid monthly. Dividends on the Corporation's preferred shares are currently declared in Canadian dollars. Additional information on the dividends payable on the Corporation's currently issued and outstanding preferred shares can be found in Appendix B to this Annual Information Form.

The following table summarizes the dividends paid per share for each of the three years ended December 31, 2011, 2012 and 2013, on each class and series of securities of the Corporation that was outstanding at December 31, 2013, all expressed in United States dollars.

	Distribution per Security		
	2013	2012	2011
Per Class A Share and Class B Share			
Regular	$0.64	$0.55	$0.52
Special distribution (a)	1.47	—	—
Per Class A Preferred Share (b)			
Series 2	0.51	0.52	0.53
Series 4 + Series 7	0.51	0.52	0.53
Series 5	0.47	0.48	0.49
Series 8	0.73	0.75	0.76
Series 9	0.92	0.95	1.10
Series 12	1.31	1.35	1.36
Series 13	0.51	0.52	0.53
Series 14	1.83	1.88	1.91
Series 15	0.41	0.42	0.43
Series 16	0.73	0.75	0.76
Series 17	1.15	1.19	1.20
Series 18	1.15	1.19	1.20
Series 19	0.87	0.89	0.91
Series 20	0.87	0.89	0.91
Series 21 (c)	0.62	1.24	1.27
Series 22	1.70	1.75	1.77
Series 24	1.31	1.35	1.36
Series 26	1.09	1.12	1.14
Series 28 (d)	1.12	1.15	1.03
Series 30 (e)	1.17	1.20	0.19
Series 32 (f)	1.09	0.89	—
Series 34 (g)	1.02	0.32	—
Series 36 (h)	1.29	—	—
Series 37 (i)	0.64	—	—
Series 38 (j)	—	—	—

(a) Distribution of a 7.6% interest in Brookfield Property Partners, based on accounting fair values, was paid April 15, 2013.

(b) The dividends on these preferred shares are declared in Canadian dollars and are expressed in this table in US$ using the average Bloomberg mid-market exchange rate for 2012 of C$1.00 = US$1.0004.

(c) These shares were de-listed on June 30, 2013.

(d) These shares were issued on February 8, 2011. The dividends paid in 2011 were for the period from the date of issue.

(e) These shares were issued on November 2, 2011. The dividends paid in 2011 were for the period from the date of issue.

(f) These shares were issued on March 13, 2012. The dividends paid in 2012 were for the period from the date of issue.

(g) These shares were issued on September 12, 2012. The dividends paid in 2012 were for the period from the date of issue.

(h) These shares were issued on November 27, 2012. No dividends were paid in 2012.

(i) These shares were issued on June 13, 2013. The dividends paid in 2013 were for the period from the date of issue.

(j) These shares were issued on March 13, 2014.

The Corporation redeemed its Class A Preference Shares, Series 10 on April 5, 2012; its Class A Preference Shares, Series 11 on October 1, 2012; and its Class A Preference Shares, Series 21 on July 2, 2013. The Corporation's redemption of its Class A Preference Shares, Series 12 will be effected on April 7, 2014.

Information relating to the dividends and dividend policies of the Corporation's publicly traded subsidiaries can be found in the Annual Information Forms of these subsidiaries, which are available on SEDAR at *www.sedar.com* and EDGAR at *www.sec.gov/edgar*.

DESCRIPTION OF CAPITAL STRUCTURE

The following is a summary of the components of the Corporation's share capital. Additional summary information on the terms and conditions attached to or affecting each class of the Corporation's authorized securities is contained in Appendix B to this Annual Information Form. Reference should also be made to the articles of the Corporation for a complete description of all terms and conditions of our share capital. These articles can be found on our website at *www.brookfield.com* at "The Company/Articles & By-laws" and are filed on SEDAR at *www.sedar.com* and EDGAR at *www.sec.gov/edgar*.

The Corporation's authorized share capital consists of:

a) an unlimited number of preference shares designated as Class A Preference Shares, issuable in series:

- the first series, which consists of 23,391 Class A Preference Shares, Series 1;
- the second series, which consists of 10,465,100 Class A Preference Shares, Series 2;
- the third series, which consists of 2,000 Class A Preference Shares, Series 3;
- the fourth series, which consists of 4,000,000 Class A Preference Shares, Series 4;
- the fifth series, which consists of 2,600,000 Class A Preference Shares, Series 5;
- the sixth series, which consists of 111,633 Class A Preference Shares, Series 6;
- the seventh series, which consists of 4,000,000 Class A Preference Shares, Series 7;
- the eighth series, which consists of 8,000,000 Class A Preference Shares, Series 8;
- the ninth series, which consists of 8,000,000 Class A Preference Shares, Series 9;
- the tenth series, which consists of 10,000,000 Class A Preference Shares, Series 10;
- the eleventh series, which consists of 31,500,000 Class A Preference Shares, Series 11;
- the twelfth series, which consists of 8,000,000 Class A Preference Shares, Series 12;
- the thirteenth series, which consists of 9,999,000 Class A Preference Shares, Series 13;
- the fourteenth series, which consists of 665,000 Class A Preference Shares, Series 14;
- the fifteenth series, which consists of 4,000,000 Class A Preference Shares, Series 15;
- the sixteenth series, which consists of 7,835,200 Class A Preference Shares, Series 16;
- the seventeenth series, which consists of 8,000,000 Class A Preference Shares, Series 17;
- the eighteenth series, which consists of 9,200,000 Class A Preference Shares, Series 18;
- the nineteenth series, which consists of 13,700,000 Class A Preference Shares, Series 19;
- the twentieth series, which consists of 13,513,510 Class A Preference Shares, Series 20;
- the twenty-first series, which consists of 6,000,000 Class A Preference Shares, Series 21;
- the twenty-second series, which consists of 12,000,000 Class A Preference Shares, Series 22;
- the twenty-third series, which consists of 12,000,000 Class A Preference Shares, Series 23;
- the twenty-fourth series, which consists of 11,000,000 Class A Preference Shares, Series 24;
- the twenty-fifth series, which consists of 11,000,000 Class A Preference Shares, Series 25;
- the twenty-sixth series, which consists of 10,000,000 Class A Preference Shares, Series 26;
- the twenty-seventh series, which consists of 10,000,000 Class A Preference Shares, Series 27;
- the twenty-eighth series, which consists of 9,890,000 Class A Preference Shares, Series 28;

- the twenty-ninth series, which consists of 9,890,000 Class A Preference Shares, Series 29;
- the thirtieth series, which consists of 10,000,000 Class A Preference Shares, Series 30;
- the thirty-first series, which consists of 10,000,000 Class A Preference Shares, Series 31;
- the thirty-second series, which consists of 12,000,000 Class A Preference Shares, Series 32;
- the thirty-third series, which consists of 12,000,000 Class A Preference Shares, Series 33;

- the thirty-fourth series, which consists of 10,000,000 Class A Preference Shares, Series 34;
- the thirty-fifth series, which consists of 10,000,000 Class A Preference Shares, Series 35;
- the thirty-sixth series, which consists of 8,000,000 Class A Preference Shares, Series 36;
- the thirty-seventh series, which consists of 8,000,000 Class A Preference Shares, Series 37;
- the thirty-eighth series, which consists of 8,000,000 Class A Preference Shares, Series 38; and
- the thirty-ninth series, which consists of 8,000,000 Class A Preference Shares, Series 39;

b) an unlimited number of preference shares designated as Class AA Preference Shares, issuable in series, of which no series have been created or issued;

c) an unlimited number of Class A Shares; and

d) 85,120 Class B Shares.

As at March 25, 2014, the following shares of the Corporation were issued and outstanding: nil Class A Preference Shares, Series 1; 10,465,100 Class A Preference Shares, Series 2; nil Class A Preference Shares, Series 3; 4,000,000 Class A Preference Shares, Series 4; 2,600,000 Class A Preference Shares, Series 5; nil Class A Preference Shares, Series 6; 4,000,000 Class A Preference Shares, Series 7; 1,652,394 Class A Preference Shares, Series 8; 6,347,606 Class A Preference Shares, Series 9; nil Class A Preference Shares, Series 10; nil Class A Preference Shares, Series 11; 7,000,000 Class A Preference Shares, Series 12; 9,999,000 Class A Preference Shares, Series 13; 665,000 Class A Preference Shares, Series 14; 4,000,000 Class A Preference Shares, Series 15; 7,810,200 Class A Preference Shares, Series 16; 8,000,000 Class A Preference Shares, Series 17; 8,000,000 Class A Preference Shares, Series 18; 13,700,000 Class A Preference Shares, Series 19; 13,513,510 Class A Preference Shares, Series 20; nil Class A Preference Shares, Series 21; 12,000,000 Class A Preference Shares, Series 22; nil Class A Preference Shares, Series 23; 11,000,000 Class A Preference Shares, Series 24; nil Class A Preference Shares, Series 25; 10,000,000 Class A Preference Shares, Series 26; nil Class A Preference Shares, Series 27; 9,400,000 Class A Preference Shares, Series 28; nil Class A Preference Shares, Series 29; 10,000,000 Class A Preference Shares, Series 30; nil Class A Preference Shares, Series 31; 12,000,000 Class A Preference Shares, Series 32; nil Class A Preference Shares, Series 33; 10,000,000 Class A Preference Shares, Series 34; nil Class A Preference Shares, Series 35; 8,000,000 Class A Preference Shares, Series 36; 8,000,000 Class A Preference Shares, Series 37; 8,000,000 Class A Preference Shares, Series 38; nil Class A Preference Shares, Series 39; nil Class AA Preference Shares; 626,520,133 Class A Shares; and 85,120 Class B Shares.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar of the Corporation is CST Trust Company at its principal office in Toronto, Ontario, Canada. CST Trust Company maintains registers for the transfer of the Corporation's public securities at its offices in Toronto, Ontario, in Montreal, Quebec and in Vancouver, British Columbia in Canada. The transfer agent and registrar of the Corporation in the United States is Computershare Inc., who maintains registers for the transfer of the Corporation's public securities at its offices in Canton, Massachusetts.

MATERIAL CONTRACTS

The following is the only material contract, other than contracts entered into in the ordinary course of business, which has been entered into by the Corporation or any of its subsidiaries or their predecessors within the most recently completed financial year, or was entered into before the most recently completed financial year and is still in effect, or which is proposed to be entered into:

- The Trust Agreement referred to under "Principal Holders of Voting Shares" on pages 4 to 5 of the Corporation's most recent Circular, which pages are incorporated by reference in this Annual Information Form.

A copy of this document has been filed on SEDAR as a material contract and is available at *www.sedar.com*.

INTERESTS OF EXPERTS

Deloitte LLP, the Corporation's external auditor, is independent of the Corporation within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

AUDIT COMMITTEE INFORMATION

Responsibilities of the Audit Committee

The Corporation's Board has established an Audit Committee (the "Audit Committee") with the responsibility for monitoring the Corporation's systems and procedures for financial reporting and internal controls, for reviewing all public disclosure documents containing financial information, and for monitoring the performance of the Corporation's external and internal auditors. The responsibilities of the Audit Committee are set out in a written charter, which is reviewed and approved annually by the Board. The current Charter of the Audit Committee is set out in full in Appendix C to this Annual Information Form.

Composition of the Audit Committee

As at the date of this Annual Information Form, the Audit Committee is comprised of the following three directors: Marcel R. Coutu; Diana L. Taylor; and George S. Taylor, who is the Audit Committee's chair. The Board has determined that all of these directors are independent and financially literate, and that Mr. Coutu and Mr. Taylor each qualify as an "designated financial expert." Mr. Coutu has a Master of Business Administration degree and over 15 years' experience in investment banking and corporate finance. He is the former President and Chief Executive Officer of Canadian Oil Sands Limited. Ms. Taylor was the 42nd Superintendent of the New York State Banking Department and is currently a Managing Director at Wolfensohn Fund Management L.P. Mr. Taylor is a Certified Management Accountant and has extensive financial and senior management experience with a public company as an executive of John Labatt Limited from 1977 to 1995. He has served as an audit committee member and audit committee chair for a number of public companies and non-profit organizations during his business career.

Additional information on the members of the Audit Committee is contained in the most recent Circular.

Principal Accountant Fees and Services

Deloitte LLP, together with the member firms of Deloitte Touche Tohmatsu Limited and their respective affiliates (collectively "Deloitte"), is the principal external auditor of the Corporation and its consolidated reporting issuer subsidiaries (other than Brookfield Renewable Partners). The following table provides information about the aggregate fees billed to the Corporation and its consolidated subsidiaries for professional services rendered by Deloitte during 2013 and 2012:

	2013			*2012*		
YEARS ENDED DECEMBER 31 (MILLIONS)	*Brookfield*	*Subsidiaries of Brookfield*	*Total*	*Brookfield*	*Subsidiaries of Brookfield*	*Total*
Audit fees	$ 3.8	$ 31.6	$35.4	$ 2.1	$ 20.4	$22.5
Audit-related fees	0.3	1.8	2.1	0.5	6.9	7.4
Tax fees	0.3	0.9	1.2	—	0.2	0.2
All other fees	0.1	0.7	0.8	0.4	2.0	2.4
Total	$ 4.5	$ 35.0	$39.5	$ 3.0	$ 29.5	$32.5

Audit Fees. Audit fees include fees for services that would normally be provided by the external auditor in connection with statutory and regulatory filings or engagements, including fees for services necessary to perform an audit or review in accordance with generally accepted auditing standards. This category also includes services that generally only the external auditor reasonably can provide, including comfort letters, statutory audits, attest services, consents and assistance with and review of certain documents filed with securities regulatory authorities.

Audit-Related Fees. Audit-related fees are for assurance and related services, such as due diligence services, that traditionally are performed by the external auditor. More specifically, these services include but are not limited to: employee benefit plan audits, accounting consultations and audits in connection with acquisitions, attest services that are not required by statute or regulation, and consultation concerning financial accounting and reporting standards.

Tax Fees. Tax fees are principally for assistance in tax return preparation and tax advisory services.

All Other Fees. All other fees include fees for translation services.

Pre-Approval Policies and Procedures

The Audit Committee has adopted a policy regarding the provision of services by its external auditor, currently Deloitte. This policy requires Audit Committee pre-approval of all permitted audit, audit-related and non-audit services. It also specifies a number of services that may not be provided by the Corporation's external auditor, including all services prohibited by law from being provided by the external auditor.

Under the policy, all permitted services to be provided by the external auditor must be pre-approved by the Audit Committee or a designated member of the Audit Committee. Any pre-approval granted by a designated member must be reported to the Audit Committee at its next scheduled meeting. The pre-approval of services may be given at any time up to a year before commencement of the specified service.

The Audit Committee may delegate its pre-approval authority and responsibility to the audit committee of any consolidated subsidiary of the Corporation in respect of services to be provided to such subsidiary, provided that such subsidiary's audit committee members are independent from the Corporation and its management, such subsidiary adopts pre-approval policies and procedures that are substantially similar to those of the Corporation, and such subsidiary's audit committee makes certain reports to the Corporation's Audit Committee.

Subject to the above mentioned policy, the Audit Committee may establish fee thresholds for a group of pre-approved services, provided that such fees will, when combined with all such fees that have not been specifically approved by the Audit Committee, aggregate less than 25% of the anticipated audit fees for the Corporation and its subsidiaries for the same year. In such cases, the description of services must be sufficiently detailed as to the particular services to be provided to ensure that (i) the Audit Committee knows precisely what services it is being asked to pre-approve and (ii) the Audit Committee's responsibilities are not delegated to management. All such services will be ratified at the next scheduled meeting of the Audit Committee, and upon such ratification will no longer be included in determining the aggregate fees covered by this limited approval.

None of the fees reported in this Annual Information Form under the heading "Principal Accountant Fees and Services" were subject to the de minimis exception from Audit Committee pre-approval provided by Rule 2-01(c)(7)(i)(C) of Regulation S-X.

ADDITIONAL INFORMATION

Additional information relating to the Corporation, including information as to directors' and executive officers' remuneration and indebtedness, the principal holders of the Corporation's securities and securities authorized for issuance under equity compensation plans, is set out in the most recent Circular.

Additional financial information on the Corporation is provided in our Consolidated Financial Statements and Management's Discussion and Analysis of Financial Results for the fiscal year ended December 31, 2013, as well as other information on the Corporation, all of which may be found on our website at *www.brookfield.com* and on SEDAR at *www.sedar.com* and EDGAR at *www.sec.gov/edgar*.

APPENDIX A

TRADING INFORMATION FOR THE CORPORATION'S PUBLICLY LISTED SECURITIES

The following sets out trading information for 2013 for the Corporation's publicly traded securities that were outstanding at any time during 2013, all of which are or were listed on the Toronto Stock Exchange ("TSX"), based on information provided by the TSX and, in the case of the Corporation's Class A Limited Voting Shares, information provided by the New York Stock Exchange ("NYSE") and NYSE Euronext.

	Class A Limited Voting Shares (TSX: BAM A)				Class A Limited Voting Shares (NYSE: BAM)			
	Price Per Share (C$)				Price Per Share (US$)			
Period	High	Low	Average	Volume Traded (a)	High	Low	Average	Volume Traded (b)
2013								
January	38.14	36.09	37.12	13,130,178	38.03	36.58	37.31	19,779,118
February	39.23	36.41	37.82	20,128,447	38.96	36.50	37.73	28,844,877
March	40.29	35.79	38.04	19,869,549	39.16	35.20	37.18	33,826,354
April	38.98	36.53	37.76	16,302,323	38.69	35.75	37.22	20,973,732
May	39.37	36.44	37.91	20,214,884	39.15	35.16	37.16	21,296,776
June	38.43	35.00	36.72	19,081,188	36.61	33.59	35.10	89,762,150
July	39.34	37.00	38.17	11,966,582	38.19	34.98	36.59	12,974,239
August	39.00	35.35	37.18	15,493,727	37.68	33.67	35.68	16,575,478
September	39.05	36.20	37.63	11,214,904	38.00	34.35	36.18	13,670,083
October	42.64	38.42	40.53	11,678,194	40.82	37.18	39.00	14,727,172
November	42.25	40.86	41.56	13,312,722	40.55	38.66	39.61	12,982,814
December	41.51	39.51	40.51	10,090,425	39.00	37.13	38.07	13,326,198

(a) Volume traded refers to volume traded on TSX only.
(b) Volume traded refers to volume traded on NYSE only.

Class A Limited Voting Shares (NYSE Euronext: BAMA)

There was no trading activity of the Corporation's Class A Limited Voting Shares on the NYSE Euronext during 2013.

	Class A Preference Shares, Series 2 (TSX: BAM.PR.B)				Class A Preference Shares, Series 4 (TSX: BAM PR.C)			
	Price Per Share (C$)				Price Per Share (C$)			
Period	High	Low	Average	Volume Traded	High	Low	Average	Volume Traded
2013								
January	18.26	17.48	17.87	785,005	18.20	17.48	17.84	271,931
February	18.75	18.03	18.39	440,062	18.64	18.00	18.32	128,165
March	18.62	18.37	18.50	199,149	18.75	18.40	18.58	64,348
April	18.66	17.97	18.32	226,347	18.53	17.85	18.19	126,638
May	18.58	17.32	17.95	259,964	18.40	17.35	17.88	83,452
June	18.32	17.62	17.97	261,789	17.85	17.46	17.66	179,488
July	18.65	17.80	18.23	181,778	18.49	17.60	18.05	92,193
August	18.75	17.95	18.35	148,243	18.99	17.50	18.25	59,928
September	18.49	18.10	18.30	140,084	18.30	17.98	18.14	66,014
October	18.55	17.33	17.94	240,082	18.27	17.33	17.80	72,725
November	18.20	17.44	17.82	140,358	18.11	17.42	17.77	48,994
December	18.00	17.57	17.79	118,809	18.02	17.55	17.79	50,527

Period	Class A Preference Shares, Series 8 (TSX: BAM PR E) Price Per Share (C$) High	Low	Average	Volume Traded	Class A Preference Shares, Series 9 (TSX: BAM.PR.G) Price Per Share (C$) High	Low	Average	Volume Traded
2013								
January	23.91	23.00	23.46	43,254	22.95	22.12	22.54	28,578
February	24.94	23.40	24.17	18,425	23.54	22.65	23.10	16,761
March	24.72	24.03	24.38	36,811	23.65	22.06	22.86	206,939
April	25.34	24.38	24.86	24,615	24.40	23.06	23.73	341,684
May	25.00	24.52	24.76	37,925	24.88	23.62	24.25	67,833
June	25.08	24.53	24.81	25,948	24.39	21.87	23.13	73,660
July	25.00	24.53	24.77	19,545	23.37	22.25	22.81	24,627
August	25.01	23.01	24.01	18,925	23.25	21.39	22.32	42,213
September	24.10	23.10	23.60	16,690	23.20	22.02	22.61	24,031
October	24.98	22.76	23.87	14,552	22.94	21.85	22.40	29,102
November	24.80	23.41	24.11	47,072	23.10	22.12	22.61	45,764
December	24.64	23.45	24.05	23,935	22.42	20.26	21.34	47,760

Period	Class A Preference Shares, Series 12 (TSX: BAM.PR.J) Price Per Share (C$) High	Low	Average	Volume Traded	Class A Preference Shares, Series 13 (TSX: BAM PR.K) Price Per Share (C$) High	Low	Average	Volume Traded
2013								
January	27.18	26.65	26.92	60,448	18.20	17.45	17.83	131,887
February	27.41	26.63	27.02	193,687	18.55	18.00	18.28	125,815
March	27.12	26.70	26.91	64,825	18.58	18.29	18.44	235,218
April	27.13	26.80	26.97	61,318	18.41	17.78	18.10	94,917
May	27.09	26.62	26.86	95,390	18.46	17.30	17.88	166,671
June	26.88	26.26	26.57	59,914	17.95	17.51	17.73	64,662
July	27.21	26.40	26.81	220,911	18.42	17.64	18.03	193,123
August	27.20	25.97	26.59	39,265	18.54	17.65	18.10	56,055
September	27.08	26.20	26.64	52,901	18.37	18.01	18.19	52,753
October	26.65	26.25	26.45	67,321	18.24	17.34	17.79	76,295
November	26.65	26.21	26.43	82,162	18.14	17.34	17.74	93,652
December	26.50	26.18	26.34	69,954	17.90	17.52	17.71	58,234

Period	Class A Preference Shares, Series 14 (TSX: BAM PR.L) Price Per Share (C$) High	Low	Average	Volume Traded	Class A Preference Shares, Series 17 (TSX: BAM PR M) Price Per Share (C$) High	Low	Average	Volume Traded
2013								
January	—	—	—	—	24.81	24.02	24.42	152,040
February	—	—	—	—	24.87	24.40	24.64	83,528
March	—	—	—	—	24.94	24.33	24.64	213,139
April	—	—	—	—	24.83	24.45	24.64	238,632
May	—	—	—	—	24.82	24.37	24.60	179,001
June	—	—	—	—	24.45	20.70	22.58	295,792
July	100.10	100.10	100.10	100	22.26	21.19	21.73	315,978
August	—	—	—	—	21.88	19.53	20.71	195,601
September	—	—	—	—	20.89	19.82	20.36	176,570
October	—	—	—	—	20.40	19.24	19.82	242,881
November	—	—	—	—	20.46	19.43	19.95	270,593
December	—	—	—	—	19.81	18.35	19.08	462,086

Period	Class A Preference Shares, Series 18 (TSX: BAM.PR.N) Price Per Share (C$) High	Low	Average	Volume Traded	Class A Preference Shares, Series 21 (TSX: BAM.PR.O) Price Per Share (C$) High	Low	Average	Volume Traded
2013								
January	24.95	23.91	24.43	287,288	25.44	25.08	25.26	35,562
February	24.71	24.38	24.55	82,104	25.40	25.04	25.22	28,169
March	24.93	24.43	24.68	195,570	25.36	24.99	25.18	35,751
April	24.99	24.50	24.75	193,706	25.24	25.07	25.16	36,123
May	24.75	24.26	24.51	221,891	25.28	25.12	25.20	294,316
June	24.43	20.50	22.47	328,499	25.29	24.97	25.13	33,440
July (a)	22.00	21.11	21.56	367,464	—	—	—	—
August	21.67	19.19	20.43	242,561	—	—	—	—
September	20.79	19.75	20.27	137,390	—	—	—	—
October	20.50	19.37	19.94	204,429	—	—	—	—
November	20.38	19.25	19.82	236,494	—	—	—	—
December	19.70	18.40	19.05	541,886	—	—	—	—

(a) The Corporation's Class A Preference Shares, Series 21 were redeemed on July 2, 2013.

Period	Class A Preference Shares, Series 22 (TSX: BAM.PR.P) Price Per Share (C$) High	Low	Average	Volume Traded	Class A Preference Shares, Series 24 (TSX: BAM.PR.R) Price Per Share (C$) High	Low	Average	Volume Traded
2013								
January	27.21	26.81	27.01	429,901	26.71	26.12	26.42	217,186
February	27.09	26.84	26.97	179,876	27.11	26.27	26.69	169,659
March	27.10	26.50	26.80	273,787	27.10	26.51	26.81	262,996
April	26.89	26.00	26.45	297,732	27.14	26.16	26.65	158,431
May	26.91	26.55	26.73	189,479	26.85	26.45	26.65	234,223
June	26.73	25.85	26.29	303,224	26.65	25.21	25.93	247,013
July	26.36	25.95	26.16	260,895	26.27	25.65	25.96	433,141
August	26.21	25.62	25.92	250,281	26.30	24.71	25.51	218,562
September	26.36	25.42	25.89	160,106	25.83	24.82	25.33	134,261
October	26.05	25.65	25.85	209,794	25.42	24.74	25.08	225,583
November	26.22	25.82	26.02	185,677	25.92	25.10	25.51	132,443
December	26.22	25.52	25.87	217,537	26.00	25.15	25.58	119,204

Period	Class A Preference Shares, Series 26 (TSX: BAM.PR.T) Price Per Share (C$) High	Low	Average	Volume Traded	Class A Preference Shares, Series 28 (TSX: BAM.PR.X) Price Per Share (C$) High	Low	Average	Volume Traded
2013								
January	26.14	25.63	25.89	148,125	25.50	25.05	25.28	588,573
February	26.49	25.97	26.23	120,113	25.95	25.40	25.68	246,924
March	26.50	25.95	26.23	313,828	26.48	25.46	25.97	244,061
April	26.34	25.70	26.02	280,709	26.15	25.25	25.70	219,883
May	26.21	25.60	25.91	254,075	26.16	25.41	25.79	129,873
June	26.35	24.15	25.25	209,848	25.69	22.51	24.10	157,123
July	25.50	24.80	25.15	146,986	24.55	23.01	23.78	213,411
August	25.12	22.19	23.66	162,748	24.13	21.55	22.84	157,892
September	24.56	23.92	24.24	251,330	23.98	22.55	23.27	168,844
October	24.39	22.62	23.51	208,038	22.83	21.29	22.06	171,944

November	24.93	23.10	24.02	238,276	22.78	21.82	22.30	313,315
December	24.98	23.47	24.23	191,581	22.60	20.45	21.53	473,551

Period	Class A Preference Shares, Series 30 (TSX: BAM.PR.Z) Price Per Share (C$) High	Low	Average	Volume Traded	Class A Preference Shares, Series 32 (TSX: BAM.PF.A) Price Per Share (C$) High	Low	Average	Volume Traded
2013								
January	26.64	26.20	26.42	503,429	26.26	25.80	26.03	145,289
February	27.46	26.59	27.03	222,214	26.69	26.02	26.36	274,551
March	27.38	26.55	26.97	245,032	26.62	25.93	26.28	339,293
April	27.27	26.71	26.99	153,802	27.07	26.26	26.67	400,420
May	27.13	26.55	26.84	153,102	26.94	25.83	26.39	186,803
June	26.70	25.10	25.90	203,411	26.14	24.51	25.33	293,765
July	26.37	25.60	25.99	140,757	25.64	25.23	25.44	229,269
August	25.93	24.65	25.29	160,719	25.44	23.58	24.51	294,262
September	25.90	25.25	25.58	136,594	25.31	24.66	24.99	275,682
October	25.57	24.92	25.25	205,679	25.25	24.09	24.67	385,990
November	26.05	25.25	25.65	95,563	25.91	24.80	25.36	234,907
December	25.95	24.98	25.47	174,351	25.99	24.51	25.25	150,666

Period	Class A Preference Shares, Series 34 (TSX: BAM PF B) Price Per Share (C$) High	Low	Average	Volume Traded	Class A Preference Shares, Series 36 (TSX: BAM.PF C) Price Per Share (C$) High	Low	Average	Volume Traded
2013								
January	25.99	25.18	25.59	224,921	25.14	24.85	25.00	897,864
February	26.40	25.58	25.99	290,898	25.14	24.97	25.06	207.569
March	26.10	25.30	25.70	213,560	25.09	24.65	24.87	166,047
April	26.20	25.51	25.86	226,893	24.98	24.65	24.82	280,987
May	26.27	25.50	25.89	265,103	24.99	24.39	24.69	285,039
June	25.92	24.20	25.06	303,616	24.51	20.91	22.71	434,320
July	25.48	24.21	24.85	193,286	22.45	21.29	21.87	208,570
August	24.81	22.01	23.41	204,476	21.79	19.40	20.60	294,531
September	24.77	23.29	24.03	150,682	20.91	20.00	20.46	245,727
October	24.35	23.22	23.79	195,790	20.50	19.30	19.90	391,722
November	25.20	23.69	24.45	222,329	20.40	19.36	19.88	392,901
December	25.18	23.70	24.44	199,503	20.00	18.88	19.44	734,306

Period	Class A Preference Shares, Series 37 (TSX: BAM.PF D) Price Per Share (C$) High	Low	Average	Volume Traded
2013				
January	—	—	—	—
February	—	—	—	—
March	—	—	—	—
April	—	—	—	—
May	—	—	—	—
June (a)	23.39	21.75	22.57	1,064,035
July	23.39	22.50	22.95	567,533
August	22.88	20.00	21.44	453,390
September	21.69	20.76	21.23	389,741
October	21.44	19.72	20.58	315,888
November	20.37	19.45	19.91	405,558
December	20.00	18.85	19.43	955,289

(a) The Corporation's Class A Preference Shares, Series 37 commenced trading on the TSX on June 13, 2013.

APPENDIX B

SUMMARY OF TERMS AND CONDITIONS OF THE CORPORATION'S AUTHORIZED SECURITIES

CERTAIN PROVISIONS OF THE CLASS A PREFERENCE SHARES

The following is a summary of certain provisions attaching to or affecting the Class A Preference Shares as a class.

Series

The Class A Preference Shares may be issued from time to time in one or more series. The Board of the Corporation will fix the number of shares in each series and the provisions attached to each series before issue.

Priority

The Class A Preference Shares rank senior to the Class AA Preference Shares, the Class A Shares, the Class B Shares and other shares ranking junior to the Class A Preference Shares with respect to priority in the payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs. Each series of Class A Preference Shares ranks on a parity with every other series of Class A Preference Shares with respect to priority in the payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs.

Shareholder Approvals

The Corporation shall not delete or vary any preference, right, condition, restriction, limitation or prohibition attaching to the Class A Preference Shares as a class or create preference shares ranking in priority to or on parity with the Class A Preference Shares except by special resolution passed by at least 66 2/3% of the votes cast at a meeting of the holders of the Class A Preference Shares duly called for that purpose, in accordance with the provisions of the articles of the Corporation.

Each holder of Class A Preference Shares entitled to vote at a class meeting of holders of Class A Preference Shares, or at a joint meeting of the holders of two or more series of Class A Preference Shares, has one vote in respect of each C$25.00 of the issue price of each Class A Preference Share held by such holder.

Series	Ticker	Authorized	Issued and Outstanding	Amount (C$ millions) [1]	Cumulative Dividend Rate	Earliest Redemption Date	Redemption Price Per Share (C$) [2]	Holder's Conversion Option	Corporation's Conversion Option
1	N/A	23,391	nil	nil	65% of average "Prime Rate" (as defined in the articles)	At any time	25.00 *	Into Series 2 on a one-for-one basis at any time	N/A
2	BAM.PR.B	10,465,100	10,465,100	262	70% of average "Prime Rate" (as defined in the articles)	At any time	25.00	N/A	N/A
3	N/A	2,000	nil	nil	A maximum rate equal to the Bankers' Acceptance Rate (as defined in the articles) plus 0.40%	At any time	100,000	N/A	N/A
4	BAM.PR.C	4,000,000	4,000,000	100	70% of average "Prime Rate" (as defined in the articles)	At any time	25.00	N/A	N/A
5	N/A	2,600,000	2,600,000	65	65% of average "Prime Rate" (as defined in the articles)	At any time	25.00*	N/A	N/A
6	N/A	111,633	nil	nil	7.5%	At any time	25.00	N/A	N/A
7	N/A	4,000,000	4,000,000	100	8.5%	At any time	25.00	Into Class A Shares upon a (i) public offering, (ii) private placement of Class A Shares at the price payable for Class A Shares divided by C$25.00	N/A
8	BAM.PR.E	8,000,000	1,652,394	41	Between 50–100% of "Prime Rate" (as defined in the articles)	At any time	25.50	Into Series 9 on a one-for-one basis on November 1 in every fifth year after November 1, 2001 and automatically in certain circumstances	N/A
9	BAM.PR.G	8,000,000	6,347,606	159	Not less than 80% of yield on certain Government of Canada bonds (as provided in the articles)	On November 1 in every fifth year after November 1, 2006	25.00	Into Series 8 on a one-for-one basis on November 1 in every fifth year after November 1, 2006 and automatically in certain circumstances	N/A
10	N/A	10,000,000	nil	nil	5.75%	At any time	25.00	On the last day of March, June, September and December into a number of Class A Shares per share based on C$25.00 divided by the Conversion Price [3,4]	At any time into a number of Class A Shares per share based on C$25.00 divided by the Conversion Price
11	N/A	31,500,000	nil	nil	5.5%	At any time	25.00	On the last day of March, June, September and December into a	At any time into a number of Class A Shares per share based

								number of Class A Shares per share based on C$25 00 divided by the Conversion Price	on C$25 00 divided by the Conversion Price
12	BAM.PR.J	8,000,000	7,000,000	175	5.4%	March 31, 2014	26.00 if before March 31, 2015, with annual 0 25 decreases until March 31, 2018; 25.00 thereafter	After March 31, 2018 on the last day of each of March, June, September and December in each year into a proportionate number of Class A Shares per share based on C$25.00 divided by the Conversion Price 4	At any time after March 31, 2014 into a number of Class A Shares per share based on the applicable redemption price divided by the Conversion Price
13	BAM.PR.K	9,999,000	9,999,000	250	70% of "Average Prime Rate" (as defined in the articles)	At any time	25.00	N/A	N/A
14	BAM.PR.L	665,000	665,000	67	63% of the "Average Prime Rate" (as defined in the articles)	On any March 1, June 1, September 1 or December 1	100.00 *	N/A	N/A
15	N/A	4,000,000	4,000,000	100	Determined by negotiation, bid or auction, or the Bankers' Acceptable Rate (as defined in the articles) plus 0.40%	At any time	25.00	N/A	N/A
16	N/A	7,835,200	7,810,200	195	75% of the "Prime Rate" (as defined in the articles) and, when certain conditions are met, monthly adjustments (up or down) of up to 4%	At any time	25.00	N/A	N/A

Notes:

* *Class A Preference Shares, Series 1, 5 and 14 are retractable at the option of the holder for C$25.00 (C$100 in the case of Series 14) per share together with all accrued and unpaid dividends.*

1 *Rounded to the nearest million.*

2 *Together with accrued and unpaid dividends.*

3 *The Conversion Price means the greater of C$2.00 or 95% of the weighted average trading price of the Class A Shares on the TSX for the 20 consecutive trading days ending on: (i) the fourth day prior to the date specified for conversion, or (ii) if such fourth day is not a trading day, the immediately preceding trading day.*

4 *The holder's conversion option is subject to the right of the Corporation to (i) redeem all or part of or (ii) cause the holder to sell to another purchaser(s) all or part of such shares.*

Series	Ticker	Authorized	Issued and Outstanding	Amount (C$ millions) [1]	Cumulative Dividend Rate	Earliest Redemption Date	Redemption Price Per Share (C$) [2]	Holder's Conversion Option	Corporation's Conversion Option
17	BAM.PR M	8,000,000	8,000,000	200	4.75%	At any time	25.50 (if before December 31, 2014); 25.25 (if before December 31, 2015), 25.00 thereafter	N/A	At any time after into a number of Class A Shares per share based on dividing the redemption price by the Conversion Price
18	BAM PR.N	9,200,000	8,000,000	200	4.75%	At any time	25.75 if before June 30, 2014, with annual 0.25 decreases until June 30, 2016; 25.00 thereafter	N/A	At any time after into a number of Class A Shares per share based on dividing the redemption price by the Conversion Price
19	N/A	13,700,000	13,700,000	137	9%	At any time	10.00	N/A	N/A
20	N/A	13,513,510	13,513,510	135	9%	At any time	10.00	N/A	N/A
21	N/A	6,000,000	nil	nil	5%	At any time	25.00	On the last day of each of March, June, September and December in each year into a number of Class A Shares per share based on C$25.00 divided by the Conversion Price, subject to the Corporation's right to redeem or sell such shares [4]	At any time after into a number of Class A Shares per share based on dividing the redemption price by the Conversion Price
22	BAM.PR.P	12,000,000	12,000,000	300	7% until September 30, 2014, thereafter the Annual Fixed Dividend Rate for each 5-year fixed rate period will be the sum of the Government of Canada yield plus 4 45%	September 30, 2014	25.00	Into Series 23 on a one-for-one basis on September 30, 2014 and on every September 30 every five years thereafter and automatically in certain circumstances	N/A
23	N/A	12,000,000	nil	nil	An amount equal to the sum of the three-month Government of Canada Treasury Bill Rate plus 4 45%	September 30, 2014	25.00 for redemptions on September 30, 2019 or September 30 every five years thereafter; 25.50 otherwise	Into Series 22 on a one-for-one basis on September 30, 2019 and on September 30 every five years thereafter and automatically in certain circumstances	N/A
24	BAM PR R	11,000,000	11,000,000	275	5.4% until June 30, 2016, thereafter the Annual Fixed Dividend Rate for each 5-year fixed rate period will be the sum of the Government of Canada yield	June 30, 2016	25 00	Into Series 25 on a one-for-one basis on June 30, 2016 and on June 30 every five years thereafter and automatically in certain circumstances	N/A

					plus 2 30%				
25	N/A	11,000,000	nil	nil	An amount equal to the sum of the three-month Government of Canada Treasury Bill Rate plus 2 30%	June 30, 2016	25 00 for redemptions on June 30, 2021 or June 30 every five years thereafter; 25.50 otherwise	Into Series 24 on a one-for-one basis on June 30, 2021 and on June 30 every five years thereafter and automatically in certain circumstances	N/A
26	BAM.PR.T	10,000,000	10,000,000	250	4.5% until March 31, 2017; thereafter the Annual Fixed Dividend Rate for each 5-year fixed rate period will be the sum of the Government of Canada yield plus 2.31%	March 31, 2017	25.00	Into Series 27 on a one-for-one basis on March 31, 2017 and on March 31 every five years thereafter and automatically in certain circumstances	N/A
27	N/A	10,000,000	nil	nil	An amount equal to the sum of the three-month Government of Canada Treasury Bill Rate plus 2.31%	March 31, 2017	25.00 for redemptions on March 31, 2022 and on March 31 every five years thereafter; 25.50 otherwise	Into Series 26 on a one-for-one basis on March 31, 2022 and on March 31 every five years thereafter and automatically in certain circumstances	N/A
28	BAM.PR.X	9,890,000	9,400,000	235	4.6% until June 30, 2017; there-after the Annual Fixed Dividend Rate for each 5-year fixed rate period will be the sum of the 5-year Government of Canada bond yield plus 1.80%	June 30, 2017	25.00	Into Series 29 on a one-for-one basis on June 30, 2017 and on June 30 every five years thereafter and automatically in certain circumstances	N/A
29	N/A	9,890,000	nil	nil	An amount equal to the sum of the three-month Government of Canada Treasury Bill Rate plus 1.80%	June 30, 2017	25.00 for redemptions on June 30, 2022 and on June 30 every five years thereafter, 25.50 otherwise	Into Series 28 on a one-for-one basis on June 30, 2022 and on June 30 every five years thereafter and automatically in certain circumstances	N/A

Notes:

1 *Rounded to the nearest million.*

2 *Together with accrued and unpaid dividends.*

4 *The holder's conversion option is subject to the right of the Corporation to (i) redeem all or part of or (ii) cause the holder to sell to another purchaser(s) all or part of such shares.*

Series	Ticker	Authorized	Issued and Outstanding	Amount (C$ millions) [1]	Cumulative Dividend Rate	Earliest Redemption Date	Redemption Price Per Share (C$) [2]	Holder's Conversion Option	Corporation's Conversion Option
30	BAM PR.Z	10,000,000	10,000,000	250	4.8% until December 31, 2017; thereafter the Annual Fixed Dividend Rate for each 5-year fixed rate period will be the sum of the 5-year Government of Canada bond yield plus 2.96%	December 31, 2017	25.00	Into Series 31 on a one-for-one basis on December 31, 2017 and on December 31 every five years thereafter and automatically in certain circumstances	N/A
31	N/A	10,000,000	nil	nil	An amount equal to the sum of the three-month Government of Canada Treasury Bill Rate plus 2.96%	December 31, 2017	25.00 for redemptions on December 31, 2022 and on December 31 every five years thereafter; 25.50 otherwise	Into Series 30 on a one-for-one basis on December 31, 2022 and on December 31 every five years thereafter and automatically in certain circumstance	N/A
32	BAM.PF.A	12,000,000	12,000,000	300	4.50% until September 30, 2018; thereafter the Annual Fixed Dividend Rate for each 5-year fixed rate period will be the sum of the 5-year Government of Canada bond yield plus 2.90%	September 30, 2018	25 00	Into Series 33 on a one-for-one basis on September 30, 2018 and on September 30 every five years thereafter and automatically in certain circumstances	N/A
33	N/A	12,000,000	nil	nil	An amount equal to the sum of the three-month Government of Canada Treasury Bill Rate plus 2 90%	September 30, 2018	25.00 for redemptions on September 30, 2023 and on September 30 every five years thereafter; 25.50 otherwise	Into Series 32 on a one-for-one basis on September 30, 2023 and on September 30 every five years thereafter and automatically in certain circumstances	N/A
34	BAM PF.B	10,000,000	10,000,000	250	4.2% until March 31, 2019; thereafter the Annual Fixed Dividend Rate for each 5-year fixed rate period will be the sum of the 5-year Government of Canada bond yield plus 2 63%	March 31, 2019	25.00	Into Series 35 on a one-for-one basis on March 31, 2019 and on March 31 every five years thereafter and automatically in certain circumstances	N/A
35	N/A	10,000,000	nil	nil	An amount equal to the sum of the three-month Government of Canada Treasury Bill Rate plus 2 63%	March 31, 2019	25 00 for redemptions on March 31, 2024 and on March 31 every five years thereafter, 25 50 otherwise	Into Series 34 on a one-for-one basis on March 31, 2024 and on March 31 every five years thereafter and	N/A

								automatically in certain circumstances	
36	BAM PF.C	8,000,000	8,000,000	200	4.85%	March 31, 2018	26.00 if before March 31, 2019, with annual 0.25 decreases until March 31, 2022; 25.00 thereafter	N/A	N/A
37	BAM.PF.D	8,000,000	8,000,000	200	4.9%	September 30, 2018	26.00 if before September 30, 2019, with annual 0.25 decreases until September 30, 2022; 25.00 thereafter	N/A	N/A
38	BAM.PF.E	8,000,000	8,000,000	200	4.4% until March 31, 2020; thereafter the Annual Fixed Dividend Rate for each 5-year fixed rate period will be the sum of the 5-year Government of Canada bond yield plus 2.55%	March 31, 2020	25.00	Into Series 39 on a one-for-one basis on March 31, 2020 and on March 31 every five years thereafter and automatically in certain circumstances	N/A
39	N/A	8,000,000	nil	nil	An amount equal to the sum of the three-month Government of Canada Treasury Bill Rate plus 2.55%	March 31, 2020	25.00 for redemptions on March 31, 2025 or March 31 every five years thereafter; 25.50 otherwise	Into Series 38 on a one-for-one basis on March 31, 2025 and on March 31 every five years thereafter and automatically in certain circumstances	N/A

Notes:

1 Rounded to the nearest million.

2 Together with accrued and unpaid dividends.

Voting Rights

Except as indicated below, holders of all series of Class A Preference Shares are only entitled to receive notice of and to attend all meetings of shareholders at which directors are to be elected and to one vote in the election of directors in respect of each such share if eight quarterly dividends [1], whether or not consecutive, are not paid [2]. When entitled to vote, holders will vote with the holders of Class A Shares and, in certain circumstances, with the holders of certain other series of the Class A Preference Shares in the election of one-half of the Board (less the number of directors which the holders of Class A Preference Shares, Series 1, 2 and 3 may be entitled to elect).

Holders of Class A Preference Shares, Series 1, Series 2 or Series 3 are only entitled to receive notice of and to attend all meetings of shareholders and to one vote in respect of each such share if dividends on such shares have not been paid for two years. In addition, if dividends have not been paid for two years, holders of such shares are entitled to elect (i) two members of the Board of the Corporation if the Board has seven or fewer directors or (ii) three members of the Board if the Board has more than seven members. When entitled to vote in the election of directors, holders will vote with the holders of Class A Shares and, in certain circumstances, with the holders of certain other series of the Class A Preference Shares in the election of one-half of the Board.

Holders of Class A Preference Shares, Series 14 ("Series 14") are only entitled to receive notice of and to attend all meetings of shareholders at which directors are to be elected if 24 monthly dividends, in the aggregate, are not paid. When entitled to vote, holders will vote in the election of directors and shall be entitled to four votes in respect of each C$100.00 of Series 14 shares held. At any other meeting of Class A Preference Shares, or a joint meeting of the two or more series of Class A Preference Shares, each Series 14 holder will have four votes.

Holders of Class A Preference Shares, Series 19 ("Series 19") are entitled to receive notice of, and to attend and vote at, all meetings of the shareholders, other than meetings at which holders of only a specified class or series may vote, and shall be entitled to one vote per Series 19 share held.

Holders of Class A Preference Shares, Series 20 ("Series 20") shall not be entitled to receive notice of, to attend or to vote at any meeting of shareholders, except as required by law and except for meetings of the holders of Class A Preference Shares as a class and meetings of all holders of Series 20 shares, as a series.

Rights on Liquidation, Dissolution and Winding Up

Holders of Class A Preference Shares are entitled to C$25.00 [3] per share (plus accrued and unpaid dividends) in priority to any distribution to holders of shares ranking junior as to capital. Upon such payment, holders of Class A Preference Shares are not be entitled to share in any further distribution of assets of the Corporation.

Restrictions on Dividends and Retirement of Shares

Without the approval of holders of the applicable series of Class A Preference Shares in each case, and except as noted below, the
Corporation will not:

a) declare, pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the applicable series of Class A Preference Shares) on shares of the Corporation ranking junior to the applicable series of Class A Preference Shares;

b) except out of the net cash proceeds of a substantially concurrent issue of shares ranking junior to the applicable series of Class A Preference Shares, redeem, purchase or otherwise retire or make any return of capital in respect of shares of the Corporation ranking junior to the applicable series of Class A Preference Shares;

c) except pursuant to any retraction privilege, mandatory redemption or purchase obligation attaching thereto, redeem, purchase or otherwise retire or make any return of capital in respect of any shares of any class or series ranking on a parity with the applicable series of Class A Preference Shares;

d) redeem, purchase or otherwise retire or make any return of capital in respect of less than all of the applicable series of Class A Preference Shares [4]; or

e) with respect to the applicable series of Class A Preference Shares, issue any additional Class A Preference Shares or any

shares ranking on parity as to dividends or capital with the applicable series of Class A Preference Shares [5];

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[1] *24 monthly dividends in the case of Class A Preference Shares, Series 15.*

[2] *In the case of holders of Class A Preference Shares, Series 8, 9 and 16, such holders are only entitled to vote at a meeting which takes place more than 60 days after the date of such failure to pay dividends.*

[3] *Holders of Class A Preference Shares, Series 3 are entitled to C$100,000.00; holders of Series 14 shares are entitled to C$100.00; holders of Series 19 and Series 20 shares are entitled to C$10.00.*

[4] *This provision does not apply to Class A Preference Shares, Series 7, 17, 18 and 21.*

[5] *This provision does not apply to Class A Preference Shares, Series 1, 2, 3, 4, 7, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37 and 38.*

unless, in each such case, all outstanding dividends on the applicable series of Class A Preference Shares, and those on all other shares ranking prior to or on parity with, accrued up to and including the dividend payable for the last completed period for which dividends were payable, shall have been declared and paid.

Without the approval of holders of the Series 19 or Series 20 shares, as applicable, the Corporation will not redeem or call for redemption and/or purchase and/or make any capital distribution in respect of any shares ranking junior to the Series 19 or Series 20 shares, as applicable, in respect of a Distribution of Assets (as defined in the articles) except entirely through the issuance of shares ranking junior to the Series 19 or Series 20 shares, as applicable, or through the use of proceeds from an issuance of shares ranking junior to the Series 19 or Series 20 shares, as applicable.

Purchase for Cancellation

Subject to applicable law, the Corporation may generally purchase (if obtainable) for cancellation the whole or any part of the applicable series of Class A Preference Shares in the open market or by private agreement or otherwise.

Shareholder Approvals [6]

Approval of all amendments to the rights, privileges, restrictions and conditions attaching to the applicable series of Class A Preference Shares and any other approval to be given by the holders of the applicable series of Class A Preference Shares may be given by a resolution carried by at least 66 2/3% of the votes cast at a meeting where the required quorum [7] is present.

CERTAIN PROVISIONS OF THE CLASS AA PREFERENCE SHARES

The following is a summary of certain provisions attaching to or affecting the Class AA Preference Shares as a class.

Series

The Class AA Preference Shares may be issued from time to time in one or more series. The Board of the Corporation will fix the number of shares in each series and the provisions attached to each series before issue.

Priority

The Class AA Preference Shares rank junior to the Class A Preference Shares and senior to the Class A Shares, the Class B Shares and other shares ranking junior to the Class AA Preference Shares with respect to priority in the payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs. Each series of Class AA Preference Shares ranks on a parity with every other series of Class AA Preference Shares with respect to priority in the payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs.

Shareholder Approvals

The Corporation shall not delete or vary any preference, right, condition, restriction, limitation or prohibition attaching to the Class AA Preference Shares as a class except by special resolution passed by at least 66 2/3% of the votes cast at a meeting of the holders of the Class AA Preference Shares duly called for that purpose, in accordance with the provisions of the articles of the Corporation.

Each holder of Class AA Preference Shares entitled to vote at a class meeting of holders of Class AA Preference Shares, or at a joint meeting of the holders of two or more series of Class AA Preference Shares, has one vote in respect of each C$25.00 of the issue price of each Class AA Preference Share held by such holder.

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6 *This provision does not apply to Class A Preference Shares, Series 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15 and 16.*

7 *The required quorum for Class A Preference Shares, Series 32, 33, 34, 35, 36, 37, 38 and 39 is holders of at least 25% of the outstanding shares present in person or represented by proxy. The required quorum for all other Class A Preference*

Shares is 50% of the outstanding shares present in person or represented by proxy.

CERTAIN PROVISIONS OF THE CLASS A SHARES AND THE CLASS B SHARES

The following is a summary of certain provisions attaching to or affecting the Class A Shares (into which certain series of the Corporation's Preference Shares may be converted) and the Class B Shares. The attributes of the Class A Shares and the Class B
Shares are substantially equivalent, except for the differing voting rights attached to the two classes of shares.

The sole holder of the Class B Shares of the Corporation is a party to a trust agreement with Computershare Trust Corporation of Canada (formerly, Montreal Trust Corporation of Canada) (as trustee for the holders of the Corporation's Class A Shares) dated
August 1, 1997. The trust agreement provides, among other things, that the holder has agreed not to sell any Class B Shares, directly or indirectly, pursuant to a takeover bid, unless a concurrent bid is made to all holders of Class A Shares. The concurrent offer must be: (i) for the same percentage of Class A Shares as the percentage of Class B Shares offered to be purchased from the holder; and (ii) the same in all material respects as the offer for the Class B Shares. Among other things, the trust agreement permits: (i) a sale by the sole holder of Class B Shares at a price per share less than 115% of the market price of Class A Shares and as part of a transaction involving not more than five persons in the aggregate; and (ii) a direct or indirect sale of shares of the sole holder of the Class B Shares to a purchaser who is or will become a shareholder of that holder and will not hold more than 20% of that holder's outstanding shares as a result of the transaction.

Priority

Subject to the prior rights of the holders of the Class A Preference Shares, the Class AA Preference Shares and any other senior-ranking shares outstanding from time to time, holders of Class A Shares and Class B Shares rank on a parity with each other with respect to the payment of dividends (if, as and when declared by the Board of the Corporation) and the return of capital on the liquidation, dissolution or winding up of the Corporation or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs.

Voting Rights

Except as set out below under "Election of Directors," each holder of Class A Shares and Class B Shares is entitled to notice of, and to attend and vote at, all meetings of the Corporation's shareholders, other than meetings at which holders of only a specified class or series may vote, and shall be entitled to cast one vote per share. Subject to applicable law and in addition to any other required shareholder approvals, all matters to be approved by shareholders (other than the election of directors), must be approved: by a majority or, in the case of matters that require approval by a special resolution of shareholders, at least 66 2/3%, of the votes cast by holders of Class A Shares who vote in respect of the resolution or special resolution, as the case may be; and by a majority or, in the case of matters that require approval by a special resolution of shareholders, at least 66 2/3%, of the votes cast by holders of Class B Shares who vote in respect of the resolution or special resolution, as the case may be.

Election of Directors

In the election of directors, holders of Class A Shares, together, in certain circumstances, with the holders of certain series of Class A Preference Shares, are entitled to elect one-half of the Board of the Corporation, provided that if the holders of Class A Preference Shares, Series 1, Series 2 or Series 3 become entitled to elect two or three directors, as the case may be, the numbers of directors to be elected by holders of Class A Shares, together, in certain circumstances with the holders of certain series of Class A Preference Shares, shall be reduced by the number of directors to be elected by holders of Class A Preference Shares, Series 1,
Series 2 and Series 3. Holders of Class B Shares are entitled to elect the other one-half of the Board of the Corporation.

OTHER PROVISIONS REGARDING THE SHARE CAPITAL OF THE CORPORATION

The Corporation's articles provide that each holder of shares of a class or series of shares of the Corporation entitled to vote in an election of directors has the right to cast a number of votes equal to the number of votes attached to the shares held by the holder multiplied by the number of directors to be elected by the holder and the holders of shares of the classes or series of shares entitled to vote with the holder in the election of directors. A holder may cast all such votes in favour of one candidate or distribute such votes among its candidates in any manner the holder sees fit. Where a holder has voted for more than one candidate without specifying the distribution of votes among such candidates, the holder shall be deemed to have divided the holder's votes equally among the candidates for whom the holder voted.

APPENDIX C

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF THE CORPORATION

A committee of the board of directors (the "Board") of Brookfield Asset Management Inc. (the "Corporation") to be known as the Audit Committee (the "Committee") shall have the following terms of reference:

MEMBERSHIP AND CHAIR

Following each annual meeting of shareholders, the Board shall appoint from its number three or more directors (the "Members" and each a "Member") 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 occurs first.

The Members will be selected by the Board on the recommendation of the Governance and Nominating Committee of the Corporation (the "Governance and Nominating Committee"). Any Member may be removed from office or replaced at any time by the Board. All of the Members will be Independent Directors. In addition, every Member will be Financially Literate and at least one Member will be an Audit Committee Financial Expert. Members may not serve on more than three other public company audit committees, except with the prior approval of the Board.

The Board shall appoint one Member as the chair of the Committee (the "Chair"). If the Chair is absent from a meeting, the Members shall select a Member from those in attendance to act as Chair of the meeting.

RESPONSIBILITIES

The Committee shall:

(a) oversee the work of the Corporation's external auditor (the "auditor") engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation;

(b) require the Corporation's internal audit function and auditor to report directly to the Committee;

(c) review and evaluate the auditor's independence, experience, qualifications and performance and determine whether the auditor should be appointed or re-appointed and nominate the auditor for appointment or re-appointment by the shareholders;

(d) where appropriate, terminate the auditor;

(e) when a change of auditor is proposed, review all issues related to the change, including the information to be included in the notice of change of auditor required, and the orderly transition of such change;

(f) review the terms of the auditor's engagement and the appropriateness and reasonableness of the proposed audit fees;

(g) at least annually, obtain and review a report by the auditor describing:

  (i) the auditor's internal quality-control procedures; and

  (ii) any material issues raised by the most recent internal quality control review, or peer review, of the auditor, or review by any independent oversight body such as the Canadian Public Accountability Board or the Public Company Accounting Oversight Board, or governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the auditor, and the steps taken to deal with any issues raised in any such review;

(h) at least annually, confirm that the auditor has submitted a formal written statement describing all of its relationships with the Corporation; discuss with the auditor any disclosed relationships or services that may affect its objectivity and independence; obtain written confirmation from the auditor that it is objective within the meaning of the Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of chartered accountants to which it belongs and is an independent public accountant within the meaning of the federal securities legislation administered by the United States Securities and Exchange Commission and of the Independence Standards of the Canadian Institute of Chartered Accountants, and is in compliance with any independence requirements adopted by the Public Company Accounting Oversight Board; and, confirm that the auditor has complied with applicable laws with the rotation of certain members of the audit engagement team;

(i) review and evaluate the lead partner of the auditor;

(j) ensure the regular rotation of the audit engagement team members as required by law, and periodically consider whether there should be regular rotation of the auditor;

(k) meet privately with the auditor as frequently as the Committee feels is appropriate to fulfill its responsibilities, which will not be less frequently than annually, to discuss any items of concern to the Committee or the auditor, including:

(i) planning and staffing of the audit;

(ii) any material written communications between the auditor and management;

(iii) whether or not the auditor is satisfied with the quality and effectiveness of financial recording procedures and systems;

(iv) the extent to which the auditor is satisfied with the nature and scope of its examination;

(v) whether or not the auditor has received the full co-operation of management of the Corporation;

(vi) the auditor's opinion of the competence and performance of the Chief Financial Officer and other key financial personnel of the Corporation;

(vii) the items required to be communicated to the Committee in accordance with generally accepted auditing standards;

(viii) all critical accounting policies and practices to be used by the Corporation;

(ix) all alternative treatments of financial information within International Financial Reporting Standards ("IFRS") that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the auditor;

(x) any difficulties encountered in the course of the audit work, any restrictions imposed on the scope of activities or access to requested information, any significant disagreements with management and management's response; and

(xi) any illegal act that may have occurred and the discovery of which is required to be disclosed to the Committee pursuant to paragraphs 240.41-42 and 250.22-24 of the Canadian Auditing Standards and the United States Securities Exchange Act of 1934, as amended;

(l) pre-approve or approve, if permitted by law, the appointment of the auditor to provide any audit service or non-prohibited non-audit service and, if desired, establish detailed policies and procedures for the pre-approval of audit services and non-prohibited non-audit services by the auditor. The Committee may delegate this responsibility to one or more Members to the extent permitted by applicable law provided that any pre-approvals granted pursuant to such delegation must be detailed as to the particular service to be provided, may not delegate Committee responsibilities to management and must be reported to the full Committee at its next scheduled meeting;

(m) resolve any disagreements between management and the auditor regarding financial reporting;

(n) prior to disclosure to the public, review, and, where appropriate, recommend for approval by the Board, the following:

(i) audited annual financial statements, in conjunction with the report of the external auditor;

(ii) interim financial statements;

(iii) annual and interim management discussion and analysis of financial condition and results of operation;

(iv) reconciliations of the annual or interim financial statements; and

(v) all other audited or unaudited financial information contained in public disclosure documents, including without limitation, any prospectus, or other offering or public disclosure documents and financial statements required by regulatory authorities;

(o) discuss earnings press releases and other press releases containing financial information (to ensure consistency of the disclosure to the financial statements), as well as financial information and earnings guidance provided to analysts and rating agencies including the use of "pro forma" or "adjusted" non-IFRS information in such press

releases and financial information. Such review may consist of a general discussion of the types of information to be disclosed or the types of presentations to be made;

(p) review the effect of regulatory and accounting initiatives, as well as any asset or debt financing activities of the Corporation's unconsolidated subsidiaries that are not required under IFRS to be incorporated into the Corporation's financial statements (commonly known as "off-balance sheet financing");

(q) review disclosures made to the Committee by the Chief Executive Officer and Chief Financial Officer of the Corporation during their certification process for applicable securities law filings about any significant deficiencies and material weaknesses in the design or operation of the Corporation's internal control over financial reporting which are reasonably likely to adversely affect the Corporation's ability to record, process, summarize and report financial information, and any fraud involving management or other employees;

(r) review the effectiveness of management's policies and practices concerning financial reporting, any proposed changes in major accounting policies, the appointment and replacement of management responsible for financial reporting and the internal audit function;

(s) review the adequacy of the internal controls that have been adopted by the Corporation to safeguard assets from loss and unauthorized use and to verify the accuracy of the financial records and any special audit steps adopted in light of material control deficiencies;

(t) meet privately with the person responsible for the Corporation's internal audit function as frequently as the Committee feels appropriate to fulfill its responsibilities, which will not be less frequently than annually, to discuss any items of concern;

(u) review the mandate, budget, planned activities, staffing and organizational structure of the internal audit function (which may be outsourced to a firm other than the auditor) to confirm that it is independent of management and has sufficient resources to carry out its mandate. The Committee will discuss this mandate with the auditor, review the appointment and replacement of the person in charge of the Corporation's internal audit and review the significant reports to management prepared by the internal auditor and management's responses;

(v) review the controls and procedures that have been adopted to confirm that material financial information about the Corporation and its subsidiaries that is required to be disclosed under applicable law or stock exchange rules is disclosed, review the public disclosure of financial information extracted or derived from the Corporation's financial statements and periodically assess the adequacy of such controls and procedures and review process;

(w) review periodically, the status of taxation matters of the Corporation;

(x) set clear policies for hiring partners and employees and former partners and employees of the external auditor;

(y) review risks of fraud related to financial reporting that come to the attention of the Committee, either through a referral of the Risk Management Committee of the Corporation or otherwise; and

(z) consider other matters of a financial nature as directed by the Board.

Limitation of Audit Committee Role

The Committee's function is one of oversight. The Corporation's management is responsible for preparing the Corporation's financial statements and, along with the internal audit function, for developing and maintaining systems of internal accounting and financial controls. The auditor will assist the Committee and the Board in fulfilling their responsibilities for review of the financial statements and internal controls, and the auditor will be responsible for the independent audit of the financial statements. The Committee expects the auditor to call to its attention any accounting, auditing, internal accounting control, regulatory or other related matters that the auditor believes warrant consideration or action. The Committee recognizes that management in the Corporation's finance & treasury group and the internal and independent audit teams have more knowledge and information about the Corporation's financial affairs than do the Committee's members. Accordingly, in carrying out its oversight responsibilities, the Committee does not provide any expert or special assurance as to the Corporation's financial statements or internal controls or any professional certification as to the auditor's work.

REPORTING

The Committee will regularly report to the Board on:

(a) the auditor's independence;

(b) the performance of the auditor and the Committee's recommendations regarding its reappointment or termination;

(c) the performance of the internal audit function department;

(d) the adequacy of the Corporation's internal controls and disclosure controls;

(e) its recommendations regarding the annual and interim financial statements of the Corporation and any reconciliation of the Corporation's financial statements, including any issues with respect to the quality or integrity of the financial statements;

(f) its review of any other public disclosure document including the annual report and the annual and interim management's discussion and analysis of financial condition and results of operations;

(g) the Corporation's compliance with legal and regulatory requirements, particularly those related to financial reporting; and

(h) all other significant matters it has addressed and with respect to such other matters that are within its responsibilities.

COMPLAINTS PROCEDURE

The Committee will establish and periodically review a procedure for the receipt, retention, treatment and follow-up of complaints received by the Corporation regarding accounting, internal controls, disclosure controls or auditing matters and a procedure for the confidential, anonymous submission of concerns by employees of the Corporation regarding such matters.

REVIEW AND DISCLOSURE

The Committee will review this Charter at least annually and submit it to the Governance and Nominating Committee together with any proposed amendments. The Governance and Nominating Committee will review this Charter and submit it to the Board for approval with such further amendments as it deems necessary and appropriate.

This Charter will be posted on the Corporation's website at *www.brookfield.com.* The Management Information Circular of the Corporation will state that this Charter is available on the Corporation's website. This Charter will also be reproduced in full as an appendix to the Corporation's Annual Information Form.

ASSESSMENT

At least annually, the Governance and Nominating Committee will review the effectiveness of this Committee in fulfilling its responsibilities and duties as set out in this Charter and in a manner consistent with the corporate governance guidelines adopted by the Board. The Committee will also conduct its own assessment of the Committee's performance on an annual basis.

ACCESS TO OUTSIDE ADVISORS AND SENIOR MANAGEMENT

The Committee may retain any outside advisor, including legal counsel, at the expense of the Corporation, without the Board's approval, at any time. The Committee has the authority to determine any such advisor's fees and any other retention terms.

The Corporation will provide for appropriate funding, for payment of compensation to any auditor engaged to prepare or issue an audit report or perform other audit, review or attest services, and ordinary administrative expenses of the Committee.

Members will meet privately with senior management as frequently as they feel is appropriate to fulfill the Committee's responsibilities, but not less than annually.

MEETINGS

Meetings of the Committee may be called by any Member, the Chair of the Board, the Chief Executive Officer or Chief Financial Officer of the Corporation, the internal auditor or the auditor. Meetings will be held each quarter and at such additional times as is necessary for the Committee to fulfill its responsibilities. The Committee shall appoint a secretary to be the secretary of each meeting of the Committee and to maintain minutes of the meeting and deliberations of the Committee.

The powers of the Committee shall be exercisable at a meeting at which a quorum is present. A quorum shall be not less than a majority of the Members from time to time. Matters decided by the Committee shall be decided by majority vote. Subject to the foregoing, the Business Corporations Act (Ontario) and the by-laws of the Corporation, and, unless otherwise determined by the Board, the Committee shall have the power to regulate its procedure.

Notice of each meeting shall be given to each Member, the internal auditor, the auditor, and to the Chair of the Board and the Chief Executive Officer of the Corporation. Notice of meeting may be given orally or by letter, electronic mail, telephone or

other generally accepted means not less than 24 hours before the time fixed for the meeting. Members may waive notice of any meeting and attendance at a meeting is deemed waiver of notice. The notice need not state the purpose or purposes for which the meeting is being held.

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. The Committee may require the auditors and/or members of the Corporation's management to attend any or all meetings.

DEFINITIONS

Capitalized terms used in this Charter and not otherwise defined have the meaning attributed to them below:

"**affiliate**" of any person means any other person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such person.

"**Audit Committee Financial Expert**" means a person who has the following attributes:

(a) an understanding of generally accepted accounting principles and financial statements;

(b) the ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves;

(c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising one or more persons engaged in such activities;

(d) an understanding of internal controls and procedures for financial reporting; and

(e) an understanding of audit committee functions;

acquired through any one or more of the following:

(i) education and experience as a principal financial officer, principal accounting officer, controller, public accountant or auditor or experience in one or more positions that involve the performance of similar functions;

(ii) experience actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions;

(iii) experience overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing or evaluation of financial statements; or

(iv) other relevant experience.

"**Financially Literate**" means the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

"**Independent Director**" means a director who has been affirmatively determined by the Board to have no material relationship with the Corporation, either directly or as a partner, shareholder or officer of an organization that has a relationship with the Corporation. In addition to any other requirement of applicable securities laws or stock exchange provisions, a director who:

(a) is or was an employee or executive officer, or whose immediate family member is or was an executive officer, of the Corporation is not independent until three years after the end of such employment relationship;

(b) is receiving or has received, or whose immediate family member is receiving or has received, during any 12-month period within the last three years more than C$75,000 in direct compensation from the Corporation, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service), is not independent;

(c) is or was a partner of, affiliated with or employed by, or whose immediate family member is or was a partner of or employed in a professional capacity by, a present or former internal or external auditor of the Corporation is not independent until three years after the end of the affiliation, partnership or employment relationship with the auditor;

(d) is or was employed as, or whose immediate family member is or was employed as, an executive officer of another company (or its parent or a subsidiary) where any of the present (at the time of review) executive officers of the Corporation serve or served on that company's (or its parent's or a subsidiary's) compensation committee, is not independent until three years after the end of such service or the employment relationship; and

(e) is an executive officer or an employee of, or whose immediate family member is an executive officer of, another company (or its parent or a subsidiary) that has made payments to, or received payments from, the Corporation for property or services in an amount which, in any of the last three fiscal years exceeds the greater of US$1 million or 2% of such other company's consolidated gross revenues, in each case, is not independent until three years after falling below such threshold.

Additionally, an Independent Director for the purpose of the Committee specifically may not:

(f) accept directly or indirectly any consulting, advisory, or other compensatory fee from the Corporation, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service); or

(g) be an affiliated person of the Corporation (within the meaning of applicable rules and regulations).

For the purposes of the definition of Independent Director, the term Corporation includes any parent, subsidiary or other affiliated entity of the Corporation.

In addition to the requirements for independence set out in paragraph (c) above, Members must disclose any other form of association they have with a current or former external or internal auditor of the Corporation to the Governance and Nominating Committee for a determination as to whether this association affects the Member's status as an Independent Director.

This Charter of the Audit Committee was reviewed and approved by the board of directors of the Corporation on February 13, 2014.

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EX-99.2 3 d692712dex992.htm EX-99.2

Exhibit 99.2

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS

Our Management's Discussion and Analysis ("MD&A") is provided to enable a reader to assess our results of operations and financial condition for the fiscal year ended December 31, 2013. This MD&A should be read in conjunction with our 2013 annual consolidated financial statements and related notes and is dated March 28, 2014. Unless the context indicates otherwise, references in this Report to the "Corporation" refer to Brookfield Asset Management Inc., and references to "Brookfield," "us," "we," "our" or "the company" refer to the Corporation and its direct and indirect subsidiaries and consolidated entities. All amounts are in U.S. dollars, and are based on financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board unless otherwise noted.

Additional information about the company, including our 2013 Annual Information Form, is available free of charge on our website at www.brookfield.com, on the Canadian Securities Administrators' website at www.sedar.com and on the EDGAR section of the U.S. Securities and Exchange Commission's ("SEC") website at www.sec.gov.

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Part 1 provides an overview of our business, including a discussion of our strategy, and the economic environment and outlook at the time of writing. This section also contains information on the basis of presentation of financial information contained in the MD&A and key financial measures.

Part 2 provides an overview of our annual and fourth quarter financial results utilizing key financial measures contained in our Consolidated Statements of Operations, Other Comprehensive Income and Consolidated Balance Sheets over the past three years including a discussion of variances between the periods.

Part 3 is a discussion of the results of our various operating segments based on key financial measures, including certain non-IFRS

measures such as Funds from Operations and Net Operating Income. We also utilize key operating metrics in the discussion.

Part 4 reviews our capitalization and liquidity profile.

Part 5 discusses our operating capabilities and a number of key risks associated with our business and our issued securities. Further information on risks is contained in our Annual Information Form.

Part 6 contains additional information on our accounting policies, internal control environment and related party transactions.

STATEMENT REGARDING FORWARD-LOOKING STATEMENTS AND USE OF NON-IFRS MEASURES

This MD&A contains forward-looking information within the meaning of Canadian provincial securities laws and applicable regulations and "forward-looking statements" within the meaning of the "safe harbour" provisions of the United States Private Securities Litigation Reform Act of 1995. We may make such statements in the Report, in other filings with Canadian regulators or the U.S. Securities and Exchange Commission or in other communications. See "Cautionary Statement Regarding Forward-Looking Statements and Information" on page 146.

We disclose a number of financial measures in this MD&A that are calculated and presented using methodologies other than in accordance with IFRS. We utilize these measures in managing the business, including performance measurement, capital allocation and valuation purposes and believe that providing these performance measures on a supplemental basis to our IFRS results is helpful to investors in assessing the overall performance of our businesses. These financial measures should not be considered as a substitute for similar financial measures calculated in accordance with IFRS. We caution readers that these non-IFRS financial measures may differ from the calculations disclosed by other businesses, and as a result, may not be comparable to similar measures presented by others. Reconciliations of these non-IFRS financial measures to this most directly comparable financial measures calculated and presented in accordance with IFRS, where applicable, are included within this MD&A.

Information contained in or otherwise accessible through the websites mentioned does not form part of this Report All references in this Report to websites are inactive textual references and are not incorporated by reference

PART 1 – OVERVIEW AND OUTLOOK

OUR BUSINESS

Brookfield is a global alternative asset manager with over $175 billion in assets under management. For more than 100 years we have owned and operated assets on behalf of shareholders and clients with a focus on property, renewable energy, infrastructure and private equity.

We manage a wide range of investment funds and other entities that enable institutional and retail clients to invest alongside us in these assets. As at December 31, 2013, our managed funds and entities represented approximately $80 billion of invested and committed fee bearing capital, of which $26 billion was from Brookfield. These products include publicly traded entities that are listed on major stock exchanges as well as private institutional partnerships that are available to accredited investors, typically pension funds, endowments and other institutional investors. We also manage public securities through a series of segregated accounts and mutual funds.

Our business model is simple: utilize our global reach to identify and acquire high-quality assets at favourable valuations, finance them on a long-term basis, enhance the cash flows and values of these assets through our operating platforms to earn reliable, attractive long-term total returns, and when opportunities arise realize capital from asset sales or refinancings.

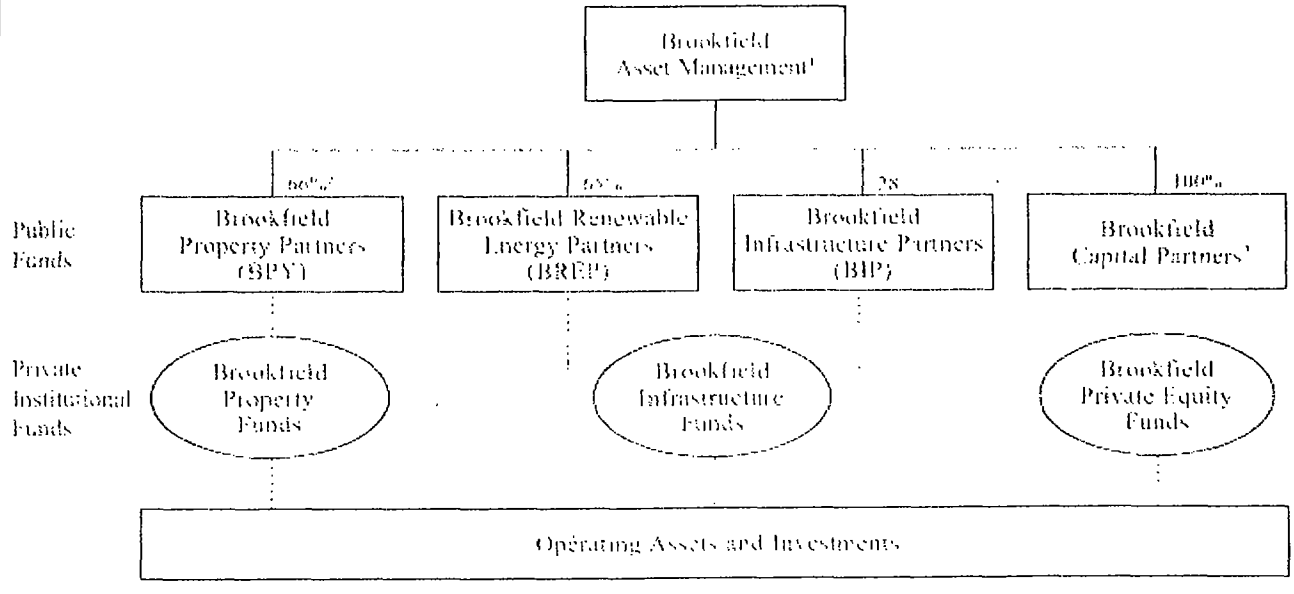
Organization Structure

Our operations are organized into four principal groups ("operating platforms"): property, renewable energy, infrastructure and private equity. These platforms are responsible for operating the assets owned by our various funds and investee companies. The equity capital invested in these assets is provided by a series of listed and private funds managed by us that are in turn funded by capital from ourselves and our clients.

We have formed large capitalization listed entities in each of our property, renewable energy and infrastructure segments, which serve as the primary vehicles through which we will invest in each respective segment. As well as owning assets directly, these entities serve as the cornerstone investors in our institutional private funds, alongside capital committed by institutional investors. For example, within our infrastructure operations, we have established Brookfield Infrastructure Partners L.P. ("BIP" or "Brookfield Infrastructure Partners"), a publicly listed entity that currently has a $8.2 billion market capitalization. In addition to owning and operating a portfolio of infrastructure assets, BIP is also the cornerstone investor in our Brookfield Infrastructure Fund II, a private investment partnership with $7.0 billion of committed capital. This approach enables us to attract a broad range of public and private investment capital and the ability to match our various investment strategies with the most appropriate form of capital. Our private equity business is conducted primarily through private funds with capital provided by institutions and ourselves. We do not currently envisage the formation of a listed entity within these operations as we do not believe these investments would be properly valued in the capital markets on a standalone basis.

Our balance sheet capital is invested primarily in our three flagship listed issuers, our private equity funds, and in several directly held investments and businesses.

The following chart is a condensed version of our organizational structure.



1 [illegible]
2 [illegible]

STRATEGY AND VALUE CREATION

Our business is centred around on the ownership and operation of real assets, which we define as long-lived, hard assets that form the critical backbone of economic activity, including property, renewable energy and infrastructure facilities. Whether they provide high-quality office or retail space in major urban markets, generate reliable clean electricity, or transport goods and resources between key locations, these assets play an essential role within the global economy. Additionally, these assets typically benefit from some form of barrier to entry, regulatory regime or other competitive advantage that provide for relatively stable cash flow streams, strong operating margins and value appreciation over the longer term.

We currently own and manage one of the world's largest portfolios of real assets. We have established a variety of investment products through which our clients can invest in these assets, including both listed entities and private funds. We actively invest our own capital alongside our clients, ensuring a meaningful alignment of interests.

We are active managers of capital. We strive to add value by judiciously and opportunistically reallocating capital among our businesses to continuously increase returns. Our operating platforms include over 28,000 employees worldwide who are instrumental in maximizing the value and cash flows from our assets. As Real Asset operations tend to be industry-specific and often driven by complex regulations, we believe operational experience is necessary in order to maximize efficiency and productivity. Our track record shows that we can add meaningful value and cash flow through "hands-on" operational expertise, whether through the negotiation of property leases, energy contracts or regulatory agreements, or through a focus on optimizing asset development, operations or other activities.

We finance our operations on a long-term, investment-grade basis, typically employing stand-alone asset-by-asset financing with minimal recourse to other parts of the organization. We also strive to maintain excess liquidity at all times in order to respond to opportunities as they arise. This provides us with considerable stability and enables our management teams to focus on operations and other growth initiatives. It also improves our ability to withstand financial downturns and provides the strength and flexibility to capitalize upon attractive opportunities.

We prefer to invest when capital is less available to a specific market or industry and in situations that tend to require a broader range of expertise and be more challenging to execute. We believe these situations provide much more attractive valuations than competitive auctions and we have considerable experience in this specialized field.

We maintain development and capital expansion capabilities and a large pipeline of attractive opportunities. This provides flexibility in deploying growth capital, as we can invest in both acquisitions and organic developments, depending on the relative attractiveness of returns.

As an asset manager, we create value for shareholders in the following ways:

- We offer attractive investment opportunities to our clients through our managed funds and entities that will, in turn, enable us to earn base management fees based on the amount of capital that we manage, and additional returns such as incentive distributions and carried interests based on our performance. Accordingly, we create value by increasing the amount of capital under management and by achieving strong investment performance that leads to increased cash flows and asset values.
- We invest significant amounts of our own capital, alongside our clients in the same assets. This differentiates us from many of our competitors, creates a strong alignment of interest with our clients and enables us to create value by directly participating in the cash flows and value increases generated by these assets, in addition to the performance returns that we earn as the manager.
- Our operating capabilities enable us to increase the value of the assets within our businesses, and the cash flows they produce. Through our operating expertise, development capabilities and effective financing, we believe our specialized Real Asset experience can help to ensure that an investment's full value creation potential is realized. We believe this is one of our most important competitive advantages as an asset manager.
- We aim to finance assets effectively, using a prudent amount of leverage. We believe the majority of our assets are well suited to support an appropriate level of investment-grade secured debt with long-dated maturities given the predictability of the cash flows and tendency of these assets to retain substantial value throughout economic cycles. This is reflected in our return on net capital deployed, our overall return on capital and our cost of capital. While we tend to hold our assets for extended periods of time, we endeavour to maximize our ability to realize the value and liquidity of our assets on short notice and without disrupting our operations.
- Finally, as an investor and capital allocator with a value investing culture and expertise in recapitalizations and operational turnarounds, we strive to invest at attractive valuations, particularly in situations that create opportunities for superior valuation gains and cash flow returns.

ECONOMIC AND MARKET REVIEW AND OUTLOOK
(As at January 31, 2014)

Overview and Outlook

The global investment landscape was shaped by several key trends during 2013, as the positive catalyst of a generally improving economic environment was offset by concerns over rising interest rates. In particular, the U.S. economy gained further strength over the course of the year, driven by an improving labour market, an expansion in household net worth and continued recovery of both the residential and commercial property markets. This positive momentum led the U.S. Federal Reserve to begin tapering its asset purchase program late in the year, in a move that had been widely discussed and debated in the marketplace for months. Indeed, anticipation of a tapering announcement weighed on investor sentiment for much of the year, leading to rising interest rates and capital market volatility. Fortunately, the Federal Reserve reiterated its commitment to maintaining a low interest rate environment for the foreseeable future and to providing sufficient support as needed. As a result, we believe implementation of tapering activity will serve to reduce uncertainty surrounding U.S. monetary policy and provide a meaningful vote of confidence in U.S. economic growth.

Over the course of the year, developed markets outperformed emerging markets, as developed markets tended to benefit from ongoing economic recovery and strong capital flows while emerging markets faced the challenges of elevated inflation, falling currency values and the overhang from reduced monetary stimulus in the U.S., in addition to uncertainty surrounding China's transition away from an investment-led economy. Although we expect short-term volatility to persist within emerging markets, we believe recent performance may lead to attractive investment opportunities over the medium term.

Looking ahead, we anticipate a period of normalizing interest rates and economic growth. Importantly, we expect accommodative monetary policy to continue in the U.S. and across many developed markets, providing further support for the global economic recovery. While the performance of yield-oriented asset classes may be challenged in a rising interest rate environment, we believe demand for assets offering current income and upside growth potential will continue to accelerate. In particular, real assets, such as property, renewable energy and infrastructure, should benefit from an improving economy and the eventual return of inflation, resulting in growing revenues and cash flow streams. Accordingly, we believe that real assets are well-positioned to benefit from a recovering global economy while offering attractive current income and capital preservation to guard against future market volatility.

United States

Following an upward revision of U.S. real GDP growth to 4.1% in the third quarter, growth slowed in the fourth quarter to 3.2%, due in part to the effect of the federal government shutdown in early October as well as to inclement weather in December. However, real GDP growth should rebound in 2014 as consumer confidence improves, private spending continues to increase and the effect of government spending cuts and tax increases diminish further. Many economists are now forecasting U.S. real GDP growth to exceed 3% over the next several years, which would mark the most robust pace of U.S. economic expansion since before the 2008/9 recession. Business confidence continues to strengthen and the ISM Manufacturing Index is pointing to a strong expansion, which should bode well for U.S. industrial production. Furthermore, capacity utilization is high across almost all sectors and corporate profits are strong, indicating that capital investment is poised to increase.

In terms of construction, a key driver of the U.S. economic recovery, housing starts exceeded one million units on an annual basis in November and December for the first time since the recession. We continue to expect a positive trend given the strength in homebuilders' confidence, further improvements in household balance sheets and the low level of unsold housing stock.

As the U.S. economy improved during 2013, the labour market continued to heal as well. The year as a whole produced average monthly job gains of 182,000, leading the unemployment rate to fall from 7.9% in December 2012 to 6.7% in December 2013. Importantly, this figure is nearing the 6.5% target rate set by the U.S. Federal Reserve as a key threshold of its forward monetary policy guidance. However, inflation remains low, averaging 1.1% during the first two months of the fourth quarter, down from 1.6% in the previous quarter. The lack of underlying inflationary pressure in this early stage of economic recovery suggests that short-term interest rates will remain low even as the Federal Reserve winds down its quantitative easing program. As a result, we expect relatively robust U.S. economic growth during 2014, as private consumption and investment advance further.

Canada

Canadian economic growth continues to moderate as household debt deleveraging has led to softer housing and labour market activity. Residential building activity slowed during 2013, with housing starts averaging 188,000 units, or 12.7% below the level recorded in 2012. Job growth slowed in 2013 as well, with employment increasing by approximately 100,000 jobs in the year, down from the 300,000 jobs created during 2012. The unemployment rate was essentially unchanged in 2013, ending the year at 7.2%. Given the general slowing of the overall economy, the inflation rate remained well below the Bank of Canada's target of 2.0%, suggesting that the central bank will maintain a low interest rate environment for the foreseeable future. Importantly, as the U.S. economy continues to gather momentum, Canada should benefit from increased exports, particularly given the recent depreciation of the Canadian dollar. We expect this implicit economic stimulus to provide support for modest economic growth near 2.0% in 2014.

United Kingdom

Economic growth in the UK continued to advance in the fourth quarter, with real GDP expanding by 2.8%. During a year in which growth was largely supported by consumption, retail sales surged 5.3% in December relative to the same period in 2012. This robust end to the year helped to generate full year 2013 economic growth of 1.8%. While consumption is expected to remain supportive of growth in the year ahead, we believe investment and exports are likely to become the main drivers of the UK economy. Although industrial production remains nearly 9% below pre-recession levels, recent business confidence surveys and PMI data indicate that activity is poised to accelerate. Moreover, the labour market ended the year with an increase of 280,000 jobs in the three months to November, the largest increase on record, with almost all of the increase in permanent, full-time employment. As a result, the unemployment rate fell to just 7.1%, only slightly above the 7.0% target adopted by the Bank of England under its forward guidance policy. The improving labour market is likely to place additional pressure on the central bank to revisit its current low interest rate policy, although Bank of England officials have not provided any indication that rate hikes are on the horizon and inflation has eased back to the official target. Overall, it is likely that monetary policy will remain accommodative in 2014 and we expect the UK economy to generate growth of 2.5% during the course of the year.

Europe

Positive economic developments in the Eurozone continued in the fourth quarter, with real GDP growth of 0.4% on a year-over-year basis. Growth has improved in Germany and France to 1.4% and 0.5%, respectively, while the pace of decline continues to moderate in Italy, Spain and Greece. Additionally, the Eurozone trade balance is near record highs, as Germany continues to run a large trade surplus while peripheral countries have reduced their trade deficits. A stronger external environment should provide additional support for Eurozone economies in 2014, although debt levels remain high in many member states and a roadmap to deleveraging remains elusive. Eurozone inflation continues to trend below 1.0%, as the rate of price growth slows or declines in many countries. This weakness raises the possibility of deflation, although the European Central Bank appears determined to avoid such a situation. Looking ahead, we believe European policymakers will need to make further progress on reforms during 2014 while carefully managing the dual risks of debt deleveraging and potential deflation.

Brazil

Near-term growth in Brazil weakened during the fourth quarter to approximately 2.0% year-over-year, as rising interest rates and currency volatility continued to challenge the economy. Although the rate of inflation has fallen from a peak of 6.7% in July to 5.9% in December, the rate remains near the upper end of the target range set by Brazil's central bank. Moderating food prices have helped to lower overall inflation and recent agricultural commodity price declines suggest that food inflation may slow further, but energy and transport prices may become sources of inflationary pressure going forward. In an attempt to curb rising price levels, the Brazilian central bank increased the benchmark interest rate by 275 basis points in 2013 and an additional 50 basis points in January 2014, to a level of 10.5%. Despite this tightening of monetary policy, the Brazilian Real depreciated by 15.0% over the course of the year, as investors reduced holdings of emerging market currencies. Importantly, the decline in the exchange rate should help to offset the drag that net exports have recently placed on Brazilian growth. In a further positive sign, the share of GDP growth from investment has been increasing in recent quarters and currently stands near 20.0%, as the economy strives to meet the demands of a growing middle class. Although we anticipate that current challenges are likely to persist, we believe that recent levels of growth are well below Brazil's long-term potential. Accordingly, we continue to expect that subdued growth in the short term will give way to longer-term growth in the range of 3.0% to 4.0%.

China

Real GDP growth in China slowed slightly to 7.7% during the fourth quarter but remained firmly within the central government's target range. Although nominal GDP growth remains near 10.0%, economic indicators are suggesting a modest level of deceleration. Additionally, optimism surrounding market reforms is softening, as fixed asset investment grew by nearly 20% in 2013 and supplied approximately 45% of total nominal GDP. Although retail sales increased 11.5% over the same time period, private consumption only contributed 36% to total nominal GDP, suggesting the transition from an investment-based economy to a consumption-based economy will be a long-term process. The Chinese central bank remains concerned over the pace of credit growth and has been selective in efforts to ease interbank liquidity, resulting in sporadic volatility within the lending market. Moving forward, slower credit expansion is likely, which may weigh on overall growth. Nonetheless, we view recent policy decisions intended to accelerate the transition away from an investment-led economy as positive developments and expect that growth in the services sector within China will be meaningful over the coming years.

Australia

On a relative basis, the Australian economy continues to produce solid results, with annualized real GDP growth of 2.3% in the third quarter. However, this result marks the fourth consecutive quarter of growth below historical averages, as the pace of mining investment has begun to decelerate. A key driver of recent economic growth, mining investment has plateaued and will subside over the next few years as capital intensive mega projects commence production. We expect the Australian economy to revert to trend-line growth of 3.0% by 2015, with increases in residential construction and government infrastructure investment expected to help mitigate the effects of declining mining investment. Importantly, the Australian economy continues to be supported by accommodative

monetary policy, with the base rate currently at a historical low of 2.5%. This environment has led to strong

house price gains, new dwelling approvals and retail spending. The labour market has also remained healthy, with unemployment ending the year at 5.8%. However, we are monitoring early indicators of potential weakness that may lead to an increase in the unemployment rate in the year ahead, including low levels of advertised jobs and a decrease in full-time employment during 2013. The Australian dollar has steadily declined over the past three months, dropping by over 6.5% since last October, driven largely by increased expectations of U.S. dollar outperformance as the U.S. economic outlook improves and the U.S. Federal Reserve reduces monetary stimulus. Going forward, we believe recent lifts in consumer and business confidence will endure and the lower Australian dollar will benefit many sectors through improved international competitiveness. When combined with low interest rates, these factors should encourage business activity and provide an offset to slowing mining investment.

BASIS OF PRESENTATION AND USE OF NON-IFRS MEASURES

Basis of Accounting

We are a Canadian corporation and, as such, we prepare our consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board. We are listed on the Toronto Stock Exchange, New York Stock Exchange and Euronext and recognize that IFRS may not be the generally used accounting methodology for all readers of this report. The following discussion contains a summary of two key features of IFRS that we believe are particularly relevant to users of our financial statements. Our significant accounting policies are described in Note 2 to our consolidated financial statements, which also contains a summary of critical judgments and estimates.

Use of Fair Value Accounting

We account for a number of our assets at fair value including our commercial properties, renewable energy assets, and certain of our infrastructure and financial assets. Property, plant and equipment and inventory included within our private equity operations are recorded at amortized historic cost or the lower of cost and net realizable value. Public service concessions within our infrastructure operations are considered intangible assets and are amortized over the life of the concession. Other intangible assets and goodwill are recorded at amortized cost or cost. Equity accounted investments follow the same accounting principles as our consolidated operations and accordingly, include amounts recorded at fair value and amounts recorded on another basis depending on the nature of the underlying assets.

We classify the vast majority of our commercial property assets, including our office and retail property portfolios, as investment properties. Investment properties are revalued on a quarterly basis and changes in value are recorded as fair value changes within net income. Standing timber and agricultural assets are classified as sustainable resources and accounted for in a similar manner as investment properties. Depreciation is not recorded on investment properties or sustainable resources that are fair valued.

Our renewable energy facilities and certain of our infrastructure assets are classified as property, plant and equipment and we have elected to record these assets at fair value using the revaluation method. Unlike investment properties, these assets are revalued on an annual basis and changes in value are recorded as revaluation surplus within other comprehensive income and accumulated within common equity. Depreciation is recorded on the revalued carrying values at the beginning of each year and recorded in net income. If a revaluation results in the fair value declining below the depreciated cost of the asset, then an impairment is charged to net income. Impairments of this nature may be subsequently reversed through increases in value. We also record a relatively small amount of property, plant and equipment within our property operations using the revaluation method.

A significant amount of the carrying value of our infrastructure operations is recorded as intangible assets and reflect the fair value of the regulatory rate base or other characteristics at acquisition. Intangible assets are carried at cost, subject to periodic impairment tests, and are amortized over their useful lives unless they are determined to have an indefinite life, in which case amortization is not recorded.

Financial assets, financial contracts and other contractual arrangements that are treated as derivatives are recorded at fair value in our financial statements and changes in their value are recorded in net income or other comprehensive income, depending on their nature and business purpose (i.e., whether a security is held for trading, is available-for-sale, or whether a financial contract qualifies for hedge accounting or not). The more significant and more common financial contracts and contractual arrangements employed in our business that are fair valued include: interest rate contracts, foreign exchange contracts, and agreements for the sale of electricity.

Consolidated Financial Information

We consolidate a number of entities even though we hold only a minority economic interest. This is the result of our exercising control, as determined under IFRS, over the affairs of these entities due to contractual arrangements and our significant economic interest in these entities. As a result, we include 100% of the revenues and expenses of consolidated entities in our consolidated statement of operations, even though a substantial portion of the net income of the entity is attributable to non-controlling interests. On the other hand, revenues and expenses between consolidated entities, such as asset management fees, are eliminated in our consolidated statement of operations; however these items impact the allocation of net income between shareholders and non-controlling interest.

Interests in entities over which we exercise significant influence, but where we do not exercise control, are accounted for as equity accounted investments. We record our proportionate share of their comprehensive income on a "one-line" basis as equity accounted income within net income and as equity accounted investments within other comprehensive income. As a result, our share of items such as fair value changes, that would be included with other fair value changes if the entity was consolidated, are instead within equity accounted income.

Certain of our consolidated subsidiaries and equity accounted investments do not utilize IFRS for their own reporting purposes. The comprehensive income utilized by us is determined using IFRS and may differ significantly from the comprehensive income pursuant to the accounting principles reported by the investee. For example, IFRS provides a reporting issuer a policy election to fair value its investment properties such as office and retail properties, as described above, whereas other accounting principles such as U.S. GAAP may not. Accordingly, their stand-alone statutory financial statements, which may be publicly available, may differ from those which we consolidate.

Foreign Currency Translation

Changes in the rate of exchange between the U.S. dollar and the currencies in which we conduct our non-U.S. operations will typically impact our operating results and our financial position. As a general rule, changes in the average annual rate of exchange will impact the value at which the results of non-U.S. operations are included in consolidated net income, whereas changes in the spot rates will impact the values at which non-U.S. assets and liabilities are included in our consolidated balance sheet. Please refer to note 2(d) of our consolidated financial statements (Significant Accounting Policies – Foreign Currency Translation). The relevant exchange rates that impact our business are shown in the following table:

	Year-end Spot Rate			Change		Average Annual Rate			Change	
	2013	2012	2011	2013 vs. 2012	2012 vs 2011	**2013**	2012	2011	2013 vs. 2012	2012 vs. 2011
Australian dollar	**0.8918**	1.0395	1.0205	(14)%	2%	**0.9682**	1.0357	1.0329	(7)%	—
Brazilian real	**2.3635**	2.0435	1.8758	(16)%	(9)%	**1.9552**	1.9546	1.8000	—	(9)%
Canadian dollar	**0.9414**	1.0079	0.9787	(7)%	3%	**0.9713**	1.0004	1.0109	(3)%	(1)%

Use of Non-IFRS Measures

We disclose a number of financial measures in this Report that are calculated and presented using methodologies other than in accordance with IFRS. These measures are used primarily in Part 3 of the MD&A. We utilize these non-IFRS measures in managing the business, including performance measurement, capital allocation and valuation and believe that providing these performance measures on a supplemental basis to our IFRS results is helpful to investors in assessing the overall performance of our businesses. These financial measures should not be considered as a substitute for similar financial measures calculated in accordance with IFRS. We caution readers that these non-IFRS financial measures may differ from the calculations disclosed by other businesses, and as a result, may not be comparable to similar measures presented by others. Reconciliations of these non-IFRS financial measures to the most directly comparable financial measures calculated and presented in accordance with IFRS, where applicable, are included within Part 3 of this MD&A and elsewhere as appropriate.

PART 2 – FINANCIAL PERFORMANCE REVIEW

SELECTED ANNUAL FINANCIAL INFORMATION

FOR THE YEARS ENDED DECEMBER 31 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	2013	2012	2011	Change 2013 vs 2012	Change 2012 vs 2011
CONDENSED STATEMENT OF OPERATIONS					
Total revenues and other gains	$ 20,830	$ 18,766	$ 15,988	$ 2,064	$ 2,778
Direct costs	(13,928)	(13,961)	(11,957)	33	(2,004)
Other income	525	—	—	525	—
Equity accounted income	759	1,237	2,199	(478)	(962)
Expenses					
Interest	(2,553)	(2,500)	(2,355)	(53)	(145)
Corporate costs	(152)	(158)	(168)	6	10
Fair value changes	663	1,153	1,395	(490)	(242)
Depreciation and amortization	(1,455)	(1,263)	(905)	(192)	(358)
Income taxes	(845)	(519)	(515)	(326)	(4)
Net income	3,844	2,755	3,682	1,089	(927)
Non-controlling interests	(1,724)	(1,375)	(1,725)	(349)	350
Net income attributable to shareholders	$ 2,120	$ 1,380	$ 1,957	$ 740	$ (577)
Net income per share	$ 3.12	$ 1.97	$ 2.89		
CONDENSED STATEMENT OF OTHER COMPREHENSIVE INCOME					
Fair value changes and other	$ 1,508	$ 1,618	$ 1,919	$ (110)	$ (301)
Foreign currency translation	(2,429)	(110)	(834)	(2,319)	724
Taxes on above items	(280)	(432)	(147)	152	(285)
Other comprehensive income	(1,201)	1,076	938	(2,277)	138
Non-controlling interests	406	(563)	(143)	969	(420)
Other comprehensive income attributable to shareholders	(795)	513	795	(1,308)	(282)
Comprehensive income attributable to shareholders	$ 1,325	$ 1,893	$ 2,752	$ (568)	$ (859)
BALANCE SHEET INFORMATION					
AS AT DECEMBER 31 (MILLIONS)					
Consolidated assets	$ 112,745	$ 108,862	$ 91,236	$ 3,883	$ 17,626
Borrowings and other non-current financial liabilities	53,061	51,887	42,383	1,136	9,504
Equity	47,526	44,338	37,489	3,188	6,849

Dividends declared for each class of issued securities for the three most recently completed years are presented on page 33.

ANNUAL FINANCIAL PERFORMANCE

The following section contains a discussion and analysis of line items presented within our consolidated financial statements. We have disaggregated several of the line items into the amounts that are attributable to our eight operating segments in order to facilitate the review of variances.

The financial data in this section has been prepared in accordance with IFRS for each of the three most recently completed financial years. The 2012 and 2011 consolidated IFRS results have been adjusted to reflect changes in the company's accounting policies on a retroactive basis, as noted in Part 6 of this MD&A and Note 2 of the December 31, 2013 consolidated financial statements.

Overview

2013 vs. 2012

Net income attributable to shareholders of $2.12 billion increased $740 million or 54% from a year ago. On a per share basis, net income was $3.12 and $1.97 in the current and prior year, respectively.

The increase in net income reflects improved operating performance in almost all of our operations. Of particular note, we earned $566 million of carried interests within our asset management activities and a $664 million gain on the sale of an investment within our private equity operations ($261 million attributable to shareholders), both of which are included in total revenue and other gains in our Consolidated Statement of Operations. We also recorded $525 million of other income on the settlement of long-dated interest rate swaps. Direct costs were virtually unchanged as the addition of costs within recently acquired or expanded operations were offset by the removal of costs associated with operations sold during the past two years.

We recorded a lower level of fair value gains on consolidated investment property assets as well as those held through equity accounted investments, resulting in a decrease of $478 million in equity accounted income and a decrease of $490 million in fair value changes. Our provision for income taxes increased by $326 million, while the net income attributable to non-controlling interests increased by $349 million, reflecting the higher level of earnings.

2012 vs. 2011

In 2012, net income attributable to shareholders of $1.38 billion decreased by $577 million or 29% from 2011. Net income per share for was $1.97 for 2012 and $2.89 in 2011.

The most significant contributor to the decrease in net income in 2012, compared to 2011, was the amount of fair value changes recorded in 2011, including our proportionate share of fair value gains recorded by equity accounted investments. The largest single factor was a decrease of $422 million in the equity accounted income from General Growth Properties ("GGP") in 2012 compared to 2011, almost all of which was attributable to shareholders. The decrease reflects our share of the reduced amount of fair value gains recorded on GGP's investment properties in 2012 relative to 2011. We also recorded a lower level of fair value gains in equity accounted commercial office properties relative to 2011 in part due to the consolidation of our U.S. Office Fund part way through that year.

Statement of Operations

Total Revenues and Other Gains and Direct Costs

The following tables present consolidated total revenues and other gains and direct costs, which we have disaggregated into our operating segments, consistent with Note 3 to our consolidated financial statements, in order to facilitate a review of year-over-year variances. Segmented revenue is presented in the following table and reconciled to consolidated revenues.

FOR THE YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012	2011	Change 2013 vs 2012	Change 2012 vs 2011
Total revenues and other gains					
Asset management	$ 1,183	$ 450	$ 331	$ 733	$ 119
Property	4,569	3,982	2,760	587	1,222
Renewable energy	1,620	1,179	1,140	441	39
Infrastructure	2,388	2,178	1,792	210	386
Private equity	4,804	4,424	3,912	380	512
Residential development	2,521	2,476	2,850	45	(374)
Service activities	3,817	4,140	3,204	(323)	936
Corporate activities	347	260	228	87	32
Eliminations and adjustments[1]	(419)	(323)	(229)	(96)	(94)
Total consolidated revenues	$ 20,830	$ 18,766	$ 15,988	$ 2,064	$ 2,778

1 Adjustment to eliminate base management fees and interest income earned from entities that we consolidate See Note 3 to our Consolidated Financial Statements

FOR THE YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012	2011	Change 2013 vs 2012	Change 2012 vs 2011
Direct costs					
Asset management	$ 318	$ 260	$ 226	$ 58	$ 34
Property	2,333	1,812	1,077	521	735
Renewable energy	550	475	379	75	96
Infrastructure	1,125	1,190	959	(65)	231
Private equity	3,391	3,826	3,592	(435)	234
Residential development	2,297	2,279	2,537	18	(258)
Service activities	3,687	3,911	3,054	(224)	857
Corporate activities	66	114	46	(48)	68
Eliminations and adjustments[1]	161	94	87	67	7
	$ 13,928	$ 13,961	$ 11,957	$ (33)	$ 2,004

1 Adjustment to reallocate unallocated segment costs

2013 vs. 2012

Total revenues and other gains increased by $2.06 billion or 11% from last year and direct costs decreased by $33 million or 0.2%.

Asset management: Revenues increased by $733 million to $1,183 million with carried interests contributing $549 million of the increase. We realized $566 million of carried interests upon crystallizing client investment gains in 2013, including $558 million on our consortium investment in General Growth Properties. Base management fees increased by $150 million to $502 million due to a 32% increase in fee bearing capital following the formation of Brookfield Property Partners and increases in capital committed to property and infrastructure funds. The increase in direct costs reflects the higher level of fee bearing capital, which in turn gave rise to an increased level of investment activity and professional resources. We reallocated costs from our corporate activities segment to our asset management segment following the formation of Brookfield Property Partners to match them with the associated fee revenues. The increase in performance based fees within our public securities operations resulted in increased performance based compensation awards.

Property: Revenues and direct costs increased by $587 million and $521 million, respectively, primarily due to the inclusion of a full year of results of a large hotel resort property that was acquired in April 2012 and the revenues and costs of industrial and logistics businesses acquired in 2013 and during the latter part of 2012.

Renewable energy: Generation revenues were $441 million higher than the prior year. Revenue from facilities owned throughout both years increased by $209 million from a return to near normal hydrology conditions in North America, compared to very dry conditions in 2012, which resulted in generation that was 12% below long-term averages. Newly acquired or commissioned assets contributed an additional $218 million of revenues. Direct costs are largely fixed and increased by $75 million over the prior year reflecting the costs incurred by new assets.

Infrastructure: Revenues increased $210 million compared to prior year due to additional revenues from recently completed capital expansions initiatives, including our Australian rail expansion, and acquisitions of a utility business in the United Kingdom and toll roads in South America. This was partially offset by lower timber revenues following the sale of our Pacific Northwest timberlands during the third quarter of the year. Direct costs decreased by $65 million during the year, following the sale of Pacific Northwest timberlands which was partially offset by costs incurred within recently acquired or expanded businesses.

Private equity: Total revenues and other gains increased by $380 million and direct costs decreased by $435 million, primarily as a result of the sale of a paper and packaging business midway through 2013 on which we recorded a gain of $664 million. Excluding the gain, revenues decreased following the elimination of revenues generated by disposed assets. This decrease was partially offset by the impact of higher prices and increased volumes within our wood-based panel production and forestry operations. U.S. housings starts, the largest driver of the North American panelboard demand, improved 18% in 2013, resulting in oriented strand board prices reaching the highest level in nine years. Average realized prices during 2013 for lumber and logs were higher by 8% and 21%, respectively, over last year in our forest products business.

Residential development: The increase in residential revenues of $45 million is due to increased volumes of home closings combined with an increase in average home selling price resulting in higher housing margins. The increase in revenues from home closings was offset by decreased land sales revenue for the year ended December 31, 2013. We completed a larger volume of lots and multifamily acre parcel sales in 2012. Direct costs increased by $18 million reflecting the costs incurred in respect of increased home sales.

Service activities: Revenues decreased by $323 million, the majority of which reflects the absence of revenues and costs following the partial sale of an Australian property services business in early 2013 and the majority sale of a large U.S. property

brokerage business in late 2012 which resulted in both of these operations being deconsolidated. These decreases were partially offset by higher construction revenues relating to increases in the number and scale of projects under construction.

Corporate activities: Revenues increased, primarily from stronger capital market performance within our cash and financial asset portfolio.

2012 vs. 2011

Total revenues and other gains increased by $2.78 billion or 17% in 2012 and direct costs increased by $2.00 billion or 17%.

Asset management: Revenues and direct costs increased by $119 million and $34 million over the prior year, respectively. Base management fees increased by $83 million to $352 million, due to a higher level of fee bearing capital during the year and also included a full year of base management fees from Brookfield Renewable Energy Partners, which was launched in late 2011. Direct costs in our asset management business were consistent between 2011 and 2012. Although we increased the number of funds we manage and our overall fee bearing capital, the operating resources and related costs were largely in place in 2011.

Property: Revenues and direct costs increased by $1.2 billion and $735 million, respectively. The consolidation of our U.S. Office Fund and Brookfield Place New York in the second half of 2011 meant that we included their results in revenues and costs whereas before they were included in equity accounted income. Brookfield Place Perth was completed in May 2012 and began contributing to rental revenue at that time. The two large resort properties acquired in March 2011 and April 2012, contributed increases in revenues and costs over the prior year of $579 million and $549 million, respectively, and have large operating costs relative to office and retail properties due to the nature of their business.

Renewable energy: Generation revenues were up marginally as the addition of revenues from acquired and commissioned facilities was offset by lower generation, reflecting unusually low water conditions during the second and third quarters of 2012. Direct costs within our renewable energy operations were not significantly impacted by the reduced generation as they are largely fixed in nature. The increase in costs largely reflects acquisitions and the impact of increased foreign exchange rates on our Brazilian operations.

Infrastructure: Revenues increased by $386 million as a result of a number of acquisitions during the year, as well as the completion of expansion projects, offset by the impact of lower volumes and pricing on our timber revenues. This increase in direct costs of $231 million reflects additional costs incurred within newly acquired or expanded businesses.

Private equity: The increase in revenues within our private equity group was $512 million which primarily relates to significantly higher North American OSB prices and shipment volumes on our wood-based panel production operations benefitting from the U.S. housing recovery. Direct costs increased as a result of the increased volumes.

Residential development: Residential development revenues decreased by $374 million as our Brazilian operations experienced lower levels of completed projects in comparison to the prior year. The 2011 results also included the one-time disposition of non-core residential assets. Direct costs decreased by $258 million primarily reflecting the lower level of completed projects within our Brazilian residential operations.

Service activities: The increase in revenues within our service activities group was $936 million of which approximately $680 million relates to increases in construction revenues reflecting an increase in the number and scale of projects under construction, and approximately $170 million relates to increases in property services revenue reflecting the acquisition of a large U.S. relocation and property brokerage business in late 2011. Direct costs increased proportionately.

Corporate activities: Both revenues and direct costs increased as a result of market performance.

Other Income

We recorded a $525 million gain on the termination of a long-dated interest rate swap contract, which originated in 1990. In August 2013, we paid $905 million to terminate the contract, which had accrued to a total liability of $1,440 million in our consolidated financial statements at the time of settlement. The gain is equal to the difference between the accrued amount and termination payment, adjusted for associated transaction costs.

Equity Accounted Income

Equity accounted income represents our share of the components of net income recorded by investments over which we exercise significant influence and is reported as a single line item in our consolidated statement of operations.

FOR THE YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012	2011	Change 2013 vs 2012	Change 2012 vs 2011
General Growth Properties	$ 426	$ 979	$ 1,401	$ (553)	$ (422)
U S. Office Fund[1]	—	—	437	—	(437)
Other property operations	447	198	216	249	(18)
Infrastructure operations	(193)	9	109	(202)	(100)

Other	79	51	36	28	15
	$ 759	$ 1,237	$ 2,199	$ (478)	$ (962)

1 Excludes income from equity accounted investments within the U S Office Fund

Equity accounted income from our investment in GGP decreased by $553 million between 2012 and 2013 and by $422 million between 2011 and 2012. GGP recorded particularly large fair value gains in both 2012 and 2011 due to increases in the cash flows generated by its portfolio of retail malls as well as increasing valuation metrics for that asset class. Our share of gains in 2012 and 2011 were $707 million and $1,170 million, respectively. GGP's fair value gains in 2013 were largely related to redevelopment activities progressing ahead of plan and increases in budgeted cash flows. In connection with the recognition of these gains, we reviewed the embedded goodwill within our investment and recorded a $249 million impairment of the goodwill associated with GGP's redevelopment operations. Our share of GGP's net income excluding these items for 2013, 2012 and 2011 was $283 million, $272 million and $231 million, respectively, and increased as a result of increases in occupancy and net rents per square foot and lower financing costs.

Equity accounted income from other property operations increased by $249 million in 2013 compared to a $18 million decrease in 2012. The increase was due to our share of higher fair value gains at in our North American office investments and our share of net income at Rouse Properties Inc. ("Rouse Properties").

Equity accounted income from infrastructure operations declined $202 million compare to 2012. We recorded a valuation charge of $87 million against the carrying value of our North American natural gas pipeline investment reflecting weak market fundamentals. This was partially offset by increased earnings associated with our increased ownership percentage at our Brazilian toll road investment. The decrease in equity accounted income between 2011 and 2012 was due to decline in the level of fair value gains within our transmission operations.

Interest Expense

The following table presents interest expense organized by the balance sheet classification of the associated liability:

FOR THE YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012	2011	Change 2013 vs 2012	Change 2012 vs 2011
Corporate borrowings	$ 204	$ 209	$ 197	$ (5)	$ 12
Non-recourse borrowings					
Property-specific mortgages	1,837	1,808	1,724	29	84
Subsidiary borrowings	464	408	340	56	68
Capital securities	48	75	94	(27)	(19)
	$ 2,553	$ 2,500	$ 2,355	$ 53	$ 145

The majority of our borrowings are fixed rate long-term financings. Accordingly, changes in interest rates are generally limited to the impact of refinancing activities or changes in the level of debt as a result of acquisitions and dispositions.

Interest expense from corporate borrowings decreased from 2012 as a result of lower cost and lower borrowing levels, following the refinancing of higher coupon debt at lower rates. Interest expense increased in 2012 compared to 2011 due to higher average levels of borrowings, as well as slightly higher exchange rates on Canadian dollar borrowings.

Interest expense on property-specific and subsidiary corporate borrowings increased over the prior year and is primarily attributable to borrowings associated with acquisitions and capital projects in our Property, Renewable Energy and Infrastructure operations, including the use of subsidiary revolving facilities to finance acquisitions until long-term financings are put into place. This was partially offset by the termination of a long-dated high coupon interest rate swap which was previously included within subsidiary borrowings and refinanced with corporate borrowings at lower rates. The increase in interest expense between 2011 and 2012 primarily relates to consolidation of our U.S. Office Fund in 2011, resulting in our recording its interest expenses in our consolidated results, whereas previously it was presented on a net basis within equity accounted results.

Interest expense includes dividends declared on our capital securities, which are treated as liabilities under IFRS even though they are preferred shares, because they may be redeemed at the holder's option after a specific date for a variable number of Class A Limited Voting Shares ("Class A shares"), or when issued by a subsidiary, a variable number of the subsidiary's shares. We redeemed C$350 million of capital securities during the year and C$500 million in 2012, reducing the associated carrying charges in both 2013 and 2012.

Fair Value Changes

As noted under "Use of Fair Value Accounting" on page 16, we utilize fair value accounting for our commercial properties, standing timber and agricultural assets, and certain financial instruments and power sales agreements that do not qualify as hedges. Changes in the values of these items are recorded as "fair value changes" in our consolidated statement of operations.

FOR THE YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012	2011	Change 2013 vs 2012	Change 2012 vs 2011
Investment property	$ 1,031	$ 1,276	$ 1,477	$ (245)	$ (201)
Power contracts	(134)	9	54	(143)	(45)
Interest rate and inflation contracts	10	(81)	(64)	91	(17)
Private equity and residential development	(127)	(119)	(74)	(8)	(45)
Sustainable resources	19	135	301	(116)	(166)
Redeemable units	(20)	(11)	(376)	(9)	365
Other	(116)	(56)	77	(60)	(133)
	$ 663	$ 1,153	$ 1,395	$ (490)	$ (242)

Investment Properties

Fair value gains from changes in investment property values totalled $1.0 billion in 2013 compared to $1.3 billion in 2012 and $1.5 billion in 2011. In each year the gains related primarily to our office properties. Values benefitted from continued declines in discount rates and terminal capitalization rates, each of which declined by approximately 10 basis points on average, reflecting a continued favorable investment climate for high quality commercial office properties. Gains also reflected improvements in projected cash flows based on tenant profile and local market conditions at each year end, based on improvements in local economic conditions, tenant leasing profiles, and rental markets. The decline in rates contributed approximately 53% of the gains, while improvements in projected cash flows contributed approximately 47% of the gains.

Fair value gains were larger in 2012 due to larger declines in discount rates and terminal capitalization rates. Average discount rates declined in each of our principal regions by 20 to 30 basis points, while terminal capitalization rates decreased in Australia and Canada by 40 basis points and 50 basis points, respectively. The changes in rates contributed approximately 70% of the gains, while increases in projected cash flows contributed the remainder.

The 2011 fair value gains reflected larger declines in average discount rates (60 basis points) and terminal capitalization rates (40 basis points) within our U.S. portfolio than in 2012 or 2011, with smaller declines in Australia and Canada. However the declines in U.S. rates gave rise to a higher level of fair value gains in 2011 because our U.S. portfolio is significantly larger than our Australia and Canadian portfolios.

Power Contracts

Certain of our long-term power contracts are accounted for as derivatives with changes in fair value recorded in net income. These contracts generally relate to the future sale of electricity at fixed prices and therefore increase in value when prices decline, and vice versa. We recorded a mark-to-market loss of $134 million in the current year on these contracts because the projections for future electricity prices increased, compared to $9 million and $54 million of gains in 2012 and 2011, respectively.

Private Equity and Residential Development

Private equity fair value changes reflect lower reserves at investee companies in the energy sector, due to competitive drainage, reductions in well performance and reduced pricing, resulting in a $94 million change in 2013. We also recorded valuation charges within our Brazilian residential development operations as a result of higher costs and project overruns.

Sustainable Resources

We sold most of our North American timberlands in 2012 and 2013, with the result that the amount of sustainable resource assets subject to fair value changes was significantly lower during 2013. We recorded fair value gains on our timberlands and agricultural lands during 2011 and 2012, due in large part to declines in interest rates as well as improvements in projected cash flows.

Redeemable Units

Fair value changes on redeemable units contributed a valuation charge of $363 million in 2011 that related primarily to increases in the stock market price of units held by others in our listed renewable energy entity, which we were required to record as a liability and mark to market. Following the reorganization of this entity into Brookfield Renewable Energy Partners L.P. ("BREP" or "Brookfield Renewable Energy Partners") in late 2011, the successor units are now treated as non-controlling interests and no longer marked to market, giving rise to a lower amount of redeemable units issued by consolidated entities and therefore lower levels of fair value changes.

Depreciation and Amortization

Depreciation and amortization includes the depreciation of property, plant and equipment as well as the amortization of intangible assets. Two of the largest contributions to depreciation and amortization are our renewable energy and infrastructure facilities, which are revalued annually in other comprehensive income ("OCI"); but which are depreciated in net income. Depreciation of these assets is based on their fair value at the beginning of each year. We do not record depreciation on assets that are classified as investment properties (i.e., commercial office and retail properties) or biological assets (for example our timberlands and agricultural assets). The amount of depreciation and amortization is generally consistent year-over-year with large changes typically due to the addition or removal of depreciable assets and revaluation of their carrying values.

Depreciation and amortization is summarized in the following table:

FOR THE YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012	2011	Change 2013 vs 2012	Change 2012 vs 2011
Renewable energy	$ 553	$ 499	$ 455	$ 54	$ 44
Infrastructure	346	248	148	98	100
Private equity	275	282	260	(7)	22
Property	256	225	33	31	192
Other	25	9	9	16	—
	$ 1,455	$ 1,263	$ 905	$ 192	$ 358

Depreciation and amortization on our renewable energy facilities increased by $54 million in 2013, which follows a $44 million increase in the preceding year. We recorded increases in the value of our power facilities at the end of 2011 and 2012, which increased the amount of depreciation during the ensuing years. Acquisitions and commissioning of new assets also contributed to increases in depreciation in each year.

Infrastructure depreciation and amortization increased by approximately $98 million between 2013 and 2012, following a similar increase between 2012 and 2011, due to depreciation recorded in respect of increased asset valuations, acquisitions and the developments coming on line.

Although most of our property assets are considered investment properties and are not depreciated under IFRS, we acquired hotel operations in 2011 and 2012, which are considered property, plant and equipment and utilize the revaluation method. The increase in depreciation in 2013 and 2012 over 2011 is a result of depreciation and amortization recorded on tangible and intangible assets within these operations.

Income Taxes

Our effective tax rate in 2013 was 18% (2012 – 16%; 2011 – 13%), while our Canadian domestic statutory income tax rate for 2013 was 26% (2012 – 26%; 2011 – 28%). The differences are primarily attributable to our role as a global asset manager.

As an asset manager, many of our operations and the associated net income occur within partially owned, "flow through" entities such as partnerships, and any tax liability is incurred by the investors as opposed to the entity. As a result, while our consolidated net income includes income attributable to non-controlling ownership interest in these entities, our consolidated tax provision includes only our proportionate share of the tax provision of these entities. In other words, we are consolidating all of their net income, but only our share of their tax provision. This gave rise to a 7% difference between the effective and statutory tax rate in 2013.

In addition, as a global company, we operate in countries with different tax rates, most of which vary from our domestic statutory rate and we also benefit from tax incentives introduced in various countries to encourage economic activity. Differences in global tax rates gave rise to a 3% reduction in our effective tax rate compared to a 9% deduction in 2012. The difference will vary from year to year depending on the relative proportion of income in each country.

The tax provision includes both a current and deferred tax provision. The current tax provision represents the portion of the provision that gives rise to a current tax liability. The deferred tax provision arises from income that is subject to tax in future periods (commonly referred to as "timing differences") and the utilization of existing tax assets such as accumulated tax losses.

In our case, the deferred tax provision relate principally to fair value gains, which are not taxable until the assets are sold, and therefore do not give rise to a current tax liability, as well as the depreciation of assets which are depreciated for tax purposes at rates that differ from the rates used in our financial statements.

Our income tax provision does not include a number of non-income taxes paid that are recorded elsewhere in our financial statements. For example, a number of our operations in Brazil are required to pay non-recoverable taxes on revenue, which are included in direct costs as opposed to income taxes. In addition, we pay considerable property, payroll and other taxes that represent an important component of the tax base in the jurisdictions in which we operate.

2013 vs. 2012 vs. 2011

The provision of income taxes for 2013 was $845 million (2012 – $519 million; 2011 – $508 million). The increase from 2012 to 2013 is due in large part to a higher level of net income; in particular the deferred tax expense associated with a $525 million gain recorded as other income. We also recorded a deferred tax expense of $178 million in connection with the formation of Brookfield Property Partners, although this transaction did not impact pre-tax net income, while the 2012 period included a $132 million charge in respect of an internal reorganization within our property operations, which similarly did not impact pre-tax net income. The 2011 provision included a $71 million expense reflecting the impact of a reduction in the Canadian corporate income tax rate on the carrying value of Canadian deferred tax assets.

Our effective tax rate in 2013 was 8% lower (2012 – 10% lower; 2011 – 15% lower) than our domestic statutory rate.

In 2013, a difference of 7% was due to the inclusion of income attributable to non-controlling interests that is taxed in the hands of the investors as discussed above. Differences in international tax rates gave rise to a reduction of 3% in 2013 (2012 – 9%; 2011 – 11%). The differences in each year reflect changes in the proportion of income that was taxable at lower international rates. In 2011, we recorded a 6% reduction in respect of income that was recorded for financial statement purposes, but was not subject to tax.

In 2013, the tax provision includes current income taxes of $159 million (2012 – $135 million; 2011 – $97 million) and a deferred tax provision of $686 million (2012 – $384 million; 2011 – $411 million) that was associated primarily with non-taxable fair value gains and depreciation at higher tax rates, or was offset by existing tax assets such as accumulated tax losses. The level of current income tax increased during each year, which is mainly due to expanding infrastructure and power operations in South America where a higher level of current taxes are paid relative to prior years.

Non-controlling Interests

Non-controlling interests represent the portion of net income of consolidated entities that is attributable to other investors. Non-controlling interests totalled $1.7 billion in 2013 compared to $1.4 billion in 2012 and $1.7 billion in 2011, representing 45%, 50% and 47% of consolidated net income, respectively, in each of these years. The variances between these three years reflect the overall change in consolidated net income.

Other Comprehensive Income ("OCI")

Fair Value Changes and Other

Fair value changes and other items recorded in OCI include revaluations of property, plant and equipment, such as our power generating facilities and certain infrastructure assets, as well as changes in the values of financial contracts and power sale agreements that qualify for hedge treatment, changes in the value of available-for-sale securities and the revaluation of pension assets and liabilities, as well as our share of similar items recorded by equity accounted investments.

FOR THE YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012	2011	Change 2013 vs 2012	Change 2012 vs 2011
Revaluations of property, plant and equipment					
Renewable energy	$ (150)	$ 825	$ 2,292	$ (975)	$ (1,467)
Infrastructure	781	611	357	170	254
Property	195	55	—	140	55
	826	1,491	2,649	(665)	(1,158)
Financial contracts and power sale agreements	442	(17)	(855)	459	838
Equity accounted investments	239	145	194	94	(49)
Other	1	(1)	(69)	2	68
	$ 1,508	$ 1,618	$ 1,919	$ (110)	$ (301)

2013 vs. 2012

Fair value changes within our infrastructure operations totalled $781 million (2012 – $611 million). The 2013 fair value gains reflect increases in the value of our Western Australian rail lines following the completion of a major expansion and securing long-term take-or-pay contracts, and increased volumes, expansion backlog and margins within transmission and distribution businesses. We also recorded $195 million of fair value gains in our property segment based on improved valuations from our resort properties. These gains were partially offset by a $150 million decrease in the valuation of our renewable power facilities, reflecting the impact of higher discount rates on these assets.

We recorded $442 million of gains on our financial contracts and power sale agreements compared to a loss of $17 million in 2012. The current year benefitted from gains recorded on interest rate contracts that "lock-in" the benchmark interest rate on new financings which increased in value as a result of increases in interest rates during the year.

2012 vs. 2011

Fair value changes and other in OCI during 2012 included a $825 million increase in the valuation of our renewable energy facilities reflecting the positive impact of lower discount rates offset in part by the impact of lower price forecasts on projected cash flows. The 2011 results included a $2.3 billion gain, which reflected a larger decrease in discount rates than in 2012.

We recorded an approximate $350 million increase in the valuation of our Western Australian rail project following a $276 million gain in 2011. The revaluation of property, plant and equipment in other infrastructure units resulted in a further $200 million of fair value gains in 2012, reflecting capital improvements, lower discount rates and improved cash flows.

Foreign Currency Translation

We record the impact of changes in foreign currencies on the carrying value of our net investments in non-U.S. operations in other comprehensive income. As at December 31, 2013, our IFRS net equity of $17.8 billion was invested in the following currencies, principally in the form of net investments which are revalued through other comprehensive income: United States – 51%; Australia – 14%; Brazil – 15%; Great Britain – 10%; Canada – 5%; and other – 5%. From time to time, we utilize financial contracts to adjust these exposures. Changes in the value of currency contracts that qualify as hedges are included in foreign currency translation. During 2013, the value of our principal non-U.S. currencies (Australia, Brazil and Canada) all declined against the U.S. dollar (see table on page 17), giving rise to a total decrease of $2.4 billion after the mitigating impact of hedges, or $1.2 billion after non-controlling interests. During 2012, the value of the Brazilian real declined by 9% compared to the U.S. dollar, which resulted in a loss of $110 million after considering the impact of other currency movements and hedging activities.

FINANCIAL PROFILE

Consolidated Assets

The following table presents our consolidated assets at the end of the past years:

AS AT DECEMBER 31 (MILLIONS)	Total Consolidated Assets		
	2013	2012	2011
Investment properties	$ 38,336	$ 33,161	$ 28,366
Property, plant and equipment	31,019	31,148	22,865
Sustainable resources	502	3,516	3,381
Investments	13,277	11,618	9,332
Cash and cash equivalents	3,663	2,850	2,031
Financial assets	4,947	3,111	3,773
Accounts receivable and other	6,666	6,952	6,732
Inventory	6,291	6,581	6,062
Intangible assets	5,044	5,770	3,974
Goodwill	1,588	2,490	2,607
Deferred income tax asset	1,412	1,665	2,113
	$ 112,745	$ 108,862	$ 91,236

Consolidated balance sheet assets increased to $112.7 billion at the end of 2013. This represents an increase of $3.9 billion over the 2012 year end, which followed a $17.6 billion increase between 2011 and 2012. Acquisition and development initiatives increased the carrying value of our investment properties, property, plant and equipment, and investments as well as positive fair value changes. We sold $6.0 billion of non-core assets during 2013, including Pacific Northwest timberlands within our sustainable resources operations, a pulp and paper company within our private equity operations and numerous non-core investment properties within our property operations. A higher U.S. dollar resulted in a decrease the translated value of assets denominated in non-U.S. dollar currencies, which further offset the impact of acquisition and development initiatives in 2013 and had a smaller impact in 2012.

Investment Properties

The following table presents the major contributors to the year-over-year variances for our investment properties:

AS AT AND FOR THE YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Balance, beginning of year	$ 33,161	$ 28,366
Acquisitions and additions	7,365	4,508
Dispositions	(1,908)	(1,136)
Fair value changes	1,031	1,276
Foreign currency translation	(1,313)	147
Net increase	5,175	4,795
Balance, end of year	$ 38,336	$ 33,161

Acquisitions and development activity increased our investment properties by $7.4 billion. Acquisitions included logistics and distribution properties in the UK and the southwestern U.S. The company also purchased, together with fund partners, a large portfolio of office properties in Los Angeles. We sold 56 properties during the year, which decreased investment properties by $1.9 billion and crystallized $244 million of valuation gains. The prior year included $107 million of losses on non-core asset sales.

Fair value changes increased carrying values by $1,031 million (2012 – $1,276 million), as discussed on page 23.

The fair value of investment properties is generally determined by discounting the expected future cash flows of the properties, generally over a term of 10 years using discount and terminal capitalization rates reflective of the characteristics, location and market of each property. The key valuation metrics of our investment properties are presented in the following table on a weighted average basis, disaggregated into the principal operations of our property segment for analysis purposes. The valuations are most sensitive to changes in discount rates and terminal capitalization rates. It is important to note that changes in cash flows and discount/terminal capitalization rates are usually inversely correlated as the circumstances that typically give rise to increased interest rates (i.e., strong economic growth, inflation) usually give rise to increased cash flows although timing may vary.

	Office		Retail		Multifamily, Industrial and Other		Weighted Average	
AS AT DECEMBER 31	2013	2012	2013	2012	2013	2012	2013	2012
Discount rate	7.4%	7.6%	9.2%	8.7%	8.6%	8.8%	7.7%	7.8%
Terminal capitalization rate	6.3%	6.5%	7.6%	7.5%	7.5%	8.1%	6.6%	6.8%
Investment horizon (years)	11	11	10	10	10	10	11	11

Property, Plant and Equipment

The following table presents the major components of the year-over-year variances for our property, plant and equipment ("PP&E"), disaggregated by operating platform for analysis purposes:

AS AT AND FOR THE YEARS ENDED DECEMBER 31 (MILLIONS)	Renewable Energy		Infrastructure		Property		Other		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Balance, beginning of year	$16,532	$14,727	$ 8,736	$ 4,702	$ 2,968	$ 640	$ 2,912	$ 2,796	$ 31,148	$22,865
Acquisitions and additions	1,606	1,530	533	3,472	153	2,490	656	469	2,948	7,961
Dispositions	(28)	(20)	(654)	(48)	(16)	—	(336)	(64)	(1,034)	(132)
Fair value changes	(150)	830	691	707	166	4	(94)	(58)	613	1,483
Depreciation	(551)	(489)	(286)	(201)	(130)	(166)	(217)	(283)	(1,184)	(1,139)
Foreign currency translation	(798)	(46)	(456)	104	(99)	—	(119)	52	(1,472)	110
Net increase (decrease)	79	1,805	(172)	4,034	74	2,328	(110)	116	(129)	8,283
Balance, end of year	$16,611	$16,532	$ 8,564	$ 8,736	$ 3,042	$ 2,968	$ 2,802	$ 2,912	$31,019	$31,148

We carry PP&E in our renewable energy operations and a significant portion of the PP&E within our infrastructure operations at fair value and revalue these assets at the end of each fiscal year.

Renewable Energy

Renewable energy PP&E increased slightly to $16.6 billion during 2013. Acquisition and development activity added $1.6 billion of assets during the year (2012 – $1.5 billion), which was offset by $551 million of depreciation, a $150 million fair value reduction and a decrease of $798 million due to the impact of lower currency exchange rates on our Brazilian and Canadian operations.

We acquired additional hydroelectric facilities in Tennessee, New England and Brazil and completed the development of wind energy facilities in Brazil. We also acquired the remaining 50% of a joint venture and commenced consolidating the PP&E within the venture, which was previously included in investments.

In 2012 we acquired nearly 1,000 megawatts of renewable power facilities capacity through our institutional funds including two large-scale hydroelectric portfolios valued at $1.4 billion.

We discuss fair value changes on pages 25 and 26.

The key valuation metrics of our hydro and wind generating facilities at the end of 2013 and 2012 are summarized below. The valuations are impacted primarily by the discount rate and long-term power prices. Discount rates are based on our after-tax cost of capital and are adjusted to reflect whether revenues are subject to long-term contracts or spot market pricing. Projected cash flows are based on in-place contracts and expected market prices for non-contracted power. Forward market prices are used for the first four years, during which time there is adequate liquidity to permit appropriate price discovery, and thereafter prices are determined using internal projections that reflect our view of future market capacity, cost of capital, costs of fuel for competing forms of generation and competitive attributes of renewable energy. A 100 basis-point change in the discount and terminal capitalization rates and a 5% change in long-term power prices will impact the value of our common equity by $1.8 billion and $0.5 billion, respectively.

	United States		Canada		Brazil	
	Dec. 31, 2013	Dec. 31, 2012	**Dec. 31, 2013**	Dec. 31, 2012	**Dec. 31, 2013**	Dec. 31, 2012
Discount rate						
Contracted	**5.8%**	5.2%	**5.1%**	4.7%	**9.1%**	8.6%
Uncontracted	**7.6%**	7.0%	**6.9%**	6.5%	**10.4%**	9.9%
Terminal capitalization rate	**7.1%**	7.0%	**6.4%**	6.5%	**n/a**	n/a
Exit date	**2033**	2032	**2033**	2032	**2029**	2029

Our generation facilities in Brazil are held under concessions and authorizations which have a fixed maturity date and accordingly, we do not ascribe a terminal value to these assets under IFRS, although we believe that we will be able to renew these concessions upon maturity.

Infrastructure

Infrastructure PP&E decreased slightly to $8.6 billion during 2013. During the year we sold our Pacific Northwest timberlands and the associated production assets which reduced PP&E by $654 million after having increased by $3.4 billion during 2012. Fair value changes increased the carrying values by $691 million during 2013 (2012 – $707 million), as discussed on pages 25 and 26. During 2012 we completed the acquisition of a UK regulated distribution business and a Chilean toll road which contributed towards a $3.5 billion increase in PP&E. The decline in the exchange rates for the Australian and Brazilian currency contributed to a $456 million decrease due to foreign currency translation.

We revalue our infrastructure assets on an annual basis using discounted cash flow models, which includes estimates of forecasted revenues, operating costs, maintenance and other capital expenditures. Discount rates are selected for each asset giving consideration to the assets revenue streams and geography where they are located.

The key valuation metrics of our utilities, transport and energy operations are summarized below:

	Utilities		Transport		Energy	
	Dec. 31, 2013	Dec. 31, 2012	**Dec. 31, 2013**	Dec. 31, 2012	**Dec. 31, 2013**	Dec. 31, 2012
Discount rate	**8% – 13%**	8% – 13%	**11% – 12%**	11% – 12%	**15% – 16%**	12% – 15%
Terminal capitalization multiples	**10x – 16x**	9x – 17x	**7x – 11x**	8x – 11x	**8x – 12x**	7x – 8x
Investment horizon (years)	**10 – 20**	10 – 20	**10 – 11**	10 – 11	**10 – 11**	10 – 11

Property

Property PP&E primarily consists of hotel and resort operations, which increased by $74 million. The largest change was the increase in the valuation of a resort operation which increased in value based on increased expected cash flows. We acquired a controlling interest in a large resort property in 2012 which gave rise to a $2.5 billion increase in property PP&E in that year.

Key valuation assumptions for our hospitality operations included a weighted average discount rate of 10.5% (2012 – 9.9%), terminal capitalization rate of 7.6% (2012 – 7.5%), and investment horizon of 7 years (2012 – 5 years).

Sustainable Resources

Sustainable resources declined to $0.5 billion at December 31, 2013. The $3 billion reduction is due almost entirely to the sale of our Pacific Northwest and Western Canadian timber operations. We carry our sustainable resources assets at fair value, and revalue them quarterly with adjustments recorded as fair value changes in our statement of operations. We recorded modest fair value gains during each of 2013 and 2012. During 2012 our sustainable resource assets increased due to an increase in the valuation of these assets.

Our sustainable resources key valuation assumptions include a weighted average discount and terminal capitalization rate of 6.9% (2012 – 6.2%), and terminal valuation dates of 20 to 28 years (2012 – 20 to 90 years). Timber and agricultural asset prices were based on a combination of forward prices available in the market and the price forecasts. The decrease in terminal valuation dates was a result of the sale of our Pacific Northwest timber operations.

Investments

Our largest investment is a 28% interest in General Growth Properties ("GGP") with a carrying value at December 31, 2013 of $6.0 billion. Certain of our investee entities, including GGP, carry their assets at fair value, in which case we record our proportionate share of any fair value adjustments. Changes in the carrying values of equity accounted investments typically relate to the purchase or sale of shares and our share of their comprehensive income, including fair value changes, and are reduced by our share of any dividends or other distributions.

Investments increased by $1.7 billion during 2013 and by $2.3 billion during 2012. The majority of the increases in 2013 include our follow-on investment in GGP ($995 million) and in our South American toll roads. These increases were partially offset by valuation charges against the carrying value of our natural gas pipeline investment and GGP, as well as lower foreign currency valuation.

Investments increased by $2.3 billion in 2012, reflecting our share of their net income, in particular fair value changes, and we acquired several equity accounted investments within our infrastructure operations.

GGP owns a large U.S. retail mall portfolio which at year end was valued on a discounted cash flow basis using a discount rate of 7.6%, a terminal capitalization rate of 5.8%, and an investment horizon of 10 years.

Intangible Assets

Intangible assets relate primarily to concession arrangements within our infrastructure operations, in particular our Australian coal terminal ($2.2 billion) and Chilean toll roads ($1.3 billion). Intangible assets declined by $726 million during 2013 due to amortization and the impact of lower exchange rates on intangible assets within non-U.S. operations. Intangibles increased by $1.7 billion during 2012 as the acquisition of the Chilean toll roads during the year gave rise to $1.4 billion of intangibles at the year end and amortization was offset by foreign currency appreciation.

Goodwill

Goodwill decreased by $902 million from December 31, 2012 to $1,588 million, primarily due to the elimination of $591 million of goodwill within our Pacific Northwest timberlands, which were sold during 2012 and a reduction in non-U.S. dollar balances from negative currency revaluation. During 2012 goodwill decreased due to the impact of lower exchange rates on the translated value of goodwill in our Brazilian residential operations, and the sale of a property services business.

Borrowings and Other Non-Current Financial Liabilities

We present our consolidated balance sheets on a non-classified basis, meaning that we do not distinguish between current and long-term assets or liabilities. We believe this classification is appropriate given the nature of our business strategy. Liabilities are disaggregated into current and long-term components in the relevant notes to our consolidated financial statements.

AS AT DECEMBER 31 (MILLIONS)	2013	2012	2011	2013 vs 2012	2012 vs 2011
Corporate borrowings	$ 3,975	$ 3,526	$ 3,701	$ 449	$ (175)
Non-recourse borrowings					
Property-specific borrowings	35,495	33,720	28,487	1,775	5,233
Subsidiary borrowings	7,392	7,585	4,441	(193)	3,144
Non-current accounts payable and other liabilities[1]	4,322	5,440	3,771	(1,118)	1,669
Capital securities	791	1,191	1,650	(400)	(459)
Other non-current financial liabilities	1,086	425	333	661	92
	$ 53,061	$ 51,887	$ 42,383	$ 1,174	$ 9,504

1 Excludes accounts payable and other liabilities that are due within one year See Note 16 to our Consolidated Financial Statements for 2013 and 2012 balances

Corporate borrowings increased by $449 million in part from financings completed to fund the settlement of the long-dated interest swap contract that was included in subsidiary borrowings, offset by proceeds received on asset sales.

The increase in property-specific borrowings of $1.8 billion during 2013 ($5.2 billion in 2012) is due primarily to borrowings incurred or assumed to fund acquisitions within our property and infrastructure operations. Borrowings are generally denominated in the same currencies as the assets they finance and therefore as the U.S. dollar appreciated during the 2013, our non-U.S. dollar denominated borrowings decreased in value.

The decrease in subsidiary borrowings of $193 million during 2013 is attributable to the settlement of a long-dated interest rate swap contract which was carried at $1.1 billion in the prior year. Offsetting this reduction is increased borrowings under subsidiary credit facilities to finance acquisitions, usually as bridge financing until long-term financing can be arranged, as well as the issuance of long-term corporate bonds by our managed listed issuers. The increase in subsidiary borrowings of $3.1 billion during 2012 reflects acquisitions as well as the issuance of long-term corporate bonds.

Accounts payable and other liabilities with a maturity greater than one year decreased from year end, primarily a result of the timing of payments and the completion of construction in our Brazilian residential operations, partially offset by foreign currency translation. We also extinguished a $213 million mark-to-market liability on settlement of the interest rate swap contract. The increase in 2012 was a result of long-term liabilities assumed on acquisitions within our property and infrastructure operations and continued expansion of our residential development operations.

In 2012 and 2013 we redeemed C$500 million and C$350 million of capital securities, respectively, with the proceeds from preferred shares issued at lower rates.

Equity

Consolidated equity increased by $3.2 billion in 2013 following a $6.8 billion increase during 2012. The 2013 increase primarily reflects $3.8 billion of net income, and $1.6 billion of net equity issuances, offset by $1.5 billion of shareholder distributions and $1.2 billion of negative revaluation from other comprehensive income, which included a $2.4 billion reduction from foreign currency translation.

We paid a $906 million special dividend of a 7.6% interest in Brookfield Property Partners L.P. ("BPY" or "Brookfield Property Partners") resulting in a reduction in common equity and a corresponding increase in non-controlling interests. Non-controlling interests increased overall by $3.4 billion due to the BPY special dividend, capital called in our private equity funds and the sale of units of Brookfield Renewable by us during the first quarter of 2013, offset by a $1.2 billion negative foreign currency translation revaluation.

In 2012 non-controlling interests increased by $4.7 billion which reflects the acquisition of consolidated businesses, particularly within our infrastructure operations, as well as undistributed comprehensive income and increases in revaluation surplus attributable to non-controlling interests, including fair value changes, which totalled $1.9 billion. Common equity increased by $1.4 billion in 2012, reflecting comprehensive income for shareholders and increases in revaluation surplus less shareholder distributions.

We provide a more detailed discussion of our capitalization in Part 4 of the MD&A.

QUARTERLY FINANCIAL PERFORMANCE

Our condensed statement of operations for the eight most recent quarters are as follows:

FOR THE THREE MONTHS ENDED (MILLIONS EXCEPT PER SHARE AMOUNTS)	2013				2012			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Total revenues and other gains	$ 5,537	$ 5,176	$ 5,166	$ 4,951	$ 5,641	$ 4,661	$ 4,425	$ 4,039
Direct costs	(3,672)	(3,230)	(3,606)	(3,420)	(4,393)	(3,420)	(3,284)	(2,864)
Other income	—	525	—	—	—	—	—	—
Equity accounted income	75	194	224	266	338	254	257	388
Expenses								
Interest	(613)	(617)	(668)	(655)	(638)	(593)	(614)	(655)
Corporate costs	(36)	(36)	(36)	(44)	(40)	(41)	(35)	(42)
Fair value changes	33	104	465	61	415	495	(100)	343
Depreciation and amortization	(360)	(357)	(373)	(365)	(352)	(327)	(287)	(297)
Income taxes	(114)	(264)	(370)	(97)	(192)	(154)	17	(190)
Net income	$ 850	$ 1,495	$ 802	$ 697	$ 779	$ 875	$ 379	$ 722
Net income for shareholders	$ 717	$ 813	$ 230	$ 360	$ 492	$ 334	$ 138	$ 416
Per share								
- diluted	$ 1.08	$ 1.23	$ 0.31	$ 0.51	$ 0.72	$ 0.48	$ 0.17	$ 0.60
- basic	$ 1.11	$ 1.26	$ 0.31	$ 0.52	$ 0.74	$ 0.49	$ 0.17	$ 0.63

Summary of Quarterly Results

The company's quarterly results vary primarily due to the impact of seasonality on our operations, fair value changes recognized on our consolidated assets as well as fair value changes recorded within equity accounted income, the impact of acquisitions or dispositions of assets or businesses, and fluctuations in foreign currency exchange rates on non-U.S. operations. The timing and amount of realized disposition gains and losses also impacts our consolidated results.

Fee revenues generated within our asset management operations are contractual in nature and have increased over the past eight quarters due to higher amounts of fee bearing capital. In the fourth quarter of 2013 we earned a carried interest distribution of $558 million on the reorganization of the consortium that acquired our U.S. shopping mall business.

Our property operations generate consistent results on a quarterly basis due to the long-term nature of contractual lease arrangements subject to the intermittent recognition of disposition and lease termination gains.

Water flows and pricing within our renewable energy operations are seasonal in nature. During the fall rainy season and spring thaw, water inflows tend to be the highest leading to higher generation; however prices tend not to be as strong as they are in the summer and winter seasons due to the more moderate weather conditions during the fall and spring and associated reductions in demand for electricity.

Our infrastructure operations are generally stable in nature, as a result of the long-term sales and volumes contracts with our clients.

Our private equity operations tend to fluctuate on a quarterly basis as a result of certain of the underlying investments having seasonal operations as well as the timing of acquisitions and dispositions of operations. We disposed of a pulp and paper business within our private equity operations during the third quarter of 2013 and recognized $664 million of revenue on disposition.

Our residential development operations include our North American and Brazilian residential developers, which tend to be seasonal in nature, with the fourth quarter typically the strongest as most of the construction is completed and homes are delivered.

Our construction business line is seasonal in nature and revenues are typically higher in the third and fourth quarters compared to the first half of the year, as weather conditions are more favourable in the latter half of the year.

The third quarter of 2013 includes other income of $525 million on the settlement of a swap agreement which more than offset the seasonal reduction in renewable energy revenues.

We generally finance our operations with long-dated fixed-rate borrowings which results in interest expense being relatively consistent on a quarterly basis.

The amount and timing of fair value changes vary on a quarterly basis depending on changes in the fair value of our assets which are recorded at fair value in net income. Most of these relate to our commercial office portfolios, which have benefitted

from declines in discount rates and increasing cash flows from leasing and redevelopment activity over the past eight quarters. Equity accounted income also includes fair value changes, most of which relate to our investment in General Growth Properties' commercial retail properties, which have benefitted from similar factors as our office portfolios.

Depreciation and amortization increased in 2013 as a result of completion of capital expansion projects and new acquisitions in our renewable energy and infrastructure operations, and increased in 2012 as a result of a higher valuation on our renewable energy assets and acquisitions in that year.

In the fourth quarter of 2012 we acquired and commenced consolidating a number of businesses within our property and infrastructure businesses resulting in increased revenues, direct costs and interest expense.

Fourth Quarter Results

We recognized $850 million of net income in the fourth quarter of 2013, $717 million of which was attributable to shareholders. Net income to shareholders in the prior year comparable period was $492 million. The increase was primarily from $558 million of carried interest earned in respect of our private funds. Our infrastructure operations benefitted from the contribution of newly acquired assets and completed development projects coming online and our renewable energy operations saw a return to near-average water levels. These amounts were offset by lower levels of equity accounted income, primarily a decrease in GGP's fair value changes, and increased depreciation on higher asset values and newly acquired assets.

CORPORATE DIVIDENDS

The dividends paid by Brookfield on outstanding securities during the past three years are as follows:

	Distribution per Security		
	2013	2012	2011
Class A and B* Shares	$ 0.64	$ 0.55	$ 0.52
Special distribution to Class A and B Shares[1]	1.47	—	—
Class A Preferred Shares			
Series 2	0.51	0.52	0.53
Series 4 + Series 7	0.51	0.52	0.53
Series 8	0.73	0.75	0.76
Series 9	0.92	0.95	1.10
Series 10[2]	—	0.37	1.45
Series 11[3]	—	1.02	1.40
Series 12	1.31	1.35	1.36
Series 13	0.51	0.52	0.53
Series 14	1.83	1.88	1.91
Series 15	0.41	0.42	0.43
Series 17	1.15	1.19	1.20
Series 18	1.15	1.19	1.20
Series 21[4]	0.62	1.24	1.27
Series 22	1.70	1.75	1.77
Series 24[3]	1.31	1.35	1.36
Series 26[4]	1.09	1.12	1.14
Series 28[5]	1.12	1.15	1.03
Series 30[6]	1.17	1.20	0.19
Series 32[7]	1.09	0.89	—
Series 34[8]	1.02	0.32	—
Series 36[9]	1.29	—	—
Series 37[10]	0.64	—	—

1 Distribution of a 7.6% interest in Brookfield Property Partners based on IFRS values, paid April 15, 2013
2 Redeemed April 5, 2012
3 Redeemed October 1, 2012
4 Issued July 2, 2013
5 Issued February 8, 2011
6 Issued November 2, 2011
7 Issued March 13, 2012
8 Issued September 12, 2012
9 Initial distribution in 2013 includes $0.11 for the period from November 27, 2012 to December 31, 2012 10 Initial distribution includes $0.06 for the period from June 13, 2013 to June 30, 2013
* Class B Limited Voting Shares ("Class B Shares")

Dividends on the Class A and B Shares are declared in U.S. dollars whereas Class A Preferred Share dividends are declared in Canadian dollars.

PART 3 – OPERATING SEGMENT RESULTS

BASIS OF PRESENTATION

How We Measure and Report Our Operating Segments

Our operations are organized into four operating platforms in addition to our corporate and asset management activities, which collectively represent eight operating segments. We measure performance primarily using the funds from operations generated by each operating segment and the amount of capital invested by the Corporation in each segment.

Our operating segments are described below:

i. Asset management operations consist of managing our listed entities, private funds and public securities on behalf of our clients and ourselves. We generate contractual base management fees for these activities and we also are entitled to earn performance fees, including incentive distributions, performance fees and carried interests. We also provide transaction and advisory services.

ii. Property operations include the ownership and operation of office properties, retail properties, industrial, multifamily, and other property investments located primarily in major North American, Australian, Brazilian and European cities.

iii. Renewable energy operations include the ownership and operation of primarily hydroelectric power generating facilities on river systems in North America and Brazil, and wind power generating facilities in North America.

iv. Infrastructure operations include the ownership and operation of utilities, transport, energy, and timberlands and agricultural operations located in Australia, North America, Europe and South America.

v. Private equity operations include the investments and activities overseen by our private equity group. These include direct investments and investments in our private equity funds. Our private equity funds have a mandate to invest in a broad range of industries.

vi. Residential development operations consist predominantly of homebuilding and land development in North America, and condominium development in Brazil.

vii. Service activities include construction management and contracting, and property services operations which include global corporate relocation, facilities management and residential brokerage services.

viii. Corporate activities include the investment of the company's cash and financial assets, as well as the management of our corporate capitalization, including corporate borrowings, capital securities and preferred equity which fund a portion of the capital invested in our other operations. Certain corporate costs such as technology and operations are incurred on behalf of all of our operating segments and allocated to each operating segment based on an internal pricing framework.

During the current year, we changed the internal organization and supervision of our operating businesses to align our structure more closely with nature of the operations of our investments, which gave rise to changes in how we report information for management reporting and decision making purposes. We have restated the comparative information in this MD&A to conform with the new presentation.

Segment Financial Measures

The following section contains a description of key performance measures that we employ in discussing our segmented results and elsewhere in our MD&A on a selective basis. As noted below, these measures include non-IFRS financial measures. The non-IFRS measures are reconciled to the most comparable financial statement component in Note 3 to our consolidated financial statements beginning on page 97 of this report.

Funds from Operations ("FFO") is a key measure of our financial performance and we use FFO to assess operating results and our business.

FFO includes gains or losses arising from transactions during the reporting period adjusted to include fair value changes and revaluation surplus recorded in prior periods net of taxes payable or receivable, as well as amounts that are recorded directly in equity, such as ownership changes, as opposed to net income because they result from a change in ownership of a consolidated entity ("realized disposition gains"). We include realized disposition gains in FFO because we consider the purchase and sale of assets to be a normal part of the company's business. When determining funds from operations, we include our proportionate share of the FFO of equity accounted investments and exclude transaction costs incurred on business combinations.

Our definition of funds from operations may differ from the definition used by other organizations, as well as the definition of funds from operations used by the Real Property Association of Canada ("REALPAC") and the National Association of Real Estate Investment Trusts, Inc ("NAREIT"), in part because the NAREIT definition is based on U.S. GAAP, as opposed to IFRS. The key

differences between our definition of funds from operations and the determination of funds from operations by REALPAC and/or NAREIT, are that we include the following: realized disposition gains or losses that occur as normal part of our business and cash taxes payable on those gains, if any; foreign exchange gains or losses on monetary items not forming part of our net investment in foreign operations; and gains or losses on the sale of an investment in a foreign operation.

We do not use FFO as a measure of cash generated from our operations. We derive funds from operations for each operating segment and reconcile total reportable segment FFO to net income in Note 3 of the consolidated financial statements and on page 37.

In assessing results, we identify the portion of FFO that represents realized disposition gains or losses, as well as the FFO and segment equity that relates to our primary listed entities: Brookfield Property Partners, Brookfield Renewable Energy Partners and Brookfield Infrastructure Partners. We believe that identifying the segment FFO and segment equity attributable to our listed entities enables investors to understand how the results of these public entities are integrated into our financial results and that identifying realized disposition gains is helpful in understanding variances between reporting periods.

Segment Operating Measures and Definitions

The following are non-IFRS operating measures and definitions of terms that we employ to describe and assess the performance on a segmented basis. The calculation of these measures may differ from others and as a result, may not be comparable to similar measures presented by other issuers.

Fee Bearing Capital represents the capital committed, pledged or invested in our listed issuers, private funds, and public securities that we manage which entitle us to earn fee revenues and/or carried interests. Fee bearing capital includes both called ("invested") and uncalled ("pledged" or "committed") amounts. We believe this measure is useful to investors as it provides additional insight into the capital base upon which we earn asset management fees and other forms of compensation.

Fee Revenues include base management fees, incentive distributions, performance fees and transaction and advisory fees presented within our asset management segment. Many of these items are not included in consolidated revenues because they are earned from consolidated entities and are eliminated on consolidation. Fee revenues exclude carried interest.

Fee Related Earnings is comprised of fee revenues less direct costs (other than costs related to carried interests). We use this measure to provide additional insight into the operating profitability of our asset management activities and believe that it is useful to investors for the same reason.

Base Management Fees are determined by contractual arrangements, are typically equal to a percentage of Fee Bearing Capital, are accrued quarterly, include base fees earned on fee bearing capital from both clients and ourselves and are typically earned on both called and uncalled amounts.

Incentive Distributions are determined by contractual arrangements and are paid to us by our three primary listed entities and represent a portion of distributions paid by a listed issuer above a pre-determined threshold. Incentive distributions are accrued when the associated distributions are declared by the board of directors of the entity.

Performance Fees are paid to us when we exceed pre-determined investment returns on certain portfolios managed in our public securities activities. Performance fees are typically determined on an annual basis and are not subject to "clawback."

Carried Interests are contractual arrangements whereby we receive a fixed percentage of investment gains generated within a private fund provided that the investors receive a pre-determined minimum return. Carried interests are typically paid towards the end of the life of a fund after the capital has been returned to investors and may be subject to "clawback" until all investments have been monetized and minimum investment returns are sufficiently assured. We defer recognition of carried interests in our financial statements until they are no longer subject to adjustment based on future events. Unlike fees and incentive distributions, we only include carried interests earned in respect of third-party capital when determining our segment results.

Unrealized Carried Interests is a non-IFRS measure that represents the amount of carried interest that we would be entitled to if private funds were wound up on the last day of the reporting period, based on the estimated value of the underlying investments. We use this measure to gain additional insight into how investment performance is impacting our potential to earn carried interests in future periods and believe that it is useful to investors for the same reason.

Uninvested Capital (also referred to as "Dry Powder" or "Client Commitments") represents capital that has been committed or pledged to private funds managed by us. We typically, but not always, earn base management fees on this capital from the time that the commitment or pledge to our private fund is effective. In certain cases, we earn fees only once the capital is invested or earn a higher fee on invested capital than committed capital. In certain cases, clients retain the right to approve individual investments before providing the capital to fund them. In these cases, we refer to the capital as "pledged" or "allocated."

Average in-place Net Rents are a measure of leasing performance within our property segment, and calculated as the annualized amount of cash rent receivable from leases on a per square foot basis including tenant expense reimbursements, less operating expenses. This measure represents the amount of cash generated from leases in a given period and excludes the impact of concessions such as straight-line rent escalations and free rent amortization.

Long-term Average Generation is compared to actual generation levels to assess the impact on revenues and FFO of hydrology and wind generation levels, in our renewable energy segment, which vary from one period to the next in the short term. Long-term average generation is determined based on assets in commercial operation during the year. For assets acquired or reaching commercial operation during the year, long-term generation is calculated from the acquisition or commercial operation date. In Brazil, assured generation levels are used as a proxy for long-term average.

Realized Disposition Gains/Losses include gains or losses arising from transactions during the reporting period together with any fair value changes and revaluation surplus recorded in prior periods and are represented net of taxes payable or receivable. Realized disposition gains include amounts that are recorded in net income, other comprehensive income and as ownership changes in our consolidated statement of equity and exclude amounts attributable to non-controlling interests unless otherwise noted. We use realized disposition gains/losses to provide additional insight regarding the performance of investments on a cumulative realized basis, including any unrealized fair value adjustments that were recorded in prior periods and not otherwise reflected in current period FFO and believe it is useful to investors for similar reasons.

SUMMARY OF RESULTS BY OPERATING SEGMENT

The following table presents segment measures on a year-over-year basis for comparison purposes:

AS AT AND FOR THE YEARS ENDED DECEMBER 31 (MILLIONS)	Funds from Operations			Common Equity by Segment		
	2013	2012	Variance	2013	2012	Variance
Asset management	$ 865	$ 194	$ 671	$ 216	$ 245	$ (29)
Property	554	537	17	13,339	12,958	381
Renewable energy	447	313	134	4,428	4,976	(548)
Infrastructure	472	224	248	2,171	2,571	(400)
Private equity	612	227	385	1,105	957	148
Residential development	46	34	12	1,435	1,617	(182)
Service activities	157	229	(72)	1,286	1,325	(39)
Corporate activities	223	(402)	625	(6,199)	(6,499)	300
	$ 3,376	$ 1,356	$ 2,020	$ 17,781	$ 18,150	$ (369)

Funds From Operations

FFO from asset management activities was $865 million during 2013, and consisted of $565 million (2012 – $14 million) of carried interest and $300 million (2012 – $180 million) of fee related earnings. We recorded $558 million of carried interest on the wind up of the consortium that acquired our U.S. shopping business, representing our share of the gains generated for our clients on this investment. Fee related earnings increased by $120 million over 2012, primarily due to a higher level of fee bearing capital, which reflected additional capital committed to our private funds, capital issuances by our listed entities, including the formation of BPY, and increases in market values.

FFO from our property operations was $554 million for the year, which increased by $17 million over 2012 and included $28 million of realized disposition gains, whereas the prior year included $107 million of realized disposition losses. We distributed a 7.6% interest in BPY to shareholders in April 2013 and because we hold the majority of our property operations through BPY, this resulted in a reduced ownership of the underlying businesses and accordingly reduced the current year's FFO by $31 million on a comparative basis. Segment results include $36 million of asset management fees paid to Brookfield by BPY, which commenced upon the formation of BPY in April 2013, reducing 2013 FFO on a comparable basis. Our portfolios continue to perform well, with U.S. retail sales increasing 12% on a suite-to-suite basis. Our U.S. office occupancy decreased by 440 bps, largely due to a lease expiry in New York in the fourth quarter of 2013, which resulted in a $19 million decrease to FFO.

Our renewable energy operations contributed $447 million of FFO compared to $313 million in the comparative period, which included a $172 million increase in FFO from operating activities. Generation increased 39% or 6,280 gigawatt hours ("GWh") compared to 2012, due to increased generation from newly acquired and commissioned facilities and above average hydrology levels, whereas water flows in the prior year were significantly below average. Improved hydrology conditions increased FFO by $122 million from facilities owned throughout 2013 and 2012. New facilities contributed an additional $39 million of FFO. Increases in market prices for power not sold under long-term contract increased FFO by $68 million. These positive variances were partially offset by a decreased ownership interest in Brookfield Renewable Energy Partners, following the sale of units by us in the first quarter of 2013, increased borrowing levels to fund growth, capital expenditures and negative foreign currency exchange rates.

Infrastructure FFO was $472 million, an increase of $248 million over the prior year. We recognized $250 million of realized disposition gains in 2013, including the sale of our Pacific Northwest timber operations. The primary increase in FFO apart from the realized disposition gains was from the contribution from new assets and completed development projects, including $23 million of FFO from the completion of our rail expansion program, and our South American toll roads contributed an additional $22 million. These positive variances were partially offset by the elimination of FFO from assets disposed of during the year and challenging North American natural gas pricing, impacting our gas transmission business.

FFO from our private equity operations increased by $385 million to $612 million compared to $227 million in the prior year and included $316 million (2012 – $15 million) of realized disposition gains. Excluding realized disposition gains, FFO for 2013 was

$296 million (2012 – $212 million). The increase of $84 million reflects improved pricing and volumes in businesses related to the U.S. housing market, particularly our panelboard manufacturing operations.

Our residential development operations contributed $46 million of FFO (2012 – $34 million). The contribution from our North American operations increased by $53 million due to increased pricing and volumes within our U.S. operations. The contribution from our Brazil operations declined by $25 million, as these operations continue to be challenged by increased construction costs and slower economic growth.

FFO from our services activities was $157 million (2012 – $229 million). The 2012 results included a $70 million realization gain on the partial disposition of our U.S. brokerage operations. FFO excluding realized disposition gains was relatively unchanged. Our construction operations increased over the prior year, as we continue to manage an increased volume of work which was offset by a reduced ownership level in our property services operations.

FFO from corporate activities includes a $525 million gain on the settlement of a long-dated interest rate swap, which also resulted in reduced levels of borrowings and a lower interest rates following the settlement. Capital markets performed strongly in 2013 and we benefitted from an additional $61 million contribution from our financial asset portfolio, compared to the prior year.

Common Equity by Segment

Property segment common equity increased by $0.4 billion during the year. We acquired an additional 51 million units of BPY for $995 million in the fourth quarter, offsetting the impact of the spin-off of a 7.6% interest in BPY ($906 million). The current year's FFO and $851 million of fair value changes also increased property segment equity. Our renewable energy segment common equity decreased by $548 million, which included a $233 million sale of 8.1 million units of BREP in the first quarter of 2013, and the impact of lower foreign currency exchange rates and higher discount rates on asset valuations. We disposed our Pacific Northwest timberland operations in the third quarter of 2013, which reduced our infrastructure segment common equity by $600 million.

Reconciliation of Non-IFRS Measures

The following table reconciles total operating segment FFO to net income:

YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Total operating segment FFO	$ 3,376	$ 1,356
Gains not recorded in net income	(434)	(183)
Non-controlling interest in FFO	2,465	1,498
Financial statement components not included in FFO		
Equity accounted fair value changes and other non-FFO items	(85)	578
Fair value changes	663	1,153
Depreciation and amortization	(1,455)	(1,263)
Deferred income taxes	(686)	(384)
Net income	$ 3,844	$ 2,755

ASSET MANAGEMENT

Overview

Our asset management operations consist of managing listed entities, private funds and public securities on behalf of ourselves and our clients. As at December 31, 2013, we managed approximately $80 billion of fee bearing capital, of which approximately $54 billion was from clients and the balance was from Brookfield. We also provide transaction and other advisory services. The following table disaggregates segment FFO into fee related earnings and carried interests to facilitate analysis.

AS AT AND FOR THE YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Funds from operations		
Fee related earnings	$ 300	$ 180
Carried interests	565	14
	$ 865	$ 194

Revenues in this segment include fees earned by us in respect of capital managed for clients as well as the capital provided by Brookfield, with the exception of carried interests and performance fees which exclude amounts earned on Brookfield capital. This is representative of how we manage the business and more appropriately measures the returns from our asset management activities and the returns from the capital invested in our funds. We do not recognize carried interests until the end of any determination or "clawback" period, which typically occurs at or near the end of a fund term, however we do provide supplemental information

on the estimated amount of unrealized carried interests that have accumulated to date based on fund performance up to the date of the financial statements.

Fee Related Earnings

We generated the following fee related earnings during the year:

FOR THE YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Fee revenues		
Base management fees	$ 502	$ 352
Incentive distributions	32	15
Performance fees	30	17
Transaction and advisory fees	53	53
	617	437
Direct costs	(317)	(257)
Fee related earnings	$ 300	$ 180

Fee related earnings increased by 67% to $300 million for the year, as a result of substantial increases in fee bearing capital and associated revenues as well as operating margins.

Base management fees increased 43% to $502 million compared to $352 million in the prior year. Our private funds contributed $68 million to the increase mainly resulting from new commitments to our infrastructure and real estate flagship funds, including $15 million of catch-up fees that had been deferred until the final close of a large real estate fund during 2013. Some of our private funds earn fees only on invested capital or earn higher fees once capital is invested. We estimate that private fund base management fees will increase by approximately $18 million upon calling the $9.0 billion of third-party capital that has not been invested to date. Increases in the capitalization of our listed issuers through unit price appreciation and issuance of new capital added a further $57 million of base fees. We earned $36 million of fees from Brookfield Property Partners, which was launched in April 2013 and pays a minimum base fee to us of $50 million per year. Base fees from our public securities activities increased by $25 million due to net inflows and market value appreciation of the securities under management. Base management fees include $172 million (2012 – $119 million) earned in respect of Brookfield capital.

We received $32 million of incentive distributions from Brookfield Infrastructure Partners during 2013, representing an increase of $17 million from 2012. The increase was the result of a 15% growth in BIP's limited partnership unit distributions from $1.50 per unit during 2012 to $1.72 per unit in 2013.

We earned $30 million of performance fees for managing public securities portfolios, based on exceeding performance thresholds in a number of our strategies, in particular our real estate hedge funds and structured products funds.

Transaction and advisory fees totalled $53 million in 2013, consistent with the prior year. We have expanded our investment banking activities into the U.S., UK and India and we continue to advise on a number of mandates in Canada and Brazil. Our primary focus is on real estate and infrastructure transactions.

Direct costs consist primarily of employee expenses and professional fees, as well as business related technology costs and other shared services. Operating margins, which are calculated as fee related earnings divided by fee revenues, increased to 49% for the year, compared to 41% in 2012. We had expanded our operating capabilities considerably in prior years, which enabled us to expand our asset management revenues without a commensurate increase in operating costs. Gross margins also benefitted from the receipt of catch-up base management fees and increased performance fees during 2013. Direct costs increased by $60 million year-over-year in particular due to geographic expansion in our infrastructure, public securities and advisory businesses, as well as $25 million of costs reallocated from our corporate activities segment to our asset management segment following the launch of Brookfield Property Partners and $9 million of additional costs incurred that directly relate to employee compensation income based on the in-year performance fees.

Carried Interests

We concluded the initial phase of our investment in GGP with the reorganization of the consortium that we established to acquire our initial investment. This reorganization enabled our clients to convert this investment into cash, units of Brookfield Property Partners, or to continue to hold their GGP shares with us as manager. This investment had a 38% gross IRR and 2.6x gross multiple of equity invested and we received $558 million of accumulated carried interest in accordance with the terms of our consortium agreements.

Accumulated unrealized carried interest totalled $318 million at December 31, 2013. This represents an increase of $195 million compared to last year, prior to the $566 million realized in the year. We estimate that direct expenses of approximately $118 million will arise on the realization of the income accumulated to date. The amount of unrealized carried interests and associated costs are shown in the following table:

	2013			2012		
AS AT DECEMBER 31 (MILLIONS)	Unrealized Carried Interest	Direct Costs	Net	Unrealized Carried Interest	Direct Costs	Net
Unrealized balance, beginning of year	$ 689	$ (57)	$ 632	$ 379	$ (51)	$ 328
In-period change						
Generated	195	(62)	133	327	(9)	318
Less: realized	(566)	1	(565)	(17)	3	(14)
Unrealized balance, end of year	$ 318	$ (118)	$ 200	$ 689	$ (57)	$ 632

Fee Bearing Capital

The following table summarizes our fee bearing capital:

AS AT DECEMBER 31 (MILLIONS)	Listed Issuers[1]	Private Funds[1]	Public Securities	Total	2012
Property	$ 15,396	$ 12,185	$ 2,732	$ 30,313	$ 18,133
Renewable energy	9,325	2,169	—	11,494	10,559
Infrastructure	8,276	8,588	4,853	21,717	16,497
Private equity	—	2,683	—	2,683	2,720
Other	—	—	13,086	13,086	12,160
December 31, 2013	$ 32,997	$ 25,625	$ 20,671	$ 79,293	n/a
December 31, 2012	$ 21,301	$ 23,244	$ 15,524	n/a	$ 60,069

1 Includes Brookfield capital of $6 0 billion in private funds and $19 7 billion in listed issuers

Fee bearing capital includes all capital on which we receive some form of asset management revenue and includes capital committed or invested by us. For example, we include 100% of the market capitalization of listed issuers such as BIP and private funds such as our private equity funds because we are entitled to earn fees on all of this capital, including our own. We do not, however, include the capital invested or committed by one Brookfield managed entity into another because the fees otherwise payable to us on this capital are credited against the fees payable to us by the other.

Listed issuer capital includes the market capitalization of our listed issuers: BPY, BREP, BIP, Brookfield Canada Office Properties, Acadian Timber Corp. and several smaller listed entities. Fee bearing capital also includes corporate debt and preferred shares issued by these entities to the extent these are included in determining base management fees.

The private fund capital includes $16.6 billion of invested capital and $9.0 billion of capital that has not been invested to date but which is available to pursue acquisitions within each fund's specific mandate. Of the total "dry powder," $2.8 billion relates to property funds, $5.3 billion relates to infrastructure funds and $0.9 billion relates to private equity funds. The invested capital has an average term of 10 years and the uncalled capital has an average term during which it can be called of approximately four years.

We manage fixed income and equity securities within our public securities operations, with a particular focus on real estate and infrastructure, including high yield and distress securities.

Fee bearing capital increased by $19.2 billion during 2013. The principal variances are set out in the following table:

FOR THE YEAR ENDED DECEMBER 31, 2013 (MILLIONS)	Listed Issuers	Private Funds	Public Securities	Total
Balance, December 31, 2012	$ 21,301	$ 23,244	$ 15,524	$ 60,069
Inflows	2,100	7,922	7,056	**17,078**
Launch of Brookfield Property Partners	11,518	—	—	**11,518**
Outflows	(926)	(5,332)	(3,090)	**(9,348)**
Changes in market value	235	—	1,181	**1,416**
Foreign exchange and other	(1,231)	(209)	—	**(1,440)**
Change	11,696	2,381	5,147	**19,224**
Balance, December 31, 2013	**$ 32,997**	**$ 25,625**	**$ 20,671**	**$ 79,293**

The increase in listed issuer capital of $11.7 billion primarily relates to the launch of Brookfield Property Partners L.P. ("BPY") in April 2013. Other inflows are related to the issuance of additional capital including $1.4 billion of BPY equity units in connection with the GGP consortium reorganization, while outflows include quarterly cash distributions and repayment of corporate borrowings.

Private fund fee bearing capital increased by $2.4 billion during the year to $25.6 billion. The increase reflects $7.9 billion of new commitments offset by distributions and the return of capital to investors. We held the final close for several private funds during the year including $4.4 billion for Brookfield Strategic Real Estate Partners and $7.0 billion for Brookfield Infrastructure II. In addition, we closed a $1.0 billion global Timberlands Fund V, a $270 million Brazil Timber Fund II and raised $600 million for a pooled investment in a group of Los Angeles office properties. During the year, we concluded our Brookfield Global Timber Fund, following the sale of our Pacific Northwest timberlands and our Real Estate Turnaround Protocol Fund, upon the sale of our U.S. retail shopping business which resulted in the return of approximately $7 billion to investors.

Fee bearing capital in our public securities business increased by $5.1 billion during the year due to record inflows of $7.1 billion. We have continued to expand our range of higher margin mutual funds and similar products and have received strong interest from clients, supported in part by excellent performance in many of our funds.

Outlook and Growth Initiatives

We continue to experience increased interest by institutions and other investors in real asset investments, which is the focus of most of our investment strategies and products. Our fundraising activities experienced tremendous success in 2013, and we have four funds in marketing seeking over $2 billion of third-party capital.

Our listed issuers continue to have strong access to capital and to meet or exceed their annual distribution growth targets. Our property listed issuer, Brookfield Property Partners, is in the process of completing a merger with 51% owned Brookfield Office Properties Inc. ("BPO"), its global office subsidiary. Based on the shares of BPO properties tendered as at the date of this report we expect that the transaction will be completed during 2014 and will result in BPY issuing 186 million units, which will increase our fee bearing capital by approximately $3.7 billion based on current market prices.

PROPERTY

Overview

We own virtually all of our commercial property assets through BPY, which is listed on the New York and Toronto Stock Exchanges. We also own $1.3 billion of preferred shares of BPY which yield 6.2%, and a small number of other property assets.

BPY was launched in April 2013 with the distribution of a 7.6% interest to Brookfield shareholders. Since that time, BPY issued additional equity units for $1.4 billion. We purchased 70% of the issued units for $1.0 billion, reducing our fully diluted interest in BPY to 89%. We expect our fully diluted interest in BPY to decline to 66% following the merger with BPO.

BPY's operations are principally organized as follows:

Office Properties: We own interests in and operate commercial office portfolios, consisting of 163 properties containing over 93 million square feet of commercial office space. The properties are located in major financial, energy, technology and government cities in North America, Europe and Australia. We also develop office properties on a selective basis in close proximity to our existing properties and our office development assets consist of interests in 21 sites totalling approximately 19 million square feet. The majority of BPY's office properties are held through our 51% owned BPO and a 22% equity interest in Canary Wharf Group. Of the total properties in our office portfolio, 136 properties consisting of 80 million square feet are consolidated and the remaining interests are either equity accounted or accounted for as a financial asset under IFRS. The merger with BPO would provide BPY with 100% ownership of BPO's office portfolio.

Retail Properties: Our retail portfolio consists of an interest in 163 retail properties in the United States, Brazil and Australia, encompassing 153 million square feet. Our North American retail operations are held through our 32% fully diluted interest in GGP and a 39% interest in Rouse Properties, both of which are equity accounted. Our Brazilian operations are held through a 35% owned institutional fund managed by us, and we also own direct property interests in Australia. Of the total properties in our retail portfolio, 154 properties, consisting of 149 million square feet, are equity accounted investments and the remaining are consolidated under IFRS.

Multifamily, Industrial and Other Properties: This category includes 25,500 multifamily units in the United States and Canada and 68 million square feet of industrial space in North America and Europe. We also own distressed and under-performing real estate assets and businesses and commercial real estate mortgages and mezzanine loans in North America, Europe and Australia, as well as interests in hotel and resort properties.

The following table disaggregates segment FFO and segment equity into the amounts derived from our ownership of BPY, the amounts represented by other assets and liabilities and realized disposition gains to facilitate analysis:

AS AT AND FOR THE YEARS ENDED DECEMBER 31 (MILLIONS)	Funds from Operations		Common Equity by Segment	
	2013	2012	2013	2012
Brookfield Property Partners[1]				
Equity units[2]	$ 492	$ 587	$ 12,180	$ 13,163
Preferred shares	56	—	1,275	—
	548	587	13,455	13,163
Other				
Property assets	6	91	469	434
Liabilities	(28)	(34)	(585)	(639)
Realized disposition gains	28	(107)	—	—
	$ 554	$ 537	$ 13,339	$ 12,958

1 BPY 2012 FFO and common equity by segment include assets contributed to BPY including BPO, GGP and our investment in Canary Wharf Group

2 Brookfield's equity units in BPY consist of 432 6 million redemption-exchange units, 45 2 million Class A LP units, 4 8 million special limited partnership units and 0 1 million general partnership units, together representing an effective economic interest of 89% of BPY

FFO within our property segment was $554 million (2012 – $537 million). We recorded $28 million of realized disposition gains compared to realized disposition losses of $107 million in 2012, resulting in a positive variance of $135 million. This increase was partially offset by a decline in FFO from the operations that are now held through BPY to $548 million (2012 – $587 million).

Brookfield Property Partners

Our share of BPY's FFO during 2013 was $548 million, of which $56 million was received as dividends on preferred shares that were issued to us on the reorganization of the capital in our property segment on the formation of BPY. This represents a decline of $39 million from the $587 million of FFO recorded from the same businesses during 2012. The distribution of the initial 7.6% ownership position in BPY to shareholders in April 2013 reduced our interest in these operations, resulting in a $31 million decline over the 2012 results on a comparative basis. In addition, BPY's FFO during 2013 was reduced by $36 million of base management fees paid to us and recorded as revenue in our asset management segment. BPY's FFO from retail property operations and multifamily, industrial and other operations increased during the year, which was partially offset by lower FFO from office property operations.

Office Properties

BPY recorded FFO of $312 million from office property operations in 2013 compared to $338 million in 2012, of which our share was $294 million and $338 million, respectively. Favourable leasing performance resulted in a 1% increase in in-place rents on existing properties using consistent foreign exchange rates (1% decrease using actual foreign exchange rates), however this was more than offset by the anticipated expiry of a large lease in New York City in the fourth quarter of 2013 that reduced BPY's FFO from our U.S. operations by $21 million. In addition, the dividend received by BPY from Canary Wharf in 2013 was $14 million, lower than the $40 million received by us in 2012.

Leasing activity during the year consisted of 8.9 million square feet of new leases at an average in-place net rent of $30.27 during the year and 10.4 million square feet of lease expiries at expiring net rents of $27.90 per square foot. This resulted in an increase in average in-place net rents from $29.40 to $30.15 per square foot and reduced the proportion of leases expiring over the next five years by 180 basis points compared to the end of 2012. Overall occupancy decreased to 88.0% at December 31, 2013 (2012 – 91.1%). The decrease in portfolio occupancy was primarily due to the expiry of a large lease in New York, decreasing U.S. occupancy from 87.7% to 83.3%. Our average remaining lease term is approximately seven years (2012 – seven years). Contractual lease expiries in the upcoming year consist of 4.8 million square feet and the associated expiring average in-place

net rent is $32. Our 10 largest tenants occupy 15.4 million square feet with the largest tenant class consisting of government and government agencies representing 5.5 million square feet.

In North America, average in-place net rents across our 81.3 million square foot portfolio approximate $26 per square foot compared to $26 per square foot at the end of 2012. Net rents represent a discount of approximately 15.7% to the average market rent of $31 per square foot. This gives us confidence that we will be able to maintain or increase our net rental income in the coming years and, together with our high overall occupancy, to exercise patience in signing new leases.

In Australasia, average in-place net rents in our 10.8 million square foot portfolio are $48 per square foot, which represents a 6% discount to market rents. The occupancy rate across the portfolio remains high at 97.6% and the weighted average lease term is approximately six years. Leases in Australia typically include annual escalations, with the result that in-place lease rates tend to increase along with long-term increases in market rents.

Of our 19 million square feet of office developments, 8.4 million are under active development, 2.3 million are in the planning stage and 8.2 million are held for future development. Active developments at December 31, 2013 had incurred a cost of $951 million and had a total planned development cost of $732 per square foot with a weighted average planned construction period of seven years.

Retail Properties

BPY's FFO from retail operations, which is derived largely from its ownership interest in GGP, increased to $298 million in 2013 (2012 – $259 million), of which our share was $281 million and $259 million, respectively.

BPY's net share of GGP's funds from operations was $271 million compared to $251 million in 2012. The growth in FFO reflects increases in both net rents and occupancy. Initial rental rates for leases commencing in 2013 increased by 12.3% or $7.05 per square foot, to $64.29 per square foot when compared to the rental rate for expired leases. Tenant sales were $564 per square foot on a trailing 12-month basis as at year end, representing a 3.6% increase over the prior year on a comparable basis. The remaining FFO includes the results of Rouse Properties, which was spun out of GGP during 2012, and our share of FFO from our Brazilian retail property fund.

Total leasing activity during the year consisted of 14.6 million square feet of new leases at an average in-place net rent of $54.30 during the year and 13.5 million square feet of lease expiries at expiring net rents of $50.39 per square foot. This resulted in an increase in average in-place net rents from $50.48 to $53.39 per square foot. Overall occupancy in our retail property portfolio was 95.9% (2012 – 95.1%), and represented an average lease term of six years. Portfolio net rents represent a discount of approximately 13% compared to market rents of $61.38 per square foot. Contractual lease expiries in the upcoming year consist of 6.9 million square feet and the associated expiring average in-place net rent is $55.

GGP completed 10.7 million square feet of new and renewal leasing in 2013, excluding anchor tenants. Same store regional mall percentage leased was 97.1% at year-end 2013, an increase of 100 basis points over year-end 2012 and in-place rents increased by 5.2% to $57.75 per square foot.

Multifamily, Industrial and Other Properties

BPY holds industrial, multifamily and other property assets primarily through funds that are managed by us. The carrying value of BPY's investment in these operations increased by $404 million during 2013 to $1,042 million at December 31, 2013, and its share of the associated FFO increased to $61 million (2012 – $10 million) largely as a result of acquisitions.

Common Equity by Segment

Common equity by segment at the end of 2013 was $13.3 billion (2012 – $13.0 billion). The distribution of BPY units in April 2013 reduced segment equity by $0.9 billion, which was more than offset by our purchase of additional units in BPY for $995 million in the fourth quarter of 2013 and undistributed net income.

Other Property Assets and Liabilities

We continue to sell other investments at opportunistic times as they are not core to our operations. We sold three retail properties in 2013 for $265 million generating net proceeds of $115 million.

Outlook and Growth Initiatives

As noted above, we hope to complete the merger of BPY and BPO during the first half of 2014, positioning BPY as one of the largest and most diverse global real estate investment entities.

We remain focused on the following strategic priorities:

- Realizing value from our properties through proactive leasing and select redevelopment initiatives;
- Prudent capital management, including refinancing mature properties and disposition of select mature or non-core assets;
- Advancing development assets as the economy rebounds and supply constraints create opportunities; and
- Renewing and extending borrowings to take advantage of the current low interest rate environment.

We expect to increase the cash flows from our office and retail property activities through continued leasing activity as described above. In particular, we are operating below our normal office occupancy level in the United States, which provides the opportunity to expand cash flows through higher occupancy. Most of our markets have favourable outlooks, which we expect will also lead to strong growth in lease rates.

Transaction activity is picking up across our global office markets and we are considering a number of different opportunities to acquire single assets, development sites and portfolios at attractive returns. In our continued effort to enhance returns through capital reallocation, we are also looking to divest of whole or partial interests in a number of mature assets to capitalize on existing market conditions.

Given the small amount of new office development that occurred over the last decade and the near total development halt during the global financial crisis, we see an opportunity to advance our development inventory in the near term in response to demand we are seeing in our major markets. We are currently focused on five development projects totalling approximately eight million square feet. This pipeline could add more than $6.2 billion in assets and we are actively advancing planning and entitlements and seeking tenants for these sites. In addition, we continue to reposition and redevelop existing retail properties, in particular, a number of our shopping centres in the United States.

RENEWABLE ENERGY

Overview

We hold our renewable energy operations primarily through a 65% fully diluted interest in Brookfield Renewable Energy Partners. BREP is listed on both the NYSE and TSX and had a market capitalization of $6.9 billion at December 31, 2013. BREP operates renewable power facilities and owns them both directly as well as through joint ventures and institutional infrastructure funds that we manage.

We arrange for the sale of power generated by BREP through our energy marketing business ("Brookfield Energy Marketing" or "BEMI"). We purchase a portion of BREP's power pursuant to long-term contracts at pre-determined prices, providing a stable revenue profile for unitholders of BREP and providing us with continued participation in future increases (or decreases) in power prices.

The following table disaggregates segment FFO and segment equity into the amounts attributable to our ownership of BREP, the operations of BEMI and realized disposition gains to facilitate analysis:

AS AT AND FOR THE YEARS ENDED DECEMBER 31 (MILLIONS)	Funds from Operations		Common Equity by Segment	
	2013	2012	**2013**	2012
Brookfield Renewable Energy Partners[1]	**$ 390**	$ 236	**$ 3,534**	$ 4,272
Brookfield Energy Marketing	**(119)**	(137)	**894**	704
Realized disposition gains	**176**	214	**—**	—
	$ 447	$ 313	**$ 4,428**	$ 4,976

1 Brookfield's interest in BREP consists of 129.7 redemption-exchange units, 40.0 Class A LP units and 2.7 million general partnership units, together representing an economic interest of 65% of BREP

FFO for the year was $447 million compared to $313 million in the prior year and included $176 million of realized disposition gains (2012 – $214 million). Our share of BREP's FFO increased by $154 million, or 65%, reflecting a return to normalized levels of generation following a particularly dry year in 2012 and the contribution from newly acquired and commissioned assets. We completed a secondary offering of BREP in the first quarter of 2013 which generated proceeds of $233 million and recognized a $176 million realized disposition gain. Realized disposition gains in the prior year included a $214 million gain on a previous sale of BREP units.

Brookfield Renewable Energy Partners

We own one of the world's largest publicly traded, pure-play renewable power portfolios with 5,849 megawatts ("MW") of installed capacity and long-term average annual generation of 21,836 gigawatt hours ("GWh"). Our portfolio includes 193 hydroelectric generating stations on 69 river systems and 11 wind facilities, diversified across 12 power markets in the United States, Canada and Brazil. We also have an approximate 1,700 MW development pipeline spread across all of our operating jurisdictions.

BREP's operating results are summarized as follows:

FOR THE YEARS DECEMBER 31 (GIGAWATT HOURS AND $MILLIONS)	Actual Generation (GWh)		Long-Term Average (GWh)		Funds from Operations	
	2013	2012	2013	2012	2013	2012
Brookfield Renewable Energy						
Revenues						
Hydroelectric	19,232	13,336	18,399	15,647	$ 1,409	$ 1,079
Wind energy	2,220	1,709	2,538	2,034	258	189
Co-generation	770	897	899	521	71	70
	22,222	15,942	21,836	18,202	1,738	1,338
Direct costs					(530)	(486)
Interest and other costs					(470)	(461)
Non-controlling interest					(348)	(155)
					$ 390	$ 236

Our share of FFO increased by $154 million to $390 million, from $236 million in 2012.

Generation at facilities owned throughout 2013 and 2012 increased by 2,640 gigawatt hours to 17,944 gigawatt hours, representing a 17% increase. This resulted in additional revenues of $209 million and FFO of $122 million. Generation approximated long-term average levels in 2013 whereas generation in 2012 was 12% below long-term average due to dry conditions in New York State, the mid-western U.S. and eastern Canada.

Facilities acquired or developed since the beginning of 2012 contributed an increase in generation of 3,638 gigawatt hours over 2012, of which 3,093 GWh of generation were from recently acquired U.S. hydroelectric assets in Tennessee, North Carolina and Maine. This resulted in $218 million of additional revenues and $39 million of additional FFO after deducting interest costs associated with acquisition debt and FFO attributable to non-controlling interests.

The foregoing increases were partially offset by an $11 million decrease in FFO, as a result of our reduced ownership interest in BREP.

Realized prices decreased to $78 per megawatt hour ("MWh") on a total portfolio basis compared to $84 per MWh in 2012. Much of the generation from hydroelectric capacity acquired during 2013 was sold pursuant to contracts that are at significantly lower levels than the contracts for our existing portfolio, and in our view provide us with the opportunity for substantial revenue growth should prices for renewable energy increase in line with our expectations. The decline in the value of the Brazilian currency relative to the U.S. dollar also impacted our average realized price for hydroelectric power.

Operating costs increased by $44 million to $530 million. The increase is primarily attributable to the costs associated with recently acquired or commissioned facilities. Costs within our renewable energy operations are largely fixed and therefore do not vary with generation levels to the same extent as revenues.

Interest expense totalled $410 million, consistent with the prior year, as the impact of higher levels of borrowings in respect of acquisitions was offset by lower borrowing costs on refinancings and changes in foreign exchange rates. Other costs increased by $10 million to $60 million and include a $5 million increase in base management fees paid to us, as a result of a higher level of capitalization, and a $5 million increase in cash taxes paid based on increased revenues. Non-controlling interests increased to $348 million for 2013 (2012 – $155 million) reflecting a $79 million increase in BREP's FFO attributable to non-controlling interests, a $21 million increase from the completion of two preferred share issuances during the year, as well as the increase in units held by non-controlling interests following sales by us during both 2013 and 2012.

Brookfield Energy Marketing

Our wholly owned energy marketing group has entered into long-term purchase agreements and price guarantees with BREP as described below. We are entitled to sell the power as well as any ancillary revenues such capacity payments and renewable credits or premiums.

BEMI purchased approximately 8,800 gigawatt hours of electricity from BREP during 2013 at an average price of $74 per megawatt hour and sold this power at an average price, including ancillary revenues, of $60 per megawatt hour, resulting in an FFO loss of $119 million (2012 – $137 million). Approximately 3,400 gigawatt hours of BEMI power sales were pursuant to long-term contracts at prices modestly in excess of our purchase cost. The balance of 5,400 gigawatt hours was sold in the short-term market at an average price of $45 per megawatt, including ancillary revenues and peaking premiums (2012 – $37 per megawatt hour).

Common Equity by Segment

Common equity by segment decreased by $548 million to $4.4 billion during the year, primarily due to the sale of a 3% interest in BREP in the first quarter of 2013, a strengthening of the U.S. dollar relative to the Canadian dollar and Brazilian real, which decreased the carrying value of our non-U.S. dollar operations, and as well as depreciation and amortization recorded during the year and a reduction in the fair value attributable to these operations at year end.

Outlook and Growth Initiatives

Acquisition and development activities completed during the year increased our estimated annualized generation by 2,573 GWh, which, together with the expected closing of a previously announced acquisition of a large-scale hydroelectric portfolio in the northeast U.S., should increase overall portfolio generation by 15% at attractive projected returns. In addition, we continue to advance a 45 MW hydroelectric facility with a total expected construction cost of approximately $200 million and maintain a development pipeline of approximately 1,700 MW of capacity.

Notwithstanding the current low price environment for electricity prices in our North American markets, we believe electricity prices will increase strongly over the long term due to the challenges facing many forms of generation technologies, including environmental concerns and possible carbon pricing, desires for energy independence and security and other potential legislative and market driven factors. In the short term, most of our revenues are secured through long-term contracts although the uncontracted power is being sold at the current market environment which has increased substantially in recent months due to seasonal climate conditions. In the long term, we are well positioned to benefit from increasing electricity prices.

BREP has entered into long-term agreements that enable it to sell power at pre-determined prices, including contracts with BEMI. These contracts have a weighted average term of 18 years and represent 88% and 79% of our long-term average generation for 2014 and 2015, respectively, based on long-term average generation, declining to 78% in 2016. The average price at which power is sold under these agreements is $82 per megawatt hour in 2014, and averages $84 per megawatt hour over the next five years.

During 2013, BREP secured short-term contracts in Brazil for 513 GWh in 2014 and 160 GWh in 2015. At our recently acquired 360 MW hydroelectric portfolio located in Maine, we were able to secure short-term contracts at BREP for 150 GWh for the first quarter of 2014.

BEMI is expected to purchase approximately 8,500 gigawatt hours of electricity from BREP during each of the next five years based on long-term average generation, at an average price of $75 per megawatt hour, which increases annually based on a percentage of inflation. BEMI has entered into long-term contracts to sell approximately 3,250 gigawatt hours of expected annual purchases based on long-term average generation. These contracts have an average life of 15 years and an average price over the next five years of $79 per megawatt hour. The remaining 5,250 gigawatt hours is expected to be sold on a short-term basis until such time as we can secure long-term contracts at prices that are consistent with our long-term expectation for power prices.

The majority of our portfolio consists of hydroelectric generating facilities, and as a result, our revenues are subject to hydrology levels. Over the long term we believe that generation at our existing facilities will approximate long-term average, however significant variances may occur in any given year. Our North American assets have the ability to store water in reservoirs approximating 32% of their annual generation which allow us to generate power during higher price periods to varying degrees. In addition, our assets in Brazil benefit from a framework that exists in the country to levelize generation risk across hydroelectric producers. This ability to store water and have levelized generation in Brazil, provides partial protection against short-term changes in water supply.

INFRASTRUCTURE

Overview

Our infrastructure operations are held primarily through our 28% fully diluted interest in Brookfield Infrastructure Partners. BIP is listed on the New York and Toronto Stock Exchanges and had a market capitalization of $8.2 billion at year end. BIP owns a number of these infrastructure businesses directly as well as through private funds and joint ventures that we manage. We also have direct investments in our sustainable resources operations.

The following table disaggregates segment FFO and segment equity into the amounts attributable to our ownership of BIP, our directly held sustainable resources operations and realized disposition gains to facilitate analysis:

AS AT AND FOR THE YEARS ENDED DECEMBER 31 (MILLIONS)	Funds from Operations		Common Equity by Segment	
	2013	2012	2013	2012
Brookfield Infrastructure Partners[1]	$ 185	$ 127	$ 1,478	$ 1,432
Sustainable resources	37	52	693	1,139
Realized disposition gains	250	45	—	—
	$ 472	$ 224	$ 2,171	$ 2,571

1 Brookfield interest in BIP consist of 59.8 million redemption-exchange units representing an economic interest of 28% of BIP

Brookfield Infrastructure Partners

BIP's operations are principally organized as follows:

Utilities operations: consist of our regulated distribution, regulated terminal and electricity transmission operations, located in Australasia, North and South America and Europe. These businesses typically earn a pre-determined return based on their asset base, invested capital or capacity and the applicable regulatory frameworks and long-term contracts. Accordingly, the returns tend to be highly predictable and typically not impacted to any great degree by short-term volume or price fluctuations.

Transport operations: is comprised of open access systems that provide transportation for freight, bulk commodities and passengers, for which we are paid an access fee. Profitability is based on the volume and price achieved for the provision of these services. These operating are comprised of businesses with regulated tariff structures, such as our railroad and toll road operations, as well as unregulated businesses, such as our ports. Approximately 70% of our transport operations are supported by long-term contracts or regulation.

Energy operations: consists of systems that provide energy transportation, distribution and storage services. Profitability is based on the volume and price achieved for the provision of these services. These operations are comprised of businesses that are subject to light regulation, such as our natural gas transmission business whose services are subject to price ceilings, and businesses that are essentially unregulated like our district energy business. Approximately 80% of our energy operations are supported by long-term contractual revenues.

Utilities FFO increased by $19 million from the prior year, primarily due to the contribution from investments completed near the end of 2012 that doubled the size of our UK regulated distribution business and an increased ownership interest in our Chilean electricity transmission system. In addition, our businesses also benefitted from inflation indexation and contributions from organic growth investments.

Transport FFO increased by $45 million. Our Australian railroad contributed an increase of $23 million over the prior year, primarily due to the completion of our $600 million expansion program in the beginning of 2013 and a strong grain harvest. Our South American toll roads contributed an additional $22 million of FFO compared to 2012, primarily from our increased ownership in these toll roads, following our follow-on $670 million investment and by higher traffic volumes and regulatory tariffs.

Energy FFO decreased by $2 million primarily due to the impact of a challenging North American natural gas market that continues to negatively impact results at our North American gas transmission business. This decrease was partially offset by a full year's contribution from our district energy operations, which were acquired in the fourth quarter of 2012.

Sustainable Resources

Our share FFO from sustainable resource investments decreased by $15 million to $37 million primarily due to our lower level of common equity in these operations after we sold our U.S. Pacific Northwest timberlands in June of 2013. These operations were owned both directly and by BIP. Our other directly held assets include our investment in Acadian Timber Corp. which owns and operates timberlands in the northeastern U.S. and Canada, and our equity invested in a number of timber and agriculture private funds we manage. Our agriculture funds are focused on Brazil's agricultural sector based on the country's strong competitive position as a leading agricultural producer.

Realized Disposition Gains

We sold non-core assets during the year, generating $1.5 billion of proceeds, of which our share was $833 million. Dispositions included Pacific Northwest timberlands, a regulated distribution business in New Zealand and a 20% interest in our UK regulated distribution business, which collectively gave rise to $250 million of realized disposition gains.

Common Equity by Segment

Invested capital decreased by $400 million to $2,171 million at the end of 2013 from $2,571 million at the end of 2012, reflecting the sale of our direct investment in timberlands, offset by our proportionate participation in a $330 million equity offering at BIP.

Outlook and Growth Initiatives

In the utilities platform, we expect to earn a return on incremental investments which is consistent with our current return on rate base and expect to benefit from the completion of a Texas electric transmission system. Within our transport and energy operations we are increasing our investments in transportation assets such as ports and toll roads, as we see attractive valuations and exposure to GDP growth through increasing traffic volumes. We have also recently completed or committed to $1.1 billion of new investments in these operations.

Our timber funds continue to attract strong interest from institutional investors and we continue to deploy capital in these funds. Our R$330 million Brazil Agriland Fund is currently almost fully invested and we will use the remaining capital to fund conversion of additional lands to crop production.

PRIVATE EQUITY

Our private equity operations are conducted through a series of institutional private equity funds operated under the Brookfield Capital Partners brand with total committed capital of $3.1 billion as well as direct investments in several public companies including Norbord Inc. ("Norbord") and Western Forest Products Inc. ("Western Forest Products").

FFO increased to $612 million during 2013 from $227 million in 2012, reflecting a large increase in realized disposition gains as well as improved FFO at investee companies. FFO excluding realized disposition gains increased by $84 million to $296 million compared to 2012, reflecting improved pricing and volumes primarily due to the ongoing recovery in the U.S. housing market, particularly at our two panelboard investments.

The following table disaggregates segment FFO and segment equity into the amounts attributable to the capital we have invested in the private funds that we manage, our investment in Norbord, other investments and realized disposition gains to facilitate analysis:

AS AT AND FOR THE YEARS ENDED DECEMBER 31 (MILLIONS)	Funds from Operations		Common Equity by Segment	
	2013	2012	2013	2012
Brookfield Capital Partners				
Private funds	$ 66	$ 59	$ 474	$ 198
Norbord	120	77	246	217
Other	110	76	385	542
Realized disposition gains	316	15	—	—
	$ 612	$ 227	$ 1,105	$ 957

The private equity fund portfolios include 12 investments in a diverse range of industries. Our average investment is $41 million and our largest single exposure is $114 million using IFRS values or $211 million based on stock market prices. We concentrate our investing activities on businesses with tangible assets and cash flow streams in order to better protect our capital.

Our largest direct investment is a 52% interest in Norbord, which is one of the world's largest producers of oriented strand board. The market value of our investment in Norbord at December 31, 2013 was approximately $890 million based on stock market prices, compared to our carrying value of $246 million.

Increased prices and volumes within our panelboard businesses, which are benefitting from the U.S. housing recovery, led to a $98 million increase in FFO from our various industrial and forest products businesses to $221 million.

Realized disposition gains include the sale of pulp and paper business, which was held in our private funds, achieving a 70% IRR and a 10x multiple on capital. The fund recognized a $507 million realization gain, of which our proportionate share was $200 million. In addition, we partially monetized our investments in Western Forest Products and Norbord during the year, recognizing a gain of $47 million on the sale of 117.1 million shares of Western Forest Products, as well as a gain of $73 million on the sale of 8.1 million shares of Norbord.

Segment common equity increased by $148 million over the prior year, as capital invested in our private funds and direct investments in our energy and related services operations, more than offset the impact of asset sales within our industrial and forest products.

RESIDENTIAL DEVELOPMENT

Our residential development operations consist of our direct investment in two public companies: Brookfield Residential Properties Inc. ("BRPI") and Brookfield Incorporações S.A. ("BISA"), as well as operations in Australia that we are in the process of winding down.

Our North American business is conducted through BRPI. We hold approximately 69% of BRPI, which is listed on the New York and Toronto stock exchanges. BRPI is active in 11 principal markets located primarily in Canada, and the U.S., and controls over 110,000 lots in these markets. Our major focus is on entitling and developing land for building homes or for the sale of lots to other builders.

Our Brazilian business is conducted through BISA. We hold approximately 45% of BISA which is listed on the principal stock exchange in Brazil. BISA is one of the leading developers in Brazil's real estate industry. These operations include land acquisition and development, construction, and sales and marketing of a broad range of "for sale" residential and commercial office units, with a primary focus on middle income residential. The operations are conducted in Brazil's main metropolitan areas, including São Paulo, Rio de Janeiro, the Brasilia Federal District, and the five other markets that collectively account for the majority of the Brazilian real estate market.

Our residential businesses are carried primarily at historical cost, or the lower of cost and market, notwithstanding the length of time that some of our assets have been held and the value created through the development process.

The following table disaggregates segment FFO and segment equity into the amounts attributable to our operations by region and realized disposition gains to facilitate analysis:

AS AT AND FOR THE YEARS ENDED DECEMBER 31 (MILLIONS)	Funds from Operations		Common Equity by Segment	
	2013	2012	**2013**	2012
Residential				
North America (BRPI)	**$ 117**	$ 64	**$ 960**	$ 913
Brazil (BISA)	**(61)**	(36)	**421**	482
Australia and other	**(10)**	(10)	**54**	222
Realized disposition gains	**—**	16	**—**	—
	$ 46	$ 34	**$ 1,435**	$ 1,617

Our North American operations demonstrated strong growth reflecting the recovery in U.S. housing markets and continued strength in Canada. Funds from operations increased from $64 million to $117 million due largely to an increase in gross margin of $82 million (+28%), offset in part by associated income taxes. Funds from operations in 2012 includes a $16 million realized disposition gain recognized on partial sell-downs of our interest in BRPI.

Home closings and housing gross margins increased in both our Canadian and U.S. operations when compared to the prior year. We delivered 2,216 homes and 2,402 lots during the year, compared to 1,808 and 2,142, respectively, in 2012, representing a year-over-year increase of 23% and 12%, respectively. The gross margin on our Canadian housing operations was 20.8% compared to 18.9% in 2012 reflecting a slight change in mix between the projects being delivered and between home and lot sales.

Our Brazilian operations experienced lower levels of sales and project launches during 2013, reflecting decreased levels of growth in our principal development areas following several years of expansion and consistent with the experience of other developers. We experienced margin pressure from cost increases, and project overruns; however, we remain focused on increasing launches and sales in the near term.

The 2013 results for Australia are consistent with the prior year and we continue to wind down these businesses.

Outlook and Growth Initiatives

We believe our North American activities will continue to benefit from the continuing recovery of the U.S. housing industry which should favourably impact our future prices and volumes. In addition, our residential development business benefits from our strong market share within the energy-focused Alberta market. Net new home orders increased 15% to 2,356 units in 2013 as a result of stable market performance in Canada and the recovery in the U.S., which increased the units and value of our backlog units by 10% and 23% respectively, over the prior year, with much of the increase occurring within our U.S. operations. At the end of 2013, the North American backlog of homes sold but not delivered was 915, with a sales value of $448 million, compared to 834 homes with a value of $365 million at the same time last year.

Brazil is currently experiencing lower growth, which is having a negative impact on current returns. We are confident that the country's favourable demographics when combined with supportive government policies will contribute to increased sales and FFO. We have focused our operations on major markets, and have established a "top-three" presence in the core markets that represent over 60% of the country's GDP, which positions us to continue to participate in this growth. In February 2014, we launched a tender offer for the shares of BISA that we do not own at a price of R$1.60 per share or approximately US$180 million in total based on recent exchange rates.

SERVICE ACTIVITIES

The following table disaggregates segment FFO and segment equity into the amounts attributable to our construction services and property services businesses and realized disposition gains to facilitate analysis:

AS AT AND FOR THE YEARS ENDED DECEMBER 31 (MILLIONS)	Funds from Operations		Common Equity by Segment	
	2013	2012	**2013**	2012
Service activities				
Construction	**$ 118**	$ 113	**$ 938**	$ 1,029
Property	**39**	46	**348**	296
Realized disposition gain	**—**	70	**—**	—
	$ 157	$ 229	**$ 1,286**	$ 1,325

Construction revenues increased relative to 2012 as we were managing a larger volume of projects during the year. Operating margins decreased to 7.5% from 8.2% in 2012 as we are experiencing increased bidding competition in the current year, and we completed several higher margin, large projects in the prior year.

The remaining work-in-hand totalled $3.4 billion at the end of December 31, 2013 (2012 – $4.3 billion), and represented approximately 1.3 years (2012 – 1.1 years) of scheduled activity. We continue to pursue and secure new projects which should position us well for future growth.

Property services fees include property and facilities management, leasing and project management and a range of real estate services. FFO was $39 million in 2013 compared to $46 million last year, reflecting the continued strength of our property services business offset by a reduced ownership interest in these operations following the merger of our U.S. residential brokerage business with another industry participant in late 2012. The merger gave rise to the $70 million disposition gain.

CORPORATE ACTIVITIES

Our corporate operations include: allocating capital to our various operating platforms, principally through our primary listed issuers, (BPY, BREP and BIP) and through directly held investments and interests in our private equity funds, as well as funding this capital through the issuance of corporate borrowings and preferred shares. We also invest capital in portfolios of financial assets and enter into financial contracts to manage our foreign currency and interest rate risks.

The following table disaggregates segment FFO and segment equity into the principal assets and liabilities within our corporate operations and associated FFO to facilitate analysis:

AS AT AND FOR THE YEARS ENDED DECEMBER 31 (MILLIONS)	Funds from Operations		Common Equity by Segment	
	2013	2012	2013	2012
Cash and financial assets, net	$ 159	$ 96	$ 814	$ 1,133
Corporate borrowings	(204)	(209)	(3,975)	(3,526)
Subsidiary borrowings	(87)	(123)	—	(1,130)
Capital securities	(13)	(25)	(163)	(325)
Preferred equity	—	—	(3,098)	(2,901)
Net working capital	—	—	223	250
Corporate costs	(157)	(171)	—	—
Realized disposition gains	525	30	—	—
	$ 223	$ (402)	$ (6,199)	$ (6,499)

We invest capital at the corporate level that is not deployed elsewhere into a variety of financial assets and enter into financial contracts to manage our foreign currency and interest rate risks. Our financial assets are presented in more detail on page 51 and consist of $1,596 million (2012 – $1,719 million) of cash and financial assets which are partially offset by $782 million (2012 – $586 million) of deposits and other liabilities. FFO from these activities includes dividends and interests from our financial assets, mark-to-market gains or losses and realized disposition gains or losses. FFO in 2013 totalled $159 million and included $104 million of mark-to-market and realized disposition gains, a charge of $12 million incurred on the early redemption of higher cost debt and $67 million of gains on currency and interest rate contracts that are not treated as hedges. We describe our corporate borrowings and preferred shares in more detail within Part 4 – Capitalization and Liquidity.

During the year we settled a group of long-dated high yielding financial contracts that were classified as a subsidiary borrowing but included in our corporate capitalization because they were guaranteed by the Corporation. The accrued value of the contracts at the end of 2012 was $1.1 billion and an associated mark-to-market liability of $257 million was included in net working capital. The contracts were settled for $905 million in the third quarter of 2013 which was funded from the proceeds of asset sales and incremental corporate borrowings. This gave rise to the elimination of the subsidiary borrowings and a reduction in the associated carrying costs. Corporate borrowings increased as a result of funding a portion of the settlement, however interest costs declined as a result of refinancing other corporate borrowings at reduced rates.

We continued to redeem capital securities with the proceeds from additional perpetual preferred shares at lower yields, giving rise to a reduction in the balance of capital securities outstanding as well as associated interest costs and an increase in the balance of preferred equity. Dividends on preferred equity during 2013 totalled $145 million (2012 – $129 million) and are not included in segment FFO because they represent distributions on shareholders' equity that are not included in net income.

Net working capital includes corporate accounts receivable, accounts payable, other assets and liabilities. Also included in net working capital is our corporate deferred income tax asset of $625 million (2012 – $773 million). Net working capital was relatively unchanged. The elimination of a $257 million mark-to-market liability on the subsidiary financial contract referred to above was partially offset by a $148 million reduction in the deferred tax asset.

Corporate costs declined to $157 million in 2013 from $171 million in the prior year as a result of $25 million of costs being reallocated to our asset management operations following the launch of BPY in 2013.

PART 4 – CAPITALIZATION AND LIQUIDITY

FINANCING STRATEGY

The following are key elements of our capital strategy:

- Match our long-life assets with long-duration mortgage financings with a diversified maturity schedule;
- Provide recourse only to the specific assets being financed, with limited cross collateralization or parental guarantees;
- Limit borrowings to investment-grade levels based on anticipated performance throughout a business cycle; and
- Structure our affairs to facilitate access to a broad range of capital and liquidity at multiple levels of the organization.

Most of our borrowings are in the form of long-term, property-specific financings such as mortgages or project financings secured only by the specific assets. We attempt to diversify our maturity schedule so that financing requirements in any given year are manageable. Limiting recourse to specific assets or business units is intended to limit the impact of weak performance by one asset or business unit on our ability to finance the balance of the operations.

Most of our financings have investment-grade characteristics which is intended to ensure that debt levels on any particular asset or business can typically be maintained throughout a business cycle, and to enable us to limit covenants and other performance requirements, thereby reducing the risk of early payment requirements or restrictions on the distribution of cash from the assets being financed. Furthermore, our ability to finance at the corporate, operating unit, and asset level on a private or public basis is intended to lessen our dependence on any particular segment of the capital markets or the performance of any particular unit.

To enable us to react to attractive investment opportunities and deal with contingencies when they arise, we typically maintain sufficient liquidity at the corporate level and within our key operating platforms. Our primary sources of liquidity, which we refer to as "core liquidity," consist of our cash and financial assets, net of deposits and other associated liabilities, and undrawn committed credit facilities.

We historically generate substantial liquidity within our operations on an ongoing basis through our operating cash flow, as well as from the turnover of assets with shorter investment horizons and periodic monetization of our longer-dated assets through sales, refinancings or co-investor participations. Accordingly, we believe we have the necessary liquidity to manage our financial commitments and to capitalize on opportunities to invest capital at attractive returns.

CAPITALIZATION

Overview

We review key components of our consolidated capitalization in the following sections. In several instances we have disaggregated the balances into the amounts attributable to our operating segments in order to facilitate discussion and analysis.

The following table presents our capitalization on a corporate (i.e., deconsolidated), a proportionally consolidated and consolidated basis.

AS AT DECEMBER 31 (MILLIONS)	Consolidated		Corporate		Proportionate	
	2013	2012	2013	2012	2013	2012
Corporate borrowings	$ 3,975	$ 3,526	$ 3,975	$ 3,526	$ 3,975	$ 3,526
Non-recourse borrowings						
Property-specific mortgages	35,495	33,720	—	—	20,319	21,794
Subsidiary borrowings[1]	7,392	7,585	—	1,130	3,998	4,928
	46,862	44,831	3,975	4,656	28,292	30,248
Accounts payable and other	10,316	11,652	978	1,199	6,041	7,175
Deferred tax liabilities	6,164	6,425	24	—	3,737	3,753
Capital securities	791	1,191	163	325	655	758
Interests of others in consolidated funds	1,086	425	—	—	—	—
Equity						
Non-controlling interests	26,647	23,287	—	—	—	—
Preferred equity	3,098	2,901	3,098	2,901	3,098	2,901
Common equity	17,781	18,150	17,781	18,150	17,781	18,150
	47,526	44,338	20,879	21,051	20,879	21,051
Total capitalization	$ 112,745	$ 108,862	$ 26,019	$ 27,231	$ 59,604	$ 62,985

1 Represents interest rate swap contracts settled in August 2013 that was previously included in corporate subsidiary borrowings due to a corporate guarantee

Consolidated Capitalization

Consolidated capitalization reflects the full consolidation of wholly owned and partially owned entities.

We note that in many cases our consolidated capitalization includes 100% of the debt of the consolidated entities, even though in most cases we only own a portion of the entity and therefore our pro rata exposure to this debt is much lower. In other cases, this basis of presentation excludes some or all of the debt of partially owned entities that are equity accounted or proportionately consolidated, such as our investment in General Growth Properties and several of our infrastructure businesses.

The increase in consolidated borrowings primarily reflects the assumption of non-recourse asset specific borrowings on newly acquired or consolidated assets and businesses.

Corporate Capitalization

Our corporate (deconsolidated) capitalization shows the amount of debt that is recourse to the Corporation, and the extent to which it is supported by our common equity and remitted cash flows. Corporate borrowings increased by $449 million as a result of retained cash flow, asset monetizations and financing activities. We completed five corporate bond issues during the year for total proceeds of C$980 million and used the proceeds in part to redeem higher cost debt. These activities reduced the average coupon to 4.5%. The average term of our corporate term debt is eight years. Preferred equity increased by $197 million, reflecting the issuance of C$200 million, 4.90% perpetual preferred shares. The proceeds were used in part to redeem C$150 million of capital securities with an average rate 5.0%. Our strategy is to maintain a relatively low level of debt at the parent company level and finance our operations primarily at the asset or operating unit level with no recourse to the Corporation. Subsidiary borrowings included in our corporate capitalization are contingent swap accruals issued by a subsidiary that were guaranteed by the Corporation and were settled during 2013.

Common and preferred equity totals $21 billion and represents 80% of our corporate capitalization. The average term to maturity of our corporate debt is eight years.

Proportionate Capitalization

Proportionate consolidation, which reflects our proportionate interest in the underlying entities, depicts the extent to which our underlying assets are leveraged, which we believe is an important component of enhancing shareholder returns. We believe that the levels of debt relative to total capitalization are appropriate given the high quality of the assets, the stability of the associated cash flows and the level of financings that assets of this nature typically support, as well as our liquidity profile.

Our proportionate share of non-recourse borrowings and accounts payable and other liabilities declined since 2012 primarily as a result of lower exchange rates on liabilities denominated in non-U.S. dollar currencies and the distribution of a 7.6% interest in Brookfield Property Partners, which holds the vast majority of our commercial property operations, including the associated debt.

Cash and Financial Assets

The following table presents our cash and financial assets on a consolidated and corporate (i.e., deconsolidated) basis.

AS AT AND FOR THE YEARS ENDED DECEMBER 31 (MILLIONS)	Consolidated		Corporate	
	2013	2012	2013	2012
Financial assets				
Government bonds	$ 179	$ 178	$ 141	$ 137
Corporate bonds and other	498	344	303	380
Preferred shares	33	39	18	297
Common shares	2,758	2,034	730	690
Loans receivable/deposits	1,479	516	43	40
Total financial assets	4,947	3,111	1,235	1,544
Cash and cash equivalents	3,663	2,850	361	175
	$ 8,610	$ 5,961	$ 1,596	$ 1,719

Consolidated Cash and Financial Assets

Consolidated cash and financial assets reflects the full consolidation of wholly owned and partially owned entities and includes financial assets which are held throughout our operations and include both publicly traded investments as well as investments in private entities. Common shares and loans receivable / deposits include investments that are allocated to certain of our business operating segments. For example, BPY's 22% common share investment in Canary Wharf Group $1.0 billion is included within consolidated financial assets, and loans receivable / deposits includes loans issued by our private equity and real estate finance operations.

Corporate Cash and Financial Assets

We maintain a corporate portfolio of financial assets with the objective of generating favourable investment returns and providing additional liquidity.

Government and corporate bonds include short duration securities for liquidity purposes and longer dated securities that match $119 million of insurance liabilities that are included in net working capital within our corporate segment.

In addition to the carrying values of financial assets, we hold credit default swaps with a notional value of $800 million. The carrying value of these derivative instruments reflected in our financial statements at December 31, 2013 was a liability of $12 million.

Corporate Borrowings

Corporate borrowings at December 31, 2013 included $662 million (2012 – $744 million) of commercial paper and bank borrowings pursuant to, or backed by, $2.2 billion of committed revolving term credit facilities of which $1.9 billion have a five-year term and the remaining $300 million have a four-year term. As at December 31, 2013, approximately $170 million (December 31, 2012 – $253 million) of the facilities were utilized for letters of credit issued to support various business initiatives.

Term debt of $3.3 billion (2012 – $2.8 billion) consists of public bonds and private placements, all of which are fixed rate and have maturities ranging from 2016 until 2035. These financings provide an important source of long-term capital and an appropriate match to our long-term asset profile.

Our corporate borrowings have an average term of eight years (December 31, 2012 – eight years). The average interest rate on our corporate borrowings was 4.5% at December 31, 2013 (December 31, 2012 – 4.7%).

In January 2014, we issued C$500 million of 12 year 4.82% notes and used the proceeds to repay commercial paper borrowings.

Property-Specific Borrowings

As part of our financing strategy, the majority of our debt capital is in the form of property-specific mortgages, denominated in local currencies that have recourse only to the assets being financed and have no recourse to the Corporation.

AS AT DECEMBER 31 ($ MILLIONS)	Average Term		Consolidated	
	2013	2012	2013	2012
Property	4	4	$ 21,577	$ 18,709
Renewable energy	12	12	4,907	4,347
Infrastructure	10	6	6,077	7,093
Residential development	2	3	2,465	2,890
Private equity	1	3	363	671
Corporate	1	2	106	10
Total	6	5	$ 35,495	$ 33,720

Property-specific borrowings increased during 2013 due to debt issued or assumed through acquisitions in our property and renewable energy operations. We completed a number of refinancings within our infrastructure business that extended the average term from six years to 10 years. The decrease in infrastructure borrowings is due primarily to the sale of North American timberlands.

Subsidiary Borrowings

We endeavour to capitalize our principal subsidiary entities to enable continuous access to the debt capital markets, usually on an investment-grade basis, thereby reducing the demand for capital from the Corporation and sharing the cost of financing equally among other equity holders in partially owned subsidiaries.

AS AT DECEMBER 31 ($ MILLIONS)	Average Term		Consolidated	
	2013	2012	2013	2012
Subsidiary borrowings				
Property	2	3	$ 3,074	$ 1,896
Renewable energy	7	8	1,717	1,772
Infrastructure	4	4	436	967
Residential development	8	6	1,080	1,041
Private equity	3	4	899	779
Other	1	4	186	—
Corporate – contingent swap accruals[1]	—	3	—	1,130
Total	4	4	$ 7,392	$ 7,585

1 Guaranteed by the Corporation

Subsidiary borrowings have no recourse to the Corporation with only a limited number of exceptions. Property borrowings increased due to borrowings assumed on acquisitions, including U.S. and UK industrial companies and a Los Angeles office portfolio. During the year we settled the contingent swap accruals at a discount and financed the payment with corporate liquidity and borrowings. We also repaid all of the short-term borrowings within our infrastructure business with the proceeds from asset sales.

Capital Securities

Capital securities are preferred shares that are mostly denominated in Canadian dollars and are classified as liabilities because the holders of the preferred shares have the right, after a fixed date, to convert the shares into common equity of the issuer based on the market price of the common shares at that time unless they are previously redeemed by the issuer. The dividends paid on these securities are recorded in interest expense. As at December 31, 2013, C$175 million of the capital securities were issued by the Corporation and the balance are obligations of BPO and its subsidiaries.

The average distribution yield on the consolidated capital securities at December 31, 2013 was 5.3% (December 31, 2012 – 5.4%) and the average term to the holders' conversion date was four years as at December 31, 2013 (December 31, 2012 – two years). During 2013, we redeemed C$150 million of 5.0% capital securities at the corporate level and Brookfield Office Properties redeemed C$200 million of 6.0% capital securities.

On March 6, 2014, the company notified holders that it will redeem all of its outstanding Class A Series 12 preferred shares for cash on April 6, 2014. The redemption price for each preferred share will be C$26.00 plus accrued and unpaid dividends.

Preferred Equity

Preferred equity is comprised of perpetual preferred shares and represents permanent non-participating equity that provides leverage to our common equity. The shares are categorized by their principal characteristics in the following table:

AS AT DECEMBER 31 (MILLIONS)	Average Rate			
	2013	2012	2013	2012
Floating rate	2.13%	2.12%	$ 480	$ 480
Fixed rate	4.82%	4.79%	753	556
Fixed rate-reset	5.00%	5.00%	1,865	1,865
	4.51%	4.48%	$ 3,098	$ 2,901

We issued C$200 million of 4.9% perpetual fixed rate preferred shares in June 2013 and used the proceeds to redeem C$150 million of 5.0% capital securities.

On March 13, 2014, the company issued 8.0 million Series 38 preferred shares with an initial dividend rate of 4.4% for total gross proceeds of C$200 million.

Non-controlling Interests

Interests of co-investors in net assets are comprised of three components: participating equity interests, participating interests held by other investors in funds that are treated as liabilities for accounting purposes, and non-participating preferred equity issued by subsidiaries.

AS AT DECEMBER 31 (MILLIONS)	2013	2012
Participating equity interests		
Property		
Brookfield Property Partners L.P.[1]	$ 1,443	$ —
Subsidiaries		
Brookfield Office Properties Inc.[1]	5,351	5,093
Private funds and other	5,168	4,128
Other	400	363
Renewable energy		
Brookfield Renewable Energy Partners L.P.[1]	1,903	2,030
Private funds and other	1,305	1,022
Infrastructure		
Brookfield Infrastructure Partners L.P.[1]	3,711	3,592
Private funds and other	2,169	2,566
Other	96	104
Private equity	1,424	983
Residential development		
Brookfield Incorporações S.A.[1]	506	727
Brookfield Residential Properties Inc.[1]	479	427
	23,995	21,035
Non-participating interests		
Brookfield Office Properties Inc.	1,542	1,345
Brookfield Renewable Energy Partners L.P.	796	500
Other	354	407
	2,692	2,252
	$ 26,647	$ 23,287

1 Non-controlling interests in deconsolidated capitalization of the listed issuer shown separately from non-controlling interest in entities consolidated by the listed issuers

Common Equity

Issued and Outstanding Shares

Changes in the number of issued and outstanding Class A shares for the past two years are as follows:

FOR THE YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Outstanding at beginning of year	619.6	619.3
Issued (repurchased)		
Repurchases	(8.8)	(2.6)
Long-term share ownership plans[1]	4.5	2.7
Dividend reinvestment plan	0.2	0.2
Outstanding at end of year	615.5	619.6
Unexercised options[2]	35.6	38.4
Total diluted shares at end of year	651.1	658.0

1 Includes management share option plan and restricted stock plan
2 Includes management share option plan and escrowed stock plan

We repurchased 8.8 million Class A shares during 2013 for $314 million of which 4.1 million shares ($150 million) are in respect of long-term share ownership programs issued to employees.

The company holds 9.6 million Class A shares (2012 – 5.5 million) for management long-term share ownership programs, which have been deducted from the total amount of shares outstanding at the date acquired. Included in diluted shares outstanding is 1.0 million (2012 – 0.7 million) of these shares resulting in a net reduction of 8.6 million (2012 – 4.8 million) diluted shares outstanding, based on the market value of the Class A shares at December 31, 2013 and 2012.

In calculating our book value per share, the cash value of our unexercised options of $904 million (2012 – $912 million) is added to the book value of our common equity of $17,781 million (2012 – $18,150 million) prior to dividing by the total diluted shares presented above.

As of March 28, 2014, the Corporation had outstanding 615,512,430 Class A shares and 85,120 Class B shares.

Basic and Diluted Earnings Per Share

The components of basic and diluted earnings per share are summarized in the following table:

FOR THE YEARS ENDED DECEMBER 31 (MILLIONS)	Net Income	
	2013	2012
Net income	$ 2,120	$ 1,380
Preferred share dividends	(145)	(129)
	1,975	1,251
Capital securities dividends[1]	13	25
Net income available for shareholders	$ 1,988	$ 1,276
Weighted average shares	616.1	618.9
Dilutive effect of the conversion of options using treasury stock method[2]	12.8	12.1
Dilutive effect of the conversion of capital securities[1,3]	7.9	18.0
Shares and share equivalents	636.8	649.0

1 Subject to the approval of the Toronto Stock Exchange, the Series 10,11,12 and 21 shares, unless redeemed by the company for cash, are convertible into Class A shares at a price equal to the greater of 95% at the market price at the time of conversion and C$2.00, at the option of either the company or the holder. The Series 10, 11 and 21 shares were redeemed on April 5, 2012, October 1, 2012, and June 30, 2013, respectively

2 Includes Management Share Option Plan and Escrowed Stock Plan

3 The number of shares is based on 95% of the quoted market price at period end

INTEREST RATE PROFILE

As at December 31, 2013, our net floating rate liability position on a proportionate basis was $4.0 billion (December 31, 2012 – $4.9 billion). As a result, a 10 basis-point increase in interest rates would decrease funds from operations by $4 million (December 31, 2012 – $5 million). Notwithstanding our practice of match funding long-term assets with long-term debt, we believe that the values and cash flows of certain assets are more appropriately matched with floating rate liabilities. We utilize interest rate contracts to manage our overall interest rate profile so as to achieve an appropriate floating rate exposure in respect of these assets while preserving a long-term maturity profile.

The impact of a 10 basis-point increase in long-term interest rates on the carrying value of financial instruments recorded at market value is estimated to increase net income by $2 million on an annualized basis before tax, based on our positions at December 31, 2013 (December 31, 2012 – $1 million).

We have been active in taking advantage of low long-term rates to fix the coupons on floating rate debt and near-term maturities. This has resulted in an increase in our current borrowing expense but we believe this will result in lower costs in the long term. We completed approximately $20 billion of debt and preferred share financings during the year. These refinancing activities have enabled us to extend or maintain our average maturity term at favourable rates. Approximately $9.3 billion of the asset-specific financings and the $1.3 billion of preferred shares issued have fixed rate coupons. The continued steepness in the yield curve and prepayment terms on existing debt continue to reduce the attractiveness of prefinancing a number of our future maturities; however, we are actively refinancing short-dated maturities and longer-dated maturities when the opportunities present themselves.

As at December 31, 2013, we held a $2.7 billion notional amount (2012 – $3.6 billion) of interest rate contracts, $1.7 billion net to the Corporation (2012 – $2.2 billion), to lock in the risk-free component of interest rates for debt refinancings over the next three years at an average risk-free rate of 2.53% (2012 – 2.39%). The effective rate will be approximately 3.76% (2012 – 3.34%) at the time of issuance which reflects the premium relating to the projected steepness of the yield curve during this period. This represents approximately 50% of expected issuance into the North American and UK markets (2012 – 50%) at our share. The value of these contracts is correlated with changes in the reference interest rate, typically the U.S. 10-year government bond such that a 10 basis-point increase in the interest rate would result in a $25 million positive mark-to-market (2012 – $50 million), and $14 million net to Brookfield (2012 – $25 million), being recorded in other comprehensive income and vice versa.

LIQUIDITY

Overview

Our principal sources of short-term liquidity are our corporate cash and financial assets together with undrawn committed credit facilities, which we refer to collectively as core liquidity. As at December 31, 2013 core liquidity at the corporate level was $2.2 billion, consisting of $0.8 billion in net cash and financial assets and $1.4 billion in undrawn credit facilities. Aggregate core liquidity includes the core liquidity of our principal subsidiaries, which consist for these purposes of BPY, BPO, BREP and BIP, and was $5.9 billion at year end, approximately $1.7 billion higher than at the end of 2012. The majority of the underlying assets and businesses in these asset classes are funded by these entities, and they will continue to fund our ongoing investments in these areas and, accordingly, we include the resources of these entities in assessing our liquidity. We continue to maintain elevated liquidity levels because we continue to pursue a number of attractive investment opportunities. We also hold $9.0 billion of third-party undrawn capital commitments to our private funds at year end.

The following table presents core liquidity and undrawn capital commitments on a corporate and consolidated basis:

AS AT DECEMBER 31 (MILLIONS)	Corporate		Principal Subsidiaries		Total	
	2013	2012	**2013**	2012	**2013**	2012
Cash and financial assets, net	**$ 814**	$ 1,133	**$ 913**	$ 497	**$ 1,727**	$ 1,630
Undrawn committed credit facilities	**1,405**	1,154	**2,733**	1,364	**4,138**	2,518
	$ 2,219	$ 2,287	**$ 3,646**	$ 1,861	**$ 5,865**	$ 4,148

Our two largest normal course capital requirements on a consolidated basis are the funding of debt maturities and acquisitions. As a result of our financing strategy, the quality of our assets and emphasis on investment grade borrowings and diversification of capital sources, we have consistently refinanced maturities in the normal course, even in difficult capital market environments, and frequently do so in advance of the scheduled maturity. Most of our acquisitions are completed by private funds or listed entities that we manage. In the case of private funds, the necessary equity capital is obtained by calling on commitments made by the limited partners in each fund, which include commitments made by us or our managed entities. In the case of listed entities, capital requirements are funded through their own resources and access to capital markets, which may be supported by us from time to time through participation in equity offerings or bridge financings. We schedule ongoing capital expenditure programs to maintain the operating capacity of our assets at existing levels, which we refer to as sustaining capital expenditures, and which are typically funded by, and represent a relatively small proportion of, the operating cash flows within each business. The timing of these expenditures is discretionary, however we believe it is important to maintain the productivity of our assets in order to optimize cash flows and value accretion and fund these expenditures with operating cash flow.

Our principal liquidity needs at the corporate level include: debt service and principal repayment obligations; capital calls from funds to which we have committed capital; discretionary investments to fund acquisitions and capital expansion projects, including participation in equity issues by our principal investee companies; payments related to financial instruments such as interest rate and foreign currency contracts; sustaining capital expenditures; ongoing corporate operating costs; and dividend payments declared by our Board of Directors. We describe our contractual obligations on page 58.

We and our listed subsidiaries enter into commitments to provide capital to the private funds that we manage, similar to the commitments that our clients make. In the case of our property, infrastructure and timber funds, these commitments are expected to be funded by our listed entities, specifically BPY, BREP and BIP, although the agreements provide that we will fund any commitments that our listed entities fail to fund. As at December 31, 2013 the Corporation had commitments to fund $4.7 billion of capital to funds, of which $4.1 billion is expected to be funded by managed entities and the balance by the Corporation. In addition, we had $9.0 billion of commitments from third-party clients to fund qualifying transactions. Investments and capital expansion projects are discretionary and require approval under our investment policies including, where appropriate, our Board of Directors. The approval of these activities takes into consideration the availability of capital to fund them.

As discussed further on pages 65 and 66, we enter into financial instruments such as interest rate, foreign currency and power price contracts that require us to make or receive payments based on changes in value of the contracts, either to settle the contract or as collateral. We carefully monitor potential liquidity requirements to ensure that they remain within a reasonable amount and can easily be funded with core liquidity.

Over the medium to longer term, we believe that our strategy of holding most of the capital we invest in our property, renewable energy and infrastructure businesses through listed entities will significantly increase our capital resources and liquidity and reduce our capital requirements with respect to future investing activities. Our strategy calls for most of the capital invested in assets within these sectors, either directly or through commitments to private funds, to be funded by the listed entities with their own capital resources. This will likely involve the issuance of equity by these entities from time to time, and we may participate

in such equity issues, however, the extent of our participation is at our discretion. Furthermore, we may have the opportunity, but not the obligation, to provide other forms of financing to these entities if we believe it is appropriate. We may from time to time enter into commitments to provide financing to listed entities such as an equity subscription facility or loan facility.

In addition, we have the ability to sell a portion of our interests in the listed entities thereby generating additional liquidity. Our interest in BREP, at 65%, and our interest in BPY, at 66% (proforma to the merger of BPY with BPO), are both well in excess of what we expect our longer term ownership positions to be.

REVIEW OF CONSOLIDATED STATEMENT OF CASH FLOWS

The following table summarizes the consolidated statement of cash flows within our consolidated financial statements:

FOR THE YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Operating activities	$ 2,278	$ 1,505
Financing activities	2,710	3,917
Investing activities	(4,041)	(4,562)
Increase in cash and cash equivalents	$ 947	$ 860

Operating Activities

Cash flow from operations generated $2.3 billion of cash flow, representing an increase of 51% or $773 million over 2012. Cash flow from operating activities consists of net income, including the amount attributable to co-investors, less non-cash items such as undistributed equity accounted income, fair value changes, depreciation and deferred income taxes, and adjusted for changes in non-cash working capital. We also deduct other income and gains from net income, as the proceeds of these items are included within financing and investing activities. Cash flow from operating activities includes the net amount invested or recovered through the ongoing investment in and subsequent sale of residential land, houses and condominiums, which represented an outlay of $378 million in 2013 (2012 – $861 million). The increase in cash flow from operating activities is primarily the result of a $0.8 billion increase in revenues, excluding the impact of other gains and $558 million of carried interest received in kind.

Financing Activities

Financing activities generated $2.7 billion of cash flow, compared to $3.9 billion in the prior year. We generated $2.8 billion of net cash proceeds through the issuance of $18.8 billion of secured and unsecured borrowings, primarily through the refinancing of $16.7 billion of existing borrowings, increasing borrowing levels, while extending term and decreasing our weighted average cost of capital. We issued $3.8 billion of equity capital, which we used to expand our operations, and we returned $1.5 billion to our partners, primarily from the disposition of our of non-core timber, property and private equity investments. We also paid out $1.5 billion of cash distributions and acquired $0.4 billion of our Class A limited voting shares.

Financing activities in the prior year included the generation of $1.9 billion of net proceeds through the refinancing of unsecured and secured borrowings, the issuance of $737 million of preferred shares, the proceeds from which were used to redeem $506 million of capital securities, and the issuance of $3.8 billion of equity capital.

Investing Activities

We invested $5.0 billion to expand our operations in the current year, which included $4.0 billion of net cash investments and an additional $998 million of a non-cash investment of securities received in kind, compared with the $4.6 billion invested in 2012. The following table reconciles total investing activities to our statement of cash flows.

FOR THE YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Cash flow from investing activities	$ (4,041)	$ (4,562)
In-kind investment in General Growth Properties	(998)	—
	$ (5,039)	$ (4,562)

We deployed $11.6 billion of capital throughout our operations, including a follow-on $1.4 billion investment in General Growth Properties, funded in part through securities received in kind on the liquidation of our real estate consortium that held our investment in GGP. Our property operations also acquired UK and U.S. industrial real estate companies for aggregate considerations of $1.2 billion, as well as a Los Angeles office property owner and operator for $0.5 billion and commercial properties within our property private equity funds. We completed the acquisition of Western Wind Energy Corporation and acquired hydroelectric generation facilities in the northeastern U.S. within our renewable energy operations, and acquired a Brazilian timberland investment for $0.6 billion within our infrastructure operations. We also invested in financial assets during the year within our real estate, infrastructure and private equity operations. We disposed of non-core assets generating cash proceeds of $6.4 billion, including our Pacific Northwest timberlands, a pulp and paper business within our private equity operations, and property assets.

Investing activities in the prior year included the acquisition of two hydroelectric portfolios within North America for $1.1 billion and $2.1 billion to acquire a UK regulated distribution operation, a Brazilian toll road, and several other businesses within our infrastructure operations. We also disposed of $0.9 billion of financial assets in the prior year, the proceeds of which were reinvested into our operations.

CONTRACTUAL OBLIGATIONS

The following table presents the contractual obligations of the company by payment periods:

AS AT DECEMBER 31 (MILLIONS)	Payments Due By Period				
	Less than 1 Year	1 – 2 Years	2 – 5 Years	After 5 Years	**Total**
Corporate borrowings	$ —	$ 282	$ 1,137	$ 2,556	**$ 3,975**
Principal repayments					
Non-recourse borrowings					
Property-specific mortgages	5,647	9,610	6,665	13,573	**35,495**
Other debt of subsidiaries	1,823	1,721	1,593	2,255	**7,392**
Capital securities	188	440	—	163	**791**
Lease obligations[1]	34	94	49	142	**319**
Commitments	1,755	—	—	—	**1,755**
Interest expense[2]					
Long-term debt	2,044	3,457	2,251	6,322	**14,074**
Capital securities	42	47	11	—	**100**

1 Included in accounts payable and other

2 Represents the aggregate interest expense expected to be paid over the term of the obligations Variable interest rate payments have been calculated based on current rates

Commitments of $1.8 billion (2012 – $2.7 billion) represent various contractual obligations of the company and its subsidiaries assumed in the normal course of business. These included commitments to provide bridge financing, and letters of credit and guarantees provided in respect of power sales contracts and reinsurance obligations, of which $269 million (2012 – $297 million) is included within "accounts payable and other" in the consolidated balance sheets. All other balances, with the exception of interest expense incurred in future periods, are included in our consolidated balance sheet.

In addition, the company and its consolidated subsidiaries execute agreements that provide for indemnifications and guarantees to third parties in transactions or dealings such as business dispositions, business acquisitions, sales of assets, provision of services, securitization agreements, and underwriting and agency agreements. The company has also agreed to indemnify its directors and certain of its officers and employees. The nature of substantially all of the indemnification undertakings prevents the company from making a reasonable estimate of the maximum potential amount the company could be required to pay third parties, as in most cases the agreements do not specify a maximum amount, and the amounts are dependent upon the outcome of future contingent events, the nature and likelihood of which cannot be determined at this time. Neither the company nor its consolidated subsidiaries have made significant payments in the past, nor do they expect at this time to make any significant payments under such indemnification agreements in the future.

Our wholly owned energy marketing group has also committed to purchase power and other wind generation produced by 65% owned BREP as previously described on pages 43 to 44.

The company periodically enters into joint venture, consortium or other arrangements that have contingent liquidity rights in favour of the company or its counterparties. These include buy sell arrangements, registration rights and other customary arrangements. These agreements generally have embedded protective terms that mitigate the risk to us. The amount, timing and likelihood of any payments by the company under these arrangements is, in most cases, dependent on either future contingent events or circumstances applicable to the counterparty and therefore cannot be determined at this time.

EXPOSURES TO SELECTED FINANCIAL INSTRUMENTS

As discussed elsewhere in this MD&A we utilize various financial instruments in our business to manage risk and make better use of our capital. The fair values of these instruments that are reflected on our balance sheets are disclosed in Note 6 to our consolidated financial statements and under Financial and Liquidity Risks beginning on page 65.

PART 5 – OPERATING CAPABILITIES, ENVIRONMENT AND RISKS

In this section we discuss elements of our operating strategies as they relate to the execution of our business strategy, as well as performance measurements. This section also contains a review of certain aspects of the business environment and risks that could affect our performance.

OPERATING CAPABILITIES

We believe that we have the necessary capabilities to execute our business strategy and achieve our performance targets. To this end, we strive for excellence and quality in each of our core operating platforms in the belief that this approach will produce strong returns over the long term.

We endeavour to operate as a value investor and follow a disciplined investment approach. Our management team has considerable capabilities in investment analysis, mergers and acquisitions, divestitures and corporate finance that enable us to acquire assets for value, finance them effectively, and to ultimately realize value created during our ownership.

Our operating platforms and depth of experience in managing these assets differentiate us from those competitors that have shorter investment horizons and more of a speculative focus. These operating platforms have been established over the course of many years and are fully integrated into our organization. This has required considerable investment in building the management teams and the necessary resources; however, we believe these platforms enable us to optimize the cash returns and values of the assets that we manage.

We have established strong relationships with a number of leading institutional investors and believe we are well positioned to continue increasing the capital managed for others on a fee bearing basis. We are investing in our distribution capabilities to encourage existing and potential clients to commit capital to our investment strategies. To achieve this, we are continually expanding the breadth of resources we devote to these activities, and our efforts continue to be assisted by favourable investment performance.

The diversification within our operations allows us to offer a broad range of products and investment strategies to our clients. We believe this is of considerable value to investors with large amounts of capital to deploy. In addition, our commitment to transparency and ethical business conduct, as well as our position in the market as a well-capitalized public company listed on major North American and European stock exchanges, positions us as a desirable long-term partner for our clients.

Finally, our commitment to invest a meaningful amount of capital alongside our investors creates a strong alignment of interest between us and our investment partners and also differentiates us from many of our competitors. Accordingly, our strategy includes maintaining considerable surplus financial resources. This capital also supports our ability to commit to investment opportunities on our own account when appropriate or in anticipation of future syndications.

RISK MANAGEMENT

Managing risk is an integral part of Brookfield's business and we have a disciplined and focused approach to risk management.

The assessment and management of risk is the responsibility of the Company's management. Given the diversified and decentralized nature of our operations, we seek to ensure that risk is managed as close to its source as possible, and by management teams that have the most knowledge and expertise in the business or risk area.

As such, business specific risks are generally managed at the operating platform level, as the risks vary based on the unique business and operational characteristics. The specific manner and methodologies by which risks are addressed and mitigated vary based upon, among other things, the nature of the risks and of the assets and operations to which they apply, the geographic location of the assets, the economic, political and regulatory environment, and Brookfield's assessment of the benefits to be derived from such mitigation strategies.

At the same time, we utilize a coordinated approach among our corporate group and our operating platforms to risks that can be more pervasive and correlated in their impact across the organization, such as foreign exchange and interest rate risks, and where we can bring together specialized knowledge to manage these risks. Management of strategic, reputational and regulatory compliance risks are similarly coordinated to ensure consistent focus on organizational objectives.

The Corporation's Chief Financial Officer has ultimate responsibility for the risk management function and discharges the responsibility with the assistance of the Risk Management Group, which works with various operational and functional groups within Brookfield to coordinate the risk management program and to develop and implement risk mitigation strategies that are appropriate for the Corporation.

These efforts leverage the work conducted by management committees that have been formed to bring together required expertise to manage and oversee key risk areas, and include:

- Risk Management Steering Committee to support the overall corporate risk management program, and coordinate risk assessment and mitigation on an enterprise-wide basis;
- Investment Committees to oversee the investment process as well as monitor the ongoing performance of investments;

- Conflicts Committee to resolve potential conflict situations in the investment process and other corporate transactions;
- Financial Risk Oversight Committee to review and monitor financial exposures;
- Safety Steering Committee to focus on health, safety, and environmental matters; and Disclosure Committee to oversee the disclosure of non-financial information.

The Corporation's Board of Directors has governance oversight for risk management with a focus on the more significant risks facing the Corporation, and builds upon management's risk assessment and oversight processes. The Board of Directors has delegated responsibility for the oversight of specific risks to board committees as follows:

Risk Management Committee

Oversees the management of Brookfield's significant financial and non-financial risk exposures, including market, credit, operational, reputational, strategic, regulatory and business risks. These responsibilities include discussing risk assessment and risk management practices with management to ensure ongoing, effective mitigation of key organizational risks, as well as confirming that the company has an appropriate risk taking philosophy and suitable risk capacity.

Audit Committee

Oversees the management of risks related to Brookfield's systems and procedures for financial reporting as well as for associated audit processes (internal and external). Part of the Audit Committee's responsibilities is the review and approval of the risk-based internal audit plan, which ensures alignment with risk management activities and organizational priorities.

Management Resources and Compensation Committee

Oversees the risks related to Brookfield's management resource planning, including succession planning, proposed senior management appointments, executive compensation, and the job descriptions and annual objectives of senior executives, as well as performance against those objectives.

Governance and Nominating Committee

Oversees the risks related to Brookfield's governance structure, including the effectiveness of board and committee activities and potential conflicts of interest, as well as with respect to related party transactions.

BUSINESS ENVIRONMENT AND RISKS

The following is a review of certain risks that could adversely impact our financial condition, results of operations and the value of our equity. Additional risks and uncertainties not previously known to the Corporation, or that the Corporation currently deems immaterial, may also impact our operations and financial results.

General Risks

Economic Conditions

We are exposed to the local, regional, national and international economic conditions and other events and occurrences beyond our control, including, but not limited to, credit and capital market volatility, business investment levels, government spending levels, consumer spending levels, changes in laws (including laws relating to taxation), trade barriers, commodity prices, currency exchange rates and controls, national and international political circumstances (including wars, terrorist acts or security operations), changes in interest rates, inflation rates and general economic uncertainty. These economic conditions affect the jurisdictions in which our entities are formed and where we own assets and operate businesses. Further, these factors may affect securities prices and the liquidity and the value of existing and potential investments. In general, a decline in economic conditions, either in the markets or industries in which we participate, or both, will result in downward pressure on our operating margins and asset values as a result of lower demand and increased price competition for the services and products that we provide. In particular, given the importance of the U.S. and Canada to our operations, an economic downturn in North America could have an adverse effect on our operating margins and asset values.

Competition

Each segment of our business is subject to competition in varying degrees. We compete on the basis of a number of factors, including, but not limited to, the quality of our employees, transaction execution, our products and services, innovation and reputation and price. Our competitors include private equity funds, specialized investment funds, hedge funds, funds of hedge funds and other sponsors managing pools of capital, as well as corporate buyers, traditional asset managers, commercial banks, investment banks and other financial institutions (including sovereign wealth funds). We compete in pursuit of investor capital to be invested in our securities and investment funds but also in acquiring investments in attractive assets. Competition for investor capital, in particular, is intense and investors are increasingly seeking to manage their own assets or reduce their management fees. Further, our competitors may have certain competitive advantages, including greater financial, technical, marketing and other resources, more personnel, less onerous regulatory requirements or a lower cost of capital and access to funding sources or other resources that are not available to us. These pressures and/or an increase in competition could result in downward pressure on revenues which could, in turn, reduce operating

margins and thereby reduce operating cash flows, investment returns and

negatively affect our overall financial condition. In addition, competition could result in the scarcity of inputs which can impact certain of our businesses through higher costs.

Interest Rates

A number of our long-life assets are interest rate sensitive: increases in long-term interest rates will, absent all else, decrease the value of an asset by reducing the present value of the cash flows expected to be produced by such asset. Additionally, any of our debt or preferred shares that are subject to variable interest rates, either as an obligation with a variable interest rate or as an obligation with a fixed interest rate that resets into a variable interest rate in the future, are subject to interest rate risk. Further, the value of any debt or preferred share that is subject to a fixed interest rate will be determined based on the prevailing interest rates and, accordingly, this type of debt or preferred share is also subject to interest rate risk. In addition, over the last few years, interest rates have been at historically low levels. These rates may remain relatively low or rise in the future either gradually or abruptly. Should interest rates increase, the amount of cash required to service these obligations would increase and our earnings could be adversely impacted.

Ownership of Common Shares

The trading price of our Class A shares is subject to volatility and cannot be predicted. Our shareholders may not be able to resell their Class A shares at or above the price at which they purchased such shares due to trading price fluctuations. The trading price could fluctuate significantly in response to factors both related and unrelated to our operating performance and/or future prospects, including, but not limited to: (i) variations in our quarterly or annual operating results and financial condition; (ii) changes in government laws, rules or regulations affecting our businesses; (iii) material announcements by our competitors; (iv) market conditions and events specific to the industries in which we operate; (v) changes in general economic conditions; (vi) differences between our actual financial and operating results and those expected by investors and analysts; (vii) changes in analysts' recommendations or earnings projections; (viii) changes in the extent of analysts' interest in covering the Corporation and its publicly-traded affiliates; (ix) the depth and liquidity of the market for our Class A Shares; (x) dilution from the issuance of additional equity; (xi) investor perception of our businesses and the industries in which we operate; (xii) investment restrictions; (xiii) our dividend policy; (xiv) the departure of key executives; (xv) sales of Class A Shares by senior management or significant shareholders; and (xvi) the materialization of other risks described in this section.

Taxes

Our structure is based on prevailing taxation law and practice in the local jurisdictions in which we operate. Any change in tax policy, tax legislation (including in relation to taxation rates), the interpretation of tax policy or legislation or practice in these jurisdictions could adversely affect the return we can earn on our investments, on the capital available to be invested by us or our institutional investors or on the willingness of investors to acquire our securities or invest in our funds. Further, taxes and other constraints that would apply to our operating entities in such jurisdictions may not apply to local institutions or other parties, and such parties may therefore have a significantly lower effective cost of capital and a corresponding competitive advantage in pursuing acquisitions. A number of other factors may increase our effective tax rates, which would have a negative impact on our net income. These include, but are not limited to, changes in the valuation of our deferred tax assets and liabilities, and any reassessment of taxes by a taxation authority.

Laws, Rules and Regulations

There are many laws and governmental rules and regulations that apply to us, our assets and our businesses. Changes in these laws, rules and regulations, or their interpretation by governmental agencies or the courts, could adversely affect our business, assets or prospects, or those of our customers, clients or partners. Furthermore, economic and political factors, including civil unrest, changes in government or government policy and restrictions on the ability to transfer capital across borders can have a major impact on us as a global company.

We acquire and develop primarily property, renewable energy and infrastructure assets. In doing so, we must comply with extensive and complex municipal, state or provincial, national and international regulations affecting the development process. These regulations can impose on us uncertainty, additional costs and delays, which may adversely affect our business and results of operations. In particular, we are required to obtain the approval of numerous governmental authorities regulating matters such as permitted land uses, levels of density, the installation of utility services, zoning and building standards. Changes in these laws may adversely affect us and our businesses or may benefit our competitors or their businesses. We must also comply with municipal, state or provincial and federal laws, rules and regulations relating to the protection or preservation of human health and safety and the environment. See "Business Environment and Risks - Health, Safety and the Environment" on page 63. These laws, rules and regulations sometimes result in uncertainty and delays, which cause us to incur additional costs, or severely restrict development activity in certain regions or areas. Additionally, liability under such laws, rules and regulations may occur without our fault. Private parties may have the right to pursue legal actions against us to enforce compliance as well as seek damages for non-compliance with these laws, rules and regulations or for personal injury or property damage. Our insurance may not provide any coverage or sufficient coverage in the event that a successful claim is made against us. Any future increases in regulatory requirements may require us to incur further compliance costs. Environmental laws and regulations can change rapidly and significantly and we may become subject to more stringent environmental laws and regulations in the future. Compliance with more stringent environmental laws and regulations and the associated costs could adversely affect our business, financial condition or results of operation.

Our asset management business is subject to substantial and increasing regulatory compliance and oversight. The recent financial crisis and various high profile financial scandals have resulted in active debate regarding the appropriate level of regulation and oversight of asset management businesses in a number of jurisdictions in which we operate. The introduction of new legislation and increased regulation may result in increased compliance costs and could materially affect the manner in which we conduct our business and adversely affect our profitability.

The advisers of our private investment funds are registered as investment advisers with the U.S. Securities and Exchange Commission (the "SEC"). Registered investment advisers are subject to the requirements and regulations of the Investment Advisers Act of 1940 (the "Advisers Act"), including, but not limited to, fiduciary duties to clients, maintaining an effective compliance program, record-keeping, advertising and operating requirements, disclosure obligations, general anti-fraud prohibitions and "pay to play" practices vis-à-vis U.S. state and local government entities. These requirements and regulations are primarily intended to benefit investment advisory clients and investment company shareholders and generally grant supervisory agencies broad administrative powers, including the power to limit or restrict the carrying on of business for failure to comply with such laws and regulations. In the event that such powers are exercised, the possible sanctions that may be imposed include the suspension of individual employees, limitations on the activities in which the investment adviser may engage, suspension or revocation of the investment adviser's registration as an adviser, censure and fines. Compliance with these requirements and regulations results in the expenditure of costs and internal resources, and a failure to comply with such obligations could result in investigations, financial or other sanctions, and reputational damage.

The Investment Company Act of 1940 (the "40 Act") and the rules promulgated thereunder (and similar legislation in other jurisdictions) provide certain protections to investors and impose certain restrictions on companies that are registered as investment companies. Among other things, such rules limit or prohibit transactions with affiliates, impose limitations on the issuance of debt and equity securities and impose certain governance requirements. The 40 Act requires the registration of any company which holds itself out to the public as being engaged primarily in the business of investing, reinvesting or trading in securities. In addition, the 40 Act also requires the registration of an entity that is engaged or proposes to engage in the business of investing, reinvesting, owning, holding or trading in securities and which owns or proposes to acquire investment securities with a value of more than 40% of such entity's assets on an unconsolidated basis. We are not currently nor do we intend to become registered as an investment company under the 40 Act. In order to ensure that we are not deemed to be an investment company, we may be required to materially restrict or limit the scope of our operations or plans, we will be limited in the types of acquisitions that we may make and we may need to modify our organizational structure or dispose of assets that we would not otherwise dispose of. If we were required to register as an investment company under the 40 Act, we would, among other things, be restricted from engaging in certain business activities (or have conditions placed on our business activities), issuing certain securities and be required to limit the amount of investments that we make as a principal or otherwise conduct our business in a manner that does not subject us to the registration and other requirements of the 40 Act.

Governmental Investigations; Anti-Bribery and Corruption

We are from time to time subject to various governmental investigations, audits and inquiries, both formal and informal ("investigations"). These investigations, regardless of their outcome, could be costly, divert management attention, and damage our reputation. The unfavourable resolution of such investigations could result in criminal liability, fines, penalties or other monetary or non-monetary remedies and could materially affect our business or results of operations.

There is an increasing global focus on the implementation and enforcement of anti-bribery and corruption legislation, and this focus has heightened the risks that we face in this area, particularly as we expand our operations globally. We are subject to a number of laws and regulations governing payments and contributions to public officials or other third parties, including restrictions imposed by the U.S. Foreign Corrupt Practices Act and similar laws in non-U.S. jurisdictions, such as the UK Bribery Act and the Canadian Corruption of Foreign Public Officials Act. Different laws that are applicable to us may contain conflicting provisions, making our compliance more difficult. The policies and procedures we have implemented to protect against non-compliance with anti-bribery and corruption legislation may be inadequate. If we fail to comply with these laws and regulations, we could be exposed to claims for damages, financial penalties, reputational harm, incarceration of our employees, restrictions on our operations and other liabilities, which could negatively affect our operating results and financial condition. In addition, we may be subject to successor liability for violations under these laws or other acts of bribery committed by companies in which we or our funds invest.

Instances of bribery, fraud, accounting irregularities and other improper, illegal or corrupt practices can be difficult to detect, and fraud and other deceptive practices can be widespread in certain jurisdictions. We invest in emerging market countries that may not have established stringent anti-bribery and corruption laws and regulations, or where existing laws and regulations may not be consistently enforced. For example, we invest in jurisdictions that are perceived to have materially higher levels of corruption according to international rating standards, such as China, India, Latin America and the Middle East. Due diligence on investment opportunities in these jurisdictions is frequently more challenging because consistent and uniform commercial practices in such locations may not have developed or do not meet international standards. Bribery, fraud, accounting irregularities and corrupt practices can be especially difficult to detect in such locations.

The increased global focus on anti-bribery and corruption enforcement may also lead to more investigations in this area, the results of which cannot be predicted. For example, we are currently facing anti-bribery and corruption investigations by the SEC and U.S. Department of Justice ("DOJ") related to a Brazilian subsidiary of ours that allegedly made payments to certain third parties in Brazil and those payments were, in turn, used, with our knowledge, to pay certain municipal officials to obtain permits and other benefits. A civil action against our Brazilian subsidiary has been commenced by a public prosecutor in Brazil. All involved have denied the allegations. The SEC and DOJ are seeking information from us and we are cooperating with both authorities in this regard. In 2012, we engaged a leading international law firm to conduct an independent investigation into the allegations. Based on the results of that investigation, we have no reason to believe that our Brazilian subsidiary engaged in any wrongdoing and hope to resolve this matter in due course. We do not expect that any legal outcome will be financially material to the Corporation.

In addition, a legal action in Brazil has resulted in the arrest of four City of São Paulo officials for corruption. The four officials allegedly perpetrated an extortion scheme that forced real estate developers to make illicit payments in order to obtain occupancy permits necessary to complete development projects and other benefits. One of our affiliates is a real estate development company in Brazil that builds residential high-rise condominiums and was one of many developers targeted by this extortion. We have been cooperating fully with the public prosecutor's office in São Paulo and providing relevant information and witness testimony. There are no charges against our affiliate or any of its employees in connection with this matter and none are expected.

Litigation

In the normal course of our operations, we become involved in various legal actions, including claims relating to personal injury, property damage, property taxes, land rights and contract and other commercial disputes. Further, we have significant operations in the U.S., which may, as a result of the prevalence of litigation in the U.S., be more susceptible to legal action than certain of our other operations. The final outcome with respect to outstanding, pending or future actions cannot be predicted with certainty, and the resolution of such actions may have an adverse effect on our financial position or results of our operations in a particular quarter or fiscal year. Any litigation may consume substantial amounts of our management's time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation. Even if ultimately unsuccessful, litigation could adversely affect our business, including by damaging our reputation.

Health, Safety and the Environment

As an owner and operator of real property, we may become liable for the costs of removal and remediation of certain hazardous substances released or deposited on or in our properties, or disposed of at other locations regardless of whether or not we were responsible for the release or deposit of such hazardous materials. These costs could be significant and could reduce cash available for our business. The failure to remove or remediate such substances, if any, could adversely affect our ability to sell our real estate or to borrow using real estate as collateral, and could potentially result in claims or other proceedings against us. Environmental laws and regulations can change rapidly and significantly and we may become subject to more stringent environmental laws and regulations in the future. Compliance with more stringent environmental laws and regulations and the associated costs could adversely affect our business, financial condition or results of operations.

The ownership and operation of our assets carry varying degrees of inherent risk or liability related to worker health and safety and the environment, including the risk of government imposed orders to remedy unsafe conditions and potential civil liability. Compliance with health, safety and environmental standards and the requirements set out in our licenses, permits and other approvals are material to our business. We have incurred and will continue to incur significant capital and operating expenditures to comply with health, safety and environmental standards and to obtain and comply with licenses, permits and other approvals and to assess and manage potential liability exposure. Nevertheless, we may be unsuccessful in obtaining or maintaining an important license, permit or other approval or become subject to government orders, investigations, inquiries or other proceedings (including civil claims) relating to health, safety and environmental matters. The occurrence of any of these events or any changes, additions to, or more rigorous enforcement of, health, safety and environmental standards, licenses, permits or other approvals could have a significant impact on our operations and/or result in material expenditures. As a consequence, no assurance can be given that additional environmental and workers' health and safety issues relating to presently known or unknown matters will not require unanticipated expenditures, or result in fines, penalties or other consequences (including changes to operations) material to our business and operations.

Insurance

We carry various insurance policies on our assets. These policies contain policy specifications, limits and deductibles that may mean that insurance may not provide coverage or sufficient coverage against all potential material losses. We may also self-insure a portion of certain of these risks. There are certain types of risk (generally of a catastrophic nature such as war or environmental contamination) which are either uninsurable or not economically insurable. Further, there are certain types of risk for which insurance coverage is not equal to the full replacement cost of all of the assets. Should any uninsured or underinsured loss occur, we could lose our investment in, and anticipated profits and cash flows from, one or more of our assets or operations, and would continue to be obligated to repay any mortgage or other indebtedness on any related properties to the extent the borrowers have recourse beyond the specific asset or operations being financed, which could have an adverse effect on our results of operations and financial position.

Climate Change

Ongoing changes to the physical climate in which we operate may have an impact on our businesses. In particular, changes in weather patterns or extreme weather (such as floods, hurricanes and other storms) may impact hydrology and/or wind levels, thereby influencing power generation levels or affect other of our businesses or damage our assets. Further, rising sea levels could, in the future, affect the value of any low-lying real property that we may own or develop or result in the imposition of new property taxes. Climate change may also give rise to changes in regulations and consumer sentiment that could impact other areas of our operations. Climate change regulation at provincial or state, federal and international levels could have an adverse effect on our business, financial position, results of operations or cash flows.

Labour

A portion of the workforce in our operations is unionized. If we are unable to negotiate acceptable collective bargaining agreements with any of our unions, as existing collective bargaining agreements expire we could experience a work stoppage, which could result in significant disruption in the affected operations, higher ongoing labour costs and restrictions on our ability to maximize the efficiency of our operations, all of which could have an adverse effect on our financial results.

In addition, we face competition in connection with the attraction and retention of qualified employees. Our ability to continue to compete effectively in our businesses will depend upon our ability to attract new employees and retain and motivate our existing employees. If we are unable to attract and retain qualified employees this could limit our ability to compete successfully and achieve our business objectives, which could negatively impact our business, financial condition and results of operations.

Terrorist Acts

Our commercial office portfolio is concentrated in large metropolitan areas, some of which have been or may be perceived to be threatened by terrorist attacks. Furthermore, many of our properties consist of high-rise buildings, which may also be subject to this actual or perceived threat. The perceived threat of a terrorist attack could negatively impact our ability to lease office space in our real estate portfolio. Renewable energy and infrastructure assets, such as roads, railways, power generation facilities and ports, may also be targeted by terrorist organizations who seek to disrupt the backbone of Western economies. A terrorist act affecting us could have an adverse effect on our operating results and cash flows. Any damage or business interruption costs as a result of uninsured or underinsured acts of terrorism could result in a material cost to us and could adversely affect our business, financial condition or results of operation. Adequate terrorism insurance may not be available at rates we believe are reasonable in the future. All of the risks indicated in this paragraph could potentially be heightened by foreign policy decisions of the U.S. and other influential countries or general political conditions.

Further, our information technology systems may be subject to cyber terrorism, intended to obtain unauthorized access to our proprietary information, destroy data or disable, degrade or sabotage our systems, often through the introduction of computer viruses, cyberattacks and other means, and could originate from a wide variety of sources, including unknown third parties outside the firm. Although we have implemented measures to ensure system integrity, there can be no assurance that these measures will provide adequate protection. If our information systems are compromised do not operate properly or are disabled, we could suffer financial loss and/or a disruption in one or more of our businesses. This could have a negative impact on our operating results and cash flows, or result in reputational damage.

Execution of Strategy

Value Investing

The successful execution of our value investment strategy is uncertain as it requires suitable opportunities, careful timing and business judgment, as well as the resources to complete asset purchases and restructure them as required, notwithstanding difficulties experienced in a particular industry.

Our approach to investing entails adding assets to our existing businesses when the competition for assets is weakest, typically when depressed economic conditions exist in the market relating to a particular entity or industry. However, there is no certainty that we will be able to identify suitable or sufficient opportunities that meet our investment criteria and acquire additional high-quality assets at attractive prices to supplement our growth. Conversely, overly favourable economic sentiment can limit the number of attractive investment opportunities and thereby restrict our ability to increase assets under management and avail ourselves of the related benefits. Competition from other investors may significantly increase the purchase price of target assets or prevent us from completing an acquisition. We may be unable to finance acquisitions on favourable terms, or newly acquired assets and businesses may fail to perform as well or as quickly as expected. Investments in companies or assets that are experiencing significant financial or business difficulties are subject to a risk of poor performance or loss. We may fail to value opportunities accurately or to consider all relevant facts that may be necessary or helpful in evaluating an opportunity, or we may underestimate the costs necessary to bring an acquisition up to standards established for its intended market position or be unable to quickly and effectively integrate new acquisitions into our existing operations. We may be required to sell a business before it has realized our expected level of returns. If we are unable to realize the benefits we expect to achieve as a result of acquisitions, our operating results and cash flows may be less than expected.

Management Team

Our executive and other senior officers have a significant role in our success and oversee the execution of our strategy. Our ability to retain our management group or attract suitable replacements should any members of the management group leave is dependent on, among other things, the competitive nature of the employment market and the career opportunities that we can offer. We have experienced departures of key professionals in the past and may do so in the future, and we cannot predict the impact that any such departures will have on our ability to achieve our objectives. Competition for the best people is intense and the loss of services from key members of the management group or a limitation in their availability could adversely impact our financial condition and cash flow. Furthermore, such a loss could be negatively perceived in the capital markets. We do not maintain any key person insurance.

The conduct of our businesses and the execution of our growth strategy rely heavily on teamwork. Our continued ability to respond promptly to opportunities and challenges as they arise depends on co-operation across our organization and our team-oriented management structure, which may not materialize in the way we expect.

Business Partnerships

We participate in joint ventures, partnerships, co-tenancies and similar arrangements affecting many of our assets and businesses. Investments in partnerships, joint ventures, co-tenancies or other entities may involve risks and uncertainties not present absent third-party involvement, including, but not limited to, our dependency on partners, co-tenants or co-venturers that are not under our control and that might compete with us for opportunities, become bankrupt or otherwise fail to fund their share of required capital contributions, or suffer reputational damage that could have an adverse impact on us. Additionally, our partners, co-venturers or co-tenants might at any time have economic or other business interests or goals that are different than or inconsistent with those of the Corporation, and we could become engaged in a dispute with any of them that might affect our ability to operate the business or assets in question. We do not have sole control over certain major decisions relating to these assets and businesses, including, but not limited to: the decisions relating to the sale of assets and businesses; refinancings; the timing and amount of distributions of cash from such entities to the Corporation; and capital expenditures.

Some of our management arrangements permit our partners to terminate a management agreement in limited circumstances relating to disputes over the managers' obligations. Any such termination could adversely affect our revenue from management fees or our ability to raise future capital. In addition, the sale or transfer of interests in some of our assets or entities is subject to rights of first refusal or first offer and some agreements provide for buy-sell or similar arrangements. Such rights may be triggered at a time when we may not want to sell but are forced to do so because we do not have the inclination or financial resources at the relevant time to purchase the other party's interest. Such rights may also inhibit our ability to sell our interest in an entity within our desired time frame or on any other desired basis.

Financial and Liquidity Risks

We employ debt and other forms of leverage in the ordinary course of business to enhance returns to shareholders and our investors and finance our operations. We attempt to match the profile of any leverage to the associated assets. Accordingly, we typically fund shorter-duration floating rate assets with shorter-term floating rate debt and fund long-term fixed rate and equity-like assets with long-term fixed rate and equity capital. We are therefore subject to the risks associated with debt financing and refinancing. These risks, including but not limited to the following, may adversely affect our financial condition and results of operations: our cash flow may be insufficient to meet required payments of principal and interest; payments of principal and interest on borrowings may leave us with insufficient cash resources to pay operating expenses and dividends; if we are unable to obtain committed debt financing for potential acquisitions or can only obtain debt at an increased interest rate or on unfavourable terms, we may have difficulty completing acquisitions or may generate profits that are lower than would otherwise be the case; we may not be able to refinance indebtedness on our assets at maturity due to company and market factors such as the estimated cash flow produced by our assets, the value of our assets, liquidity in the debt markets, and/or financial, competitive, business and other factors, including factors beyond our control; and, if refinanced, the terms of a refinancing may not be as favourable as the original terms of the related indebtedness. Our ability to achieve attractive rates of return will depend on our ability to access sufficient sources of indebtedness at attractive rates.

The use of leverage poses a significant degree of risk and enhances the possibility of a significant loss. Highly leveraged assets are inherently more sensitive to declines in revenues, increases in expenses and interest rates, and adverse market conditions. A leveraged company's income and net assets also tend to increase or decrease at a greater rate than would otherwise be the case if money had not been borrowed. As a result, the risk of loss associated with a leveraged company, all other things being equal, is generally greater than for companies with comparatively less debt.

The terms of our various credit agreements and other financing documents require us to comply with a number of customary financial and other covenants, such as maintaining debt service coverage and leverage ratios, adequate insurance coverage and certain credit ratings. These covenants may limit our flexibility in conducting our operations and breaches of these covenants could result in defaults under the instruments governing the applicable indebtedness, even if we have satisfied and continue to satisfy our payment obligations.

We rely on our subsidiaries to provide us with the funds necessary to pay dividends and meet our financial obligations. The leverage on our assets may affect the funds available to us if the terms of the debt impose restrictions on the ability of our subsidiaries to make distributions to us. In addition, our subsidiaries will generally have to service their debt obligations before making distributions to us or their parent entity.

If we are unable to refinance our indebtedness on acceptable terms, or at all, we may need to utilize available liquidity, which would reduce our ability to pursue new investment opportunities, or we may need to dispose of one or more of our assets on disadvantageous terms or raise equity, causing dilution to existing shareholders. If we are required to repay indebtedness using cash on hand, cash provided by our continuing operations or cash from the sale of our assets, this could reduce dividends to our shareholders. Moreover, prevailing interest rates or other factors at the time of refinancing could increase our interest expense, and if we pledge assets to secure payment of indebtedness and are unable to make required payments, a creditor could foreclose upon such asset or appoint a receiver to receive an assignment of the associated cash flows.

A large proportion of our capital is invested in physical assets which can be hard to sell, especially if local market conditions are poor. A lack of liquidity could limit our ability to vary our portfolio or assets promptly in response to changing economic or investment conditions. Additionally, if financial or operating difficulties of other owners result in distress sales, such sales could depress asset values in the markets in which we operate. The restrictions inherent in owning physical assets could reduce our ability to respond to changes in market conditions and could adversely affect the performance of our investments, our financial condition and results of operations.

We periodically enter into agreements that commit us to acquire assets or securities. In some cases, we may enter into such agreements with the expectation that we will syndicate or assign all or a portion of our commitment to other investors prior to, at the same time as, or subsequent to, the anticipated closing. We may be unable to complete such syndications or assignments, which may increase the amount of capital that we are required to invest. Such an outcome can have an adverse impact on our liquidity, which may reduce our ability to pursue further acquisitions or meet other financial commitments.

We enter into financing commitments in the normal course of business, which we may be required to fund. Additionally, in the ordinary course of business we guarantee the obligations of funds or other entities that we manage and/or invest in. If we are required to fund these commitments and are unable to do so, this could result in damages being pursued against us or a loss of opportunity through default of contracts that are otherwise to our benefit.

Investors in our private funds make capital commitments to our funds through the execution of subscription agreements. When a fund makes an investment, these capital commitments are then satisfied by our investors via capital contributions. Investors in our private funds may default on their capital commitment obligations to our private funds, which could have an adverse impact on our earnings or result in other negative implications to our businesses such as the requirement to redeploy our own capital to cover such obligations, even if the capital would otherwise earn a greater return.

We have pursued and intend to continue to pursue growth opportunities in international markets and often invest in countries where the U.S. dollar is not the notional currency. As a result, we are subject to foreign currency risk due to potential fluctuations in exchange rates between foreign currencies and the U.S. dollar. A significant depreciation in the value of the currency utilized in one or more countries where we have a significant presence may have a material adverse effect on our results of operations and financial position.

Our businesses are impacted by changes in currency rates, interest rates, commodity prices and other financial exposures. We selectively utilize financial instruments to manage these exposures, including credit default swaps and other derivatives to hedge certain of our financial positions. However, a significant portion of this risk remains unhedged. We may also establish unhedged positions in the ordinary course of business. These instruments are typically utilized as a hedge or an alternative to purchasing or selling the underlying security when such instruments are more effective from a capital employment perspective. There is no assurance that hedging strategies will fully mitigate the risks they are intended to offset, and derivatives are also subject to their own unique set of risks, including counterparty risk with respect to the financial well-being of the party on the other side of these transactions (if a counterparty fails to fulfill its obligations we may be exposed to risks we had sought to mitigate) and a potential requirement to fund mark-to-market adjustments. The company's risk management and derivative financial instruments are more fully described in the notes to our consolidated financial statements.

The Dodd-Frank Act ("Dodd-Frank") imposes rules and regulations governing federal oversight of the over-the-counter ("OTC") derivatives market and its participants, including the Corporation. Regulations promulgated by the U.S. Commodities Futures Trading Commission and the SEC under Dodd-Frank require, since June 10, 2013, certain types of OTC derivative transactions to be executed through a centralized exchange or regulated facility and be cleared through a regulated clearinghouse. These new rules impose additional costs and additional regulation on the Corporation. Derivative transactions executed through exchanges or regulated facilities attract incremental collateral requirements in the form of initial margin, and require variation margin to be cash settled on a daily basis which increases liquidity risk for the Corporation. The increase in margin requirements (relative to bilateral agreements) combined with a more restricted list of securities that qualify as eligible collateral requires us to hold larger positions in cash and treasuries, which could reduce income. Conversely, transactions executed through exchanges largely eliminate OTC counterparty credit risk but increase our exposure to the risk of an exchange or clearinghouse defaulting, and increased capital or margin requirements imposed on our OTC derivative counterparties could reduce our exposure to

the counterparties' default. In force OTC derivative transactions are grandfathered and will migrate to being cleared through exchanges over time, or the Corporation may elect to accelerate the migration. As such, this does not become a significant risk for the Corporation until a large portion of our derivatives have transitioned to clearing houses. Similar regulations in other jurisdictions we operate in are expected to become effective as early as 2014. We cannot predict the effect of the legislation on our hedging costs, our hedging strategy or its implementation, or whether Dodd-Frank and similar regulations in other jurisdictions will lead to an increase or decrease in or change in composition of the risks we hedge. Such regulatory oversight could have an adverse impact on our ability to hedge risks in our businesses. Specifically, Dodd-Frank, and any other similar regulations in the markets in which we operate, could significantly increase the cost of derivative contracts, reduce the availability of derivatives to protect against operational risk and reduce the liquidity of the market for derivatives. A reduction in the Corporation's use of derivatives as a result of Dodd-Frank and other similar regulations may, among other things, result in increased volatility and decreased predictability of our cash flows.

Asset Management

Our ability to raise capital from third party investors and successfully expand our asset management activities is dependent on a number of factors, including certain factors that are outside our control. In the event that any of our funds were to perform poorly, our revenue, income and cash flow would decline because the value of our assets under management would decrease, which would result in a reduction in management fees, and our investment returns would decrease, resulting in a reduction in the carried interest and incentive fees that we earn. Moreover, we could experience losses on our investments of our own capital as a result of poor investment performance by our funds.

Poor performance could damage our reputation with our current and potential investment partners and make it more difficult for us to raise new capital. Investors may decline to invest in future investment funds we raise, may withdraw their investments as a result of poor performance in the funds in which they are invested, or may demand lower fees or fee concessions for new or existing funds, which would decrease our revenue.

Competition for investor capital, particularly within the asset classes on which we focus, is intense. There is no assurance that we will be successful in differentiating ourselves as an asset manager and this competition may reduce the capital available to us to invest, the returns we can make on our investments and the margins of our asset management business. Our asset management business relies on the continued willingness of insurance companies, pension funds, endowments, sovereign wealth funds, other institutional investors and wealthy individuals to deploy capital to asset managers that focus on investments in real assets. Depending on factors outside of our control, such as the performance of the stock market, asset allocation rules or regulations or investment policies to which third party investors are subject could inhibit or restrict the ability of third party investors to make investments in our funds or the asset classes in which our funds invest. The general appeal of our funds and asset classes could also decline or fall into disfavour. In addition, certain institutional investors are demonstrating a preference to in-source their own investment professionals and to make direct investments without the assistance of asset managers like us. These investors may not continue to make new capital commitments to our managed funds and could become competitors to us for capital and investment opportunities. As a result, we may need to identify and attract new investors in order to maintain or increase the size of our funds. There are no assurances that we can find new investors or secure commitments from new or existing investors. If we are unable to raise capital from third party investors, we will be unable to collect management fees or deploy their capital into investments and potentially collect transaction fees or carried interest, which would materially reduce our revenue and cash flow and adversely affect our financial condition.

We could be negatively impacted if there is misconduct by personnel of portfolio companies in which our funds invest. Failures by personnel at our portfolio companies to comply with legal and regulatory requirements could adversely affect our business and reputation. We may face increased risk of such misconduct to the extent our investment in emerging markets increases. Such misconduct might undermine our due diligence efforts with respect to such companies and could negatively affect the valuation of a fund's investments.

Our private funds have a finite life that may require us to exit an investment made in a fund at an inopportune time. Volatility in the exit markets for these investments, increasing levels of capital required to finance companies to exit, and rising enterprise value thresholds to go public or complete a strategic sale can all contribute to the risk that we will not be able to exit a private fund investment successfully. We cannot always control the timing of our private fund investment exits or our realizations upon exit.

Our private fund investments may not meet their investment hurdles and we may not realize performance based income related to these investments upon exit. If, as a result of poor performance of investments in a fund's life, the fund does not achieve certain investment returns for the fund over its life, we will be obligated to repay the amount by which the carried interest that was previously distributed to us exceeds amounts to which we are ultimately entitled.

Property

We invest in high-quality commercial office properties and are therefore exposed to certain risks inherent in the commercial office property business. Commercial office property investments are generally subject to varying degrees of risk depending on the nature of the property. These risks include changes in general economic conditions (such as the availability and cost of

mortgage funds), local conditions (such as an oversupply of space or a reduction in demand for real estate in the markets in which we operate), the attractiveness of the properties to tenants, competition from other landlords and our ability to provide adequate maintenance at an economical cost.

Certain significant expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges, must be made whether or not a property is producing sufficient income to service these expenses. Our commercial office properties are typically subject to mortgages which require substantial debt service payments. If we become unable or unwilling to meet mortgage payments on any property, losses could be sustained as a result of the mortgagee's exercise of its rights of foreclosure or of sale.

Growth of rental income is dependent on strong leasing markets to ensure expiring leases are renewed and new tenants are found promptly to fill vacancies. It is possible that we may face a disproportionate amount of space expiring in any one year. Additionally, rental rates could decline, tenant bankruptcies could increase and tenant renewals may not be achieved, particularly in the event of a protracted disruption in the economy such as a recession.

Our retail property operations are subject to risks that affect the retail environment, including unemployment, weak income growth, lack of available consumer credit, industry slowdowns and plant closures, consumer confidence, increased consumer debt, poor housing market conditions, adverse weather conditions, natural disasters, competition and other factors. All of these factors could negatively affect consumer spending, and adversely affect the sales of our retail tenants. This could have an unfavourable effect on our retail property operations and our ability to attract new retail tenants.

If sales at stores operating in our malls are poor, existing tenants might be unable or unwilling to pay their minimum rents or expense recovery charges and new tenants might be willing to pay lower minimum rents than they otherwise would. Significant expenditures associated with each equity investment in real estate assets, such as mortgage payments, property taxes and maintenance costs, are generally not reduced when there is a reduction in income from the investment, so our income and cash flow would be adversely affected by a decline in income from a retail property. In addition, our retail property leases generally do not contain provisions designed to ensure the creditworthiness of the tenant, and are therefore negatively impacted by tenant bankruptcies or the voluntary or involuntary closure of stores in our properties. We may be unable to re-lease space vacated by such events on favourable terms or at all. As a result, the bankruptcy or closure of a national tenant may adversely affect our revenues.

Some of our retail lease agreements include a co-tenancy provision which allows the mall tenant to pay a reduced rent amount and, in certain instances, terminate the lease, if we fail to maintain certain occupancy levels at the mall. In addition, certain of our tenants have the ability to terminate their leases prior to the lease expiration date if their sales do not meet agreed upon thresholds. Therefore, if occupancy, tenancy or sales fall below certain thresholds, rents we are entitled to receive from our retail tenants could be reduced and our ability to attract new tenants may be limited.

Our retail tenants face competition from retailers at other regional malls, outlet malls, discount shopping centres, discount shopping clubs, catalogue companies, and through internet sales and telemarketing. Competition of these types could reduce the percentage rent payable by certain retail tenants and adversely affect our revenues and cash flows. Additionally, our retail tenants are dependent on perceptions by retailers and shoppers of the safety, convenience and attractiveness of our retail properties. If retailers and shoppers perceive competing properties and other retailing options such as the internet to be more convenient or of a higher quality, our retail property revenues may be adversely affected.

Renewable Energy

Our renewable energy operations, which are primarily hydroelectric generating facilities, are subject to changes in hydrology and price, but also include risks related to equipment and dam failure, counterparty performance, water rental costs, changes in regulatory requirements and other material disruptions.

The revenues generated by our power facilities are correlated to the amount of electricity generated, which in turn is dependent upon available water flows. Hydrology varies naturally from year to year and may also change permanently because of climate change or other factors, and a natural disaster could impact water flows within the watersheds in which we operate. It is therefore possible that low water levels at our North American power generating operations could result at any time and potentially continue for indefinite periods.

A significant portion of our renewable energy operation revenues are tied, either directly or indirectly, to the wholesale market price for electricity in the markets in which we operate. Wholesale market electricity prices are impacted by a number of external factors. As a result, we cannot accurately predict future electricity prices.

A significant portion of the power we generate is sold under long-term power purchase agreements, shorter-term financial instruments and physical electricity and natural gas contracts, some or all of which may be above market. These contracts are intended to mitigate the impact of fluctuations in wholesale electricity prices. If, however, for any reason, any of our counterparties in these contracts are unable or unwilling to fulfill their contractual obligations, we may not be able to replace an existing contract with an agreement on equivalent terms and conditions. In this event, and potentially others, we may not be successful in mitigating the impact of fluctuations in wholesale electricity prices.

There is a risk of equipment failure or dam failure due to wear and tear, latent defect, design error or operator error, among other things. The occurrence of such failures could result in a loss of generating capacity and repairing such failures could require the expenditure of significant amounts of capital and other resources. Such failures could also result in exposure to significant liability for damages due to harm to the environment, to the public generally or to specific third parties.

We are required to make rental payments and pay property taxes for water rights or pay similar fees for use of water. Significant increases in water rental costs or fees or changes in the way that governments regulate water supply could have a material adverse effect on our financial condition.

The operation of our generation assets is subject to extensive regulation by various government agencies at the municipal, provincial, state and federal levels. As legal requirements frequently change and are subject to interpretation and discretion, we are unable to predict the ultimate cost of compliance with these requirements or their effect on our operations. Any new law or regulation could require additional expenditure to achieve or maintain compliance. In addition, we may not be able to renew, maintain or obtain all necessary licenses, permits and governmental approvals required for the continued operation or further development of our power generation projects.

Our renewable energy generation assets could be exposed to effects of significant events, such as severe weather conditions, natural disasters, major accidents, acts of malicious destruction, sabotage or terrorism, which could limit our ability to generate or sell power. In certain cases, some events may not excuse us from performing our obligations pursuant to agreements with third parties and we may be liable for damages or suffer further losses as a result. In addition, many of our generation assets are located in remote areas which make access for repair of damage difficult.

Infrastructure

Our infrastructure operations include utilities, transport, energy, timberlands and agrilands operations in North and South America, Europe and Australasia. These operations include toll roads, electricity transmission systems, coal terminal operations, electricity and gas distribution companies, rail networks and ports. The principal risks facing the regulated and unregulated businesses comprising our infrastructure operations relate to government regulation, general economic conditions and other material disruptions, capital expenditure requirements, land use and counterparty performance.

Due to the essential nature of the services provided by our assets, and the fact that some of these services are provided on a monopoly or near monopoly basis, many of our infrastructure operations are subject to forms of economic regulation, including with respect to revenues. In addition, certain of these operations recover their investment in assets through tolls or regulated rates which are charged to third parties. Current tolls and regulated rates are reviewed by the applicable regulatory agency on a regular basis. If any of the respective regulators in the jurisdictions in which we operate decide to change the tolls or rates we are allowed to charge, or the amounts of the provisions we are allowed to collect, we may not be able to earn the rate of return on our investments that we had planned or we may not be able to recover our initial cost.

Economic regulation can also involve ongoing commitments to economic regulators, safety regulators and other governmental agencies. Our timberlands operations are subject to provincial or state and federal government regulations relating to forestry practices and the export of logs, and several of our infrastructure operations are subject to government safety and reliability regulations that are specific to their industries. The risk that a government will repeal, amend, enact or promulgate a new law or regulation or that a regulator or other government agency will issue a new interpretation of an existing law or regulation can substantially affect our operating entities. In addition, a decision by a government or regulator to regulate previously unregulated assets may significantly change the economics of these businesses.

General domestic and global economic conditions affect international demand for the commodities handled by our infrastructure operations. A downturn in the demand for these commodities may lead to bankruptcies or liquidations of one or more large customers, which could reduce our revenues, increase our bad debt expense, reduce our ability to make capital expenditures or have other adverse effects on us.

We and our customers are also exposed to certain uncontrollable events, such as severe weather conditions, natural disasters, major accidents, acts of malicious destruction, sabotage and terrorism. Protecting the quality of our revenue streams through the inclusion of take-or-pay or guaranteed minimum volume provisions into our contracts, such as at our rail operations, is not always possible or fully effective.

Some of our infrastructure operations have customer contracts as well as concession agreements in place with public and private sector clients. There is a risk of default on those contractual arrangements by such clients. As well, our operations with customer contracts could be adversely affected by any material change in the assets, financial condition or results of operations of such customers.

Our infrastructure operations may require substantial capital expenditures in the future to maintain our asset base. Any failure to make necessary capital expenditures to maintain our operations in the future could impair our ability to serve existing customers or accommodate increased volumes. In addition, we may not be able to recover investments in capital expenditure based upon the rates our operations are able to charge.

Our infrastructure operations require the usage of large areas of land for construction and operation. The rights to use the land can be obtained through freehold title, leases and other rights of use. Although we believe that we have valid rights to all easements, licences and rights of way necessary for our utilities operations, not all of our easements, licences and rights of way are registered against the lands to which they relate and may not bind subsequent owners.

The financial performance of our timberland operations depends on strong demand in the wood products and pulp and paper industries. A decrease in the level of residential construction activity generally reduces demand for logs and wood products, resulting in lower revenues, profits and cash flows for our customers. Depressed commodity prices for lumber, pulp or paper, or market irregularities, may cause mill operators to temporarily or permanently shut down their mills if their product prices fall to a level where mill operation would be uneconomical. Moreover, these operators may be required to temporarily suspend operations at one or more of their mills to bring production in line with market demand or in response to market irregularities. Any of these circumstances could significantly reduce the prices that we realize for our timber as well as the volume of timber that we may be able to sell. In addition to impacting our timberland operations' sales, cash flows and earnings, weakness in the market prices of timber products will also have an effect on our ability to attract additional capital, the cost of that capital and the value of our timberland assets. There is no certainty that we will be successful in implementing flexible timberland harvest plans that can reduce harvest levels when prices are low and defer sales until prices recover.

Weather conditions, industry practices, timber growth cycles, access limitations and aboriginal claims may restrict our harvesting, road building and other activities on the timberlands owned by our timber operations, as may other factors, including damage by fire, insect infestation, wind, disease, prolonged drought and other natural and man-made disasters. There can be no assurance that our forest management planning, including silviculture, will have the intended result of ensuring that our asset base appreciates in value over time. If management's estimates of merchantable inventory are incorrect, harvesting levels on our timberlands may result in depletion of our timberland assets.

Our agriland operations are comprised of pasture land that may be converted to higher-and-better uses, including soybean, corn and sugarcane production. Such conversion of agrilands may not materialize as anticipated. Additionally, the attractiveness of agrilands as an asset class for investors is contingent on the demand for soft commodities, growth in population and per capita incomes, improving diets and the demand for biofuels, all of which involve future uncertainty. Weather conditions, growing seasons, interactions with surrounding population, damage by fire, insect infestation, wind, disease, prolonged drought and other natural and man-made disasters may negatively impact our agriland operations.

Private Equity

The principal risks for the private equity business are potential loss of invested capital as well as insufficient investment or fee income to cover operating expenses and cost of capital. In addition, these investments are typically illiquid and may be difficult to monetize, limiting our flexibility to react to changing economic or investment conditions.

Unfavourable economic conditions could have a significant adverse impact on the ability of investee companies to repay debt and on the value of our equity investments and the level of investment income that they generate. Even with our support of investee companies through an economic downturn, adverse economic or business conditions facing our investee companies may adversely impact the value of our investments or deplete our financial or management resources. These investments are also subject to the risks inherent in the underlying businesses, some of which are facing difficult business conditions and may continue to do so for the foreseeable future.

Residential Development

We have residential land development and homebuilding operations located in Canada, the United States, Brazil and Australia. The residential homebuilding and land development industry is cyclical and is significantly affected by changes in general and local economic and industry conditions, such as consumer confidence, employment levels, availability of financing for homebuyers, interest rates, levels of new and existing homes for sale, demographic trends, availability of qualified trade workers and required materials, and housing demand. Competition from rental properties and resale homes, including homes held for sale by investors and foreclosed homes, may reduce our ability to sell new homes, depress prices and reduce margins for the sale of new homes. Furthermore, the market value of undeveloped land, buildable lots and housing inventories held by us can fluctuate significantly as a result of changing economic and real estate market conditions. If there are significant adverse changes in economic or real estate market conditions, we may have to sell homes at a loss or hold land in inventory longer than planned. Inventory carrying costs can be significant and can result in losses in a poorly performing project or market. Our residential property operations may be particularly affected by changes in local market conditions in California, the Washington, D.C. area, Alberta, Ontario and Brazil, where we derive a large proportion of our residential property revenue. Government regulations, legal challenges and delays in the entitlement process may delay the start or completion of our communities or limit our homebuilding or other activities, which could have an adverse impact on our results of operations. Our residential operations may be affected by the ability to raise capital on favourable terms or at all and by fluctuations in exchange rates.

Virtually all of our homebuilding customers finance their home acquisitions through lenders providing mortgage financing. Volatility experienced in mortgage markets and by many lenders, fewer loan products and tighter loan qualification requirements have made it more difficult for borrowers to procure mortgages. Even if potential customers do not need financing, changes in

interest rates and mortgage availability could make it harder for them to sell their homes to potential buyers who need financing, resulting in a reduced demand for new homes. Fundamentally, rising mortgage rates or reduced mortgage availability could adversely affect our ability to sell new homes and the prices at which we can sell them.

Service Activities

We have several companies that operate in the service industry. The revenues and profitability of these companies are largely dependent on the awarding of new contracts, which they do not directly control, and the uncertainty of contract award timing could have an adverse effect on these companies. Our companies in the service industry operate in highly competitive markets where it is difficult to predict whether and when they will receive new contracts. These processes can be impacted by a wide variety of micro and macroeconomic factors that may affect our clients and over which we have no control. In addition, our service companies may not be able to compete effectively given the perception of their reputation, ability to perform and/or perceived technology or other advantages held by competitors. Our competitors in the service industry may be more inclined to take greater or unusual risks or accept terms and conditions in a contract that we do not deem market or acceptable.

Fluctuating demand cycles are common in the service industry. These fluctuations can have a significant impact on the degree of competition for available projects and the awarding of new contracts, and as a result there may, from time to time, be significant and unpredictable variations in the financial results of these businesses. In the construction industry, fluctuations in the demand for services or the ability of the private and/or public sector to fund projects in a depressed economic climate could adversely affect the awarding of new contracts and margins for our construction businesses. Large-scale domestic and international projects involve uncertain timing, and it is particularly difficult to predict whether and when our construction businesses will receive a contract award. The uncertainty of contract award timing can present difficulties in matching workforce size with contract needs. If an expected contract award is delayed or not received, or if an ongoing contract is cancelled, our construction businesses could incur costs that would have the effect of reducing operational efficiency, margins and profits.

PART 6 – ADDITIONAL INFORMATION

ACCOUNTING POLICIES AND INTERNAL CONTROLS

Accounting Policies and Critical Judgments and Estimates

The preparation of financial statements requires management to select appropriate accounting policies and to make judgments and estimates that affect the carried amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

In making critical judgments and estimates, management relies on external information and observable conditions, where possible, supplemented by internal analysis as required. These estimates have been applied in a manner consistent with that in the prior year and there are no known trends, commitments, events or uncertainties that we believe will materially affect the methodology or assumptions utilized in this report. The estimates are impacted by, among other things, movements in interest rates and other factors, some of which are highly uncertain.

For further reference on accounting policies and critical judgments and estimates, see our significant accounting policies contained in Note 2 to the December 31, 2013 consolidated financial statements.

i. Critical Estimates

The significant estimates used in determining the recorded amount for assets and liabilities in the consolidated financial statements include the following:

a. Investment Properties

The critical assumptions and estimates used when determining the fair value of commercial properties are: the timing of rental income from future leases reflecting current market conditions, less assumptions of future cash flows in respect of current and future leases; maintenance and other capital expenditures; discount rates; terminal capitalization rates; and terminal valuation dates. Properties under development are recorded at fair value using a discounted cash flow model which includes estimates in respect of the timing and cost to complete the development.

b. Revaluation Method for Property, Plant and Equipment

When determining the carrying value of property, plant and equipment using the revaluation method, the company uses the following critical assumptions and estimates: the timing of forecasted revenues, future sales prices and margins; future sales volumes; future regulatory rates; maintenance and other capital expenditures; discount rates; terminal capitalization rates; terminal valuation dates; useful lives; and residual values. Determination of the fair value of property, plant and equipment under development includes estimates in respect of the timing and cost to complete the development.

c. Sustainable Resources

The fair value of standing timber and agricultural assets is based on the following critical estimates and assumptions: the timing of forecasted revenues and prices; estimated selling costs; sustainable felling plans; growth assumptions; silviculture costs; discount rates; terminal capitalization rates; and terminal valuation dates.

d. Financial Instruments

Estimates and assumptions used in determining the fair value of financial instruments are: equity and commodity prices; future interest rates; the credit worthiness of the company relative to its counterparties; the credit risk of the company's counterparties; estimated future cash flows; discount rates and volatility utilized in option valuations.

e. Inventory

The company estimates the net realizable value of its inventory using estimates and assumptions about future selling prices and future development costs.

f. Other

Other estimates and assumptions utilized in the preparation of the company's financial statements are: the assessment or determination of net recoverable amounts; depreciation and amortization rates and useful lives; estimation of recoverable amounts of cash-generating units for impairment assessments of goodwill and intangible assets; ability to utilize tax losses and other tax measurements; and fair value of assets held as collateral.

ii Critical Judgments

Management is required to make critical judgments when applying its accounting policies. The following judgments have the most

significant effect on the consolidated financial statements:

a. Control or Level of Influence

When determining the appropriate basis of accounting for the company's investees, the company makes judgments about the degree of influence that the company exerts directly or through an arrangement over the investees' relevant activities. This may include the ability to elect investee directors or appoint management: Control is obtained when the company has the power to direct the relevant investing, financing and operating decisions of an entity and does so it its capacity as principal of the operations, rather than as an agent for other investors. Operating as a principal includes having sufficient capital at risk in any investee and exposure to the variability of the returns generated by the decisions of the company as principal. Judgment is used in determining the sufficiency of the capital at risk or variability of returns. In making these judgments, the company considers the ability of other investors to remove the company as a manager or general partner in a controlled partnership.

b. Investment Properties

When applying the company's accounting policy for investment properties, judgment is applied in determining whether certain costs are additions to the carrying amount of the property and, for properties under development, identifying the point at which practical completion of the property occurs and identifying the directly attributable borrowing costs to be included in the carrying value of the development property.

c. Property, Plant and Equipment

The company's accounting policy for its property, plant and equipment requires critical judgments over the assessment of its carrying value, whether certain costs are additions to the carrying amount of the property, plant and equipment as opposed to repairs and maintenance, and for assets under development the identification of when the asset is capable of being used as intended and identifying the directly attributable borrowing costs to be included in the assets carrying value.

For assets that are measured using the revaluation method, judgment is required when estimating future prices, volumes and discount and capitalization rates. Judgment is applied when determining future electricity prices considering market data for years that a liquid market is available and estimates of electricity prices from renewable sources that would allow new entrants into the market in subsequent years.

d. Common Control Transactions

The purchase and sale of businesses or subsidiaries between entities under common control fall outside the scope of IFRS and accordingly, management uses judgment when determining a policy to account for such transactions taking into consideration other guidance in the IFRS framework and pronouncements of other standard-setting bodies. The company's policy is to record assets and liabilities recognized as a result of transfers of businesses or subsidiaries between entities under common control at carrying value. Differences between the carrying amount of the consideration given or received and the carrying amount of the assets and liabilities transferred are recorded directly in equity.

e. Indicators of Impairment

Judgment is applied when determining whether indicators of impairment exist when assessing the carrying values of the company's assets, including: the determination of the company's ability to hold financial assets; the estimation of a cash-generating unit's future revenues and direct costs; and the determination of discount and capitalization rates, and when an asset's carrying value is above the value derived using publicly traded prices which are quoted in a liquid market.

f. Income Taxes

The company makes judgments when determining the future tax rates applicable to subsidiaries and identifying the temporary difference that relate to each subsidiary. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply during the period when the assets are realized or the liabilities settled, using the tax rates and laws enacted or substantively enacted at the consolidated balance sheet dates. The company measures deferred income taxes associated with its investment properties based on its specific intention with respect to each asset at the end of the reporting period. Where the company has a specific intention to sell a property in the foreseeable future, deferred taxes on the building portion of an investment property are measured based on the tax consequences following from the disposition of the property. Otherwise, deferred taxes are measured on the basis the carrying value of the investment property will be recovered substantially through use. Judgment is required in determining the manner in which the carrying amount of each investment property will be recovered.

g. Classification of Non-controlling Interests in Limited-Life Funds

Non-controlling interests in limited-life funds are classified as liabilities (interests of others in consolidated funds) or equity (non-controlling interests) depending on whether an obligation exits to distribute residual net assets to non-controlling interests on liquidation in the form of cash or other financial assets or assets delivered in kind. Judgment is required to determine whether the governing documents of each entity convey a right to cash or other financial assets, or if assets can be distributed on liquidation.

h. Other

Other critical judgments include the determination of effectiveness of financial hedges for accounting purposes; the likelihood and timing of anticipated transactions for hedge accounting; the manner in which the carrying amount of each investment property will be recovered; and the determination of functional currency.

Adoption of Accounting Standards

i. Consolidated Financial Statements, Joint Ventures and Disclosures

In May 2011, the IASB issued three standards: IFRS 10, *Consolidated Financial Statements* ("IFRS 10"), IFRS 11, *Joint Arrangements* ("IFRS 11"), and IFRS 12, *Disclosure of Interests in Other Entities* ("IFRS 12"), and amended two standards: IAS 27, *Separate Financial Statements* ("IAS 27"), and IAS 28, *Investments in Associates and Joint Ventures* ("IAS 28"). Each of the new and amended standards became effective on January 1, 2013.

IFRS 10 replaces IAS 27 and SIC-12, *Consolidation-Special Purpose Entities* ("SIC-12"). The consolidation requirements previously included in IAS 27 have been included in IFRS 10. IFRS 10 uses control as the single basis for consolidation, irrespective of the nature of the investee, eliminating the risks and rewards approach included in SIC-12. An investor must exercise power over the investee's financial and operating decisions, have exposure or rights to variable returns from involvement with the investee, and the ability to use its power over the investee to affect the amount of its returns in order to conclude it controls an investee. IFRS 10 requires continuous reassessment of changes in an investor's power over the investee and changes in the investor's exposure or rights to variable returns. The retrospective application of IFRS 10 increased consolidated assets, liabilities and non-controlling interests by $218 million, $114 million and $104 million, respectively, as at December 31, 2012, and increased consolidated revenues and net income by $69 million and $8 million, respectively, for the year then ended, with no impact on common equity or net income to shareholders during the periods.

IFRS 11 supersedes IAS 31, *Interests in Joint Ventures* and SIC-13, *Jointly Controlled Entities – Non-Monetary Contributions by Venturers*. IFRS 11 is applicable to all parties that have an interest in a joint arrangement. IFRS 11 establishes two types of joint arrangements: joint operations and joint ventures. In a joint operation, the parties to the joint arrangement have rights to the assets and obligations for the liabilities of the arrangement, and recognize their share of the assets, liabilities, revenues and expenses. In a joint venture, the parties to the arrangement have rights to the net assets of the arrangement and account for their interest using the equity method of accounting under IAS 28. IAS 28 prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

IFRS 12 integrates the disclosure requirements of interests in other entities and requires a parent company to disclose information about significant judgments and assumptions it has made in determining whether it has control, joint control, or significant influence over another entity, and the type of joint arrangement when the arrangement has been structured through a separate vehicle. An entity should also provide these disclosures when changes in facts and circumstances affect the entity's conclusion during the reporting period. The disclosure requirements of IFRS 12 are applicable for interim consolidated financial statements when significant events or transactions occur during the interim period requiring such disclosure. Otherwise, the additional disclosures will be included in the company's annual consolidated financial statements.

ii. Employee Benefits

In September 2011, the IASB amended IAS 19, *Employee Benefits* ("IAS 19") for items impacting defined benefit plans including the recognition of: actuarial gains and losses within other comprehensive income; interest on the net benefit liability (or asset) in profit and loss; and unvested past service costs in profit and loss at either the earlier of when an amendment is made or when related restructuring or termination costs are recognized. Additionally, the adoption of IAS 19R required the company to retroactively exclude expected returns on plan assets from profit and loss, the result of which was a net charge against common equity of $6 and $10 million as at January 1, 2012 and December 31, 2012, respectively.

iii. Fair Value Measurement

IFRS 13, *Fair Value Measurements* ("IFRS 13") establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The application of IFRS 13 has not materially impacted the manner in which the company measures its financial and non-financial assets and liabilities. The adoption of IFRS 13 has resulted in more comprehensive disclosures related to fair values used within the consolidated financial statements.

iv. Presentation of Other Comprehensive Income

In September 2011, the IASB made amendments to IAS 1, *Presentation of Financial Statements* ("IAS 1"). The amendments require that items of other comprehensive income are grouped into two categories: items that may be reclassified subsequently to profit or loss and items that will not be reclassified subsequently to profit and loss. Income tax on items of other comprehensive income are required to be allocated on the same basis. The consolidated statements of comprehensive income were amended in this interim report to reflect the changes in presentation.

v. Financial Instruments: Disclosures

The amendments to IFRS 7 contain new disclosure requirements for financial assets and liabilities that are offset in the statement of

financial position or subject to master netting arrangements or similar arrangements. The amendments to IFRS 7 have been applied prospectively, however the application of these amendments had no material impacts on the companies consolidated financial statements.

The following table includes select financial statement line items outlining the impact of the adoption of IFRS 10 and IAS 19 on our previously reported consolidated financial statements as at January 1, 2012 and December 31, 2012 and for the year ended December 31, 2012:

	As at December 31, 2012			As at January 1, 2012		
(MILLIONS)	Previously Reported	Adjustment	Restated	Previously Reported	Adjustment	Restated
Consolidated Balance Sheets:						
Sustainable resources	$ 3,283	$ 233	$ 3,516	$ 3,155	$ 226	$ 3,381
Investments	11,689	(71)	11,618	9,401	(69)	9,332
Total Assets	108,644	218	108,862	91,022	214	91,236
Property-specific mortgages	$ 33,648	$ 72	$ 33,720	$ 28,415	$ 72	$28,487
Equity						
Non-controlling interests	23,190	97	23,287	18,516	96	18,612
Common equity	18,160	(10)	18,150	16,743	(6)	16,737
Total Liabilities and Equity	108,644	218	108,862	91,022	214	91,236

	Year Ended December 31, 2012		
(MILLIONS)	Previously Reported	Adjustment	Restated
Consolidated Statement of Operations:			
Total revenues and other gains	$ 18,697	$ 69	$ 18,766
Net income	2,747	8	2,755
Net income to shareholders	1,380	—	1,380
Consolidated Statement of Comprehensive Income:			
Other comprehensive income (loss)	$ 1,081	$ (5)	$ 1,076
Other comprehensive income (loss) to shareholders	517	(4)	513
Comprehensive income	3,828	3	3,831
Comprehensive income (loss) to shareholders	1,897	(4)	1,893

Future Changes in Accounting Standards

IFRIC 21, *Levies* ("IFRIC 21") provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37, *Provisions, Contingent Liabilities and Contingent Assets,* and those where the timing and amount of the levy is certain. IFRIC 21 identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation. A liability is recognized progressively if the obligating event occurs over a period of time or, if an obligation is triggered on reaching a minimum threshold, the liability is recognized when that minimum threshold is reached. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014. Management is currently evaluating the impact of IFRIC 21 on the consolidated financial statements.

IFRS 9, *Financial Instruments* ("IFRS 9") was issued by the IASB on November 12, 2009 and will replace IAS 39, *Financial Instruments. Recognition and Measurement* ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is tentatively effective for annual periods beginning on or after January 1, 2018. The company has not yet determined the impact of IFRS 9 on its consolidated financial statements.

IAS 32, *Financial Instruments· Presentation* ("IAS 32") was amended to clarify certain aspects as a result of the application of offsetting requirements, namely focusing on the following four main areas: the interpretation of "currently has a legally enforceable right of set-off," the application of simultaneous realization and settlement, the offsetting of collateral amounts, and the unit of account for applying the offsetting requirements. IAS 32 is effective for annual periods beginning on or after January 1, 2014. Management is currently evaluating the impact of IAS 32 on the consolidated financial statements.

Assessment and Changes in Internal Control Over Financial Reporting

Management has evaluated the effectiveness of the company's internal control over financial reporting as of December 31, 2013 and based on that assessment concluded that, as of December 31, 2013, our internal control over financial reporting was effective. Refer to Management's Report on Internal Control over Financial Reporting. There have been no changes in our internal control over financial reporting during the year ended December 31, 2013 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Disclosure Controls and Procedures

Management, including the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in the applicable U.S. and Canadian securities laws) as of December 31, 2013. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that such disclosure controls and procedures were effective as of December 31, 2013 in providing reasonable assurance that material information relating to the company and our consolidated subsidiaries would be made known to them by others within those entities.

Declarations Under the Dutch Act of Financial Supervision

The members of the Corporation's Corporate Executive Board (as such term is defined in the Dutch Act of Financial Supervision (the "Dutch Act") as required by section 5:25d, paragraph 2, under c of the Dutch Act, confirm that to the best of their knowledge:

- The 2013 financial statements included in this MD&A give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Corporation and the undertakings include in the consolidation taken as whole; and
- The management report included in this MD&A gives a true and fair review of the information required under section 5:25d, paragraph 8 and, as far as applicable, paragraph 9 of the Dutch Act regarding the Corporation and the undertakings included in the consolidation taken as a whole as of December 31, 2013.

RELATED PARTY TRANSACTIONS

In the normal course of operations, we enter into transactions on market terms with related parties, including consolidated and equity accounted entities, which have been measured at exchange value and are recognized in the consolidated financial statements, including, but not limited to: manager or partnership agreements; base management fees, performance fees and incentive distributions; loans, interest and non-interest bearing deposits; power purchase and sale agreements; capital commitments to private funds; the acquisition and disposition of assets and businesses; derivative contracts; and the construction and development of assets.

The following is a list of significant related party transactions of the Corporation during the years ended December, 31 2012 and December 31, 2013.

In November 2013, we entered into a $500 million subordinated credit facility with wholly owned subsidiaries of BPY. The terms of the facility, including the interest rate charged by the Corporation, are consistent with market practice given BPY's credit worthiness and the subordination of this facility. This transaction was approved by the independent directors of BPY.

In December 2012, BRPI, our 69% owned North American land developer and homebuilder, repaid its C$480 million loan to BPO, using the proceeds from the completion of a senior unsecured debt offering. BRPI paid $35 million of interest to BPO during the year ended December 31, 2012.

In October 2012, we agreed to sell the economic interest in our directly held 10% investment in a South American transmission operation to BIP for proceeds of $235 million, subject to satisfaction of customary conditions. The transaction, which closed in 2012, was measured at fair value, as determined by an external appraiser, which approximated the carrying value of our investment. No gain or loss was recorded on the transaction in our consolidated statement of operations.

INTERNAL CONTROL OVER FINANCIAL REPORTING

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of Brookfield Asset Management Inc. ("Brookfield") is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed by, or under the supervision of, the Chief Executive Officer and the Chief Financial Officer and effected by the Board of Directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board as defined in Regulation 240.13a–15(f) or 240.15d–15(f).

Management assessed the effectiveness of Brookfield's internal control over financial reporting as of December 31, 2013, based on the criteria set forth in Internal Control – Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management concludes that, as of December 31, 2013, Brookfield's internal control over financial reporting is effective. Management excluded from its design and assessment of internal control over financial reporting EZW Gazeley Limited, Industrial Developments International Inc., and MPG Office Trust, Inc., which were acquired during 2013, and whose total assets, net assets, total revenues and net income on a combined basis constitute approximately 3%, 3%, nil% and 1%, respectively, of the consolidated financial statement amounts as of and for the year ended December 31, 2013.

Brookfield's internal control over financial reporting as of December 31, 2013, has been audited by Deloitte LLP, the Independent Registered Public Accounting Firm, who also audited Brookfield's consolidated financial statements for the year ended December 31, 2013. As stated in the Report of Independent Registered Public Accounting Firm, Deloitte LLP expressed an unqualified opinion on the effectiveness of Brookfield's internal control over financial reporting as of December 31, 2013.

Toronto, Canada
March 28, 2014

J. Bruce Flatt
Chief Executive Officer

Brian D. Lawson
Chief Financial Officer

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Brookfield Asset Management Inc.

We have audited the internal control over financial reporting of Brookfield Asset Management Inc. and subsidiaries (the "Company") as of December 31, 2013, based on the criteria established in *Internal Control – Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. As described in Management's Report on Internal Control Over Financial Reporting, management excluded from its assessment the internal control over financial reporting at EZW Gazeley Limited ("Gazeley"), Industrial Developments International Inc. ("IDI"), and MPG Office Trust, Inc. ("MPG"), which were acquired during 2013, and whose total assets, net assets, total revenues and net income on a combined basis constitute approximately 3%, 3%, nil% and 1%, respectively, of the consolidated financial statement amounts as of and for the year ended December 31, 2013. Accordingly, our audit did not include the internal control over financial reporting at Gazeley, IDI and MPG. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. A company's internal control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on the criteria established in *Internal Control – Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended December 31, 2013 of the Company and our report dated March 28, 2014 expressed an unqualified opinion on those financial statements.

Deloitte LLP

Toronto, Canada
March 28, 2014

Chartered Professional Accountants, Chartered Accountants
Licensed Public Accountants

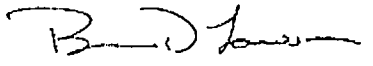
MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying consolidated financial statements and other financial information in this Annual Report have been prepared by the company's management which is responsible for their integrity, consistency, objectivity and reliability. To fulfill this responsibility, the company maintains policies, procedures and systems of internal control to ensure that its reporting practices and accounting and administrative procedures are appropriate to provide a high degree of assurance that relevant and reliable financial information is produced and assets are safeguarded. These controls include the careful selection and training of employees, the establishment of well-defined areas of responsibility and accountability for performance, and the communication of policies and code of conduct throughout the company. In addition, the company maintains an internal audit group that conducts periodic audits of the company's operations. The Chief Internal Auditor has full access to the Audit Committee.

These consolidated financial statements have been prepared in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board and, where appropriate, reflect estimates based on management's judgment. The financial information presented throughout this Annual Report is generally consistent with the information contained in the accompanying consolidated financial statements.

Deloitte LLP, the Independent Registered Public Accounting Firm appointed by the shareholders, have audited the consolidated financial statements set out on pages 81 through 145 in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States) to enable them to express to the shareholders their opinion on the consolidated financial statements. Their report is set out on the following page.

The consolidated financial statements have been further reviewed and approved by the Board of Directors acting through its Audit Committee, which is comprised of directors who are not officers or employees of the company. The Audit Committee, which meets with the auditors and management to review the activities of each and reports to the Board of Directors, oversees management's responsibilities for the financial reporting and internal control systems. The auditors have full and direct access to the Audit Committee and meet periodically with the committee both with and without management present to discuss their audit and related findings.



Toronto, Canada
March 28, 2014

J. Bruce Flatt
Chief Executive Officer

Brian D. Lawson
Chief Financial Officer

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Brookfield Asset Management Inc.

We have audited the accompanying consolidated financial statements of Brookfield Asset Management Inc. and subsidiaries (the "Company"), which comprise the consolidated balance sheets as at December 31, 2013 and December 31, 2012, and the consolidated statements of operations, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and the notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Brookfield Asset Management Inc. and subsidiaries as at December 31, 2013 and December 31, 2012, and their financial performance and their cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Other Matter

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2013, based on the criteria established in *Internal Control – Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 28, 2014 expressed an unqualified opinion on the Company's internal control over financial reporting.

Deloitte LLP

Toronto, Canada
March 28, 2014

Chartered Professional Accountants, Chartered Accountants
Licensed Public Accountants

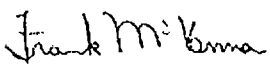
CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS

(MILLIONS)	Note	Dec. 31, 2013	Dec. 31, 2012[1]
Assets			
Cash and cash equivalents	31	$ 3,663	$ 2,850
Other financial assets	6	4,947	3,111
Accounts receivable and other	7	6,666	6,952
Inventory	8	6,291	6,581
Equity accounted investments	9	13,277	11,618
Investment properties	10	38,336	33,161
Property, plant and equipment	11	31,019	31,148
Sustainable resources	12	502	3,516
Intangible assets	13	5,044	5,770
Goodwill	14	1,588	2,490
Deferred income tax assets	15	1,412	1,665
Total Assets		$ 112,745	$ 108,862
Liabilities and Equity			
Accounts payable and other	16	$ 10,316	$ 11,652
Corporate borrowings	17	3,975	3,526
Non-recourse borrowings			
Property-specific mortgages	18	35,495	33,720
Subsidiary borrowings	18	7,392	7,585
Deferred income tax liabilities	15	6,164	6,425
Capital securities	19	791	1,191
Interests of others in consolidated funds	20	1,086	425
Equity			
Preferred equity	21	3,098	2,901
Non-controlling interests	21	26,647	23,287
Common equity	21	17,781	18,150
Total equity		47,526	44,338
Total Liabilities and Equity		$ 112,745	$ 108,862

1 See Adoption of Accounting Standards, Financial Statement Note 2(b)

On behalf of the Board:



Frank J. McKenna, Director

George S. Taylor, Director

CONSOLIDATED STATEMENTS OF OPERATIONS

YEARS ENDED DECEMBER 31 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	Note	2013	2012[1]
Total revenues and other gains	22	$ 20,830	$ 18,766
Direct costs	23	(13,928)	(13,961)
Other income	24	525	—
Equity accounted income	9	759	1,237
Expenses			
Interest		(2,553)	(2,500)
Corporate costs		(152)	(158)
Fair value changes	25	663	1,153
Depreciation and amortization		(1,455)	(1,263)
Income taxes	15	(845)	(519)
Net income		$ 3,844	$ 2,755
Net income attributable to:			
Shareholders		$ 2,120	$ 1,380
Non-controlling interests		1,724	1,375
		$ 3,844	$ 2,755
Net income per share:			
Diluted	21	$ 3.12	$ 1.97
Basic	21	$ 3.21	$ 2.02

1 See Adoption of Accounting Standards, Financial Statement Note 2(b)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

YEARS ENDED DECEMBER 31 (MILLIONS)	Note	2013	2012[1]
Net income		$ 3,844	$ 2,755
Other comprehensive income (loss)			
Items that may be reclassified to net income			
Financial contracts and power sale agreements		442	(17)
Available-for-sale securities		(24)	57
Equity accounted investments	9	8	3
Foreign currency translation		(2,429)	(110)
Income taxes	15	(114)	3
		(2,117)	(64)
Items that will not be reclassified to net income			
Revaluations of property, plant and equipment		825	1,491
Revaluation of pension obligations		26	(58)
Equity accounted investments	9	231	142
Income taxes	15	(166)	(435)
		916	1,140
Other comprehensive (loss) income		(1,201)	1,076
Comprehensive income		$ 2,643	$ 3,831
Attributable to:			
Shareholders			
Net income		$ 2,120	$ 1,380
Other comprehensive (loss) income		(795)	513
Comprehensive income		$ 1,325	$ 1,893
Non-controlling interests			
Net income		$ 1,724	$ 1,375
Other comprehensive (loss) income		(406)	563
Comprehensive income		$ 1,318	$ 1,938

1. See Adoption of Accounting Standards, Financial Statement Note 2(b)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED DECEMBER 31, 2013 (MILLIONS)	Common Share Capital	Contributed Surplus	Retained Earnings	Ownership Changes[1]	Accumulated Other Comprehensive Income: Revaluation Surplus	Accumulated Other Comprehensive Income: Currency Translation	Accumulated Other Comprehensive Income: Other Reserves[2]	Common Equity	Preferred Equity	Non-controlling Interests	Total Equity
Balance as at December 31, 2012	$2,855	$ 149	$ 6,813	$ 2,088	$ 5,289	$ 1,405	$ (449)	$18,150	$2,901	$23,287	$44,338
Changes in year											
Net income	—	—	2,120	—	—	—	—	2,120	—	1,724	3,844
Other comprehensive loss	—	—	—	—	101	(1,183)	287	(795)	—	(406)	(1,201)
Comprehensive income	—	—	2,120	—	101	(1,183)	287	1,325	—	1,318	2,643
Shareholder distributions											
Common equity	—	—	(1,287)	—	—	(32)	17	(1,302)	—	906	(396)
Preferred equity	—	—	(145)	—	—	—	—	(145)	—	—	(145)
Non-controlling interests	—	—	—	—	—	—	—	—	—	(910)	(910)
Other items											
Equity issuances, net of redemptions	44	—	(331)	—	—	—	—	(287)	197	1,675	1,585
Share-based compensation	—	10	(31)	—	—	—	—	(21)	—	45	24
Ownership changes	—	—	20	266	(225)	—	—	61	—	326	387
Total change in year	44	10	346	266	(124)	(1,215)	304	(369)	197	3,360	3,188
Balance as at December 31, 2013	$2,899	$ 159	$ 7,159	$ 2,354	$ 5,165	$ 190	$ (145)	$17,781	$3,098	$26,647	$47,526

1 Includes gains or losses on changes in ownership interests of consolidated subsidiaries
2 Includes available-for-sale securities, cash flow hedges, actuarial changes on pension plans and equity accounted other comprehensive income, net of associated income taxes

YEAR ENDED DECEMBER 31, 2012 (MILLIONS)	Common Share Capital	Contributed Surplus	Retained Earnings	Ownership Changes[1]	Accumulated Other Comprehensive Income: Revaluation Surplus[3]	Accumulated Other Comprehensive Income: Currency Translation	Accumulated Other Comprehensive Income: Other Reserves[3]	Common Equity	Preferred Equity	Non-controlling Interests	Total Equity
Balance as at December 31, 2011[2]	$2,816	$ 125	$5,982	$ 1,773	$ 5,101	$ 1,456	$ (510)	$16,743	$2,140	$ 18,516	$37,399
Changes in accounting policies	—	—	6	—	—	—	(12)	(6)	—	96	90
Changes in year											
Net income	—	—	1,380	—	—	—	—	1,380	—	1,375	2,755
Other comprehensive income	—	—	—	—	491	(51)	73	513	—	563	1,076
Comprehensive income	—	—	1,380	—	491	(51)	73	1,893	—	1,938	3,831
Shareholder distributions											
Common equity	—	—	(340)	—	—	—	—	(340)	—	—	(340)
Preferred equity	—	—	(129)	—	—	—	—	(129)	—	—	(129)
Non-controlling interests	—	—	—	—	—	—	—	—	—	(714)	(714)
Other items											
Equity issuances, net of redemptions	39	—	(111)	—	—	—	—	(72)	761	2,896	3,585
Share-based compensation	—	24	—	—	—	—	—	24	—	41	65
Ownership changes	—	—	25	315	(303)	—	—	37	—	514	551
Total change in year	39	24	825	315	188	(51)	73	1,413	761	4,675	6,849
Balance as at December 31, 2012	$2,855	$ 149	$6,813	$ 2,088	$ 5,289	$ 1,405	$ (449)	$18,150	$2,901	$ 23,287	$44,338

1 Includes gains or losses on changes in ownership interests of consolidated subsidiaries
2 See Basis of Presentation, Subsidiaries – Financial Statements Note 2(c)(i)
3 Includes available-for-sale securities, cash flow hedges, actuarial changes on pension plans and equity accounted other comprehensive income, net of associated income taxes

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31 (MILLIONS)	Note	2013	2012[1]
Operating activities			
Net income		$ 3,844	$ 2,755
Other income and gains	22, 24	(1,820)	(70)
Share of undistributed equity accounted earnings		(307)	(868)
Fair value changes		(663)	(1,153)
Depreciation and amortization		1,455	1,263
Deferred income taxes	15	686	384
Investments in residential inventory		(378)	(861)
Net change in non-cash working capital balances		(539)	55
		2,278	1,505
Financing activities			
Corporate borrowings arranged		949	852
Corporate borrowings repaid		(224)	(782)
Commercial paper and bank borrowings, net		(35)	(321)
Property-specific mortgages arranged		11,073	6,698
Property-specific mortgages repaid		(10,029)	(6,539)
Other debt of subsidiaries arranged		6,781	5,655
Other debt of subsidiaries repaid		(6,115)	(3,641)
Capital securities redeemed		(343)	(506)
Capital provided by interests of others in consolidated funds		541	103
Capital provided from non-controlling interests		3,218	3,681
Capital repaid to non-controlling interests		(1,543)	(785)
Preferred equity issuances		191	737
Common shares issued		85	54
Common shares repurchased		(388)	(106)
Distributions to non-controlling interests		(910)	(714)
Distributions to shareholders		(541)	(469)
		2,710	3,917
Investing activities			
Acquisitions			
Investment properties		(4,673)	(2,123)
Property, plant and equipment		(1,566)	(3,544)
Sustainable resources		(53)	(21)
Investments		(1,622)	(1,585)
Other financial assets		(2,745)	(1,327)
Cash assumed on acquisition of subsidiaries		292	323
Dispositions			
Investment properties		1,947	1,037
Property, plant and equipment		564	106
Sustainable resources		1,736	2
Investments		657	373
Other financial assets		1,502	2,215
Cash disposed on disposition of subsidiaries		(70)	(5)
Restricted cash and deposit		(10)	(13)
		(4,041)	(4,562)
Cash and cash equivalents			
Change in cash and cash equivalents		947	860
Foreign exchange revaluation		(134)	(41)

Balance, beginning of year		2,850	2,031
Balance, end of year	31	$ 3,663	$ 2,850

1 See Adoption of Accounting Standards, Financial Statement Note 2(b)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Brookfield Asset Management Inc. ("Brookfield" or the "company") is a global alternative asset management company. The company owns and operates assets with a focus on property, renewable energy, infrastructure and private equity. The company is listed on the New York, Toronto and Euronext stock exchanges under the symbols BAM, BAM.A and BAMA, respectively. The company was formed by articles of amalgamation under the Business Corporations Act (Ontario) and is registered in Ontario, Canada. The registered office of the company is Brookfield Place, 181 Bay Street, Suite 300, Toronto, Ontario, M5J 2T3.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These financial statements were authorized for issuance by the Board of Directors of the company on March 28, 2014.

b) Adoption of Accounting Standards

In 2013, the company has applied new and revised standards issued by the IASB that are effective for the period beginning on or after January 1, 2013 as follows:

i. Consolidated Financial Statements, Joint Ventures and Disclosures

In May 2011, the IASB issued three standards: IFRS 10, *Consolidated Financial Statements* ("IFRS 10"), IFRS 11, *Joint Arrangements* ("IFRS 11"), and IFRS 12, *Disclosure of Interests in Other Entities* ("IFRS 12"), and amended two standards: IAS 27, *Separate Financial Statements* ("IAS 27"), and IAS 28, *Investments in Associates and Joint Ventures* ("IAS 28"). IAS 27 is not applicable to the company as it relates only to entities with separate financial statements.

IFRS 10 replaces IAS 27 and SIC-12, *Consolidation-Special Purpose Entities* ("SIC-12"). The consolidation requirements previously included in IAS 27 have been included in IFRS 10. IFRS 10 uses control as the single basis for consolidation, irrespective of the nature of the investee, eliminating the risks and rewards approach included in SIC-12. An investor must have power with existing rights to direct the relevant activities of the investee, have exposure or rights to variable returns from involvement with the investee, and have the ability to use its power over the investee to affect the amount of its returns in order to conclude it controls an investee. IFRS 10 requires continuous reassessment if the facts and circumstances change to one or more of the elements of control. The company applied the principles of IFRS 10 retrospectively, and accordingly resulted in the consolidation of an investee which was previously equity accounted. The retrospective application of IFRS 10 increased consolidated assets, liabilities and non-controlling interests by $218 million, $114 million and $104 million, respectively, as at December 31, 2012, and increased consolidated revenues and net income by $69 million and $8 million, respectively, for the year then ended, with no impact on common equity or net income attributable to shareholders during the year ended December 31, 2012.

IFRS 11 supersedes IAS 31, *Interests in Joint Ventures* and SIC-13, *Jointly Controlled Entities – Non-Monetary Contributions by Venturers*. IFRS 11 is applicable to all parties that have an interest in a joint arrangement. IFRS 11 establishes two types of joint arrangements: joint operations and joint ventures. In a joint operation, the parties to the joint arrangement have rights to the assets and obligations for the liabilities of the arrangement, and recognize their share of the assets, liabilities, revenues and expenses. In a joint venture, the parties to the joint arrangement have rights to the net assets of the arrangement and account for their interest using the equity method of accounting under IAS 28. IAS 28 prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. There was no impact of adoption of IFRS 11 on the company's consolidated financial statements.

IFRS 12 integrates the disclosure requirements of interests in other entities and requires a parent company to disclose information about significant judgments and assumptions it has made in determining whether it has control, joint control, or significant influence over another entity, and the type of joint arrangement when the arrangement has been structured through a separate vehicle. An entity should also provide these disclosures when changes in facts and circumstances affect the entity's conclusion during the reporting period. As a result of the adoption of IFRS 12, the company has included more comprehensive disclosures surrounding consolidated subsidiaries and equity accounted investments in the consolidated financial statements.

ii Employee Benefits

In September 2011, the IASB amended IAS 19, *Employee Benefits* ("IAS 19") for items impacting defined benefit plans including the recognition of: actuarial gains and losses within other comprehensive income; interest on the net benefit liability (or asset) in profit and loss; and unvested past service costs in profit and loss at either the earlier of when an amendment is made or when related restructuring or termination costs are recognized. Additionally, the adoption of amendments to IAS 19 required the company to retroactively exclude expected returns on plan assets from profit and loss, the result of which was a net charge against common equity of $6 and $10

million as at January 1, 2012 and December 31, 2012, respectively.

iii. Fair Value Measurement

IFRS 13, Fair Value Measurements ("IFRS 13") establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The application of IFRS 13 has not materially impacted the manner in which the company measures its financial and non-financial assets and liabilities. The adoption of IFRS 13 has resulted in more comprehensive disclosures related to fair values used within the consolidated financial statements.

iv. Presentation of Other Comprehensive Income

In September 2011, the IASB made amendments to IAS 1, Presentation of Financial Statements ("IAS 1"). The amendments require that items of other comprehensive income are grouped into two categories: items that may be reclassified subsequently to profit or loss and items that will not be reclassified subsequently to profit and loss. Income tax on items of other comprehensive income are required to be allocated on the same basis. The consolidated statements of comprehensive income were amended to reflect the changes in presentation.

v. Financial Instruments: Disclosures

The amendments to IFRS 7 *Financial Instruments: Disclosures* ("IFRS 7") contain new disclosure requirements for financial assets and liabilities that are offset in the consolidated balance sheet or subject to master netting arrangements or similar arrangements. The amendments to IFRS 7 have been applied prospectively, however the application of these amendments had no material impact on the company's consolidated financial statements.

The following table includes select financial statement line items outlining the impact of the adoption of IFRS 10 and IAS 19 on our previously reported consolidated financial statements as at January 1, 2012 and December 31, 2012 and for the year ended December 31, 2012:

	As at December 31, 2012			As at January 1, 2012		
(MILLIONS)	Previously Reported	Adjustment	Restated	Previously Reported	Adjustment	Restated
Consolidated Balance Sheets:						
Investments	$ 11,689	$ (71)	$ 11,618	$ 9,401	$ (69)	$ 9,332
Property, plant and equipment	31,114	34	31,148	28,366	33	28,399
Sustainable resources	3,283	233	3,516	3,155	226	3,381
Total Assets	$ 108,644	$ 218	$ 108,862	$ 91,022	$ 214	$ 91,236
Accounts payable and other	11,599	53	11,652	9,266	45	9,311
Property-specific mortgages	33,648	72	33,720	28,415	72	28,487
Equity						
Non-controlling interests	23,190	97	23,287	18,516	96	18,612
Common equity	18,160	(10)	18,150	16,743	(6)	16,737
Total Liabilities and Equity	$ 108,644	$ 218	$ 108,862	$ 91,022	$ 214	$ 91,236

	Year Ended December 31, 2012		
(MILLIONS)	Previously Reported	Adjustment	Restated
Consolidated Statement of Operations:			
Total revenues and other gains	$ 18,697	$ 69	$ 18,766
Net income	2,747	8	2,755
Net income to shareholders	1,380	—	1,380
Consolidated Statement of Comprehensive Income:			
Other comprehensive income	1,081	(5)	1,076
Other comprehensive income to shareholders	517	(4)	513
Comprehensive income	3,828	3	3,831
Comprehensive income to shareholders	1,897	(4)	1,893

c) Basis of Presentation

The financial statements are prepared on a going concern basis. Standards and guidelines not effective for the current accounting period are described in Note 2(t).

i. Subsidiaries

The consolidated financial statements include the accounts of the company and its subsidiaries, which are the entities over which the company exercises control. Control exists when the company has the power to direct the relevant activities, exposure or rights to variable returns from involvement with the investee, and the ability to use its power over the investee to affect the amount of its returns. Subsidiaries are consolidated from the date the company obtains control, and continue to be consolidated until the date when control is lost. The company continually reassesses whether or not it controls an investee, particularly if facts and circumstances indicate there is a change to one or more of the control criteria previously mentioned. In certain circumstances when the company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The company considers all relevant facts and circumstances in assessing whether or not the company's voting rights are sufficient to give it power.

Non-controlling interests in the equity of the company's subsidiaries are included within equity on the Consolidated Balance Sheets. All intercompany balances, transactions, unrealized gains and losses are eliminated in full.

Gains or losses resulting from changes in the company's ownership interest of a subsidiary that do not result in a loss of control are accounted for as equity transactions and are recorded within ownership changes as a component of equity. When control of a subsidiary is lost, the difference between the carrying value and the proceeds from disposition is recognized within total revenues and other gains in the Consolidated Statement of Operations.

In connection with partial dispositions of a subsidiary in 2011 and 2012, the company adjusted the carrying amounts of common equity and non-controlling interests to reflect changes in their relative interests in the subsidiary; however, it did not reallocate certain individual components within common equity, particularly between ownership changes and revaluation surplus. These financial statements reflect the reallocation within common equity of $1,298 million and $303 million from revaluation surplus to ownership changes as at December 31, 2012 and 2011, respectively.

Refer to Note 4 for additional information on subsidiaries of the company with significant non-controlling interests.

ii. Associates and Joint Ventures

Associates are entities over which the company exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but without control or joint control over those policies. Joint ventures are joint arrangements whereby the parties that have joint control of the arrangement have the rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control over an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The company accounts for associates and joint ventures using the equity method of accounting within investments on the Consolidated Balance Sheets.

Interests in associates and joint ventures accounted for using the equity method are initially recognized at cost. At the time of initial recognition, if the cost of the associate or joint venture is lower than the proportionate share of the investment's underlying fair value, the company records a gain on the difference between the cost and the underlying fair value of the investment in net income. If the cost of the associate or joint venture is greater than the company's proportionate share of the underlying fair value, goodwill relating to the associate or joint venture is included in the carrying amount of the investment. Subsequent to initial recognition, the carrying value of the company's interest in an associate or joint venture is adjusted for the company's share of comprehensive income and distributions of the investee. Profit and losses resulting from transactions with an associate or joint venture are recognized in the consolidated financial statements based on the interests of unrelated investors in the investee.

iii Joint Operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, related to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of parties sharing control. The company recognizes only its assets, liabilities and share of the results of operations of the joint operation. The assets, liabilities and results of joint operations are included within the respective line items of the Consolidated Balance Sheets, Consolidated Statement of Operations and Consolidated Statement of Comprehensive Income.

d) Foreign Currency Translation

The U.S. dollar is the functional and presentation currency of the company. Each of the company's subsidiaries, associates, joint ventures and joint operations determines its own functional currency and items included in the financial statements of each subsidiary, associate, joint venture and joint operation are measured using that functional currency.

Assets and liabilities of foreign operations having a functional currency other than the U.S. dollar are translated at the rate of exchange

prevailing at the reporting date and revenues and expenses at average rates during the period. Gains or losses

on translation are accumulated as a component of equity. On the disposal of a foreign operation, or the loss of control, joint control or significant influence, the component of accumulated other comprehensive income relating to that foreign operation is reclassified to net income. Gains or losses on foreign currency denominated balances and transactions that are designated as hedges of net investments in these operations are reported in the same manner.

Foreign currency denominated monetary assets and liabilities of the company and its subsidiaries are translated using the rate of exchange prevailing at the reporting date and non-monetary assets and liabilities measured at fair value are translated at the rate of exchange prevailing at the date when the fair value was determined. Revenues and expenses are measured at average rates during the period. Gains or losses on translation of these items are included in net income. Gains or losses on transactions which hedge these items are also included in net income. Foreign currency denominated non-monetary assets and liabilities, measured at historic cost, are translated at the rate of exchange at the transaction date.

e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits and highly liquid short-term investments with original maturities of three months or less.

f) Related Party Transactions

In the normal course of operations, the company enters into various transactions on market terms with related parties, which have been measured at their exchange value and are recognized in the consolidated financial statements. Related party transactions are further described in Note 30. The company's subsidiaries with significant non-controlling interests are described in Note 4 and its associates and joint ventures are described in Note 9.

g) Operating Assets

i. Investment Properties

The company uses the fair value method to account for real estate classified as an investment property. A property is determined to be an investment property when it is principally held to earn either rental income or capital appreciation, or both. Investment properties also include properties that are under development or redevelopment for future use as investment property. Investment property is initially measured at cost including transaction costs. Subsequent to initial recognition, investment properties are carried at fair value. Gains or losses arising from changes in fair value are included in net income during the period in which they arise. Fair values are primarily determined by discounting the expected future cash flows of each property, generally over a term of 10 years, using discount and terminal capitalization rates reflective of the characteristics, location and market of each property. The future cash flows of each property are based upon, among other things, rental income from current leases and assumptions about rental income from future leases reflecting current conditions, less future cash outflows relating to such current and future leases. The company determines fair value using internal valuations. The company uses external valuations to assist in determining fair value, but external valuations are not necessarily indicative of fair value.

ii. Revaluation Method for Property, Plant and Equipment

The company uses the revaluation method of accounting for certain classes of property, plant and equipment as well as certain assets which are under development for future use as property, plant and equipment. Property, plant and equipment measured using the revaluation method is initially measured at cost and subsequently carried at its revalued amount, being the fair value at the date of the revaluation less any subsequent accumulated depreciation and any accumulated impairment losses. Revaluations are performed on an annual basis. Where the carrying amount of an asset increases as a result of a revaluation, the increase is recognized in other comprehensive income and accumulated in equity in revaluation surplus, unless the increase reverses a previously recognized impairment recorded through net income, in which case that portion of the increase is recognized in net income. Where the carrying amount of an asset decreases, the decrease is recognized in other comprehensive income to the extent of any balance existing in revaluation surplus in respect of the asset, with the remainder of the decrease recognized in net income. Depreciation of an asset commences when it is available for use. On loss of control or partial disposition of an asset measured using the revaluation method, all accumulated revaluation surplus or the portion disposed of, respectively, is transferred into retained earnings or ownership changes, respectively.

iii Renewable Energy Generation

Renewable energy generating assets, including assets under development, are classified as property, plant and equipment and are accounted for using the revaluation method. The company determines the fair value of its renewable energy generating assets using a discounted cash flow model, which include estimates of forecasted revenue, operating costs, maintenance and other capital expenditures. Discount rates are selected for each facility giving consideration to the expected proportion of contracted to un-contracted revenue and markets into which power is sold.

Generally, the first 20 years of cash flow are discounted with a residual value based on the terminal value cash flows. The fair value and estimated remaining service lives are reassessed on an annual basis. The company determines fair value using internal valuations. The company uses external appraisers to review fair values of our renewable energy generating assets, but external valuations are not

necessarily indicative of fair value.

Depreciation on power generating assets is calculated on a straight-line basis over the estimated service lives of the assets, which are as follows:

(YEARS)	Useful Lives
Dams	Up to 115
Penstocks	Up to 60
Powerhouses	Up to 115
Hydroelectric generating units	Up to 115
Wind generating units	Up to 22
Other assets	Up to 60

Cost is allocated to the significant components of power generating assets and each component is depreciated separately.

iv. Sustainable Resources

Sustainable resources consist of standing timber and other agricultural assets and are measured at fair value after deducting the estimated selling costs and are recorded in sustainable resources on the Consolidated Balance Sheets. Estimated selling costs include commissions, levies, delivery costs, transfer taxes and duties. The fair value of standing timber is calculated using the present value of anticipated future cash flows for standing timber before tax and terminal dates of 20 to 28 years. Fair value is determined based on existing, sustainable felling plans and assessments regarding growth, timber prices and felling and silviculture costs. Changes in fair value are recorded in net income in the period of change. The company determines fair value of its standing timber using external valuations on an annual basis.

Harvested timber is included in inventory and is measured at the lower of fair value less estimated costs to sell at the time of harvest and net realizable value.

Land under standing timber, bridges, roads and other equipment used in sustainable resource production are accounted for using the revaluation method and included in property, plant and equipment. These assets are depreciated over their useful lives, generally 10 to 35 years.

v. Infrastructure

Utilities, transport and energy assets within our infrastructure operations as well as assets under development classified as property, plant and equipment are accounted for using the revaluation method. The company determines the fair value of its utilities, transport and energy assets using a discounted cash flow model, which includes estimates of forecasted revenue, operating costs, maintenance and other capital expenditures. Valuations are performed internally on an annual basis. Discount rates are selected for each asset, giving consideration to the volatility of its revenue streams and geography where they are located.

Depreciation on utilities and transport and energy assets is calculated on a straight-line basis over the estimated service lives of the components of the assets, which are as follows:

(YEARS)	Useful Lives
Buildings and infrastructure	Up to 50
Machinery and equipment	Up to 40
Other utilities and transport and energy assets	Up to 41

The fair value and the estimated remaining service lives are reassessed on an annual basis.

Public service concessions that provide the right to charge users for a service in which the service and fee is regulated by the grantor are accounted for as intangible assets.

vi. Hospitality Assets

Hotel operating assets within our property operations are classified as property, plant and equipment and are accounted for using the revaluation method. The company determines the fair value for these assets by discounting the expected future cash. The company determines fair value using internal valuations. The company uses external valuations to assist in determining fair value, but external valuations are not necessarily indicative of fair value.

vii. Other Property, Plant and Equipment

The company accounts for its other property, plant and equipment using the revaluation method or the cost model, depending on the nature of the asset and the operating segment. Other property, plant and equipment measured using the revaluation method is initially measured at cost and subsequently carried at its revalued amount, being the fair value at the date of the revaluation less any subsequent accumulated depreciation and any accumulated impairment losses. Under the cost method, assets are initially recorded at cost and are subsequently depreciated over the assets' useful lives, unless an impairment is identified requiring a write-down to estimated fair

value.

viii. Residential Development

Residential development lots, homes and residential condominium projects are recorded in inventory. Residential development lots are recorded at the lower of cost, including pre-development expenditures and capitalized borrowing costs, and net realizable value, which the company determines as the estimated selling price in the ordinary course of business, less estimated expenses. Homes and other properties held for sale, which include properties subject to sale agreements, are recorded at the lower of cost and net realizable value in inventory. Costs are allocated to the saleable acreage of each project or subdivision in proportion to the anticipated revenue.

ix. Other Financial Assets

Other financial assets are classified as either fair value through profit or loss or available-for-sale securities based on their nature and use within the company's business. Changes in the fair values of financial instruments classified as fair value through profit or loss and available-for-sale are recognized in net income and other comprehensive income, respectively. The cumulative changes in the fair values of available-for-sale securities previously recognized in accumulated other comprehensive income are reclassified to net income when the security is sold, or there is a significant or prolonged decline in fair value or when the company acquires a controlling interest in the underlying investment and commences consolidating the investment. Other financial assets are recognized on their trade date and initially recorded at fair value with changes in fair value recorded in net income or other comprehensive income in accordance with their classification. Fair values for financial instruments are determined by reference to quoted bid or ask prices, as appropriate. Where bid and ask prices are unavailable, the closing price of the most recent transaction of that instrument is used.

The company assesses the carrying value of available-for-sale securities for impairment when there is objective evidence that the asset is impaired. When objective evidence of impairment exists, the cumulative loss in other comprehensive income is reclassified to net income.

Other financial assets also include loans and notes receivable which are recorded initially at fair value and, with the exception of loans and notes receivable designated as fair value through profit or loss, are subsequently measured at amortized cost using the effective interest method, less any applicable provision for impairment. A provision for impairment is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Loans and receivables designated as fair value through profit or loss are recorded at fair value with changes in fair value recorded for in net income in the period in which they arise.

h) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value measurement is disaggregated into three hierarchical levels: Level 1, 2 or 3. Fair value hierarchical levels are directly based on the degree to which the inputs to the fair value measurement are observable. The levels are as follows:

Level 1 – Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 – Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and for the duration of the asset's or liability's anticipated life.

Level 3 – Inputs are unobservable and reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs in determining the estimate.

Further information on fair value measurements are available in Note 6, Note 10, Note 11 and Note 12.

i) Impairment

At each balance sheet date the company assesses whether its assets, other than those measured at fair value with changes in value recorded in net income, have any indication of impairment. An impairment is recognized if the recoverable amount, determined as the higher of the estimated fair value less costs of disposal and the discounted future cash flows generated from use and eventual disposal from an asset or cash-generating unit, is less than their carrying value. Impairment losses are recorded as fair value changes within the Consolidated Statements of Operations. The projections of future cash flows take into account the relevant operating plans and management's best estimate of the most probable set of conditions anticipated to prevail. Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the lesser of the revised estimate of its recoverable amount and the carrying amount that would have been recorded had no impairment loss been recognized previously.

j) Accounts Receivable

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less any allowance for uncollectibility.

k) Intangible Assets

Finite life intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses, and are amortized on a straight-line basis over their estimated useful lives. Amortization is recorded within depreciation and amortization in the Consolidated Statements of Operations.

Certain of the company's intangible assets have an indefinite life, as there is no foreseeable limit to the period over which the asset is expected to generate cash flows. Indefinite life intangible assets are recorded at cost unless an impairment is identified which requires a write-down to its recoverable amount.

Indefinite life intangible assets are evaluated for impairment annually or more often if events or circumstances indicate there may be an impairment. Any impairment of the company's indefinite life intangible assets is recorded in net income in the period in which the impairment is identified. Impairment losses on intangible assets may be subsequently reversed in net income.

l) Goodwill

Goodwill represents the excess of the price paid for the acquisition of an entity over the fair value of the net identifiable tangible and intangible assets and liabilities acquired. Goodwill is allocated to the cash-generating unit to which it relates. The company identifies cash-generating units as identifiable groups of assets that are largely independent of the cash inflows from other assets or groups of assets.

Goodwill is evaluated for impairment annually or more often if events or circumstances indicate there may be an impairment. Impairment is determined for goodwill by assessing if the carrying value of a cash-generating unit, including the allocated goodwill, exceeds its recoverable amount determined as the greater of the estimated fair value less costs to sell and the value in use. Impairment losses recognized in respect of a cash-generating unit are first allocated to the carrying value of goodwill and any excess is allocated to the carrying amount of assets in the cash-generating unit. Any goodwill impairment is recorded in income in the period in which the impairment is identified. Impairment losses on goodwill are not subsequently reversed. On disposal of a subsidiary, any attributable amount of goodwill is included in determination of the gain or loss on disposal.

m) Interests of Others in Consolidated Funds

Interest of others in limited-life funds and redeemable fund units are classified as liabilities and recorded at fair value within interests of others in consolidated funds on the Consolidated Balance Sheets. Changes in the fair value are recorded in net income in the period of the change.

Limited-life funds represent the interests of others in the company's consolidated funds that have a defined maximum fixed life where the company has an obligation to distribute the residual interests of the fund to fund partners based on their proportionate share of the fund's equity in the form of cash or other financial assets at cessation of the fund's life.

Redeemable fund units represent interests of others in consolidated subsidiaries that have a redemption feature that requires the company to deliver cash or other financial assets to the holders of the units upon receiving a redemption notice.

n) Revenue Recognition

i. Asset Management

Asset management revenues consist of base management fees, advisory fees, incentive distributions, and performance-based incentive fees which arise from the rendering of services. Revenues from base management fees, advisory fees, and incentive distributions are recorded on an accrual basis based on the amounts receivable at the balance sheet date and are recorded within total revenues and other gains in the Consolidated Statements of Operations.

Revenues from performance-based incentive fees are recorded on the accrual basis based on the amount that would be due under the incentive fee formula at the end of the measurement period established by the contract where it is no longer subject to adjustment based on future events, and are recorded within total revenues and other gains in the Consolidated Statements of Operations.

ii Property Operations

Property revenues primarily consist of rental revenues from leasing activities and hospitality revenues and interest and dividends from unconsolidated real estate investments.

Property rental income is recognized when the property is ready for its intended use. Office and retail properties are considered to be ready for their intended use when the property is capable of operating in the manner intended by management, which generally occurs upon completion of construction and receipt of all occupancy and other material permits.

The company has retained substantially all of the risks and benefits of ownership of its investment properties and therefore accounts for leases with its tenants as operating leases. Revenue recognition under a lease commences when the tenant has a right

to use the leased asset. The total amount of contractual rent to be received from operating leases is recognized on a straight-line basis over the term of the lease; a straight-line or free rent receivable, as applicable, is recorded as a component of investment property for the difference between the amount of rental revenue recorded and the contractual amount received. Rental revenue includes percentage participating rents and recoveries of operating expenses, including property, capital and similar taxes. Percentage participating rents are recognized when tenants' specified sales targets have been met. Operating expense recoveries are recognized in the period that recoverable costs are chargeable to tenants.

Revenue from land sales is recognized at the time that the risks and rewards of ownership have been transferred, possession or title passes to the purchaser, all material conditions of the sales contract have been met, and a significant cash down payment or appropriate security is received.

Revenue from hospitality operations are recognized when the services are provided and collection is reasonably assured.

iii. Renewable Energy Operations

Renewable energy revenues are derived from the sale of electricity and is recorded at the time power is provided based upon the output delivered and capacity provided at rates specified under either contract terms or prevailing market rates. Costs of generating electricity are recorded as incurred.

iv. Sustainable Resources Operations

Revenue from timberland operations is derived from the sale of logs and related products. The company recognizes sales to external customers when the product is shipped, title passes and collectibility is reasonably assured. Revenue from agricultural development operations is recognized at the time that the risks and rewards of ownership have transferred.

v. Utility Operations

Revenue from utility operations is derived from the distribution and transmission of energy as well as from the company's coal terminal. Distribution and transmission revenue is recognized when services are rendered based upon usage or volume during that period. Terminal infrastructure charges are charged at set rates per tonne of coal based on each customer's annual contracted tonnage and is then recognized on a pro rata basis each month. The company's coal terminal also recognizes variable handling charges based on tonnes of coal shipped through the terminal.

vi. Transport Operations

Revenue from transport operations consists primarily of freight and transportation services revenue. Freight and transportation services revenue is recognized at the time of the provision of services.

vii. Energy Operations

Revenue from energy operations consists primarily of energy transmission, distribution and storage income. Energy revenue is recognized when services are provided and are rendered based upon usage or volume throughput during the period.

viii. Private Equity Operations

Revenue from our private equity operations primarily consists of revenues from the sale of goods and rendering of services. Sales are recognized when the product is shipped, title passes and collectability is reasonably assured. Services revenues are recognized when the services are provided.

ix. Residential Developments Operations

Revenue from residential land sales is recognized at the time that the risks and rewards of ownership have been transferred, which is generally when possession or title passes to the purchaser, all material conditions of the sales contract have been met, and a significant cash down payment or appropriate security is received.

Revenue from the sale of homes and residential condominium projects is recognized upon completion, when title passes to the purchaser upon closing and at which time all proceeds are received or collectibility is reasonably assured.

x. Service Activities

Revenues from construction contracts are recognized using the percentage-of-completion method once the outcome of the construction contract can be estimated reliably, in proportion to the stage of completion of the contract, and to the extent to which collectibility is reasonably assured. The stage of completion is measured by reference to actual costs incurred as a percentage of estimated total costs of each contract. When the outcome cannot be reliably determined, contract costs are expensed as incurred and revenue is only recorded to the extent that the costs are determined to be recoverable. Where it is probable that a loss will arise from a construction contract, the excess of total expected costs over total expected revenue is recognized as an expense immediately. Other service revenues are recognized when the services are provided.

xi Other Financial Assets

Dividend and interest income from other financial assets are recorded within revenues when declared or on an accrual basis using the effective interest method.

Revenue from loans and notes receivable, less a provision for uncollectible amounts, is recorded on the accrual basis using the effective interest method.

xii. Other Gains

Other gains represent the excess of proceeds over carrying values on the disposition of assets in the normal course of operations.

o) Derivative Financial Instruments and Hedge Accounting

The company and its subsidiaries selectively utilize derivative financial instruments primarily to manage financial risks, including interest rate, commodity and foreign exchange risks. Derivative financial instruments are recorded at fair value within the company's consolidated financial statements. Hedge accounting is applied when the derivative is designated as a hedge of a specific exposure and there is assurance that it will continue to be effective as a hedge based on an expectation of offsetting cash flows or fair values. Hedge accounting is discontinued prospectively when the derivative no longer qualifies as a hedge or the hedging relationship is terminated. Once discontinued, the cumulative change in fair value of a derivative that was previously recorded in other comprehensive income by the application of hedge accounting is recognized in net income over the remaining term of the original hedging relationship. The assets or liabilities relating to unrealized mark-to-market gains and losses on derivative financial instruments is recorded in accounts receivable and other or accounts payable and other, respectively.

i. Items Classified as Hedges

Realized and unrealized gains and losses on foreign exchange contracts, designated as hedges of currency risks relating to a net investment in a subsidiary or an associate, are included in equity and are included in net income in the period in which the subsidiary or associate is disposed of or to the extent partially disposed and control is not retained. Derivative financial instruments that are designated as hedges to offset corresponding changes in the fair value of assets and liabilities and cash flows are measured at their estimated fair value with changes in fair value recorded in net income or as a component of equity, as applicable.

Unrealized gains and losses on interest rate contracts designated as hedges of future variable interest payments are included in equity as a cash flow hedge when the interest rate risk relates to an anticipated variable interest payment. The periodic exchanges of payments on interest rate swap contracts designated as hedges of debt are recorded on an accrual basis as an adjustment to interest expense. The periodic exchanges of payments on interest rate contracts designated as hedges of future interest payments are amortized into net income over the term of the corresponding interest payments.

Unrealized gains and losses on electricity contracts designated as cash flow hedges of future power generation revenue are included in equity as a cash flow hedge. The periodic exchanges of payments on power generation commodity swap contracts designated as hedges are recorded on a settlement basis as an adjustment to power generation revenue.

ii Items Not Classified as Hedges

Derivative financial instruments that are not designated as hedges are carried at their estimated fair value, and gains and losses arising from changes in fair value are recognized in net income in the period in which the change occurs. Realized and unrealized gains and losses on equity derivatives used to offset the change in share prices in respect of vested Deferred Share Units and Restricted Share Units are recorded together with the corresponding compensation expense. Realized and unrealized gains on other derivatives not designated as hedges are recorded in total revenues and other gains, direct costs or corporate costs, as applicable. Realized and unrealized gains and losses on derivatives which are considered economic hedges, and where hedge accounting is not able to be elected, are recorded in fair value changes in the Consolidated Statements of Operations.

p) Income Taxes

Current income tax assets and liabilities are measured at the amount expected to be paid to tax authorities, net of recoveries, based on the tax rates and laws enacted or substantively enacted at the balance sheet date. Current and deferred income tax relating to items recognized directly in equity are also recognized in equity. Deferred income tax liabilities are provided for using the liability method on temporary differences between the tax bases and carrying amounts of assets and liabilities. Deferred income tax assets are recognized for all deductible temporary differences and, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that deductions, tax credits and tax losses can be utilized. The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent it is no longer probable that the income tax assets will be recovered. Deferred income tax assets and liabilities are measured using the tax rates that are expected to apply to the year when the asset is realized or the liability settled, based on the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

q) Business Combinations

Business combinations are accounted for using the acquisition method. The cost of a business acquisition is measured at the aggregate of the fair values at the date of exchange of assets given, liabilities incurred or assumed, and equity instruments issued in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities are recognized at their fair values at the

acquisition date, except for non-current assets that are classified as held-for-sale which are recognized and measured at fair value less costs to sell. The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling shareholders' proportion of the net fair value of the identifiable assets, liabilities and contingent liabilities recognized.

To the extent the fair value of consideration paid exceeds the fair value of the net identifiable tangible and intangible assets, the excess is recorded as goodwill. To the extent the fair value of consideration paid is less than the fair value of net identifiable tangible and intangible assets, the excess is recognized in net income.

When a business combination is achieved in stages, previously held interests in the acquired entity are re-measured to fair value at the acquisition date, which is the date control is obtained, and the resulting gain or loss, if any, is recognized in net income, other than amounts transferred directly to retained earnings. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to net income. Acquisition costs are recorded as an expense in net income as incurred.

r) Other Items

i. Capitalized Costs

Capitalized costs related to assets under development and redevelopment include all eligible expenditures incurred in connection with the acquisition, development and construction of the asset until it is available for its intended use. These expenditures consist of costs that are directly attributable to these assets.

Borrowing costs are capitalized when such costs are directly attributable to the acquisition, construction or production of a qualifying asset. A qualifying asset is an asset that takes a substantial period of time to prepare for its intended use.

ii. Capital Securities

Capital securities are preferred shares that may be settled by a variable number of the company's common shares upon their conversion by the holders or the company. These instruments, as well as the related accrued distributions, are classified as liabilities on the Consolidated Balance Sheets. Dividends and yield distributions on these instruments are recorded as interest expense.

iii. Share-based Payments

The company and its subsidiaries issue share-based awards to certain employees and non-employee directors. The cost of equity-settled share-based transactions, comprised of share options, restricted shares and escrowed shares, is determined as the fair value of the award on the grant date using a fair value model. The cost of equity-settled share-based transactions is recognized as each tranche vests and is recorded in contributed surplus as a component of equity. The cost of cash-settled share-based transactions, comprised of Deferred Share Units and Restricted Share Units, is measured as the fair value at the grant date, and expensed on a proportionate basis consistent with the vesting features over the vesting period with the recognition of a corresponding liability. The liability is measured at each reporting date at fair value with changes in fair value recognized in net income.

s) Critical Judgments and Estimates

The preparation of financial statements requires management to make estimates and judgments that affect the carried amounts of certain assets and liabilities, disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses recorded during the period. Actual results could differ from those estimates.

In making estimates and judgments management relies on external information and observable conditions where possible, supplemented by internal analysis as required. These estimates have been applied in a manner consistent with prior periods and there are no known trends, commitments, events or uncertainties that the company believes will materially affect the methodology or assumptions utilized in making these estimates in these consolidated financial statements.

i Critical Estimates

The significant estimates used in determining the recorded amount for assets and liabilities in the consolidated financial statements include the following:

a. Investment Properties

The critical assumptions and estimates used when determining the fair value of commercial properties are: the timing of rental income from future leases reflecting current market conditions, less assumptions of future cash flows in respect of current and future leases; maintenance and other capital expenditures; discount rates; terminal capitalization rates; and terminal valuation dates. Properties under development are recorded at fair value using a discounted cash flow model which includes estimates in respect of the timing and cost to complete the development.

Further information on investment property estimates is provided in Note 10.

b. Revaluation Method for Property, Plant and Equipment

When determining the carrying value of property, plant and equipment using the revaluation method, the company uses the following critical assumptions and estimates: the timing of forecasted revenues, future sales prices and margins; future sales volumes; future

regulatory rates; maintenance and other capital expenditures; discount rates; terminal capitalization rates; terminal valuation dates; useful lives; and residual values. Determination of the fair value of property, plant and equipment under development includes estimates in respect of the timing and cost to complete the development.

Further information on estimates used in the revaluation method for property, plant and equipment is provided in Note 11.

c. Sustainable Resources

The fair value of standing timber and agricultural assets is based on the following critical estimates and assumptions: the timing of forecasted revenues and prices; estimated selling costs; sustainable felling plans; growth assumptions; silviculture costs; discount rates; terminal capitalization rates; and terminal valuation dates.

Further information on estimates used for sustainable resources is provided in Note 12.

d. Financial Instruments

Estimates and assumptions used in determining the fair value of financial instruments are: equity and commodity prices; future interest rates; the credit worthiness of the company relative to its counterparties; the credit risk of the company's counterparties; estimated future cash flows; discount rates and volatility utilized in option valuations.

Further information on estimates used in determining the carrying value of financial instruments is provided in Notes 6, 26 and 27.

e. Inventory

The company estimates the net realizable value of its inventory using estimates and assumptions about future selling prices and future development costs.

f. Other

Other estimates and assumptions utilized in the preparation of the company's financial statements are: the assessment or determination of net recoverable amounts; depreciation and amortization rates and useful lives; estimation of recoverable amounts of cash-generating units for impairment assessments of goodwill and intangible assets; ability to utilize tax losses and other tax measurements; and fair value of assets held as collateral.

ii Critical Judgments

Management is required to make critical judgments when applying its accounting policies. The following judgments have the most significant effect on the consolidated financial statements:

a. Control or Level of Influence

When determining the appropriate basis of accounting for the company's investees, the company makes judgments about the degree of influence that the company exerts directly or through an arrangement over the investees' relevant activities. This may include the ability to elect investee directors or appoint management. Control is obtained when the company has the power to direct the relevant investing, financing and operating decisions of an entity and does so in its capacity as principal of the operations, rather than as an agent for other investors. Operating as a principal includes having sufficient capital at risk in any investee and exposure to the variability of the returns generated by the decisions of the company as principal. Judgment is used in determining the sufficiency of the capital at risk or variability of returns. In making these judgments, the company considers the ability of other investors to remove the company as a manager or general partner in a controlled partnership.

b. Investment Properties

When applying the company's accounting policy for investment properties, judgment is applied in determining whether certain costs are additions to the carrying amount of the property and, for properties under development, identifying the point at which practical completion of the property occurs and identifying the directly attributable borrowing costs to be included in the carrying value of the development property.

c. Property, Plant and Equipment

The company's accounting policy for its property, plant and equipment requires critical judgments over the assessment of carrying value, whether certain costs are additions to the carrying amount of the property, plant and equipment as opposed to repairs and maintenance, and for assets under development the identification of when the asset is capable of being used as intended and identifying the directly attributable borrowing costs to be included in the assets' carrying value.

For assets that are measured using the revaluation method, judgment is required when estimating future prices, volumes and discount and capitalization rates. Judgment is applied when determining future electricity prices considering market data for years that a liquid market is available and estimates of electricity prices from renewable sources that would allow new entrants into the market in subsequent years.

d. Common Control Transactions

The purchase and sale of businesses or subsidiaries between entities under common control fall outside the scope of IFRS and accordingly, management uses judgment when determining a policy to account for such transactions taking into consideration other

guidance in the IFRS framework and pronouncements of other standard-setting bodies. The company's policy is to record assets and liabilities recognized as a result of transfers of businesses or subsidiaries between entities under common control at carrying value. Differences between the carrying amount of the consideration given or received and the carrying amount of the assets and liabilities transferred are recorded directly in equity.

e. Indicators of Impairment

Judgment is applied when determining whether indicators of impairment exist when assessing the carrying values of the company's assets, including: the determination of the company's ability to hold financial assets; the estimation of a cash-generating unit's future revenues and direct costs; and the determination of discount and capitalization rates, and when an asset's carrying value is above the value derived using publicly traded prices which are quoted in a liquid market.

f. Income Taxes

The company makes judgments when determining the future tax rates applicable to subsidiaries and identifying the temporary difference that relate to each subsidiary. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply during the period when the assets are realized or the liabilities settled, using the tax rates and laws enacted or substantively enacted at the consolidated balance sheet dates. The company measures deferred income taxes associated with its investment properties based on its specific intention with respect to each asset at the end of the reporting period. Where the company has a specific intention to sell a property in the foreseeable future, deferred taxes on the building portion of an investment property are measured based on the tax consequences following from the disposition of the property. Otherwise, deferred taxes are measured on the basis the carrying value of the investment property will be recovered substantially through use. Judgment is required in determining the manner in which the carrying amount of each investment property will be recovered.

g. Classification of Non-controlling Interests in Limited-Life Funds

Non-controlling interests in limited-life funds are classified as liabilities (interests of others in consolidated funds) or equity (non-controlling interests) depending on whether an obligation exits to distribute residual net assets to non-controlling interests on liquidation in the form of cash or another financial asset or assets delivered in kind. Judgment is required to determine whether the governing documents of each entity convey a right to cash or another financial asset, or if assets can be distributed on liquidation.

h. Other

Other critical judgments include the determination of effectiveness of financial hedges for accounting purposes; the likelihood and timing of anticipated transactions for hedge accounting; the manner in which the carrying amount of each investment property will be recovered; and the determination of functional currency.

t) Future Changes in Accounting Standards

IFRIC 21, *Levies* ("IFRIC 21") provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37, *Provisions, Contingent Liabilities and Contingent Assets,* and those where the timing and amount of the levy is certain. IFRIC 21 identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation. A liability is recognized progressively if the obligating event occurs over a period of time or, if an obligation is triggered on reaching a minimum threshold, the liability is recognized when that minimum threshold is reached. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014. Management is currently evaluating the impact of IFRIC 21 on the consolidated financial statements.

IFRS 9, *Financial Instruments* ("IFRS 9") was issued by the IASB on November 12, 2009 and will replace IAS 39, Financial *Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is tentatively effective for annual periods beginning on or after January 1, 2018. The company has not yet determined the impact of IFRS 9 on its consolidated financial statements.

IAS 32, *Financial Instruments. Presentation* ("IAS 32") was amended to clarify certain aspects as a result of the application of offsetting requirements, namely focusing on the following four main areas: the interpretation of "currently has a legally enforceable right of set-off," the application of simultaneous realization and settlement, the offsetting of collateral amounts, and the unit of account for applying the offsetting requirements. IAS 32 is effective for annual periods beginning on or after January 1, 2014. Management is currently evaluating the impact of IAS 32 on the consolidated financial statements.

3. SEGMENTED INFORMATION

a) Operating Segments

Our operations are organized into eight operating segments which are regularly regularly reported to our Chief Executive Officer (our Chief Operating Decision Maker). We measure performance primarily using the funds from operations generated by each operating segment and the amount of capital attributable to each segment.

Our operating segments are described below:

i. Asset management operations consist of managing our listed entities, private funds and public securities on behalf of

ourselves and our clients. We generate contractual base management fees for these activities and we also are entitled to earn performance fees, including incentive distributions, performance fees and carried interests. We also provide transaction and advisory services.

ii. Property operations include the ownership and operation of predominantly office, retail, industrial, multifamily and other property investments located primarily in major North American, Australian, Brazilian and European cities.

iii. Renewable energy operations include the ownership and operation of primarily hydroelectric power generating facilities on river systems in North America and Brazil and wind power generating facilities in North America.

iv. Infrastructure operations include the ownership and operation of utilities, transport, energy and timberland and agricultural operations located in Australia, North America, Europe and South America.

v. Private equity operations include the investments and activities overseen by our private equity group. These include direct investments and investments in our private equity funds. Our private equity funds have a mandate to invest in a broad range of industries.

vi. Residential development operations consist predominantly of homebuilding and land development in North America, and condominium development in Brazil.

vii. Service activities include the provision of construction management and contracting, and property services operations which include global corporate relocation, facilities management and residential brokerage services.

viii. Corporate activities include the investment of the company's cash and financial assets, as well as the management of our corporate capitalization, including corporate borrowings, capital securities and preferred equity which fund a portion of the capital invested in our other operations. Certain corporate costs such as technology and operations are incurred on behalf of all of our business segments and specifically allocated to each business segment based on an internal pricing framework.

During the current year, we changed the internal organization and supervision of our operating businesses to align our structure more closely with nature of the operations of our investments, which gave rise to changes in how we report information for management reporting and decision making purposes. We have restated the comparative information in these consolidated financial statements to conform with the new presentation.

b) Basis of Measurement

i. Funds from Operations

Funds from Operations ("FFO") is the key measure of our financial performance. We define FFO as net income prior to fair value changes, depreciation and amortization, and deferred income taxes. FFO also includes gains or losses arising from transactions during the reporting period adjusted to include fair value changes and revaluation surplus recorded in prior periods net of taxes payable or receivable, as well as amounts that are recorded directly in equity, such as ownership changes, as opposed to net income because they result from a change in ownership of a consolidated entity ("realized disposition gains"). We include realized disposition gains in FFO because we consider the purchase and sale of assets to be a normal part of the company's business. When determining FFO, we include our proportionate share of the FFO of equity accounted investments and exclude transaction costs incurred on business combinations.

We use FFO to assess operating results and our business. We do not use FFO as a measure of cash generated from our operations. We derive funds from operations for each segment and reconcile total segmented FFO to net income in Note 3(c)(v) of the consolidated financial statements.

Our definition of FFO may differ from the definition used by other organizations, as well as the definition of funds from operations used by the Real Property Association of Canada ("REALPAC") and the National Association of Real Estate Investment Trusts, Inc. ("NAREIT"), in part because the NAREIT definition is based on U.S. Generally Accepted Accounting Principles, as opposed to IFRS. The key differences between our definition of FFO and the determination of funds from operations by REALPAC and/ or NAREIT, are that we include the following: realized disposition gains or losses that occur as normal part of our business and cash taxes payable on those gains, if any; foreign exchange gains or losses on monetary items not forming part of our net investment in foreign operations; and gains or losses on the sale of an investment in a foreign operation.

ii. Segment Balance Sheet Information

The company uses common equity by operating segment as its measure of segment assets, because it is utilized by the company's Chief Operating Decision Maker for capital allocation decisions.

iii. Segment Allocation and Measurement

Segment measures include amounts earned from consolidated entities that are eliminated on consolidation. The two principal adjustments are to include asset management revenues charged to consolidated entities as revenues within the company's asset management segment with the corresponding expense recorded as corporate costs within the relevant segment; and interest charged on loans between consolidated entities, which are presented as revenues and interest expense within the relevant segments. These amounts are based on the in-place terms of the asset management contracts and loan agreements amongst the consolidated entities. Inter-segment revenues are made under terms that approximate market value.

The company allocates the costs of shared functions, which would otherwise be included within its corporate activities segment such as information technology and internal audit, pursuant to formal policies.

c) Reportable Segment Measures

YEAR ENDED DECEMBER 31 2013 (MILLIONS)	Asset Management	Property	Renewable Energy	Infrastructure	Private Equity	Residential Development	Service Activities	Corporate Activities	Total Segments	Notes
External revenues	$ 764	$ 4,569	$ 1,620	$ 2,388	$4,804	$ 2,521	$ 3,817	$ 347	$20,830	
Inter-segment revenues	419	—	—	—	—	—	—	—	419	i
Segmented revenues	1,183	4,569	1,620	2,388	4,804	2,521	3,817	347	21,249	
Equity accounted income	—	429	21	333	7	15	27	12	844	ii
Interest expense	—	(1,123)	(409)	(407)	(132)	(167)	—	(315)	(2,553)	iii
Current income taxes	—	(59)	(19)	(26)	(9)	(23)	—	(23)	(159)	iv
Funds from operations	865	554	447	472	612	46	157	223	3,376	v
Common equity	216	13,339	4,428	2,171	1,105	1,435	1,286	(6,199)	17,781	
Equity accounted investments	—	9,732	290	2,615	21	273	211	135	13,277	
Additions to non-current assets[1]	—	8,711	1,614	2,061	591	93	110	8	13,188	

1 Includes equity accounted investments, investment properties, property, plant and equipment, sustainable resources, intangible assets and goodwill

YEAR ENDED DECEMBER 31, 2012 (MILLIONS)	Asset Management	Property	Renewable Energy	Infrastructure	Private Equity	Residential Development	Service Activities	Corporate Activities	Total Segments	Notes
External revenues	$ 162	$ 3,947	$ 1,179	$ 2,178	$4,424	$ 2,476	$ 4,140	$ 260	$18,766	
Inter-segment revenues	288	35	—	—	—	—	—	—	323	i
Segmented revenues	450	3,982	1,179	2,178	4,424	2,476	4,140	260	19,089	
Equity accounted income	4	386	13	216	8	7	—	25	659	ii
Interest expense	—	(1,076)	(412)	(402)	(133)	(143)	—	(369)	(2,535)	iii
Current income taxes	—	(9)	(12)	(16)	(12)	(67)	—	(19)	(135)	iv
Funds from operations	194	537	313	224	227	34	229	(402)	1,356	v
Common equity	245	12,958	4,976	2,571	957	1,617	1,325	(6,499)	18,150	
Equity accounted investments	—	8,143	344	2,535	26	210	67	293	11,618	
Additions to non-current assets[1]	—	7,654	1,534	6,119	372	16	449	165	16,309	

1 Includes equity accounted investments, investment properties, property, plant and equipment, sustainable resources, intangible assets and goodwill

i. Inter-Segment Revenues

The adjustment to external revenues, when determining segmented revenues, consists of management fees earned from consolidated entities totalling $419 million (2012 – $288 million) and interest income on loans between consolidated entities totalling $nil (2012 – $35 million), which were eliminated on consolidation to arrive at the company's consolidated revenues.

ii. Equity Accounted Income

The company defines equity accounted profit or loss to be the company's share of FFO from its investments in associates (equity accounted investments), determined by applying the same methodology utilized in adjusting net income of consolidated entities. The following table reconciles equity accounted income on a segmented basis to the company's Consolidated Statements of Operations.

YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Segmented equity accounted income	$ 844	$ 659
Fair value changes and other non-FFO items	(85)	578
Equity accounted income	$ 759	$ 1,237

iii. Interest Expense

The adjustment to interest expense consists of interest on loans between consolidated entities totalling $nil (2012 – $35 million) that is eliminated on consolidation, along with the associated revenue. The following table reconciles segment interest expense to consolidated interest expense:

YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Segment interest expense	$ (2,553)	$ (2,535)
Inter-company interest expense	—	35
Interest expense	$ (2,553)	$ (2,500)

iv. Current Income Taxes

Current income taxes are included in segmented FFO, but are aggregated with deferred income taxes in income tax expense on the company's Consolidated Statements of Operations. The following table reconciles segment current tax expense to consolidated income taxes:

YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Segment current tax expense	$ (159)	$ (135)
Deferred income tax	(686)	(384)
Income tax expense	$ (845)	$ (519)

v. Reconciliation of FFO to Net Income

The following table reconciles total reportable segment FFO to net income:

YEARS ENDED DECEMBER 31 (MILLIONS)	Notes	2013	2012
Total operating segment FFO		$ 3,376	$ 1,356
Realized disposition gains not recorded in net income	vi	(434)	(183)
Non-controlling interests in FFO		2,465	1,498
Financial statement components not included in FFO			
Equity accounted fair value changes and other non-FFO items	ii	(85)	578
Fair value changes		663	1,153
Depreciation and amortization		(1,455)	(1,263)
Deferred income taxes		(686)	(384)
Net income		$ 3,844	$ 2,755

vi. Realized Disposition Gains

Realized disposition gains include gains and losses recorded in net income arising from transactions during the current year adjusted to include fair value changes and revaluation surplus recorded in prior periods. Realized disposition gains also include amounts that are recorded directly in equity as changes in ownership as opposed to net income because they result from a change in ownership of a consolidated entity.

The adjustment to realized disposition gains consists of amounts that are included in the following components of the company's consolidated financial statements:

YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Ownership changes in common equity	$ 160	$ 29
Prior period fair value changes and revaluation surplus	274	154
	$ 434	$ 183

d) Geographic Allocation

The company's revenue by location of operations and consolidated assets by location of assets are as follows:

AS AT AND FOR THE YEARS ENDED DECEMBER 31 (MILLIONS)	2013		2012	
	Revenue	Assets	Revenue	Assets
United States	$ 7,818	$ 49,020	$ 6,222	$ 44,381
Canada	3,513	21,669	3,343	21,543
Australia	4,855	14,258	4,528	16,781
Brazil	1,684	13,074	1,614	12,941
Europe	1,293	9,099	1,432	6,750
Other	1,667	5,625	1,627	6,466
	$ 20,830	$ 112,745	$ 18,766	$ 108,862

Intangible assets and goodwill by geographic segments are included in Note 13 and 14, respectively.

e) Total Revenues and Other Gains Allocation

Total external revenues and other gains by product or service are as follows:

YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Asset management	$ 764	$ 162
Property		
Office properties	2,579	2,577
Retail properties	207	215
Multifamily, industrial and other	1,783	1,155
Renewable energy		
United States	761	420
Canada	563	427
Brazil	296	332
Infrastructure		
Utilities	962	868
Transport	690	520
Energy	221	152
Sustainable resources and other	515	638
Private equity	4,804	4,424
Residential development	2,521	2,476
Service activities	3,817	4,140
Corporate activities	347	260
Total revenues and other gains	$ 20,830	$ 18,766

4. SUBSIDIARIES

The following table presents the details of the company's subsidiaries with significant non-controlling interests:

	Jurisdiction of Formation	Voting Rights Held by Non-Controlling Interests[1]		Ownership Interest Held by Non-Controlling Interests	
		Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
Brookfield Property Partners L.P. ("BPY")[2]	Bermuda	—	—	10.6%[3]	—
Brookfield Office Properties Inc. ("BPO") [2]	Canada	49.3%	49.3%	49.3%	49.3%
Brookfield Renewable Energy Partners L.P. ("BREP")	Bermuda	—	—	35.0%[4]	32.0%
Brookfield Infrastructure Partners L.P. ("BIP")	Bermuda	—	—	71.5%	71.5%
Brookfield Residential Properties Inc. ("BRPI")	Canada	31.5%	31.1%	31.5%	31.1%
Brookfield Incorporações S.A. ("BISA")	Brazil	46.7%	48.0%	55.0%[6]	56.3%

1. Control of the limited partnerships (BPY, BREP and BIP) resides with their respective general partners, which are wholly owned subsidiaries of the company The companies general partner interest, is entitled to earn base management fees and incentive distribution rights
2. BPY was formed during 2013 through a special dividend of approximately 36 million limited partnership ("LP") units, equivalent to a 7.6% economic interest in BPY, to the shareholders of the company's Class A shares and Class B shares On formation of BPY, the company's ownership interest in BPO was transferred to BPY
3. During the fourth quarter of 2013, BPY completed an equity issuance which resulted in a decrease in the company's economic ownership of BPY from 92 5% to 89 4%
4. During the first quarter of 2013, the company sold 8 1 million BREP units, decreasing its economic ownership interest by 3% to 65%
5. The company exercises control over BISA through its 45 0% ownership and influence over 8 3% of the shares held by previous members of management through voting agreements

The table below presents the exchanges in which the company's subsidiaries with significant non-controlling interests are publicly listed:

	TSX	NYSE	BVMF
BPY	BPY.UN	BPY	—
BPO	BPO	BPO	—
BREP	BEP.UN	BEP	—
BIP	BIP.UN	BIP	—
BRPI	BRP	BRP	—
BISA	—	—	BISA3

All publicly listed entities subject to independent governance. Accordingly, the company has no direct access to the assets of these subsidiaries.

Summarized financial information with respect to the company's subsidiaries with non-controlling interest are set out below. The summarized financial information represents amounts before intra-group eliminations:

AS AT DECEMBER 31, 2013 (MILLIONS)	BPY	BREP	BIP	BRPI	BISA
Current assets	$ 3,011	$ 604	$ 1,268	$ 1,410	$ 2,261
Non-current assets	49,435	16,373	14,414	1,878	2,337
Current liabilities	(6,973)	(898)	(598)	(333)	(1,550)
Non-current liabilities	(20,483)	(8,543)	(8,479)	(1,480)	(2,122)
Non-controlling interests	(12,810)	(4,002)	(5,127)	(515)	(505)
Common equity	$ 12,180	$ 3,534	$ 1,478	$ 960	$ 421

FOR THE YEAR ENDED DECEMBER 31, 2013 (MILLIONS)	BPY	BREP	BIP	BRPI	BISA
Revenue	$ 4,287	$ 1,717	$ 1,826	$ 1,356	$ 1,099
Net income (loss) attributable to:					
Non-controlling interests	$ 928	$ 126	$ 82	$ 51	$ (106)
Shareholders	835	89	(17)	98	(88)
	$ 1,763	$ 215	$ 65	$ 149	$ (194)
Other comprehensive income (loss) attributable to:					
Non-controlling interests	$ (222)	$ (162)	$ 155	$ (16)	$ (96)
Shareholders	(241)	(386)	46	(35)	(80)
	$ (463)	$ (548)	$ 201	$ (51)	$ (176)
Distributions paid to Non-controlling interests	$ (262)	$ (166)	$ (260)	$ —	$ —
Cashflows from (used in):					
Operating activities	421	746	694	(52)	(18)
Investing activities	(1,622)	(408)	(162)	(66)	103
Financing activities	1,669	(263)	(232)	391	58

AS AT DECEMBER 31, 2012 (MILLIONS)	BPO	BREP	BIP	BRPI	BISA
Current assets	$ 990	$ 522	$ 746	$ 1,089	$ 2,139
Non-current assets	26,489	16,403	18,972	1,725	3,241
Current liabilities	(2,860)	(961)	(1,291)	(373)	(1,471)
Non-current liabilities	(11,655)	(8,156)	(10,619)	(1,137)	(2,612)
Non-controlling interests	(7,850)	(3,538)	(6,376)	(410)	(727)
Common equity	$ 5,114	$ 4,270	$ 1,432	$ 894	$ 570

FOR THE YEAR ENDED DECEMBER 31, 2012 (MILLIONS)	BPO	BREP	BIP	BRPI	BISA
Revenue	$ 2,282	$ 1,325	$ 1,524	$ 1,340	$ 1,006
Net income (loss) attributable to:					
Non-controlling interests	$ 815	$ (47)	$ 261	$ 26	$ (85)
Shareholders	653	(48)	30	67	(66)
	$ 1,468	$ (95)	$ 291	$ 93	$ (151)
Other comprehensive income (loss) attributable to:					
Non-controlling interests	$ 41	$ 151	$ 437	$ —	$ (61)
Shareholders	26	276	148	2	(48)
	$ 67	$ 427	$ 585	$ 2	$ (109)
Distributions paid to non-controlling interests	$ (229)	$ (130)	$ (207)	$ —	$ (26)
Cashflows from (used in):					
Operating activities	346	398	635	43	(362)
Investing activities	(715)	(813)	(1,764)	16	(1)
Financing activities	297	335	1,238	(9)	525

The following table outlines the composition of accumulated non-controlling interests presented within the company's consolidated financial statements:

(MILLIONS)	Dec. 31, 2013	Dec. 31, 2012
BPY	$ 12,810	$ —
BPO	—	7,850
BREP	4,002	3,538
BIP	5,127	6,376
BRPI	515	410
BISA	505	727
Individually immaterial subsidiaries with non-controlling interests	3,688	4,386
	$ 26,647	$ 23,287

5. ACQUISITIONS OF CONSOLIDATED ENTITIES

The company accounts for business combinations using the acquisition method of accounting, pursuant to which the cost of acquiring a business is allocated to its identifiable tangible and intangible assets and liabilities on the basis of the estimated fair values at the date of acquisition.

a) Completed During 2013

The following table summarizes the balance sheet impact as a result of business combinations that occurred in 2013:

(MILLIONS)	Property	Renewable Energy	Other	Total
Cash and cash equivalents	$ 280	$ 8	$ 4	$ 292
Accounts receivable and other	176	118	5	299
Investments	346	4	—	350
Investment properties	5,530	—	—	5,530
Property, plant and equipment	29	1,387	199	1,615
Intangible assets	20	—	—	20
Total Assets	6,381	1,517	208	8,106
Less:				
Accounts payable and other	(391)	(79)	(4)	(474)
Non-recourse borrowings	(2,940)	(1,075)	(40)	(4,055)
Deferred income tax liabilities	—	(65)	—	(65)
Non-controlling interests[1]	(163)	(68)	—	(231)
	(3,494)	(1,287)	(44)	(4,825)
Net assets acquired	$ 2,887	$ 230	$ 164	$ 3,281
Consideration[2]	$ 2,861	$ 230	$ 161	$ 3,252

1 Includes non-controlling interests recognized on business combinations measured as the proportionate share of fair value of the assets and liabilities on the date of acquisition
2 Total consideration, including amounts paid by non-controlling interests

Brookfield recorded $163 million of revenue and $82 million in net income from the acquired operations as a result of the acquisitions made during the year. Total revenue and net income that would have been recorded if the acquisitions had occurred at the beginning of the year would have been $568 million and $112 million, respectively. Certain of the current year business combinations were completed in close proximity to the year end date of December 31, 2013 and accordingly, the fair values of the acquired assets and liabilities for these operations have been determined on a provisional basis, pending finalization of the post-acquisition review of the fair value of the acquired net assets.

Significant business contributions completed during 2013 are as follows, all of which were in the company's property operations: In June 2013, a subsidiary of Brookfield acquired a 95% equity interest in EZW Gazeley Limited ("Gazeley"), a UK-based industrial real estate company, for $370 million. Brookfield recorded $17 million of revenue and $16 million in net income from the acquired operation during the year. Total revenue and net income that would have been recorded if the acquisition had occurred at the beginning of the year would have been $55 million and $9 million, respectively.

In October 2013, a subsidiary of Brookfield acquired a 100% interest in Industrial Developments International Inc. ("IDI"), a

U.S.-based industrial real estate company which owns and operates a high-quality industrial portfolio, for total consideration of

$595 million. Brookfield recorded $3 million of revenue and $3 million in net loss from the acquired operation during the year. Total revenue and net loss that would have been recorded if the acquisition had occurred at the beginning of the year would have been $13 million and $11 million, respectively.

In October 2013, a subsidiary of Brookfield completed the acquisition of MPG Office Trust, Inc. ("MPG"), an owner and operator of office properties in Los Angeles for total consideration of $443 million. Brookfield recorded $36 million of revenue and $7 million in net income from the acquired operation during the year. Total revenue and net income that would have been recorded if the acquisition had occurred at the beginning of the year would have been $172 million and $13 million, respectively.

The following table summarizes the balance sheet impact as a result of significant business combinations that occurred in 2013:

(MILLIONS)	Gazeley	IDI	MPG
Cash and cash equivalents	$ 40	$ 28	$ 156
Accounts receivable and other	41	36	46
Investments	—	346	—
Investment properties	484	525	1,817
Property, plant and equipment	—	1	—
Intangible assets	20	—	—
Total Assets	585	936	2,019
Less:			
Accounts payable and other	(45)	(46)	(45)
Non-recourse borrowings	(119)	(261)	(1,531)
Non-controlling interests[1]	(21)	(34)	—
	(185)	(341)	(1,576)
Net assets acquired	$ 400	$ 595	$ 443
Consideration[2]	$ 370	$ 595	$ 443

1 Includes non-controlling interests recognized on business combinations measured as the proportionate share of fair value of the assets and liabilities on the date of acquisition
2 Total consideration, including amounts paid by non-controlling interests

b) Completed During 2012

The following table summarizes the balance sheet impact as a result of the business combinations that occurred in 2012:

(MILLIONS)	Property	Renewable Energy	Infrastructure	**Total**
Cash and cash equivalents	$ 142	$ 50	$ 120	**$ 312**
Accounts receivable and other	418	13	77	**508**
Inventory	393	—	—	**393**
Investments	11	—	—	**11**
Investment properties	2,793	—	—	**2,793**
Property, plant and equipment	2,446	1,374	2,728	**6,548**
Intangible assets	376	—	1,540	**1,916**
Goodwill	15	—	45	**60**
Total Assets	6,594	1,437	4,510	**12,541**
Less:				
Accounts payable and other	(534)	(96)	(529)	**(1,159)**
Non-recourse borrowings	(3,576)	(449)	(1,693)	**(5,718)**
Deferred income tax liabilities	—	—	(488)	**(488)**
Non-controlling interests[1]	(281)	(695)	(854)	**(1,830)**
	(4,391)	(1,240)	(3,564)	**(9,195)**
Net assets acquired	$ 2,203	$ 197	$ 946	**$ 3,346**
Consideration[2]	$ 2,203	$ 197	$ 946	**$ 3,346**

1 Includes non-controlling interests recognized on business combinations measured as the proportionate share of fair value of the assets and liabilities on the date of acquisition

2 Total consideration, including amounts paid by non-controlling interests

As a result of the acquisitions made during 2012, Brookfield recorded $1,144 million of revenue and $38 million in net losses from the acquired operations in 2012. Total revenue and net losses, including fair value changes, that would have been recorded if the acquisitions had occurred at the beginning of the year would have been $2,095 million and $130 million, respectively.

i. Property

In December 2011, a subsidiary of Brookfield commenced acquiring debentures secured by a 39% ownership interest in Thakral Holdings Group ("Thakral") shares. Brookfield converted its debentures into shares of Thakral and acquired all of the remaining shares outstanding for total consideration of $507 million in October 2012 and commenced consolidation of Thakral. Thakral's assets include prime office assets, a multifamily property portfolio and various industrial properties within Australia. Brookfield recorded $68 million of revenue and $3 million in net income from the acquired operation during the year. Total revenue and net income that would have been recorded if the acquisition had occurred at the beginning of the year would have been $283 million and $8 million, respectively.

In April 2012, a subsidiary of Brookfield acquired a 100% interest in Paradise Island Holdings Limited ("Atlantis"), a hotel and casino resort located in the Bahamas, through a financial restructuring whereby Brookfield converted its $175 million of previously held debt instruments for equity. The transaction was measured at fair value on the date of acquisition. Brookfield completed the acquisition and commenced consolidating Atlantis in the second quarter of 2012. Brookfield recorded $544 million of revenue and $31 million in net losses from the acquired operation during the year. Total revenue and net losses that would have been recorded if the acquisition had occurred at the beginning of the year would have been $867 million and $80 million, respectively.

In July 2012, a subsidiary of Brookfield entered into a merger agreement resulting in the acquisition of Verde Realty ("Verde"), a privately-owned industrial real estate investment trust with assets located in the United States and Mexico. A subsidiary of Brookfield acquired 81% of the outstanding equity for total consideration of $275 million, and commenced consolidation of Verde in the fourth quarter of 2012. Brookfield recorded $2 million of revenue and $1 million in net losses from the acquired operation during the year. Total revenue and net losses that would have been recorded if the acquisition had occurred at the beginning of the year would have been $80 million and $161 million, respectively.

ii. Infrastructure

In November 2012, a subsidiary of Brookfield acquired a 100% equity interest in Inexus Group Limited ("Inexus"), a UK-based regulated distribution operation, for total consideration of $468 million and commenced consolidation of Inexus in the fourth quarter of 2012. Brookfield recorded $20 million of revenue and $1 million in net losses from the acquired operation during the year. Total revenue and net income that would have been recorded if the acquisition had occurred at the beginning of the year would have been $121 million and $41 million, respectively.

In December 2011, Brookfield acquired a 55% interest in Sociedad Concesionario Vespucio Norte Express S.A. ("VNE"), a Chilean toll road, but as a result of an agreement limiting the company's control, did not consolidate the investment. In October 2012, Brookfield acquired the remaining 45% equity interest of VNE it did not already own for $170 million, increasing its total consideration to $333 million, and commenced consolidation. Brookfield recorded $27 million of revenue and $12 million in net income from the acquired operation during the year. Total revenue and net income that would have been recorded if the acquisition had occurred at the beginning of the year would have been $13 million and $4 million, respectively.

In 2012, the company also acquired a Canadian sustainable energy service provider, a North American gas storage business, a Colombian regulated distribution operation, a U.S. residential development business, a property development in London, England and various wind and hydroelectric generating assets, of which the largest investment was $204 million.

The following table shows the balance sheet impact as a result of the significant business combinations that occurred during 2012:

(MILLIONS)	Property			Infrastructure	
	Thakral	Atlantis	Verde	Inexus	VNE
Cash and cash equivalents	$ 5	$ 85	$ 37	$ 5	$ 69
Accounts receivable and other	33	282	36	14	53
Inventory	65	—	—	—	—
Investments	—	—	10	—	—
Investment properties	240	—	911	—	—
Property, plant and equipment	688	1,758	—	1,410	—
Intangible assets	—	359	17	97	1,443
Goodwill	—	—	—	27	—
Total assets	1,031	2,484	1,011	1,553	1,565
Less:					
Accounts payable and other	(52)	(170)	(48)	(393)	(32)
Non-recourse borrowings	(472)	(2,139)	(571)	(545)	(772)
Deferred income tax liability	—	—	—	(147)	(108)
Non-controlling interests[1]	—	—	(117)	—	(320)
	(524)	(2,309)	(736)	(1,085)	(1,232)
Net assets acquired	$ 507	$ 175	$ 275	$ 468	$ 333
Consideration[2]	$ 507	$ 175	$ 275	$ 468	$ 333

1 Includes non-controlling interests recognized on business combinations measured as the proportionate share of fair value of the assets and liabilities on the date of acquisition
2 Total consideration, including amounts paid by non-controlling interests

c) Business Combinations Achieved in Stages

The following table provides details of the business combinations achieved in stages:

YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Carrying value of investment immediately before acquisition	$ (256)	$ (234)
Fair value of investment immediately before acquiring control	248	222
Amounts recognized in other comprehensive income[1]	6	27
Remeasurement (loss) gain recorded in net income	$ (2)	$ 15
Remeasurement gain recorded in retained earnings	$ —	$ 5

1 Included in the carrying value of the investment immediately before acquisition

6. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following tables list the company's financial instruments by their respective classification as at December 31, 2013 and 2012:

AS AT DECEMBER 31, 2013 (MILLIONS) FINANCIAL INSTRUMENT CLASSIFICATION / MEASUREMENT BASIS	FVTPL[1] (Fair Value)	Available-for-Sale (Fair Value)	Held-to-Maturity (Amortized Cost)	Loans and Receivables/ Other Financial Liabilities (Amortized Cost)	Total
Financial assets					
Cash and cash equivalents	$ —	$ —	$ —	$ 3,663	**$ 3,663**
Other financial assets					
Government bonds	75	104	—	—	**179**
Corporate bonds	36	283	—	—	**319**
Fixed income securities	68	144	—	—	**212**
Common shares and warrants	2,493	265	—	—	**2,758**
Loans and notes receivable	31	—	—	1,448	**1,479**
	2,703	796	—	1,448	**4,947**
Accounts receivable and other[2]	1,163	—	—	4,013	**5,176**
	$ 3,866	$ 796	$ —	$ 9,124	**$ 13,786**
Financial liabilities					
Corporate borrowings	$ —	$ —	$ —	$ 3,975	**$ 3,975**
Property-specific mortgages	—	—	—	35,495	**35,495**
Subsidiary borrowings	—	—	—	7,392	**7,392**
Accounts payable and other[2]	1,305	—	—	9,011	**10,316**
Capital securities	—	—	—	791	**791**
Interests of others in consolidated funds	1,086	—	—	—	**1,086**
	$ 2,391	$ —	$ —	$ 56,664	**$ 59,055**

1. Financial instruments classified as fair value through profit or loss
2. Includes derivative instruments which are elected for hedge accounting totalling $752 million included in accounts receivable and other and $792 million of derivative instruments included in accounts payable and other, of which changes in fair value are recorded in other comprehensive income

AS AT DECEMBER 31, 2012 (MILLIONS) FINANCIAL INSTRUMENT CLASSIFICATION	FVTPL[1]	Available-for-Sale	Held-to-Maturity	Loans and Receivables/ Other Financial Liabilities	
MEASUREMENT BASIS	(Fair Value)	(Fair Value)	(Amortized Cost)	(Amortized Cost)	**Total**
Financial assets					
Cash and cash equivalents	$ —	$ —	$ —	$ 2,850	**$ 2,850**
Other financial assets					
Government bonds	92	86	—	—	**178**
Corporate bonds	58	180	—	—	**238**
Fixed income securities	51	94	—	—	**145**
Common shares and warrants	1,794	240	—	—	**2,034**
Loans and notes receivable	35	—	261	220	**516**
	2,030	600	261	220	**3,111**
Accounts receivable and other[2]	768	—	—	4,457	**5,225**
	$ 2,798	$ 600	$ 261	$ 7,527	**$ 11,186**
Financial liabilities					
Corporate borrowings	$ —	$ —	$ —	$ 3,526	**$ 3,526**
Property-specific mortgages	—	—	—	33,720	**33,720**
Subsidiary borrowings	—	—	—	7,585	**7,585**
Accounts payable and other[2]	1,287	—	—	10,365	**11,652**
Capital securities	—	—	—	1,191	**1,191**
Interests of others in consolidated funds	425	—	—	—	**425**
	$ 1,712	$ —	$ —	$ 56,387	**$ 58,099**

1 Financial instruments classified as fair value through profit or loss

2 Includes derivative instruments which are elected for hedge accounting totalling $499 million included in accounts receivable and other and $850 million of derivative instruments included in accounts payable and other, of which changes in fair value are recorded in other comprehensive income

Gains or losses arising from changes in the fair value of fair value through profit or loss financial assets are presented in the Consolidated Statements of Operations in the period in which they arise. Dividends on fair value through profit or loss and available-for-sale financial assets are recognized when the company's right to receive payment is established. Interest on available-for-sale financial assets is calculated using the effective interest method.

During the year ended December 31, 2013, $35 million of net deferred gains (2012 – $52 million) previously recognized in accumulated other comprehensive income were reclassified to net income as a result of the disposition of available-for-sale securities.

Available-for-sale securities are recorded on the balance sheet at fair value, and are assessed for impairment at each reporting date. As at December 31, 2013, the net unrealized gain relating to the fair value of available-for-sale securities amounted to $19 million (2012 – net unrealized gain of $49 million).

Financial assets and liabilities are offset with the net amount reported in the Consolidated Balance Sheet where the company currently has a legally enforceable right to offset and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

The following table provides the carrying values and fair values of financial instruments as at December 31, 2013 and December 31, 2012:

(MILLIONS)	Dec. 31, 2013		Dec. 31, 2012	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Cash and cash equivalents	$ 3,663	$ 3,663	$ 2,850	$ 2,850
Other financial assets				
Government bonds	179	179	178	178
Corporate bonds	319	319	238	238
Fixed income securities	212	212	145	145
Common shares and warrants	2,758	2,758	2,034	2,034
Loans and notes receivable	1,479	1,479	516	516
	4,947	4,947	3,111	3,111
Accounts receivable and other	5,176	5,176	5,225	5,225
	$ 13,786	$ 13,786	$ 11,186	$ 11,186
Financial liabilities				
Corporate borrowings	$ 3,975	$ 4,323	$ 3,526	$ 3,793
Property-specific mortgages	35,495	36,389	33,720	35,053
Subsidiary borrowings	7,392	7,225	7,585	7,781
Accounts payable and other	10,316	10,316	11,652	11,652
Capital securities	791	812	1,191	1,232
Interests of others in consolidated funds	1,086	1,086	425	425
	$ 59,055	$ 60,151	$ 58,099	$ 59,936

The current and non-current balances of other financial assets are as follows:

(MILLIONS)	Dec. 31, 2013	Dec. 31, 2012
Current	$ 942	$ 380
Non-current	4,005	2,731
Total	$ 4,947	$ 3,111

Hedging Activities

The company uses derivatives and non-derivative financial instruments to manage or maintain exposures to interest, currency, credit and other market risks. For certain derivatives which are used to manage exposures, the company determines whether hedge accounting can be applied. When hedge accounting may be applied, a hedge relationship may be designated as a fair value hedge, cash flow hedge or a hedge of foreign currency exposure of a net investment in a foreign operation. To qualify for hedge accounting, the derivative must be highly effective in accomplishing the objective of offsetting changes in the fair value or cash flows attributable to the hedged risk both at inception and over the life of the hedge. If it is determined that the derivative is not highly effective as a hedge, hedge accounting is discontinued prospectively.

i. Cash Flow Hedges

The company uses the following cash flow hedges: energy derivative contracts to hedge the sale of power; interest rate swaps to hedge the variability in cash flows or future cash flows related to a variable rate asset or liability; and equity derivatives to hedge the long-term compensation arrangements. For the year ended December 31, 2013, pre-tax net unrealized gains of $29 million (2012 – loss of $36 million) were recorded in other comprehensive income for the effective portion of the cash flow hedges. As at December 31, 2013, there was a net unrealized derivative asset balance of $30 million relating to derivative contracts designated as cash flow hedges (2012 – liability of $272 million). The unrealized losses on cash flow hedges are expected to be realized in net income by 2024.

ii. Net Investment Hedges

The company uses foreign exchange contracts and foreign currency denominated debt instruments to manage its foreign currency exposures arising from net investments in foreign operations. For the year ended December 31, 2013, unrealized pre-tax net gains of $1 million (2012 – losses of $207 million) were recorded in other comprehensive income for the effective portion of hedges of net investments in foreign operations. As at December 31, 2013, there was a net unrealized derivative liability balance of $70 million relating to derivative contracts designated as net investment hedges (2012 – $79 million).

Fair Value Hierarchy Levels

Assets and liabilities measured at fair value on a recurring basis include $2,729 million (2012 – $2,334 million) of financial assets and $1,089 million (2012 – $680 million) of financial liabilities which are measured at fair value using unobservable valuation inputs or based on management's best estimates. The following table categorizes financial assets and liabilities, which are carried at fair value, based upon the fair value hierarchy levels:

(MILLIONS)	Dec. 31, 2013			Dec. 31, 2012		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Other financial assets						
Government bonds	$ 41	$ 138	$ —	$ 52	$ 126	$ —
Corporate bonds	20	299	—	59	179	—
Fixed income securities	44	55	113	88	—	57
Common shares and warrants	838	1	1,919	423	—	1,611
Loans and notes receivables	—	23	8	—	25	10
Accounts receivable and other	131	343	689	—	112	656
	$ 1,074	$ 859	$ 2,729	$ 622	$ 442	$ 2,334
Financial liabilities						
Accounts payable and other	$ 117	$ 1,046	$ 142	$ 262	$ 697	$ 328
Interests of others in consolidated funds	—	139	947	—	73	352
	$ 117	$ 1,185	$ 1,089	$ 262	$ 770	$ 680

There were no transfers between level 1 and level 2 in 2013 or 2012.

Fair values for financial instruments are determined by reference to quoted bid or ask prices, as appropriate. Where bid and ask prices are unavailable, the closing price of the most recent transaction of that instrument is used. In the absence of an active market, fair values are determined based on prevailing market rates for instruments with similar characteristics and risk profiles or internal or external valuation models, such as option pricing models and discounted cash flow analysis, using observable market inputs.

Level 2 financial assets and financial liabilities include foreign currency forward contracts, interest rate swap agreements, energy derivatives, interests of others in consolidated funds and equity derivatives.

The following table summarizes the valuation techniques and key inputs used in the fair value measurement of level 2 financial instruments:

Type of asset/liability	Valuation technique(s) and key input(s)
Foreign currency forward contracts	Discounted cash flow model – forward exchange rates (from observable forward exchange rates at the end of the reporting period) and discounted at credit adjusted rate
Interest rate contracts	Discounted cash flow model – forward interest rates (from observable yield curves) and applicable credit spreads discounted at a credit adjusted rate
Energy derivatives	Quoted market prices, or in their absence internal valuation models corroborated with observable market data
Interest of others in consolidated funds	Adjusted public pricing

Fair values determined using valuation models (level 3 financial assets and liabilities) require the use of assumptions concerning the amount and timing of estimated future cash flows and discount rates. In determining those assumptions, the company looks primarily to readily observable external market inputs such as interest rate yield curves, currency rates, and price and rate volatilities, as applicable.

The following table summarizes the valuation techniques and significant unobservable inputs used in the fair value measurement level 3 financial instruments:

Type of asset/liability	Valuation technique(s)	Significant unobservable input(s)	Relationship of unobservable input(s) to fair value
Investment in common shares	Net asset valuation	• Forward exchange rates (from observable forward exchange rates at the end of the reporting period)	• Increases (decreases) in the forward exchange rate would increase (decrease) fair value
		• Discount rate	• Increases (decreases) in discount rate will decrease (increase) the fair value
Warrants	Black-Scholes model	• Volatility	• Increases (decreases) in volatility would increase (decrease) fair value
Interest of others in consolidated funds	Discounted cash flows	• Future cash flows	• Increases (decreases) in future cash flows increase (decrease) fair value
		• Discount rate	• Increases (decreases) in discount rate will decrease (increase) the fair value
		• Terminal capitalization rate	• Increases (decreases) in terminal capitalization rate will decrease (increase) the fair value
		• Investment horizon	• Increases (decreases) in the investment horizon will increase (decrease) the fair value

The following table presents the change in the balance of financial assets and liabilities classified as Level 3 as at December 31, 2013 and December 31, 2012:

	Financial Assets		Financial Liabilities	
(MILLIONS)	2013	2012	2013	2012
Balance at beginning of year	$ 2,334	$ 1,820	$ 680	$ 618
Fair value changes in net income	(24)	20	(35)	(17)
Fair value changes in other comprehensive income[1]	104	111	36	(21)
Additions, net of disposals	315	383	408	100
Balance at end of year	$ 2,729	$ 2,334	$ 1,089	$ 680

1 Includes foreign currency translation

7. ACCOUNTS RECEIVABLE AND OTHER

There were no transfers in or out of level 3 financial assets or liabilities in 2013 or 2012.

(MILLIONS)	Note	Dec. 31, 2013	Dec. 31, 2012
Accounts receivable	(a)	$ 4,299	$ 4,379
Prepaid expenses and other assets		1,490	1,727
Restricted cash	(b)	877	846
Total		$ 6,666	$ 6,952

The current and non-current balances of accounts receivable and other are as follows:

(MILLIONS)	Dec. 31, 2013	Dec. 31, 2012
Current	$ 4,840	$ 4,996
Non-current	1,826	1,956
Total	$ 6,666	$ 6,952

a) Accounts Receivable

Accounts receivable includes $592 million (2012 – $647 million) of unrealized mark-to-market gains on energy sales contracts and $764 million (2012 – $994 million) of completed contracts and work-in-progress related to contracted sales from the company's residential development operations. Also included in this balance are loans receivable from employees of the company and its consolidated subsidiaries of $4 million (2012 – $5 million).

b) Restricted Cash

Restricted cash primarily relates to the company's property, renewable energy, service activities and residential development financing arrangements including defeasement of debt obligations, debt service accounts and deposits held by the company's insurance operations.

8. INVENTORY

(MILLIONS)	Dec. 31, 2013	Dec 31, 2012
Residential properties under development	$ 2,785	$ 2,700
Land held for development	2,541	2,676
Completed residential properties	443	477
Forest products and other	522	728
Total carrying value	$ 6,291	$ 6,581

The current and non-current balances of inventory are as follows:

(MILLIONS)	Dec. 31, 2013	Dec. 31, 2012
Current	$ 2,839	$ 2,708
Non-current	3,452	3,873
Total	$ 6,291	$ 6,581

During the year ended December 31, 2013, the company recognized as an expense $5,388 million (2012 – $5,449 million) of inventory relating to cost of goods sold and $33 million (2012 – $4 million) relating to impairments of inventory. The carrying amount of inventory pledged as security at December 31, 2013 was $930 million (2012 – $1,060 million).

9. EQUITY ACCOUNTED INVESTMENTS

The following table presents the voting interests and carrying values of the company's investments in associates and joint ventures, all of which are accounted for using the equity method:

		Voting Interest		Carrying Value	
(MILLIONS)	Investment Type	Dec. 31 2013	Dec. 31 2012	Dec. 31 2013	Dec. 31 2012
Property					
General Growth Properties[1]	Associate	28%	23%	$ 6,044	$ 4,831
245 Park Avenue[2]	Joint Venture	51%	51%	653	657
Grace Building	Joint Venture	50%	50%	695	625
Rouse Properties	Associate	39%	43%	399	381
Other property joint ventures[2,3]	Joint Venture	25 – 75%	25 – 75%	1,586	1,250
Other property investments	Associate	20 – 75%	20 – 75%	366	412
Renewable energy					
Other power investments	Associate	14 – 50%	14 – 50%	290	344
Infrastructure					
South American transmission operations	Associate	28%	28%	717	669
Brazilian toll road	Associate	49%	49%	1,203	642
Australasian energy distribution	Associate	—	42%	—	384
Other infrastructure investments[4]	Associate	26 – 50%	26 – 50%	694	831
Other joint ventures	Joint Venture	25 – 50%	25 – 50%	343	360
Other investments	Associate	28 – 50%	25 – 50%	287	232
Total				$ 13,277	$ 11,618

1 The company's carrying value includes $303 million (2012 – $552 million) of goodwill recognized on acquisition
2 Investments in which the company's ownership interest is greater than 50% represent investments in equity accounted joint ventures where control is either shared or does not exist resulting in the investment being equity accounted
3 Other property joint ventures include Darling Park Trust, E&Y Centre Sydney and 450 West 33rd Street
4 Other infrastructure investments include a European port operation, a Texas electricity transmission project and other social infrastructure assets

The following table presents the change in the balance of investments in associates and joint ventures:

YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Balance at beginning of year	$ 11,618	$ 9,332
Additions, net of disposals	1,099	1,221
Acquisitions through business combinations	350	11
Share of net income	759	1,237
Share of other comprehensive income	239	145
Distributions received	(452)	(369)
Foreign exchange	(336)	41
Balance at end of year	$ 13,277	$ 11,618

The following table presents current and non-current assets as well as current and non-current liabilities of the company's investments in associates and joint ventures:

	Dec. 31, 2013				Dec. 31, 2012			
(MILLIONS)	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities
Property								
General Growth Properties	$ 1,132	$ 38,335	$ 754	$ 16,224	$ 1,085	$ 37,235	$ 1,314	$ 17,574
245 Park Avenue	20	2,057	14	791	33	2,058	15	789
Grace Building	15	1,742	369	—	12	1,614	16	359
Rouse Properties	99	2,449	66	1,455	45	2,194	55	1,281
Other property investments[1]	603	8,217	855	1,999	430	5,737	233	3,540
Renewable energy								
Other renewable energy investments	54	958	27	405	66	1,259	46	592
Infrastructure								
South American transmission operation	1,254	4,543	1,189	2,055	233	5,404	1,185	2,054
Brazilian toll road	805	4,758	532	2,578	603	4,612	609	2,248
Australian energy distribution	—	—	—	—	30	2,283	141	1,261
Other infrastructure investments[2]	542	8,087	383	6,229	608	10,203	1,462	7,603
Other	1,579	1,024	459	654	1,424	570	390	534
	$ 6,103	$ 72,170	$ 4,648	$ 32,390	$ 4,569	$ 73,169	$ 5,466	$ 37,835

1 Other property investments include Darling Park Trust, E&Y Centre Sydney and 450 West 33rd Street

2 Other infrastructure investments include a European port operation, a Texas electricity transmission project and other social infrastructure assets

Certain of the company's investments in associates are subject to restrictions over the extent to which they can remit funds to the company in the form of cash dividends, or repayment of loans and advances as a result of borrowing arrangements, regulatory

restrictions and other contractual requirements.

The following table presents revenues, net income, other comprehensive income ("OCI") and dividends received of the company's investments in associates and joint ventures:

YEARS ENDED DECEMBER 31 (MILLIONS)	2013 Revenue	2013 Net Income	2013 OCI	2013 Dividends Received	2012 Revenue	2012 Net Income	2012 OCI	2012 Dividends Received
Property								
General Growth Properties	$ 3,079	$ 2,835	$ 64	$ 107	$ 3,102	$ 4,330	$ (74)	$ 110
245 Park Avenue	145	55	—	29	144	130	—	30
Grace Building	100	154	—	—	100	27	—	—
Rouse Properties	263	146	—	11	258	75	—	10
Other property investments[1]	921	448	—	128	1,182	390	—	118
Renewable energy								
Other renewable energy investments	110	20	—	18	106	(12)	—	12
Infrastructure								
South American transmission operation	446	113	264	68	440	55	321	45
Brazilian toll road	1,125	(15)	(193)	—	65	11	35	—
Australian energy distribution	308	206	(45)	19	322	45	206	17
Other infrastructure investments[2]	1,459	(1,032)	204	34	1,472	(95)	(39)	7
Other	488	178	(18)	38	546	75	(2)	20
Total	$ 8,444	$ 3,108	$ 276	$ 452	$ 7,737	$ 5,031	$ 447	$ 369

1 Other property investments include Darling Park Trust, E&Y Centre Sydney and 450 West 33rd Street
2 Other infrastructure investments include a European port operation, a Texas electricity transmission project and other social infrastructure assets

Certain of the company's investments are publicly listed entities with active pricing in a liquid market. The fair value based on the publicly listed price of these investments in comparison to the company's carrying value is as follows:

(MILLIONS)	Dec. 31, 2013 Public Price	Dec. 31, 2013 Carrying Value	Dec. 31, 2012 Public Price	Dec. 31, 2012 Carrying Value
General Growth Properties	$ 5,125	$ 6,044	$ 4,207	$ 4,831
Rouse Properties	430	399	304	381
Other	31	23	38	24
	$ 5,586	$ 6,466	$ 4,549	$ 5,236

The fair value gains at General Growth Properties Inc. ("GGP") during 2013 were based on the redevelopment of certain of GGP's investment properties progressing ahead of projections and increased operating budgets. Management reviewed the carrying value of the embedded goodwill associated with its investment for impairment which considered the variance between the value of the investment as determined using the publicly-traded share price and the carrying value of the investment and the estimated the recoverable amount of the value in use of the investment in GGP discounting the expected cash flows to be received in the form of dividends plus the disposition value. As a result, the company recorded a $249 million impairment of the goodwill associated with redevelopment options at GGP. This impairment loss is included within equity accounted income within our property segment.

During 2013, the company's infrastructure operations recorded an impairment charge through equity accounted income of $275 million relating to its investment in a North American natural gas transmission operation based on weak market fundamentals in the U.S. natural gas market. Throughout 2013, the U.S. natural gas market experienced compressed basis spreads (a primary driver of revenue) due to the build out of pipeline infrastructure as well as a decrease in gas prices driven by a fundamental shift in supply dynamics in the U.S. These factors, in conjunction with regulatory approvals occurring in the later part of the year which approved the further build out or reversal of certain pipelines, triggered an impairment of the operations' property, plant and equipment.

10. INVESTMENT PROPERTIES

The following table presents the change in the fair value of investment properties, all of which are considered level 3 within the fair value hierarchy:

YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Fair value at beginning of year	$ 33,161	$ 28,366
Additions	1,835	1,715
Acquisitions through business combinations	5,530	2,793
Disposals	(1,908)	(1,136)
Fair value changes	1,031	1,276
Foreign currency translation	(1,313)	147
Fair value at end of year	$ 38,336	$ 33,161

Investment properties include the company's commercial, retail, multi family and industrial properties as well as higher-and-better use land within the company's sustainable resource operations.

Significant unobservable inputs (level 3) are utilized when determining the fair value of investment properties. The significant level 3 inputs include:

Valuation technique(s)	Significant unobservable input(s)	Relationship of unobservable input(s) to fair value
Discounted cash flow models	• Future cash flows primarily driven by net operating income	• Increases (decreases) in future cash flows will increase (decrease) the fair value
	• Discount rate	• Increases (decreases) in discount rate will decrease (increase) the fair value
	• Terminal capitalization rate	• Increases (decreases) in terminal capitalization rate will decrease (increase) the fair value
	• Investment horizon	• Increases (decreases) in the investment horizon will increase (decrease) the fair value

Key valuation metrics of the company's investment properties are presented in the following table on a weighted-average basis:

	Office		Retail		Multifamily, Industrial and Other		Weighted Average	
AS AT DECEMBER 31	2013	2012	2013	2012	2013	2012	2013	2012
Discount rate	7.4%	7.6%	9.2%	8.7%	8.6%	8.8%	7.7%	7.8%
Terminal capitalization rate	6.3%	6.5%	7.6%	7.5%	7.5%	8.1%	6.6%	6.8%
Investment horizon (years)	11	11	10	10	10	10	11	11

11. PROPERTY, PLANT AND EQUIPMENT

(MILLIONS)	Dec. 31, 2013	Dec 31, 2012
Cost	$ 23,466	$ 22,858
Accumulated fair value changes	11,599	11,398
Accumulated depreciation	(4,046)	(3,108)
Total	$ 31,019	$ 31,148

Accumulated fair value changes include revaluations of property, plant and equipment using the revaluation method, which are recorded in revaluation surplus, as well as unrealized impairment losses recorded in net income.

The company's property, plant and equipment relates to the operating segments as shown in the following table:

		Carried at Fair Value		Carried at Amortized Cost		Total	
(MILLIONS)	Note	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
Renewable energy	(a)	$ 16,611	$ 16,532	$ —	$ —	$ 16,611	$ 16,532
Infrastructure	(b)	8,564	8,736	—	—	8,564	8,736
Property	(c)	3,042	2,968	—	—	3,042	2,968
Private equity and other	(d)	—	—	2,802	2,912	2,802	2,912
		$ 28,217	$ 28,236	$ 2,802	$ 2,912	$ 31,019	$ 31,148

The table above outlines property, plant and equipment measured at fair value, all of which are classified as level 3 in the fair value hierarchy given the inclusion of unobservable inputs outlined below.

a) Renewable Energy

(MILLIONS)	Dec. 31, 2013	Dec. 31, 2012
Cost	$ 8,784	$ 7,617
Accumulated fair value changes	10,058	10,712
Accumulated depreciation	(2,231)	(1,797)
Total	$ 16,611	$ 16,532

Renewable energy assets include the company's hydroelectric generating stations, wind energy, pumped storage and natural gas-fired co-generation facilities.

Renewable energy assets are accounted for under the revaluation model and the most recent date of revaluation was December 31, 2013. Valuations utilize significant unobservable inputs (level 3) when determining the fair value of renewable energy assets. The significant level 3 inputs include:

Valuation technique(s)	Significant unobservable input(s)	Relationship of unobservable input(s) to fair value
Discounted cash flow models	• Future cash flows – primarily driven by future electricity price assumptions	• Increases (decreases) in future cash flows will increase (decrease) the fair value
	• Discount rate	• Increases (decreases) in discount rate will decrease (increase) the fair value
	• Terminal capitalization rate	• Increases (decreases) in terminal capitalization rate will decrease (increase) the fair value

The company's estimate of future renewable power pricing is based on management's estimate of the cost of securing new energy from renewable sources to meet future demand by 2020, which will maintain system reliability and provide adequate levels of reserve generations.

The key valuation metrics of the company's hydro and wind generating facilities at the end of 2013 and 2012 are summarized below.

	United States		Canada		Brazil	
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
Discount rate						
Contracted	5.8%	5.2%	5.1%	4.7%	9.1%	8.6%
Uncontracted	7.6%	7.0%	6.9%	6.5%	10.4%	9.9%
Terminal capitalization rate	7.1%	7.0%	6.4%	6.5%	n/a	n/a
Exit date	2033	2032	2033	2032	2029	2029

Terminal values are included in the valuation of hydroelectric assets in the United States and Canada. For the hydroelectric assets in Brazil, cash flows have been included based on the duration of the authorization or useful life of a concession asset without consideration of potential renewal value. The weighted-average remaining duration at December 31, 2013 is 16 years (2012 – 17 years). Consequently, there is no terminal value attributed to the hydroelectric assets in Brazil.

The following table presents the changes to the cost of the company's renewable energy generation assets:

YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Balance at beginning of year	$ 7,617	$ 6,149
Additions, net of disposals	186	136
Acquisitions through business combinations	1,387	1,374
Foreign currency translation	(406)	(42)
Balance at end of year	$ 8,784	$ 7,617

As at December 31, 2013, the cost of generating facilities under development includes $9 million of capitalized costs (2012 – $8 million).

The following table presents the changes to the accumulated fair value changes of the company's power generation assets:

YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Balance at beginning of year	$ 10,712	$ 9,887
Fair value changes	(150)	830
Foreign currency translation	(504)	(5)
Balance at end of year	$ 10,058	$ 10,712

The following table presents the changes to the accumulated depreciation of the company's power generation assets:

YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Balance at beginning of year	$ (1,797)	$ (1,309)
Depreciation expense	(551)	(489)
Foreign currency translation	117	1
Balance at end of year	$ (2,231)	$ (1,797)

b) Infrastructure

Our infrastructure property, plant and equipment is comprised of the following:

(MILLIONS)	Note	2013	2012
Utilities	(i)	$ 3,624	$ 3,310
Transportation	(ii)	3,110	3,157
Energy	(iii)	1,029	857
Sustainable resources	(iv)	801	1,412
		$ 8,564	$ 8,736

i. Infrastructure -- Utilities

(MILLIONS)	Dec. 31, 2013	Dec. 31, 2012
Cost	$ 3,367	$ 3,201
Accumulated fair value changes	479	214
Accumulated depreciation	(222)	(105)
Total	$ 3,624	$ 3,310

The company's utilities assets are comprised of terminals, electricity transmission and distribution networks, which are operated primarily under regulated rate base arrangements.

Utilities assets are accounted for under the revaluation model, and the most recent date of revaluation was December 31, 2013. The company determined fair value to be the current replacement cost. Valuations utilize significant unobservable inputs (level 3) when determining the fair value of utility assets. The significant level 3 inputs include:

Valuation technique(s)	Significant unobservable input(s)	Relationship of unobservable input(s) to fair value
Discounted cash flow model	• Future cash flows – primarily driven by a regulated return on asset base	• Increases (decreases) in future cash flows will increase (decrease) the fair value
	• Discount rate	• Increases (decreases) in discount rate will decrease (increase) the fair value
	• Terminal capitalization multiple	• Increases (decreases) in terminal capitalization multiple will decrease (increase) the fair value
	• Investment Horizon	• Increases (decreases) in the investment horizon will decrease (increase) the fair value

Key assumptions used in the December 31, 2013 valuation process include: discount rates ranging from 8% to 13% (2012 – 8% to 13%), terminal capitalization multiples ranging from 10x to 16x (2012 – 9x to 17x), and an investment horizon between 10 to 20 years (2012 – 10 to 20 years).

The following table presents the changes to the cost of the company's utilities assets:

YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Balance at beginning of year	$ 3,201	$ 984
Additions, net of disposals	165	92
Acquisitions through business combinations	—	2,040
Foreign currency translation	1	85
Balance at end of year	$ 3,367	$ 3,201

The following table presents the changes to the accumulated fair value changes of the company's utilities assets:

YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Balance at beginning of year	$ 214	$ 49
Fair value changes	271	165
Foreign currency translation	(6)	—
Balance at end of year	$ 479	$ 214

The following table presents the changes to the accumulated depreciation of the company's utilities assets:

YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Balance at beginning of year	$ (105)	$ (40)
Depreciation expense	(121)	(63)
Foreign currency translation	4	(2)
Balance at end of year	$ (222)	$ (105)

ii. Infrastructure – Transport

(MILLIONS)	Dec. 31, 2013	Dec. 31, 2012
Cost	$ 2,561	$ 2,729
Accumulated fair value changes	840	615
Accumulated depreciation	(291)	(187)
Total	$ 3,110	$ 3,157

The company's transport assets consists of railroads, toll roads, and ports.

Transport assets are accounted for under the revaluation model, and the most recent date of revaluation was December 31, 2013. The company determined fair value to be the current replacement cost.

Valuations utilize significant unobservable inputs (level 3) when determining the fair value of transport assets. The significant level 3 inputs include:

Valuation technique(s)	*Significant unobservable input(s)*	*Relationship of unobservable input(s) to fair value*
Discounted cash flow models	• Future cash flows – primarily driven by traffic or freight volumes and tariff rates	• Increases (decreases) in future cash flows will increase (decrease) the fair value
	• Discount rate	• Increases (decreases) in discount rate will decrease (increase) the fair value
	• Terminal capitalization multiple	• Increases (decreases) in terminal capitalization multiple will decrease (increase) the fair value
	• Investment Horizon	• Increases (decreases) in the investment horizon will decrease (increase) the fair value

Key assumptions used in the December 31, 2013 valuation process include: discount rates ranging from 11% to 12% (2012 – 11% to 12%), terminal capitalization multiples ranging from 7x to 11x (2012 – 8x to 11x), and an investment horizon of 10 years (2012 – 10 years).

The following table presents the changes to the cost of the company's transport and energy assets:

YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Balance at beginning of year	$ 2,729	$ 2,228
Additions, net of disposals	160	452
Acquisitions through business combinations	—	—
Foreign currency translation	(328)	49
Balance at end of year	$ 2,561	$ 2,729

The following table presents the changes to the accumulated fair value changes of the company's transport assets:

YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Balance at beginning of year	$ 615	$ 244
Fair value changes	317	366
Foreign currency translation	(92)	5
Balance at end of year	$ 840	$ 615

The following table presents the changes to the accumulated depreciation of the company's transport and energy assets:

YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Balance at beginning of year	$ (187)	$ (76)
Depreciation expense	(127)	(109)
Foreign currency translation	23	(2)
Balance at end of year	$ (291)	$ (187)

iii. Infrastructure – Energy

(MILLIONS)	Dec. 31, 2013	Dec. 31, 2012
Cost	$ 961	$ 833
Accumulated fair value changes	117	33
Accumulated depreciation	(49)	(9)
Total	$ 1,029	$ 857

The company's energy assets consists of energy transmission and storage, distribution and storage and district energy assets. Energy assets are accounted for under the revaluation model, and the most recent date of revaluation was December 31, 2013. The company determined fair value to be the current replacement cost.

Valuations utilize significant unobservable inputs (level 3) when determining the fair value of energy assets. The significant level 3 inputs include:

Valuation technique(s)	Significant unobservable input(s)	Relationship of unobservable input(s) to fair value
Discounted cash flow models	• Future cash flows – primarily driven by transmission, distribution and storage volumes and pricing	• Increases (decreases) in future cash flows will increase (decrease) the fair value
	• Discount rate	• Increases (decreases) in discount rate will decrease (increase) the fair value
	• Terminal capitalization multiple	• Increases (decreases) in terminal capitalization multiple will decrease (increase) the fair value
	• Investment Horizon	• Increases (decreases) in the investment horizon will decrease (increase) the fair value

Key assumptions used in the December 31, 2013 valuation process include: discount rates ranging from 15% to 16% (2012 – 12% to 15%), terminal capitalization multiples ranging from 8x to 12x (2012 – 7x to 8x), and an investment horizon of 10 years (2012 – 10 years).

The following table presents the changes to the cost of the company's energy assets:

YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Balance at beginning of year	$ 833	$ 118
Additions, net of disposals	33	17
Acquisitions through business combinations	142	685
Foreign currency translation	(47)	13
Balance at end of year	$ 961	$ 833

The following table presents the changes to the accumulated fair value changes of the company's transport and energy assets:

YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Balance at beginning of year	$ 33	$ —
Fair value changes	83	33
Foreign currency translation	1	—
Balance at end of year	$ 117	$ 33

The following table presents the changes to the accumulated depreciation of the company's transport and energy assets:

YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Balance at beginning of year	$ (9)	$ —
Depreciation expense	(37)	(9)
Foreign currency translation	(3)	—
Balance at end of year	$ (49)	$ (9)

iv. Infrastructure – Sustainable Resources

Sustainable resources assets represents timberlands and other agricultural land.

(MILLIONS)	2013	2012
Cost	$ 666	$ 1,461
Accumulated fair value changes	165	(18)
Accumulated depreciation	(30)	(31)
Total	$ 801	$ 1,412

Property, plant and equipment within our sustainable resources operations are accounted for under the revaluation model and the most recent date of revaluation was December 31, 2013.

Valuations utilize significant unobservable inputs (level 3) when determining the fair value of sustainable resource assets. The significant level 3 inputs include:

Valuation technique(s)	Significant unobservable input(s)	Relationship of unobservable input(s) to fair value
Discounted cash flow models	• Future cash flows – primarily driven by avoided cost or future replacement value	• Increases (decreases) in future cash flows will increase (decrease) the fair value
	• Discount rate	• Increases (decreases) in discount rate will decrease (increase) the fair value
	• Terminal valuation date	• Increases (decreases) in terminal valuation date will decrease (increase) the fair value
		• Increases (decreases) in the exit date will decrease (increase) the fair value

Key valuation assumptions included a weighted average discount rate of 7% (2012 – 6%), and a terminal valuation date of 3 to 35 years (2012 – 3 to 35 years).

The following table presents the changes to the cost of the company's sustainable resources property, plant and equipment assets:

YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Balance at beginning of year	$ 1,461	$ 1,339
Disposals, net of additions	(784)	139
Foreign currency translation	(11)	(17)
Balance at end of year	$ 666	$ 1,461

The following table presents the changes to the accumulated fair value changes of the company's sustainable resources assets:

YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Balance at beginning of year	$ (18)	$ (132)
Fair value changes	49	142
Dispositions	133	—
Foreign currency translation	1	(28)
Balance at end of year	$ 165	$ (18)

The following table presents the changes to the accumulated depreciation of the property, plant and equipment within the company's sustainable resources business:

YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Balance at beginning of year	$ (31)	$ (12)
Depreciation expense	(3)	(20)
Dispositions	3	—
Foreign currency translation	1	1
Balance at end of year	$ (30)	$ (31)

c) Property

(MILLIONS)	Dec. 31, 2013	Dec. 31, 2012
Cost	$ 3,168	$ 3,130
Accumulated fair value changes	170	4
Accumulated depreciation	(296)	(166)
Total	$ 3,042	$ 2,968

The company's property assets include hospitality assets accounted for under the revaluation model and the most recent date of revaluation was December 31, 2013. The company determines fair value for these assets by discounting the expected future cash flows using internal valuations.

Valuations utilize significant unobservable inputs (level 3) when determining the fair value of property assets. The significant level 3 inputs include:

Valuation technique(s)	Significant unobservable input(s)	Relationship of unobservable input(s) to fair value
Discounted cash flow models	• Future cash flows primarily driven by pricing, volumes and direct operating costs	• Increases (decreases) in future cash flows will increase (decrease) the fair value
	• Discount rate	• Increases (decreases) in discount rate will decrease (increase) the fair value
	• Terminal capitalization rate	• Increases (decreases) in terminal capitalization rate will decrease (increase) the fair value
	• Investment horizon	• Increases (decreases) in the investment horizon will decrease (increase) the fair value

Key valuation assumptions included a weighted average discount rate of 10.5% (2012 – 9.9%), terminal capitalization rate of 7.6% (2012 – 7.5%), and investment horizon of 7 years (2012 – 5 years).

The following table presents the changes to the cost of the company's property, plant and equipment assets included within its property operations:

YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Balance at beginning of year	$ 3,130	$ 640
Additions, net of disposals	137	44
Acquisitions through business combinations	—	2,446
Foreign currency translation	(99)	—
Balance at end of year	$ 3,168	$ 3,130

The following table presents the changes to the accumulated fair value changes of the company's property, plant and equipment within its property operations:

YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Balance at beginning of year	$ 4	$ —
Fair value changes	166	4
Foreign currency translation	—	—
Balance at end of year	$ 170	$ 4

The following table presents the changes to the accumulated depreciation of the company's property, plant and equipment within its property operations:

YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Balance at beginning of year	$ (166)	$ —
Depreciation expense	(130)	(166)
Balance at end of year	$ (296)	$ (166)

d) Private Equity and Other

(MILLIONS)	Dec. 31, 2013	Dec. 31, 2012
Cost	$ 3,984	$ 3,887
Accumulated fair value changes	(256)	(162)
Accumulated depreciation	(926)	(813)
Total	$ 2,802	$ 2,912

Other property, plant and equipment includes asset owned by the company's private equity, residential development and service operations held directly or consolidated through funds.

These assets are accounted for under the cost model, which requires the assets to be carried at cost less accumulated depreciation and any accumulated impairment losses. The following table presents the changes to the carrying value of the company's property, plant and equipment assets included in these operations:

YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Balance at beginning of year	$ 3,887	$ 3,433
Additions, net of disposals	124	405
Acquisitions through business combinations	86	—
Foreign currency translation	(113)	49
Balance at end of year	$ 3,984	$ 3,887

The following table presents the changes to the accumulated impairment losses of the company's property, plant and equipment within these operations:

YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Balance at beginning of year	$ (162)	$ (104)
Impairment charges	(94)	(58)
Balance at end of year	$ (256)	$ (162)

The following table presents the changes to the accumulated depreciation of the company's other property, plant and equipment within these operations:

YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Balance at beginning of year	$ (813)	$ (533)
Depreciation expense	(217)	(283)
Disposals	110	—
Foreign currency translation	(6)	3
Balance at end of year	$ (926)	$ (813)

12. SUSTAINABLE RESOURCES

(MILLIONS)	Dec. 31, 2013	Dec 31, 2012
Timberlands	$ 449	$ 3,473
Other agricultural assets	53	43
Total	$ 502	$ 3,516

The company held 1,437 million acres of consumable freehold timberlands at December 31, 2013 (2012 – 2,512 million), of which 203 million acres (2012 – 850 million) were classified as mature and available for harvest. Additionally, the company provides management services to approximately 1.3 million acres (2012 – 1.3 million) of licensed timberlands.

The following table presents the change in the balance of timberlands and other agricultural assets:

YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Balance at beginning of year	$ 3,516	$ 3,381
Disposals of operations, net of additions	(2,991)	18
Fair value adjustments	205	374
Decrease due to harvest	(186)	(239)
Foreign currency changes	(42)	(18)
Balance at end of year	$ 502	$ 3,516

The carrying values are based on external appraisals that are completed annually as of December 31. The appraisals utilize a combination of the discounted cash flow and sales comparison approaches to arrive at the estimated value. The significant unobservable inputs (level 3) included in the discounted cash flow models used when determining the fair value of standing timber and agricultural assets include:

Valuation technique(s)	Significant unobservable input(s)	Relationship of unobservable input(s) to fair value
Discounted cash flow models	• Future cash flows	• Increases (decreases) in future cash flows will increase (decrease) the fair value
	• Growth assessments	• Increases (decreases) in growth assessments will increase (decrease) the fair value
	• Timber/Agricultural prices	• Increases (decreases) in price will increase (decrease) the fair value
	• Discount rate	• Increases (decreases) in discount rate or terminal cap rate will decrease (increase) the fair value

Key valuation assumptions include a weighted average discount and terminal capitalization rate of 6.9% (2012 – 6.2%), and terminal valuation dates of 20 to 28 years (2012 – 20 to 90 years). Timber and agricultural asset prices were based on a combination of forward prices available in the market and price forecasts.

13. INTANGIBLE ASSETS

(MILLIONS)	Dec. 31, 2013	Dec. 31, 2012
Cost	$ 5,441	$ 6,115
Accumulated amortization and impairment losses	(397)	(345)
Total	$ 5,044	$ 5,770

Intangible assets are allocated to the following cash-generating units:

(MILLIONS)	Note	Dec. 31, 2013	Dec. 31, 2012
Property – Industrial, Multifamily and Other		$ 327	$ 460
Infrastructure – Utilities	(a)	2,231	2,592
Infrastructure – Transport	(b)	1,633	1,769
Private equity		257	280
Service Activities		297	371
Renewable energy		94	106
Other		205	192
Net intangible assets		$ 5,044	$ 5,770

a) Infrastructure – Utilities

The company's Australian regulated terminal operation has access agreements with the users of the terminal which entails 100% take or pay contracts at a designated tariff rate based on the asset value. The concession arrangement has an expiration date of 2051 and with an option to extend the arrangement an additional 50 years. The aggregate duration of the arrangement and the extension option represents the remaining useful life of the concession.

b) Infrastructure – Transport

The company's Chilean toll road concession provides the right to charge a tariff to users of the road over the term of the concession. The concession arrangement has an expiration date of 2033, which is the basis for the company's determination of its remaining useful life. Also included within the company's transport operations is $355 million (2012 – $348 million) of indefinite life intangible assets which represent perpetual conservancy rights associated with the company's UK port operation. The following table presents the changes to the cost of the company's intangible assets:

YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Cost at beginning of year	$ 6,115	$ 4,216
Disposals, net of additions	(13)	(3)
Acquisitions through business combinations	20	1,916
Foreign currency translation and other	(681)	(14)

Cost at end of year	$ 5,441	$ 6,115

The following table presents the changes in the accumulated amortization and accumulated impairment losses of the company's intangible assets:

YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Accumulated amortization and impairment losses at beginning of year	$ (345)	$ (242)
Amortization	(105)	(124)
Foreign currency translation and other	53	21
Accumulated amortization and impairment losses at end of year	$ (397)	$ (345)

The following table presents intangible assets by geography:

(MILLIONS)	Dec. 31, 2013	Dec 31, 2012
United States	$ 481	$ 614
Canada	266	292
Australia	2,535	2,963
Brazil	28	32
Europe	456	448
Chile	1,278	1,421
	$ 5,044	$ 5,770

Intangible assets, including trademarks, concession agreements and conservancy rights, are recorded at amortized cost and are tested for impairment annually using a discounted cash flow valuation. This valuation utilizes the following significant unobservable inputs assumptions:

Valuation technique	*Significant unobservable input(s)*	*Relationship of unobservable input(s) to fair value*
Discounted cash flow models	• Future cash flows	• Increases (decreases) in future cash flows will increase (decrease) the recoverable amount
	• Discount rate	• Increases (decreases) in discount rate will decrease (increase) the recoverable amount
	• Terminal capitalization rate	• Increases (decreases) in terminal capitalization rate will decrease (increase) the recoverable amount
	• Exit date	• Increases (decreases) in the exit date will decrease (increase) the recoverable amount

14. GOODWILL

(MILLIONS)	Dec. 31, 2013	Dec. 31, 2012
Cost	$ 1,638	$ 2,540
Accumulated impairment losses	(50)	(50)
Total	$ 1,588	$ 2,490

Goodwill is allocated to the following cash-generating units:

(MILLIONS)	Dec. 31, 2013	Dec. 31, 2012
Services – Construction	$ 720	$ 840
Infrastructure – Sustainable resources	—	591
Residential development – Brazil	277	373
Property – Retail property	120	138
Services – Property services	54	102
Asset management	216	205
Other	201	241
Total	$ 1,588	$ 2,490

The following table presents the change in the balance of goodwill:

YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Cost at beginning of year	$ 2,540	$ 2,652
Acquisitions through business combinations	—	60
Disposals	(645)	(101)
Foreign currency translation and other	(257)	(71)
Cost at end of year	$ 1,638	$ 2,540

The following table reconciles accumulated impairment losses:

YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Accumulated impairment at beginning of year	$ (50)	$ (45)
Impairment losses	—	(5)
Accumulated impairment at end of year	$ (50)	$ (50)

The following table presents goodwill by geography:

(MILLIONS)	Dec. 31, 2013	Dec. 31, 2012
United States	$ 230	$ 819
Canada	56	57
Australia	861	1,052
Brazil	397	518
Europe	27	28
Other	17	16
	$ 1,588	$ 2,490

The recoverable amounts used in goodwill impairment testing are calculated using discounted cash flow models based on the following significant unobservable inputs:

Valuation technique	Significant unobservable input(s)	Relationship of unobservable input(s) to fair value
Discounted cash flow models	• Future cash flows	• Increases (decreases) in future cash flows will increase (decrease) the recoverable amount
	• Discount rate	• Increases (decreases) in discount rate will decrease (increase) the recoverable amount
	• Terminal capitalization rate	• Increases (decreases) in terminal capitalization rate will decrease (increase) the recoverable amount
	• Exit date	• Increases (decreases) in the exit date will decrease (increase) the recoverable amount

15. INCOME TAXES

The major components of income tax expense for the years ended December 31, 2013 and December 31, 2012 are set out below:

YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Current income taxes	$ 159	$ 135
Deferred income tax expense/(recovery)		
Origination and reversal of temporary differences	871	479
Recovery arising from previously unrecognized tax assets	(130)	(93)
Change of tax rates and imposition of new legislation	(55)	(2)
Total deferred income taxes	686	384
Income taxes	$ 845	$ 519

The company's Canadian domestic statutory income tax rate has remained consistent at 26% throughout 2013. The company's effective tax rate is different from the company's domestic statutory income tax rate due to the following differences set out below:

YEARS ENDED DECEMBER 31	2013	2012
Statutory income tax rate	26%	26%
Increase (reduction) in rate resulting from:		
Portion of gains subject to different tax rates	(1)	(1)
International operations subject to different tax rates	(3)	(9)
Taxable income attribute to non-controlling interest	(7)	(1)
Recognition of deferred tax assets	(2)	(1)
Non-recognition of the benefit of current year's tax losses	3	3
Other	2	(1)
Effective income tax rate	18%	16%

Deferred income tax assets and liabilities as at December 31, 2013 and 2012 relate to the following:

(MILLIONS)	Dec. 31, 2013	Dec 31, 2012
Non-capital losses (Canada)	$ 878	$ 834
Capital losses (Canada)	215	166
Losses (U.S.)	385	408
Losses (International)	511	705
Difference in basis	(6,741)	(6,873)
Total net deferred tax liabilities	$ (4,752)	$ (4,760)

The aggregate amount of temporary differences associated with investments in subsidiaries for which deferred tax liabilities have not been recognized as at December 31, 2013 is approximately $8 billion (2012 – approximately $7 billion).

The company regularly assesses the status of open tax examinations and its historical tax filing positions for the potential for adverse outcomes to determine the adequacy of the provision for income and other taxes. The company believes that it has adequately provided for any tax adjustments that are more likely than not to occur as a result of ongoing tax examinations or historical filing positions.

The dividend payment on certain preferred shares of the company results in the payment of cash taxes and the company obtaining a deduction based on the amount of these taxes.

The following table details the expiry date, if applicable, of the unrecognized deferred tax assets:

(MILLIONS)	Dec. 31, 2013	Dec 31, 2012
2014	$ 2	$ 1
2015	2	2
2016	1	2
After 2021	327	311
Do not expire	1,491	589
Total	$ 1,823	$ 905

The components of the income taxes in other comprehensive income for the years ended December 31, 2013 and 2012 are set out below:

YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Revaluation of property, plant and equipment	$ 135	$ 433
Financial contracts and power sale agreements	129	5
Available-for-sale securities	(10)	10
Equity accounted investments	37	(10)
Foreign currency translation	(10)	(4)
Revaluation of pension obligation	(1)	(2)
Total deferred tax in other comprehensive income	$ 280	$ 432

16. ACCOUNTS PAYABLE AND OTHER

(MILLIONS)	Dec. 31, 2013	Dec. 31, 2012
Accounts payable	$ 6,344	$ 7,203
Other liabilities	3,972	4,449
Total	$ 10,316	$ 11,652

The current and non-current balances of accounts payable and other liabilities are as follows:

(MILLIONS)	Dec. 31, 2013	Dec. 31, 2012
Current	$ 5,994	$ 6,212
Non-current	4,322	5,440
Total	$ 10,316	$ 11,652

Included in accounts payable and other liabilities are $2,308 million (2012 – $2,388 million) of accounts payable and other liabilities related to the company's residential development operations. Accounts payable and other liabilities also includes $360 million (2012 – $418 million) of insurance deposits, claims and other liabilities incurred by the company's insurance subsidiaries.

17. CORPORATE BORROWINGS

(MILLIONS)	Maturity	Annual Rate	Currency	Dec. 31, 2013	Dec. 31, 2012
Term debt					
Private – U.S.	Oct. 23, 2013	6.65%	US$	$ —	$ 75
Private – Canadian	Apr. 30, 2014[1]	6.26%	C$	—	27
Private – Canadian	Jun. 2, 2014[1]	8.95%	C$	—	151
Public – Canadian	Sept. 8, 2016	5.20%	C$	282	302
Public – U.S.	Apr. 25, 2017	5.80%	US$	239	239
Public – Canadian	Apr. 25, 2017	5.29%	C$	235	252
Public – Canadian	Apr. 9, 2019	3.95%	C$	568	428
Public – Canadian	Mar. 1, 2021	5.30%	C$	330	353
Public – Canadian	Mar. 31, 2023	4.54%	C$	568	428
Public – Canadian	Mar. 8, 2024	5.04%	C$	472	—
Public – U.S.	Mar. 1, 2033	7.38%	US$	250	250
Public – Canadian	Jun. 14, 2035	5.95%	C$	396	302
				3,340	2,807
Commercial paper and bank borrowings		1.24%	US$/C$/£	662	744
Deferred financing costs[1]				(27)	(25)
Total				$ 3,975	$ 3,526

1 Deferred financing costs are amortized to interest expense over the term of the borrowing following the effective interest method

Corporate borrowings have a weighted average interest rate of 4.5% (2012 – 4.7%), and include $3,356 million (2012 – $2,679 million) repayable in Canadian dollars of C$3,565 million (2012 – C$2,658 million) and $nil (2012 – $165 million) repayable in British pounds of £nil (2012 – £102 million).

On January 28, 2014, the company issued C$500 million of 4.82% term debt due January 28, 2026.

18. NON-RECOURSE BORROWINGS

a) Property-Specific Mortgages

Principal repayments on property-specific mortgages due over the next five calendar years and thereafter are as follows:

(MILLIONS)	Property	Renewable Energy	Infrastructure	Private Equity	Residential Development	Service Activities	Corporate Activities	Total
2014	$ 4,391	$ 517	$ 76	$ 162	$ 765	$ 271	$ 106	$ 6,288
2015	1,402	501	132	1	877	—	—	2,913
2016	3,702	258	913	51	417	—	—	5,341
2017	3,857	576	109	66	122	—	—	4,730
2018	2,900	278	297	35	22	—	—	3,532
Thereafter	5,325	2,777	4,551	27	11	—	—	12,691
Total – Dec. 31, 2013	**$21,577**	**$ 4,907**	**$ 6,078**	**$ 342**	**$ 2,214**	**$ 271**	**$ 106**	**$35,495**
Total – Dec. 31, 2012	$18,709	$ 4,347	$ 7,093	$ 641	$ 2,569	$ 351	$ 10	$33,720

The current and non-current balances of property-specific mortgages are as follows:

(MILLIONS)	Dec. 31, 2013	Dec. 31, 2012
Current	$ 6,288	$ 4,419
Non-current	29,207	29,301
Total	$ 35,495	$ 33,720

Property-specific mortgages by currency include the following:

(MILLIONS)	Dec. 31, 2013	Local Currency		Dec 31, 2012	Local Currency	
U.S. dollars	$ 20,205	US$	20,205	$ 17,855	US$	17,855
Australian dollars	3,708	A$	4,157	4,939	A$	4,751
Canadian dollars	5,217	C$	5,542	4,552	C$	4,517
Brazilian reais	2,988	R$	5,542	3,232	R$	6,604
British pounds	2,447	£	1,478	2,093	£	1,288
Chilean unidad de fomento	689	UF$	16	754	CLF$	16
Colombian pesos	207	COP$	400,155	179	COP$	316,127
New Zealand dollars	32	N$	39	109	N$	131
European Union euros	2	€$	1	7	€$	4
Total	$ 35,495			$ 33,720		

b) Subsidiary Borrowings

Principal repayments on subsidiary borrowings due over the next five calendar years and thereafter are as follows:

(MILLIONS)	Property	Renewable Energy	Infrastructure	Private Equity	Residential Development	Corporate Activities	Total
2014	$ 1,606	$ —	$ 10	$ 50	$ 188	$ —	$1,854
2015	507	—	10	66	—	—	583
2016	338	594	10	—	—	—	942
2017	198	—	387	500	—	—	1,085
2018	235	188	13	38	—	—	474
Thereafter	191	935	5	245	1,078	—	2,454
Total – Dec. 31, 2013	$ 3,075	$ 1,717	$ 435	$ 899	$ 1,266	$ —	$7,392
Total – Dec 31, 2012	$ 1,896	$ 1,772	$ 967	$1,041	$ 779	$ 1,130	$7,585

The current and non-current balances of subsidiary borrowings are as follows:

(MILLIONS)	Dec. 31, 2013	Dec. 31, 2012
Current	$ 1,854	$ 1,039
Non-current	5,538	6,546
Total	$ 7,392	$ 7,585

Subsidiary borrowings by currency include:

(MILLIONS)	Dec. 31, 2013	Local Currency		Dec. 31, 2012	Local Currency	
U.S. dollars	$ 4,346	US$	4,346	$ 4,113	US$	4,113
Canadian dollars	2,283	C$	2,421	2,569	C$	2,549
Australian dollars	696	A$	780	882	A$	849
Brazilian reais	59	R$	139	21	R$	43
British pounds	8	£	5	—	£	—
Total	$ 7,392			$ 7,585		

19. CAPITAL SECURITIES

Capital securities are preferred shares that are classified as liabilities and consist of the following:

(MILLIONS)	Note	Dec. 31, 2013	Dec. 31, 2012
Corporate preferred shares	(a)	$ 163	$ 325
Subsidiary preferred shares	(b)	628	866
Total		$ 791	$ 1,191

a) Corporate Preferred Shares

Corporate preferred shares consist of the company's Class A preferred shares as follows:

(MILLIONS, EXCEPT SHARE INFORMATION)	Shares Outstanding	Cumulative Dividend Rate	Currency	Dec. 31, 2013	Dec. 31, 2012
Class A preferred shares					
Series 12	7,000,000	5.40%	C$	$ 165	$ 176
Series 21	—	5.00%	C$	—	151
Deferred financing costs				(2)	(2)
Total				$ 163	$ 325

On March 6, 2014, the company notified holders that it will redeem all of its outstanding Class A Series 12 preferred shares for cash on April 6, 2014. The redemption price for each preferred share will be C$26.00 plus accrued and unpaid dividends.

b) Subsidiary Preferred Shares

Subsidiary preferred shares are composed of Brookfield Office Properties Class AAA preferred shares and capital securities of fund subsidiaries as follows:

(MILLIONS, EXCEPT SHARE INFORMATION)	Shares Outstanding	Cumulative Dividend Rate	Currency	Dec. 31, 2013	Dec. 31, 2012
Class AAA preferred shares					
Series F	—	—	C$	$ —	$ 202
Series G	4,400,000	5.25%	US$	110	110
Series H	8,000,000	5.75%	C$	188	202
Series J	8,000,000	5.00%	C$	188	202
Series K	6,000,000	5.20%	C$	142	151
Deferred financing costs				—	(1)
Total				$ 628	$ 866

The subsidiary preferred shares are redeemable at the option of either the issuer or the holder, at any time after the following dates:

	Earliest Permitted Redemption Date	Company's Conversion Option	Holder's Conversion Option
Class AAA preferred shares			
Series G	Jun. 30, 2011	Jun. 30, 2011	Sept. 30, 2015
Series H	Dec. 31, 2011	Dec. 31, 2011	Dec. 31, 2015
Series J	Jun. 30, 2010	Jun. 30, 2010	Dec. 31, 2014
Series K	Dec. 31, 2012	Dec. 31, 2012	Dec. 31, 2016

20. INTERESTS OF OTHERS IN CONSOLIDATED FUNDS

Interests of others in consolidated funds is classified outside of equity and is comprised of the following:

(MILLIONS)	Dec. 31, 2013	Dec 31, 2012
Limited-life funds	$ 947	$ 352
Redeemable fund units	139	73
	$ 1,086	$ 425

21. EQUITY

Equity is comprised of the following:

(MILLIONS)	Dec. 31, 2013	Dec. 31, 2012
Preferred equity	$ 3,098	$ 2,901
Non-controlling interests	26,647	23,287
Common equity	17,781	18,150
	$ 47,526	$ 44,338

a) Preferred Equity

Preferred equity represents perpetual preferred shares and consists of the following:

(MILLIONS, EXCEPT SHARE INFORMATION)	Rate	Issued and Outstanding Dec. 31, 2013	Issued and Outstanding Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
Class A preferred shares					
Series 2	70% P	10,465,100	10,465,100	$ 169	$ 169
Series 4	70% P/8.5%	2,800,000	2,800,000	45	45
Series 8	Variable up to P	1,652,394	1,652,394	29	29
Series 9	3.80%	2,347,606	2,347,606	35	35
Series 13	70% P	9,297,700	9,297,700	195	195
Series 15	B.A. + 40 b.p.1	2,000,000	2,000,000	42	42
Series 17	4.75%	8,000,000	8,000,000	174	174
Series 18	4.75%	8,000,000	8,000,000	181	181
Series 22	7.00%2	12,000,000	12,000,000	274	274
Series 24	5.40%2	11,000,000	11,000,000	269	269
Series 26	4.50%2	10,000,000	10,000,000	245	245
Series 28	4.60%2	9,400,000	9,400,000	235	235
Series 30	4.80%2	10,000,000	10,000,000	247	247
Series 32	4.50%2	12,000,000	12,000,000	304	304
Series 34	4.20%2	10,000,000	10,000,000	256	256
Series 36	4.85%	8,000,000	8,000,000	201	201
Series 37	4.90%	8,000,000	—	197	—
Total				$ 3,098	$ 2,901

1 Rate determined in a quarterly auction
2 Dividend rates are fixed for five years from the quarter end dates after issuance, September 30, 2009, June 30, 2011, March 31, 2012, June 30, 2012, December 31, 2012, March 31, 2013 and September 30, 2013, respectively, and reset after five years to the 5-year Government of Canada bond rate plus between 180 and 445 basis points
P – Prime Rate, B A – Bankers' Acceptance Rate, b p – Basis Points

The company is authorized to issue an unlimited number of Class A preferred shares and an unlimited number of Class AA preferred shares, issuable in series. No Class AA preferred shares have been issued.

The Class A preferred shares have preference over the Class AA preferred shares, which in turn are entitled to preference over the Class A and Class B common shares on the declaration of dividends and other distributions to shareholders. All series of the outstanding preferred shares have a par value of C$25 per share.

On March 13, 2014, the company issued 8.0 million Series 38 preferred shares with an initial dividend rate of 4.4% for total gross proceeds of C$200 million.

b) Non-controlling Interests

Non-controlling interests represent the common and preferred equity in consolidated entities that are owned by other shareholders.

(MILLIONS)	Dec. 31, 2013	Dec 31, 2012
Common equity	$ 23,828	$ 20,933
Preferred equity	2,819	2,354
Total	$ 26,647	$ 23,287

Further information on non-controlling interest is provided in Note 4, Subsidiaries.

c) Common Equity

The company's common equity is comprised of the following:

(MILLIONS)	Dec. 31, 2013	Dec 31, 2012
Common shares	$ 2,899	$ 2,855
Contributed surplus	159	149
Retained earnings	7,159	6,813
Ownership changes	2,354	2,088
Accumulated other comprehensive income	5,210	6,245
Common equity	$ 17,781	$ 18,150

The company is authorized to issue an unlimited number of Class A shares and 85,120 Class B shares, together referred to as common shares. The company's common shares have no stated par value. The holders of Class A shares and Class B shares rank on parity with each other with respect to the payment of dividends and the return of capital on the liquidation, dissolution or winding up of the company or any other distribution of the assets of the company among its shareholders for the purpose of winding up its affairs. Holders of the Class A shares are entitled to elect one-half of the Board of Directors of the company and holders of the Class B shares are entitled to elect the other one-half of the Board of Directors. With respect to the Class A and Class B shares, there are no dilutive factors, material or otherwise, that would result in different diluted earnings per share between the classes. This relationship holds true irrespective of the number of dilutive instruments issued in either one of the respective classes of common stock, as both classes of shares participate equally, on a pro rata basis, in the dividends, earnings and net assets of the company, whether taken before or after dilutive instruments, regardless of which class of shares are diluted. The holders of the company's common shares received cash dividends of $0.64 per share during 2013 (2012 – $0.55 per share). In addition, the company distributed a 7.6% interest in BPY to the holders of its common shares on April 15, 2013 valued at $1.47 per common share.

The number of issued and outstanding common shares and unexercised options at December 31, 2013 and 2012 are as follows:

	Dec. 31, 2013	Dec 31, 2012
Class A shares[1]	615,386,476	619,514,229
Class B shares	85,120	85,120
Shares outstanding[1]	615,471,596	619,599,349
Unexercised options[2]	35,603,974	38,402,078
Total diluted shares	651,075,570	658,001,427

1 Net of 9,550,000 (2012 – 5,450,000) Class A shares held by the company to satisfy long-term compensation agreements
2 Includes management share option plan and escrowed stock plan

The authorized common share capital consists of an unlimited number of shares. Shares issued and outstanding changed as follows:

	Dec. 31, 2013	Dec. 31, 2012
Outstanding at beginning of year[1]	619,599,349	619,288,769
Issued (repurchased)		
Repurchases	(8,772,646)	(2,569,272)
Long-term share ownership plans[2]	4,442,362	2,648,936
Dividend reinvestment plan	202,531	230,916
Outstanding at end of year[1]	615,471,596	619,599,349

1 Net of 9,550,000 (2012 – 5,450,000) Class A shares held by the company to satisfy long-term compensation agreements
2 Includes management share option plan and restricted stock plan

i. Earnings Per Share

The components of basic and diluted earnings per share are summarized in the following table:

YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Net income attributable to shareholders	$ 2,120	$ 1,380
Preferred share dividends	(145)	(129)
Net income available to shareholders – basic	1,975	1,251
Capital securities dividends[1]	13	25
Net income available for shareholders – diluted	$ 1,988	$ 1,276

1 Subject to the approval of the Toronto Stock Exchange, the Series 12 preferred shares, unless redeemed by the company for cash, are convertible into Class A shares at a price equal to the greater of 95% at the market price at the time of conversion and C$2.00, at the option of either the company or the holder. The Series 21 preferred shares were redeemed by the company during 2013

(MILLIONS)	Dec. 31, 2013	Dec. 31, 2012
Weighted average – common shares	616.1	618.9
Dilutive effect of the conversion of options and escrowed shares using treasury stock method	12.8	12.1
Dilutive effect of the conversion of capital securities[1,2]	7.9	18.0
Common shares and common share equivalents	636.8	649.0

1 Subject to the approval of the Toronto Stock Exchange, the Series 12 preferred shares, unless redeemed by the company for cash, are convertible into Class A shares at a price equal to the greater of 95% at the market price at the time of conversion and C$2.00, at the option of either the company or the holder. The Series 21 preferred shares were redeemed by the company during 2013
2 The number of shares is based on 95% of the quoted market price at year end

ii. Stock-Based Compensation

The expense recognized for stock-based compensation is summarized in the following table:

YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Expense arising from equity-settled share-based payment transactions	$ 66	$ 59
Expense arising from cash-settled share-based payment transactions	96	144
Total expense arising from share-based payment transactions	162	203
Effect of hedging program	(77)	(136)
Total expense included in consolidated income	$ 85	$ 67

The share-based payment plans are described below. There have been no cancellations or modifications to any of the plans during 2013 or 2012.

1) Equity – Settled Share-Based Awards

a) Management Share Option Plan

Options issued under the company's Management Share Option Plan ("MSOP") vest over a period of up to five years, expire 10 years after the grant date, and are settled through issuance of Class A shares. The exercise price is equal to the market price at the grant date.

The changes in the number of options during 2013 and 2012 were as follows:

	Number of Options (000's)[1]	Weighted Average Exercise Price	Number of Options (000's)[2]	Weighted Average Exercise Price
Outstanding at January 1, 2013	23,575	C$ 22.40	14,128	US$ 26.90
Granted	—	—	3,586	37.82
Exercised	(3,534)	17.79	(722)	24.96
Cancelled	(214)	20.85	(183)	30.78
Converted[3]	(2,014)	11.47	—	—
Outstanding at December 31, 2013	17,813	C$ 24.56	16,809	US$ 29.27

1 Options to acquire TSX listed Class A shares
2 Options to acquire NYSE listed Class A shares
3 Options converted into restricted shares at maturity

	Number of Options (000's)[1]	Weighted Average Exercise Price	Number of Options (000's)[2]	Weighted Average Exercise Price
Outstanding at January 1, 2012	26,995	C$ 21.31	10,879	US$ 25.45
Granted	—	—	3,615	31.35
Exercised	(2,380)	14.97	(128)	24.80
Cancelled	(96)	30.28	(238)	29.24
Converted[3]	(944)	9.37	—	—
Outstanding at December 31, 2012	23,575	C$ 22.40	14,128	US$ 26.90

1 Options to acquire TSX listed Class A shares
2 Options to acquire NYSE listed Class A shares
3 Options converted to restricted shares of maturity

The cost of the options granted during the year was determined using the Black-Scholes model of valuation, with inputs to the model as follows:

YEARS ENDED DECEMBER 31	Unit	2013	2012
Weighted average share price	US$	**37.82**	31.35
Weighted average fair value per option	US$	**7.87**	6.54
Average term to exercise	Years	**7.5**	7.5
Share price volatility[1]	%	**31.2**	32.6
Liquidity discount	%	**25.0**	25.0
Weighted average annual dividend yield	%	**1.5**	1.8
Risk-free rate	%	**1.3**	1.4

1 Share price volatility was determined based on historical share prices over a similar period to the average term to exercise

At December 31, 2013, the following options to purchase Class A shares were outstanding:

		Options Outstanding (000's)		
Exercise Price	Weighted Average Remaining Life	Vested	Unvested	**Total**
C$13.37 – C$19.03	5.1 years	5,727	1,763	**7,490**
C$20.21 – C$30.22	1.8 years	5,028	80	**5,108**
C$31.62 – C$46.59	3.7 years	5,215	—	**5,215**
US$23.18 – US$35.06	6.9 years	6,125	7,133	**13,258**
US$37.82	9.2 years	110	3,441	**3,551**
		22,205	12,417	**34,622**

At December 31, 2012, the following options to purchase Class A shares were outstanding:

Exercise Price	Weighted Average Remaining Life	Options Outstanding (000's) Vested	Unvested	Total
C$8.72 – C$8.83	0.1 years	1,071	—	**1,071**
C$13.37 – C$19.03	5.2 years	7,043	3,768	**10,811**
C$20.21 – C$30.22	2.7 years	6,252	129	**6,381**
C$31.62 – C$46.59	4.7 years	4,771	541	**5,312**
$23.18 – $35.06	7.9 years	3,713	10,415	**14,128**
		22,850	14,853	**37,703**

b) Escrowed Stock Plan

The Escrowed Stock Plan (the "ES Plan") provides executives with increased indirect ownership of Class A shares. Under the ES Plan, executives are granted common shares (the "ES Shares") in one or more private companies that own the company's Class A shares. The Class A shares are purchased on the open market with the purchase cost funded with the proceeds from preferred shares issued to the company. The ES Shares vest over one to five years and must be held until the fifth anniversary of the grant date. At a date no less than five years, and no more than 10 years, from the grant date, all outstanding ES Shares will be exchanged for Class A shares issued by the company, based on the market value of Class A shares at the time of the exchange.

During 2013, 4.1 million Class A shares were purchased in respect of ES Shares of which 2.35 million were granted to executives under the ES Plan (2012 – 2.25 million Class A shares) during the year. For the year ended December 31, 2013, the total expense incurred with respect to the ES Plan totalled $14.0 million (2012 – $6.3 million).

The cost of the escrowed shares granted during the year was determined using the Black-Scholes model of valuation with inputs to the model as follows:

YEARS ENDED DECEMBER 31	Unit	2013	2012
Weighted average share price	US$	**37.82**	31.35
Weighted average fair value per share	US$	**7.34**	6.05
Average term to exercise	Years	**7.5**	7.5
Share price volatility[1]	%	**31.2**	32.6
Liquidity discount	%	**30.0**	30.0
Weighted average annual dividend yield	%	**1.5**	1.8
Risk-free rate	%	**1.3**	1.4

1 Share price volatility was determined based on historical share prices over a similar period to the term exercise

c) Restricted Stock Plan

The Restricted Stock Plan awards executives with Class A shares purchased on the open market ("Restricted Shares"). Under the Restricted Stock Plan, Restricted Shares awarded vest over a period of up to five years, except for Restricted Shares awarded in lieu of a cash bonus which may vest immediately. Vested and unvested Restricted Shares must be held until the fifth anniversary of the award date. Holders of vested Restricted Shares are entitled to vote Restricted Shares and to receive associated dividends. Employee compensation expense for the Restricted Stock Plan is charged against income over the vesting period.

During 2013, Brookfield granted 386,273 Class A shares pursuant to the terms and conditions of the Restricted Stock Plan, resulting in the recognition of $10.6 million (2012 – $8.5 million) within compensation expense. In addition, Brookfield exchanged 2,014,265 fully vested, in-the-money options of certain executives for 1,416,142 Class A shares under the Restricted Stock Plan.

2) Cash – Settled Share Based Awards

a) Restricted Share Unit Plan

The Restricted Share Unit Plan provides for the issuance of the Deferred Share Units ("DSUs"), as well as Restricted Share Units ("RSUs"). Under this plan, qualifying employees and directors receive varying percentages of their annual incentive bonus or directors' fees in the form of DSUs. The DSUs and RSUs vest over periods of up to five years, and DSUs accumulate additional DSUs at the same rate as dividends on common shares based on the market value of the common shares at the time of the dividend. Participants are not allowed to convert DSUs and RSUs into cash until retirement or cessation of employment. The value of the DSUs, when converted to cash, will be equivalent to the market value of the common shares at the time

the conversion takes place. The value of the RSUs, when converted into cash, will be equivalent to the difference between the market price of equivalent number of common shares at the time the conversion takes place and the market price on the date the RSUs are granted. The company uses equity derivative contracts to offset its exposure to the change in share prices in respect of vested and unvested DSUs and RSUs. The fair value of the vested DSUs and RSUs as at December 31, 2013 was $508 million (2012 – $436 million).

Employee compensation expense for these plans is charged against income over the vesting period of the DSUs and RSUs. The amount payable by the company in respect of vested DSUs and RSUs changes as a result of dividends and share price movements. All of the amounts attributable to changes in the amounts payable by the company are recorded as employee compensation expense in the period of the change, and for the year ended December 31, 2013, including those of operating subsidiaries, totalled $19 million (2012 – $8 million), net of the impact of hedging arrangements.

The change in the number of DSUs and RSUs during 2013 and 2012 was as follows:

	DSUs	RSUs	
	Number of Units (000's)	Number of Units (000's)	Weighted Average Exercise Price
Outstanding at January 1, 2013	7,447	8,030	C$ 13.56
Granted and reinvested	1,830	—	—
Exercised and cancelled	(206)	(750)	12.76
Outstanding at December 31, 2013	9,071	7,280	C$ 13.64

	DSUs	RSUs	
	Number of Units (000's)	Number of Units (000's)	Weighted Average Exercise Price
Outstanding at January 1, 2012	7,255	8,030	C$ 13.56
Granted and reinvested	430	—	—
Exercised and cancelled	(238)	—	—
Outstanding at December 31, 2012	7,447	8,030	C$ 13.56

The fair value of DSUs is equal to the traded price of the company's common shares.

The fair value of RSUs was determined using the Black-Scholes model of valuation with inputs to the model as follows:

	Unit	Dec. 31, 2013	Dec. 31, 2012
Share price on date of measurement	C$	41.22	36.44
Weighted average exercise price	C$	13.64	13.56
Term to exercise	Years	8.2	9.2
Share price volatility	%	23.35	24.11
Weighted average of expected annual dividend yield	%	2.4	1.4
Risk-free rate	%	3.0	2.2
Weighted average fair value of a unit	C$	24.18	21.47

22. REVENUES AND OTHER GAINS

The following table summarizes revenue and other gains for 2013 and 2012:

YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Revenues	$ 20,093	$ 18,696
Other gains	737	70
	$ 20,830	$ 18,766

Revenues include $12,834 million (2012 – $12,511 million) from the sale of goods, $6,448 million (2012 – $5,764 million) from the rendering of services, of which $558 million (2012 – $nil) was earned in our asset management segment and received in kind, and $811 million (2012 – $421 million) from other activities.

23. DIRECT COSTS

Direct costs include all attributable expenses except interest, depreciation and amortization, taxes and fair value changes and are primarily related to cost of sales and compensation. The following table lists direct costs for 2013 and 2012 by nature:

YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Cost of sales	$ 10,416	$ 10,846
Compensation	1,125	1,018
Selling, general and administrative expenses	975	534
Property taxes, sales taxes and other	1,412	1,563
	$ 13,928	$ 13,961

24. OTHER INCOME

Other income includes a $525 million gain on the settlement of a long-dated interest rate swap contract. In August 2013, the company paid $905 million to terminate the contract, which had accrued to $1,440 million in our Consolidated Financial Statements at the time of settlement. The gain was determined based on the difference between the accrued liability immediately prior to termination and the termination payment amount, adjusted for associated transaction costs and recorded in our corporate activities segment.

25. FAIR VALUE CHANGES

Fair value changes recorded in net income represent gains or losses arising from changes in the fair value of assets and liabilities, including derivative financial instruments, accounted for using the fair value method and are comprised of the following:

YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Investment properties	$ 1,031	$ 1,276
Power contracts	(134)	9
Interest rate and inflation contracts	10	(81)
Private equity and residential development	(127)	(119)
Sustainable resources	19	135
Redeemable units	(20)	(11)
Other	(116)	(56)
	$ 663	$ 1,153

26. DERIVATIVE FINANCIAL INSTRUMENTS

The company's activities expose it to a variety of financial risks, including market risk (i.e., currency risk, interest rate risk, and other price risk), credit risk and liquidity risk. The company and its subsidiaries selectively use derivative financial instruments principally to manage these risks.

The aggregate notional amount of the company's derivative positions at December 31, 2013 and 2012 is as follows:

(MILLIONS)	Note	Dec. 31, 2013	Dec. 31, 2012
Foreign exchange	(a)	$ 11,194	$ 6,159
Interest rates	(b)	16,757	18,671
Credit default swaps	(c)	800	865
Equity derivatives	(d)	1,633	1,112

Commodity instruments	(e)	Dec. 31, 2013	Dec. 31, 2012
Energy (GWh)		102,331	73,902
Natural gas (MMBtu – 000's)		12,764	41,922

a) Foreign Exchange

The company held the following foreign exchange contracts with notional amounts at December 31, 2013 and December 31, 2012:

(MILLIONS)	Notional Amount (U.S. Dollars)		Average Exchange Rate	
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
Foreign exchange contracts				
British pounds	$ 2,782	$ 752	$ 1.60	$ 1.60
Australian dollars	1,932	894	0.94	1.03
Canadian dollars	1,387	1,089	$ 0.95	$ 0.99
European Union euros	922	199	1.37	1.28
Brazilian reais	702	2	2.34	2.08
Japanese yen	1	5	101.0	86.8
New Zealand dollars	—	321	—	0.77
Cross currency interest rate swaps				
Australian dollars	1,333	895	1.01	1.00
Canadian dollars	654	655	0.91	0.89
British pounds	300	—	1.49	—
Japanese yen	98	98	75.47	75.47
Brazilian reais	—	66	—	1.81
Foreign exchange options				
Japanese yen	548	548	105.0	105.0
European Union euros	413	—	1.28	—
British pounds	123	—	1.86	—
Australian dollars	—	416	—	1.05
Brazilian reais	—	219	—	1.50

Included in net income are unrealized net gains on foreign currency derivative contracts amounting to $48 million (2012 – net loss of $2 million) and included in the cumulative translation adjustment account in other comprehensive income are losses in respect of foreign currency contracts entered into for hedging purposes amounting to $71 million (2012 – net losses of $45 million).

b) Interest Rates

At December 31, 2013, the company held interest rate swap contracts having an aggregate notional amount of $600 million (2012 – $1,351 million), and interest rate swaptions with an aggregate notional amount of $1,704 million (2012 – $263 million). The company's subsidiaries held interest rate swap contracts with an aggregate notional amount of $8,654 million (2012 – $11,636 million), interest rate cap contracts with an aggregate notional amount of $5,799 million (2012 – $4,951 million), and bond forwards with an aggregate notional value of $nil (2012 – $471 million).

c) Credit Default Swaps

As at December 31, 2013, the company held credit default swap contracts with an aggregate notional amount of $800 million (2012 – $865 million). Credit default swaps are contracts which are designed to compensate the purchaser for any change in the value of an underlying reference asset, based on measurement in credit spreads, upon the occurrence of pre-determined credit events. The company is entitled to receive payments in the event of a pre-determined credit event for up to $800 million (2012 – $815 million) of the notional amount and could be required to make payments in respect of $nil (2012 – $50 million) of the notional amount.

d) Equity Derivatives

At December 31, 2013, the company and its subsidiaries held equity derivatives with a notional amount of $1,633 million (2012 – $1,112 million) which includes $765 million (2012 – $600 million) notional amount that hedges long-term compensation arrangements. The balance represents common equity positions established in connection with the company's investment activities. The fair value of these instruments was reflected in the company's Consolidated Financial Statements at year end.

e) Commodity Instruments

The company has entered into energy derivative contracts primarily to hedge the sale of generated power. The company endeavours to link forward electricity sale derivatives to specific periods in which it expects to generate electricity for sale. All energy derivative contracts are recorded at an amount equal to fair value and are reflected in the company's Consolidated Financial Statements.

Other Information Regarding Derivative Financial Instruments

The following table classifies derivatives elected for hedge accounting during the years ended December 31, 2013 and 2012 as either: cash flow hedges or net investment hedges. Changes in the fair value of the effective portion of the hedge are recorded in either other comprehensive income or net income, depending on the hedge classification, whereas changes in the fair value of the ineffective portion of the hedge are recorded in net income:

	2013			2012		
YEARS ENDED DECEMBER 31 (MILLIONS)	Notional	Effective Portion	Ineffective Portion	Notional	Effective Portion	Ineffective Portion
Cash flow hedges[1]	$ 10,452	$ 37	$ (141)	$ 14,872	$ (36)	$ (80)
Net investment hedges	6,146	(58)	—	1,787	(45)	—
	$ 16,598	$ (21)	$ (141)	$ 16,659	$ (81)	$ (80)

1 Notional amount does not include 42,199 GWh and 41,731 GWh of commodity derivatives at December 31, 2013 and December 31, 2012, respectively

The following table presents the change in fair values of the company's derivative positions during the years ended December 31, 2013 and 2012, for derivatives that are fair valued through profit or loss, and derivatives that qualify for hedge accounting:

(MILLIONS)	Unrealized Gains During 2013	Unrealized Losses During 2013	Net Change During 2013	Net Change During 2012
Foreign exchange derivatives	$ 200	$ (226)	$ (26)	$ (46)
Interest rate derivatives				
Interest rate swaps	144	(63)	81	(187)
Bond forwards	—	—	—	1
Interest rate caps	—	(1)	(1)	(1)
Interest rate swaptions	25	—	25	(5)
	169	(64)	105	(192)
Credit default swaps	—	(2)	(2)	(16)
Equity derivatives	38	—	38	223
Commodity derivatives	126	(280)	(154)	(18)
	$ 533	$ (572)	$ (39)	$ (49)

The following table presents the notional amounts underlying the company's derivative instruments by term to maturity as at December 31, 2013 and the comparative notional amounts at December 31, 2012, for derivatives that are classified as fair value through profit or loss, and derivatives that qualify for hedge accounting:

	Dec. 31, 2013				Dec. 31, 2012
(MILLIONS)	< 1 year	1 to 5 years	> 5 years	Total Notional Amount	Total Notional Amount
Fair value through profit or loss					
Foreign exchange derivatives	$ 2,275	$ 721	$ —	$ 2,996	$ 2,794
Interest rate derivatives					
Interest rate swaps	387	410	75	872	1,319
Interest rate swaptions	161	1,543	—	1,704	263
Interest rate caps	3,836	1,963	—	5,799	3,811
	4,384	3,916	75	8,375	5,393
Credit default swaps	—	800	—	800	865
Equity derivatives	249	1,366	—	1,615	1,096
Commodity instruments					
Energy (GWh)	23,209	35,613	1,310	60,132	32,171
Natural gas (MMBtu – 000's)	11,702	1,063	—	12,765	41,922
Elected for hedge accounting					
Foreign exchange derivatives	$ 5,871	$ 652	$ 1,675	$ 8,198	$ 3,365
Interest rate derivatives					
Interest rate swaps	2,166	4,844	1,372	8,382	11,667
Bond forwards	—	—	—	—	471
Interest rate caps	—	—	—	—	1,140
	2,166	4,844	1,372	8,382	13,278
Equity derivatives	10	8	—	18	16
Commodity instruments					
Energy (GWh)	4,496	11,718	25,986	42,199	41,731

27. MANAGEMENT OF RISKS ARISING FROM HOLDING FINANCIAL INSTRUMENTS

The company is exposed to the following risks as a result of holding financial instruments: market risk (i.e., interest rate risk, currency risk and other price risk that impact the fair value of financial instruments); credit risk; and liquidity risk. The following is a description of these risks and how they are managed:

a) Market Risk

Market risk is defined for these purposes as the risk that the fair value or future cash flows of a financial instrument held by the company will fluctuate because of changes in market prices. Market risk includes the risk of changes in interest rates, currency exchange rates and changes in market prices due to factors other than interest rates or currency exchange rates, such as changes in equity prices, commodity prices or credit spreads.

The company manages market risk from foreign currency assets and liabilities and the impact of changes in currency exchange rates and interest rates, by funding assets with financial liabilities in the same currency and with similar interest rate characteristics, and holding financial contracts such as interest rate and foreign exchange derivatives to minimize residual exposures.

Financial instruments held by the company that are subject to market risk include other financial assets, borrowings, and derivative instruments such as interest rate, currency, equity and commodity contracts.

Interest Rate Risk

The observable impacts on the fair values and future cash flows of financial instruments that can be directly attributable to interest rate risk include changes in the net income from financial instruments whose cash flows are determined with reference to floating interest rates and changes in the value of financial instruments whose cash flows are fixed in nature.

The company's assets largely consist of long-duration interest-sensitive physical assets. Accordingly, the company's financial liabilities consist primarily of long-term fixed-rate debt or floating-rate debt that has been swapped with interest rate derivatives. These financial

liabilities are, with few exceptions, recorded at their amortized cost. The company also holds interest rate caps to

limit its exposure to increases in interest rates on floating rate debt that has not been swapped, and holds interest rate contracts to lock in fixed rates on anticipated future debt issuances and as an economic hedge against the values of long duration interest sensitive physical assets that have not been otherwise matched with fixed rate debt.

The result of a 50 basis-point increase in interest rates on the company's net floating rate financial assets and liabilities would have resulted in a corresponding decrease in net income before tax of $41 million (2012 – $50 million) on an annualized basis.

Changes in the value of fair value through profit or loss interest rate contracts are recorded in net income and changes in the value of contracts that are elected for hedge accounting together with changes in the value of available-for-sale financial instruments are recorded in other comprehensive income. The impact of a 10 basis-point parallel increase in the yield curve on the aforementioned financial instruments is estimated to result in a corresponding increase in net income of $2 million (2012 – $12 million) and an increase in other comprehensive income of $37 million (2012 – $57 million), before tax for the year ended December 31, 2013.

Currency Exchange Rate Risk

Changes in currency rates will impact the carrying value of financial instruments denominated in currencies other than the U.S. dollar.

The company holds financial instruments with net unmatched exposures in several currencies, changes in the translated value of which are recorded in net income. The impact of a 1% increase in the U.S. dollar against these currencies would have resulted in a $14 million (2012 – $10 million) increase in the value of these positions on a combined basis. The impact on cash flows from financial instruments would be insignificant. The company holds financial instruments to limit its exposure to the impact of foreign currencies on its net investments in foreign operations whose functional and reporting currencies are other than the U.S. dollar. A 1% increase in the U.S. dollar would increase the value of these hedging instruments by $82 million (2012 – $55 million) as at December 31, 2013, which would be recorded in other comprehensive income and offset by changes in the U.S. dollar carrying value of the net investment being hedged.

Other Price Risk

Other price risk is the risk of variability in fair value due to movements in equity prices or other market prices such as commodity prices and credit spreads.

Financial instruments held by the company that are exposed to equity price risk include equity securities and equity derivatives. A 5% decrease in the market price of equity securities and equity derivatives held by the company, excluding equity derivatives that hedge compensation arrangements, would have decreased net income by $126 million (2012 – $90 million) and decreased other comprehensive income by $13 million (2012 – $7 million), prior to taxes. The company's liability in respect of equity compensation arrangements is subject to variability based on changes in the company's underlying common share price. The company holds equity derivatives to hedge almost all of the variability. A 5% change in the common equity price of the company in respect of compensation agreements would increase the compensation liability and compensation expense by $36 million (2012 – $30 million). This increase would be offset by a $37 million (2012 – $30 million) change in value of the associated equity derivatives of which $36 million (2012 – $29 million) would offset the above mentioned increase in compensation expense and the remaining $1 million (2012 – $1 million) would be recorded in other comprehensive income.

The company sells power and generation capacity under long-term agreements and financial contracts to stabilize future revenues. Certain of the contracts are considered financial instruments and are recorded at fair value in the financial statements, with changes in value being recorded in either net income or other comprehensive income as applicable. A 5% increase in energy prices would have decreased net income for the year ended December 31, 2013 by approximately $49 million (2012 – decrease of $70 million) and decreased other comprehensive income by $27 million (2012 – $21 million), prior to taxes. The corresponding increase in the value of the revenue or capacity being contracted, however, is not recorded in net income until subsequent periods.

The company held credit default swap contracts with a total notional amount of $1,000 million (2012 – $865 million) at December 31, 2013. The company is exposed to changes in the credit spread of the contracts' underlying reference asset. A 10 basis-point increase in the credit spread of the underlying reference assets would have increased net income by $2 million (2012 – $3 million) for the year ended December 31, 2013, prior to taxes.

b) Credit Risk

Credit risk is the risk of loss due to the failure of a borrower or counterparty to fulfill its contractual obligations. The company's exposure to credit risk in respect of financial instruments relates primarily to counterparty obligations regarding derivative contracts, loans receivable and credit investments such as bonds and preferred shares.

The company assesses the credit worthiness of each counterparty before entering into contracts and ensures that counterparties meet minimum credit quality requirements. Management evaluates and monitors counterparty credit risk for derivative financial instruments and endeavours to minimize counterparty credit risk through diversification, collateral arrangements, and other credit risk mitigation techniques. The credit risk of derivative financial instruments is generally limited to the positive fair value of the instruments, which, in general, tends to be a relatively small proportion of the notional value. Substantially all of the

company's derivative financial instruments involve either counterparties that are banks or other financial institutions in North America, the United Kingdom and Australia, or arrangements that have embedded credit risk mitigation features. The company does not expect to incur credit losses in respect of any of these counterparties. The maximum exposure in respect of loans receivable and credit investments is equal to the carrying value.

c) Liquidity Risk

Liquidity risk is the risk that the company cannot meet a demand for cash or fund an obligation as it comes due. Liquidity risk also includes the risk of not being able to liquidate assets in a timely manner at a reasonable price.

To ensure the company is able to react to contingencies and investment opportunities quickly, the company maintains sources of liquidity at the corporate and subsidiary level. The primary source of liquidity consists of cash and other financial assets, net of deposits and other associated liabilities, and undrawn committed credit facilities.

The company is subject to the risks associated with debt financing, including the ability to refinance indebtedness at maturity. The company believes these risks are mitigated through the use of long-term debt secured by high-quality assets, maintaining debt levels that are in management's opinion relatively conservative, and by diversifying maturities over an extended period of time. The company also seeks to include in its agreements terms that protect the company from liquidity issues of counterparties that might otherwise impact the company's liquidity.

28. CAPITAL MANAGEMENT

The capital of the company consists of the components of equity in the company's consolidated balance sheet (i.e., common and preferred equity) as well as the company's capital securities, which include corporate preferred shares that are convertible into common shares at the option of either the holder or the company. As at December 31, 2013, the recorded values of these items in the company's consolidated financial statements totalled $21.0 billion (2012 – $21.4 billion).

The company's objectives when managing this capital are to maintain an appropriate balance between holding a sufficient amount of capital to support its operations, which includes maintaining investment-grade ratings at the corporate level, and providing shareholders with a prudent amount of leverage to enhance returns. Corporate leverage, which consists of corporate debt as well as subsidiary obligations that are guaranteed by the company or are otherwise considered corporate in nature, totalled $4.0 billion based on carrying values at December 31, 2013 (2012 – $4.7 billion). The company monitors its capital base and leverage primarily in the context of its deconsolidated debt-to-total capitalization ratios. The ratio as at December 31, 2013 was 15% (2012 – 17%).

The consolidated capitalization of the company includes the capital and financial obligations of consolidated entities, including long-term property-specific financings, subsidiary borrowings, capital securities as well as common and preferred equity held by other investors in these entities. The capital in these entities is managed at the entity level with oversight by management of the company. The capital is managed with the objective of maintaining investment-grade levels in most circumstances and is, except in limited and carefully managed circumstances, without any recourse to the company. Management of the company also takes into consideration capital requirements of consolidated and non-consolidated entities that it has interests in when considering the appropriate level of capital and liquidity on a deconsolidated basis.

The company is subject to limited covenants in respect of its corporate debt and is in full compliance with all such covenants as at December 31, 2013 and 2012. The company and its consolidated entities are also in compliance with all covenants and other capital requirements related to regulatory or contractual obligations of material consequence to the company.

29. POST-EMPLOYMENT BENEFITS

The company offers pension and other post-employment benefit plans to employees of certain of its subsidiaries. The company's obligations under its defined benefit pension plans are determined periodically through the preparation of actuarial valuations. The benefit plans' in year valuation change was $26 million (2012 – $23 million). The discount rate used was 5% (2012 – 5%) with an increase in the rate of compensation of 3% (2012 – 3%) and an investment rate of 5% (2012 – 5%).

(MILLIONS)	Dec. 31, 2013	Dec. 31, 2012
Plan assets	$ 662	$ 1,141
Less accrued benefit obligation:		
Defined benefit pension plan	(796)	(1,324)
Other post-employment benefits	(36)	(51)
Net liability	(170)	(234)
Less: net actuarial losses	3	39
Accrued benefit liability	$ (167)	$ (195)

30. RELATED PARTY TRANSACTIONS

a) Related Parties

Related parties include subsidiaries, associates, joint arrangements, key management personnel, the Board of Directors ("Directors"), immediate family members of key management personnel and Directors, and entities which are, directly or indirectly, controlled by, jointly controlled by or significantly influenced by key management personnel, Directors or their close family members.

b) Key Management Personnel and Directors

Key management personnel are those individuals that have the authority and responsibility for planning, directing and controlling the company's activities, directly or indirectly and consist of the company's Senior Managing Partners. The company's Directors do not plan, direct, or control the activities the company directly; they provide oversight over the business.

The remuneration of Directors and other key management personnel of the company during the years ended December 31, 2013 and 2012 was as follows:

YEARS ENDED DECEMBER 31 (MILLIONS)	2013	2012
Salaries, incentives and short-term benefits	$ 21	$ 21
Share-based payments	41	29
	$ 62	$ 50

The remuneration of Directors and key executives is determined by the Compensation Committee of the Board of Directors having regard to the performance of individuals and market funds.

c) Related Party Transactions

In the normal course of operations, the company executes transactions on market terms with related parties, which have been measured at exchange value and are recognized in the Consolidated Financial Statements, including, but not limited to: base management fees, performance fees and incentive distributions; loans, interest and non-interest bearing deposits; power purchase and sale agreements; capital commitments to private funds; the acquisition and disposition of assets and businesses; derivative contracts; and the construction and development of assets.

The following table lists the related party balances included within the Consolidated Financial Statements as at and for the years ended December 31, 2013 and 2012:

(MILLIONS)	Dec. 31, 2013	Dec 31, 2012
Financial assets	$ 868	$ 406
Investment and other income, net of interest expense	25	111
Management fees received	43	20

In November 2013, we entered into a $500 million subordinated credit facility with wholly owned subsidiaries of BPY. The terms of the facility, including the interest rate charged by the Corporation, are consistent with market practice given BPY's credit worthiness and the subordination of this facility. This transaction was approved by the independent directors of BPY.

In December 2012, BRPI, our 69% owned North American land developer and homebuilder, repaid its C$480 million loan to BPO, using the proceeds from the completion of a senior unsecured debt offering. BRPI paid $35 million of interest to BPO during the year ended December 31, 2012.

In October 2012, we agreed to sell the economic interest in our directly held 10% investment in a South American transmission operation to BIP for proceeds of $235 million, subject to satisfaction of customary conditions. The transaction, which closed in 2012, was measured at fair value, as determined by an external appraiser, which approximated the carrying value of our investment. No gain or loss was recorded on the transaction in our consolidated statement of operations.

31. OTHER INFORMATION

a) Commitments, Guarantees and Contingencies

In the normal course of business, the company and its subsidiaries enter into contractual obligations which include commitments to provide bridge financing, letters of credit and guarantees provided in respect of power sales contracts and reinsurance obligations. At the end of 2013, the company and its subsidiaries had $1,755 million (2012 – $2,222 million) of such commitments outstanding of which $269 million (2012 – $297 million) is included in accounts payable and other liabilities in the Consolidated Balance Sheets.

In addition, the company and its consolidated subsidiaries execute agreements that provide for indemnifications and guarantees to third parties in transactions or dealings such as business dispositions, business acquisitions, sales of assets, provision of services,

securitization agreements, and underwriting and agency agreements. The company has also agreed to indemnify its directors and certain of its officers and employees. The nature of substantially all of the indemnification undertakings prevents the company from making a reasonable estimate of the maximum potential amount the company could be required to pay third parties, as in most cases, the agreements do not specify a maximum amount, and the amounts are dependent upon the outcome of future contingent events, the nature and likelihood of which cannot be determined at this time. Neither the company nor its consolidated subsidiaries have made significant payments in the past nor do they expect at this time to make any significant payments under such indemnification agreements in the future.

The company periodically enters into joint ventures, consortium or other arrangements that have contingent liquidity rights in favour of the company or its counterparties. These include buy sell arrangements, registration rights and other customary arrangements. These agreements generally have embedded protective terms that mitigate the risk to us. The amount, timing and likelihood of any payments by the company under these arrangements is, in most cases, dependent on either further contingent events or circumstances applicable to the counterparty and therefore cannot be determined at this time.

The company and its subsidiaries are contingently liable with respect to litigation and claims that arise in the normal course of business. It is not reasonably possible that any of the ongoing litigation as at December 31, 2013 could result in a material settlement liability.

The company has up to $4 billion of insurance for damage and business interruption costs sustained as a result of an act of terrorism. However, a terrorist act could have a material effect on the company's assets to the extent damages exceed the coverage.

The company, through its subsidiaries within the residential properties operations, is contingently liable for obligations of its associates in its land development joint ventures. In each case, all of the assets of the joint venture are available first for the purpose of satisfying these obligations, with the balance shared among the participants in accordance with pre-determined joint venture arrangements.

b) Insurance

The company conducts insurance operations as part of its corporate activities. As at December 31, 2013, the company held insurance assets of $158 million (2012 – $206 million) in respect of insurance contracts that are accounted for using the deposit method which were offset in each year by an equal amount of reserves and other liabilities. During 2013, net underwriting losses on reinsurance operations were $27 million (2012 – $59 million) representing $nil (2012 – $5 million) of premium and other revenues offset by $27 million (2012 – $64 million) of reserves and other expenses.

c) Supplemental Cash Flow Information

Cash flow from operating activities includes cash taxes paid of $293 million (2012 – $273 million) and cash interest paid of $2,699 million (2012 – $2,235 million). Sustaining capital expenditures in the company's renewable energy operations were $79 million (2012 – $55 million), in its property operations were $215 million (2012 – $97 million) and in its infrastructure operations were $66 million (2012 – $79 million).

During the year, the company has capitalized $197 million (2012 – $238 million) of interest primarily to investment properties and residential inventory under development.

Included in cash and cash equivalents is $3,128 million (2012 – $2,102 million) of cash and $535 million of short-term deposits at December 31, 2013 (2012 – $748 million).

32. SUBSEQUENT EVENT

On February 12, 2014, BPY announced the commencement of its exchange offer to acquire any or all of the common shares of BPO that it does not currently own (the "Offer"). Under the terms of the Offer, each BPO shareholder can elect to receive consideration per BPO common share of either 1.0 limited partnership unit of BPY or $20.34 in cash, subject in each case to pro-ration based on a maximum number of BPY's limited partnership units and maximum cash consideration equating to 67% and 33%, respectively, of the total number of BPO common shares subject to the Offer. On March 20, 2014, BPY announced that BPO shareholders tendered 195.9 million common shares pursuant to the Offer and extended the Offer until March 31, 2014. BPY now owns, directly or indirectly, 84.4% of the issued and outstanding common shares of BPO on a fully-diluted basis.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS AND INFORMATION

This MD&A contains "forward-looking information" within the meaning of Canadian provincial securities laws and "forward-looking statements" within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, Section 21E of the U.S. Securities Exchange Act of 1934, as amended, "safe harbour" provisions of the United States Private Securities Litigation Reform Act of 1995 and in any applicable Canadian securities regulations. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, include statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of the Corporation and its subsidiaries, as well as the outlook for North American and international economies for the current fiscal year and subsequent periods, and include words such as "expects," "anticipates," "plans," "believes," "estimates," "seeks," "intends," "targets," "projects," "forecasts" or negative versions thereof and other similar expressions, or future or conditional verbs such as "may," "will," "should," "would" and "could."

Although we believe that our anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information because they involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, which may cause the actual results, performance or achievements of the Corporation to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements and information.

Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to: the impact or unanticipated impact of general economic, political and market factors in the countries in which we do business; the behaviour of financial markets, including fluctuations in interest and foreign exchange rates; global equity and capital markets and the availability of equity and debt financing and refinancing within these markets; strategic actions including dispositions; the ability to complete and effectively integrate acquisitions into existing operations and the ability to attain expected benefits; changes in accounting policies and methods used to report financial condition (including uncertainties associated with critical accounting assumptions and estimates); the effect of applying future accounting changes; business competition; operational and reputational risks; technological change; changes in government regulation and legislation within the countries in which we operate; changes in tax laws, catastrophic events, such as earthquakes and hurricanes; the possible impact of international conflicts and other developments including terrorist acts; and other risks and factors detailed from time to time in our documents filed with the securities regulators in Canada and the United States.

We caution that the foregoing list of important factors that may affect future results is not exhaustive. When relying on our forward-looking statements, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Except as required by law, the Corporation undertakes no obligation to publicly update or revise any forward-looking statements or information, whether written or oral, that may be as a result of new information, future events or otherwise.

EX-99.3 4 d692712dex993.htm EX-99.3

Exhibit 99.3

CERTIFICATION

I, J. Bruce Flatt, certify that:

1. I have reviewed this annual report on Form 40-F of Brookfield Asset Management Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Dated: March 31, 2014

/s/ J. Bruce Flatt
J. Bruce Flatt
Chief Executive Officer
(Principal Executive Officer)

EX-99.4 5 d692712dex994.htm EX-99.4

Exhibit 99.4

CERTIFICATION

I, Brian D. Lawson, certify that:

1. I have reviewed this annual report on Form 40-F of Brookfield Asset Management Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Dated: March 31, 2014

/s/ Brian D. Lawson

Brian D. Lawson
Chief Financial Officer
(Principal Financial Officer)

EX-99.5 6 d692712dex995.htm EX-99.5

Exhibit 99.5

**CERTIFICATION PURSUANT TO RULE 13A-14(B)
OR RULE 15D-14 (B) OF THE SECURITIES EXCHANGE
ACT OF 1934 AND SECTION 1350 OF CHAPTER 63 OF TITLE 18
OF THE UNITED STATES CODE**

In connection with the Annual Report of Brookfield Asset Management Inc. (the "Company") on Form 40-F for the year ended December 31, 2013, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, J. Bruce Flatt, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: */s/ J. Bruce Flatt*
J. Bruce Flatt
Chief Executive Officer

March 31, 2014

EX-99.6 7 d692712dex996.htm EX-99.6

Exhibit 99.6

**CERTIFICATION PURSUANT TO RULE 13A-14(B)
OR RULE 15D-14 (B) OF THE SECURITIES EXCHANGE
ACT OF 1934 AND SECTION 1350 OF CHAPTER 63 OF TITLE 18
OF THE UNITED STATES CODE**

In connection with the Annual Report of Brookfield Asset Management Inc. (the "Company") on Form 40-F for the year ended December 31, 2013, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Brian D. Lawson, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: */s/ Brian D. Lawson*
Brian D. Lawson
Chief Financial Officer

March 31, 2014

EX-99.7 8 d692712dex997.htm EX-99.7

Exhibit 99.7

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in Registration Statement No(s). 333-184108, 333-178260 and 333-129631 on Form S-8, 333-192615 and 333-189296 on Form F-10 and 333-182656 on Form F-3 and to the use of our reports dated March 28, 2014 relating to the consolidated financial statements of Brookfield Asset Management Inc. and subsidiaries (the "Company") and the effectiveness of the Company's internal control over financial reporting appearing in this Annual Report on Form 40-F of the Company for the year ended December 31, 2013.

/s/ Deloitte LLP
Chartered Professional Accountants, Chartered Accountants
Licensed Public Accountants
Toronto, Canada
March 31, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the date of May 14, 2014

Commission File Number: 001-33632

BROOKFIELD INFRASTRUCTURE PARTNERS L.P.
(Exact name of registrant as specified in its charter)

73 Front Street
Fifth Floor Bermuda
Hamilton, HM 12,
Bermuda
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ☐ No ☒

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82.

The information contained in Exhibit 99.1 of this Form 6-K is incorporated by reference into the registrant's following registration statements on Form F-3: File No. 333-188410 and 333-167860.

The following document, which is attached as an exhibit hereto, is incorporated by reference herein:

Exhibit	Title
99.1	Brookfield Infrastructure Partners L.P.'s interim report for the quarter ended March 31, 2014
99.2	Certification of Samuel Pollock, Chief Executive Officer, Brookfield Infrastructure Group L.P., pursuant to Canadian law
99.3	Certification of Bahir Manios, Chief Financial Officer, Brookfield Infrastructure Group L.P., pursuant to Canadian law

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BROOKFIELD INFRASTRUCTURE PARTNERS L.P.
by its general partner, BROOKFIELD
INFRASTRUCTURE PARTNERS LIMITED

Date: May 14, 2014

By: */s/ Don Mackenzie*
Name: Don Mackenzie
Title: Director

Exhibit 99.1

BROOKFIELD INFRASTRUCTURE PARTNERS L.P.

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED FINANCIAL STATEMENTS

AS OF MARCH 31, 2014 AND DECEMBER 31, 2013 AND FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2014 AND 2013

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Brookfield Infrastructure Partners L.P. (the "partnership" and together with its subsidiary and operating entities "Brookfield Infrastructure") owns and operates high quality, long-life assets that generate stable cash flows, require relatively minimal maintenance capital expenditures and, by virtue of barriers to entry or other characteristics, tend to appreciate in value over time. Our current operations consist of utility, transport, and energy businesses in North and South America, Australasia and Europe.

Brookfield Asset Management Inc. ("Brookfield") has an approximate 30% interest in Brookfield Infrastructure. Brookfield Infrastructure has appointed Brookfield as its Manager to provide certain management, administrative and advisory services, for a fee, under the Master Services Agreement.

BROOKFIELD INFRASTRUCTURE PARTNERS L.P.

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

US$ MILLIONS, UNAUDITED	Notes	As of March 31, 2014	As of December 31, 2013
Assets			
Cash and cash equivalents	4	$ 363	$ 538
Financial assets	4	406	362
Accounts receivable and other	4	347	346
Inventory		25	22
Current assets		1,141	1,268
Property, plant and equipment	5	7,866	7,763
Intangible assets	6	4,034	4,006
Investments in associates	7	2,167	2,039
Investment properties		166	164
Goodwill		53	48
Financial assets (non-current)	4	130	178
Other assets (non-current)		89	92
Deferred income tax assets		109	124
Total assets		$ 15,755	$ 15,682
Liabilities and Partnership capital			
Liabilities			
Accounts payable and other	4	$ 516	$ 491
Non-recourse borrowings	4,8	128	71
Financial liabilities	4	86	36
Current liabilities		730	598
Corporate borrowings	4	363	377
Non-recourse borrowings (non-current)	4,8	5,706	5,719
Financial liabilities (non-current)	4	586	511
Other liabilities (non-current)		564	557
Deferred income tax liabilities		1,300	1,295
Preferred shares	4	20	20
Total liabilities		9,269	9,077
Partnership capital			
Limited partners		3,693	3,751
Non-controlling interest – Redeemable Partnership Units held by Brookfield		1,385	1,408
Non-controlling interest – in operating subsidiaries		1,381	1,419
General partner		27	27
Total partnership capital		6,486	6,605
Total liabilities and partnership capital		$ 15,755	$ 15,682

The accompanying notes are an integral part of these financial statements.

BROOKFIELD INFRASTRUCTURE PARTNERS L.P.

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED STATEMENTS OF OPERATING RESULTS

US$ MILLIONS, UNAUDITED	Notes	For the three month period ended March 31 2014	2013
Revenues		$ 480	$ 463
Direct operating costs		(212)	(222)
General and administrative expenses		(27)	(28)
Depreciation and amortization expense	5,6	(91)	(86)
		150	127
Interest expense		(87)	(87)
Share of earnings from investments in associates	7	12	17
Mark-to-market on hedging items	4	(16)	(62)
Other expenses		(3)	(37)
Income (loss) before income tax		56	(42)
Income tax (expense) recovery			
Current		(6)	(6)
Deferred		(6)	26
Net income (loss) from continuing operations		44	(22)
Income from discontinued operations, net of income tax	3	—	21
Net income (loss)		$ 44	$ (1)
Attributable to:			
Limited partners		$ 15	$ (25)
Non-controlling interest attributable to:			
Redeemable Partnership Units held by Brookfield		6	(10)
Interest of others in operating subsidiaries		12	27
General partner		11	7
Basic and diluted earnings (loss) per limited partner unit		$ 0.10	$ (0.17)

The accompanying notes are an integral part of these financial statements.

BROOKFIELD INFRASTRUCTURE PARTNERS L.P.

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

US$ MILLIONS, UNAUDITED	Notes	For the three month period ended March 31 2014	2013
Net income (loss)		$ 44	$ (1)
Other comprehensive income (loss):			
Items that will not be reclassified subsequently to profit or loss:			
Unrealized actuarial losses		—	(8)
Taxes on the above items		—	2
Equity accounted investments	7	—	(4)
		—	(10)
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation		—	(66)
Cash flow hedges	4	4	27
Net investment hedges	4	(37)	13
Available-for-sale securities		11	—
Taxes on the above items		(3)	(5)
Equity accounted investments	7	(1)	(2)
		(26)	(33)
Total other comprehensive loss		(26)	(43)
Comprehensive income (loss)		$ 18	$ (44)
Attributable to:			
Limited partners	3	$ 13	$ (43)
Non-controlling interest attributable to:			
Redeemable Partnership Units held by Brookfield	3	5	(16)
Interest of others in operating subsidiaries	3	(11)	8
General partner	3	11	7

The accompanying notes are an integral part of these financial statements.

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED STATEMENTS OF PARTNERSHIP CAPITAL

	Limited Partners					General Partner				Non-Controlling Interest—Redeemable Partnership Units held by Brookfield						
	Limited partners' capital	Deficit	Ownership changes	Accumulated other comprehensive income[1]	Limited partners	General Partner Capital	Retained earnings	Accumulated other comprehensive income[1]	General partner	Redeemable Partnership Units held by Brookfield	Deficit	Ownership changes	Accumulated other comprehensive income[1]	Non-Controlling Interest—Redeemable Partnership Units held by Brookfield	Non-controlling interest of others in operating subsidiaries	Total partnership capital
	$ 3,199	$ (213)	$ 77	$ 688	$3,751	$ 19	$ 2	$ 6	$ 27	$ 1,178	$ (95)	$ 30	$ 295	$ 1,408	$ 1,419	$ 6,605
	—	15	—	—	15	—	11	—	11	—	6	—	—	6	12	44
	—	—	—	(2)	(2)	—	—	—	—	—	—	—	(1)	(1)	(23)	(26)
	—	15	—	(2)	13	—	11	—	11	—	6	—	(1)	5	(11)	18
	2	—	—	—	2	—	—	—	—	—	—	—	—	—	—	2
	—	(73)	—	—	(73)	—	(11)	—	(11)	—	(28)	—	—	(28)	—	(112)
n-controlling interest	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(27)	(27)
	$ 3,201	$ (271)	$ 77	$ 686	$3,693	$ 19	$ 2	$ 6	$ 27	$ 1,178	$ (117)	$ 30	$ 294	$ 1,385	$ 1,381	$ 6,486

13 for an analysis of accumulated other comprehensive income by item.

	Limited Partners					General Partner				Non-Controlling Interest—Redeemable Partnership Units held by Brookfield						
	Limited partners' capital	Retained earnings (deficit)	Ownership changes	Accumulated other comprehensive income[1]	Limited partners	General Partner Capital	Retained earnings	Accumulated other comprehensive income[1]	General partner	Redeemable Partnership Units held by Brookfield	Retained Earnings (deficit)	Ownership changes	Accumulated other comprehensive income[1]	Non-Controlling Interest—Redeemable Partnership Units held by Brookfield	Non-controlling interest of others in operating subsidiaries	Total partnership capital
	$ 2,955	$ 48	$ —	$ 629	$3,632	$ 19	$ 3	$ 5	$ 27	$ 1,084	$ 9	$ —	$ 272	$ 1,365	$ 2,784	$ 7,808
	—	(25)	—	—	(25)	—	7	—	7	—	(10)	—	—	(10)	27	(1)
	—	—	—	(18)	(18)	—	—	—	—	—	—	—	(6)	(6)	(19)	(43)
e	—	(25)	—	(18)	(43)	—	7	—	7	—	(10)	—	(6)	(16)	8	(44)
	2	—	—	—	2	—	—	—	—	—	—	—	—	—	—	2
	—	(62)	—	—	(62)	—	(8)	—	(8)	—	(24)	—	—	(24)	—	(94)
	—	—	—	—	—	—	—	—	—	—	—	—	—	—	129	129
n-controlling interest	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(21)	(21)
	—	—	76	—	76	—	—	—	—	—	—	30	—	30	—	106
	$ 2,957	$ (39)	$ 76	$ 611	$3,605	$ 19	$ 2	$ 5	$ 26	$ 1,084	$ (25)	$ 30	$ 266	$ 1,355	$ 2,900	$ 7,886

13 for an analysis of accumulated other comprehensive income by item.

es are an integral part of these financial statements.

BROOKFIELD INFRASTRUCTURE PARTNERS L.P.
UNAUDITED INTERIM CONDENSED AND CONSOLIDATED STATEMENTS OF CASH FLOWS

US$ MILLIONS, UNAUDITED	Notes	For the three month period ended March 31 2014	2013
Operating Activities			
Net income (loss)		$ 44	$ (1)
Adjusted for the following items:			
Earnings from investments in associates, net of distributions received	7	(11)	(11)
Fair value adjustments		—	16
Depreciation and amortization expense	5,6	91	86
Mark-to-market on hedging items		16	62
Provisions and other items		12	44
Deferred tax expense (recovery)		6	(24)
Changes in non-cash working capital, net		(18)	(25)
Cash from operating activities		140	147
Investing Activities			
Acquisition of subsidiaries, net of cash acquired		—	(13)
Additions of investments in associates	7	(39)	(4)
Purchase of long lived assets	5,6	(109)	(103)
Purchase of financial assets		(50)	—
Net settlement of foreign exchange hedging items		(8)	7
Cash used by investing activities		(206)	(113)
Financing Activities			
Distributions to general partner	12	(11)	(8)
Distributions to other unitholders	12	(101)	(86)
Subsidiary distributions to non-controlling interest		(27)	(21)
Proceeds from corporate credit facility		—	317
Repayment of corporate credit facility		—	(539)
Proceeds on subsidiary borrowings	8	42	1,269
Repayments on subsidiary borrowings	8	(22)	(946)
Partnership units issued (inclusive of dividend reinvestment plan)	11	2	2
Cash from financing activities		(117)	(12)
Cash and cash equivalents			
Change during the period		(183)	22
Impact of foreign exchange on cash		8	1
Balance, beginning of year		538	263
Balance, end of period		$ 363	$ 286

The accompanying notes are an integral part of the financial statements.

1. ORGANIZATION AND DESCRIPTION OF THE BUSINESS

Brookfield Infrastructure Partners L.P. (the "partnership") owns and operates utility, transport and energy businesses in North and South America, Australasia and Europe. The partnership was formed as a limited partnership established under the laws of Bermuda, pursuant to a limited partnership agreement dated May 17, 2007, as amended and restated. The managing general partner of the partnership is a subsidiary of Brookfield. The partnership's limited partnership units are listed on the New York Stock Exchange and the Toronto Stock Exchange under the symbols "BIP" and "BIP.UN", respectively. The registered office is 73 Front Street, Hamilton, HM12, Bermuda.

2. SUMMARY OF ACCOUNTING POLICIES

a) Statement of Compliance

These interim condensed and consolidated financial statements of the partnership and its subsidiaries (together "Brookfield Infrastructure") have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB") and using the accounting policies Brookfield Infrastructure applied in its consolidated financial statements as of and for the year ended December 31, 2013, except for the adoption of Standards and amendments effective January 1, 2014 in Note 2 b). The accounting policies the partnership applied in its annual consolidated financial statements as of and for the year ended December 31, 2013 are disclosed in Note 3 of such financial statements, with which reference should be made in reading these interim condensed and consolidated financial statements.

These interim condensed and consolidated financial statements were authorized for issuance by the Board of Directors of the partnership on May 14, 2014.

b) Recently Adopted Accounting Standards and Amendments

Brookfield Infrastructure applied, for the first time, certain Standards and amendments to Standards applicable to Brookfield Infrastructure that became effective January 1, 2014. The impact of adopting these Standards on the partnership's accounting policies and disclosures are as follows:

IFRIC 21, *Levies* ("IFRIC 21") provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37, Provisions, Contingent Liabilities and Contingent Assets, and those where the timing and amount of the levy is certain. IFRIC 21 identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation. A liability is recognized progressively if the obligating event occurs over a period of time or, if an obligation is triggered on reaching a minimum threshold, the liability is recognized when that minimum threshold is reached. IFRIC 21 was applied retrospectively and the application of this new standard had no impact on Brookfield Infrastructure's accounting for levies for the current and prior periods presented.

IAS 32, *Financial Instruments: Presentation* ("IAS 32") was amended to clarify certain aspects as a result of the application of offsetting requirements, namely focusing on the following four main areas: the interpretation of "currently has a legally enforceable right of set-off", the application of simultaneous realization and settlement, the offsetting of collateral amounts, and the unit of account for applying the offsetting requirements. The amendments to IAS 32 were applied retrospectively and the application of these amendments had no impact on Brookfield Infrastructures accounting for or presentation of financial instruments for the current and prior periods presented.

c) Standard issued not yet adopted

IFRS 9 Financial Instruments – ("IFRS 9")

IFRS 9, Financial Instruments ("IFRS 9") was issued by the IASB on November 12, 2009 and will replace IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is tentatively effective for annual periods beginning on or after January 1, 2018. Brookfield Infrastructure is currently evaluating the impact of IFRS 9 on its consolidated financial statements.

3. DISCONTINUED OPERATIONS

The revenues and expenses related to the U.S. and Canadian freehold timberlands, Brookfield Infrastructure's timber segment, have been presented on the interim condensed and consolidated statements of operating results as discontinued operations as a result of the following transactions:

i) Brookfield Infrastructure sold its 30% interest in its U.S. freehold timberlands to a third party for proceeds of $467 million. This transaction closed in the third quarter of 2013;

ii) During the second quarter of 2013, Brookfield Infrastructure disposed of its 25% interest in its Canadian freehold timberlands to a third party for proceeds of $173 million.

The timber segment was reported as part of continuing operations until the second quarter of 2013 and has since been classified as discontinued operations for both the current and comparative periods presented.

Operating results of discontinued operations for the three month periods ended March 31, 2014 and 2013 are as follows:

	For the three month period ended March 31	
US$ MILLIONS	**2014**	2013
Revenues	$ —	$ 149
Direct operating costs	—	(86)
	—	63
Interest expense	—	(21)
Fair value adjustments	—	(16)
Other expenses	—	(3)
Income before income tax	—	23
Attributable current and deferred taxes	—	(2)
Income from discontinued operations, net of income tax	$ —	$ 21

Income (loss) attributable to unitholders for the three month periods ended March 31, 2014 and 2013 are as follows:

US$ MILLIONS	For the three month period ended March 31 2014	2013
Income (loss) from continuing operations attributable to:		
Limited partners	**$ 15**	$ (29)
Non-controlling interest – Redeemable Partnership Units held by Brookfield	**6**	(12)
Non-controlling interest – in operating subsidiaries	**12**	12
General partner	**11**	7
Income from discontinued operations attributable to:		
Limited partners	**$ —**	$ 4
Non-controlling interest – Redeemable Partnership Units held by Brookfield	**—**	2
Non-controlling interest – in operating subsidiaries	**—**	15
General partner	**—**	—
Basic and diluted earnings (loss) per unit attributable to:		
Limited partners from continuing operations	**$ 0.10**	$ (0.20)
Limited partners from discontinued operations	**—**	0.03
Basic and diluted earnings (loss) per unit attributable to Limited partners	**$ 0 .10**	$ (0.17)

Comprehensive income (loss) attributable to unitholders for the three month periods ended March 31, 2014 and 2013 is as follows:

Comprehensive income (loss) from continuing operations attributable to:		
Limited partners	**$ 13**	$ (46)
Non-controlling interest – Redeemable Partnership Units held by Brookfield	**5**	(18)
Non-controlling interest – in operating subsidiaries	**(11)**	(5)
General partner	**11**	7
Comprehensive income from discontinued operations attributable to:		
Limited partners	**$ —**	$ 3
Non-controlling interest – Redeemable Partnership Units held by Brookfield	**—**	2
Non-controlling interest – in operating subsidiaries	**—**	13
General partner	**—**	—

Other comprehensive loss relating to the disposal group for the three month periods ended March 31, 2014 and 2013 is as follows:

US$ MILLIONS	For the three month period ended March 31 2014	2013
Cash flow hedges	**$ —**	$ (3)
Taxes on the above items	**—**	—
Total	**$ —**	$ (3)

The net cash flows attributable to the operating, investing and financing activities of discontinued operations for the three month periods ended March 31, 2014 and 2013 are as follows:

	For the three month period ended March 31	
	2014	2013
Operating cash flows	$ —	$ 30
Investing cash flows	—	(1)
Financing cash flows	—	(11)
Net cash flows	$ —	$ 18

4. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values are determined by reference to quoted bid or ask prices, when available. Where bid and ask prices are unavailable, the closing price of the most recent transaction of that instrument is used. In the absence of an active market, fair values are determined based on prevailing market rates (bid and ask prices, as appropriate) for instruments with similar characteristics and risk profiles or internal or external valuation models, such as option pricing models and discounted cash flow analysis, using observable market inputs.

Fair values determined using valuation models require the use of assumptions concerning the amount and timing of estimated future cash flows and discount rates. In determining those assumptions, Brookfield Infrastructure looks primarily to external readily observable market inputs such as interest rate yield curves, currency rates, and price and rate volatilities as applicable. The fair value of interest rate swap hedging items which form part of financing arrangements is calculated by way of discounted cash flows using market interest rates and applicable credit spreads.

Classification of Financial Instruments

Financial instruments classified as fair value through profit or loss are carried at fair value on the Consolidated Statements of Financial Position. Changes in the fair values of financial instruments classified as fair value through profit or loss are recognized in profit and loss. Mark-to-market adjustments on hedging items for those in an effective hedging relationship and changes in the fair value of available-for-sale securities are recognized in other comprehensive income. Breakage costs relating to the refinancing of the Australian railroad operation of $37 million for the three months ended March 31, 2013 has been reclassified from mark-to-market on hedging items to other expenses on the Consolidated Statement of Operating Results to conform with current period presentation.

Carrying Value and Fair Value of Financial Instruments

The following table provides the allocation of financial instruments and their associated financial instrument classifications as at March 31, 2014:

US$ MILLIONS Financial Instrument Classification MEASUREMENT BASIS	FVTPL (Fair Value)	Available-for-sale securities (Fair Value through OCI)	Loans and receivables/ Other liabilities (Amortized Cost)	Total
Financial assets				
Cash and cash equivalents	$ —	$ —	$ 363	$ 363
Accounts receivable and other	—	—	347	347
Financial assets (current and non-current)[1]	171	—	66	237
Marketable securities	—	296	—	296
Restricted cash	—	—	3	3
Total	$ 171	$ 296	$ 779	$ 1,246
Financial liabilities				
Corporate borrowings	$ —	$ —	$ 363	$ 363
Non-recourse borrowings (current and non-current)	—	—	5,834	5,834
Accounts payable and other	—	—	516	516
Preferred shares	—	—	20	20
Financial liabilities (current and non-current)[1]	596	—	76	672
Total	$ 596	$ —	$ 6,809	$ 7,405

(1) Derivative instruments which are elected for hedge accounting totaling $151 million are included in financial assets and $225 million of derivative instruments are included in financial liabilities.

The following table provides the allocation of financial instruments and their associated financial instrument classifications as at December 31, 2013:

US$ MILLIONS Financial Instrument Classification MEASUREMENT BASIS	FVTPL (Fair Value)	Available-for-sale securities (Fair Value through OCI)	Loans and receivables/ Other liabilities (Amortized Cost)	Total
Financial assets				
Cash and cash equivalents	$ —	$ —	$ 538	$ 538
Accounts receivable and other	—	—	346	346
Financial assets (current and non-current)[1]	241	—	66	307
Marketable securities	—	230	—	230
Restricted cash	—	—	3	3
Total	$ 241	$ 230	$ 953	$ 1,424
Financial liabilities				
Corporate borrowings	$ —	$ —	$ 377	$ 377
Non-recourse borrowings (current and non-current)	—	—	5,790	5,790
Accounts payable and other	—	—	491	491
Preferred shares	—	—	20	20
Financial liabilities (current and non-current)[1]	547	—	—	547
Total	$ 547	$ —	$ 6,678	$ 7,225

(1) Derivative instruments which are elected for hedge accounting totaling $196 million are included in financial assets and $195 million of derivative instruments are included in financial liabilities.

The following table provides the carrying values and fair values of financial instruments as at March 31, 2014 and December 31, 2013:

US$ MILLIONS	March 31, 2014 Carrying Value	March 31, 2014 Fair Value	December 31, 2013 Carrying Value	December 31, 2013 Fair Value
Financial assets				
Cash and cash equivalents	$ 363	$ 363	$ 538	$ 538
Accounts receivable and other financial assets	347	347	346	346
Financial assets (current and non-current)	237	237	307	307
Marketable securities	296	296	230	230
Restricted cash	3	3	3	3
Total	$ 1,246	$1,246	$ 1,424	$1,424
Financial liabilities				
Corporate borrowings[1]	$ 363	$ 372	$ 377	$ 381
Non-recourse borrowings[2]	5,834	6,052	5,790	5,973
Accounts payable and other financial liabilities	516	516	491	491
Preferred shares	20	20	20	20
Financial liabilities (current and non-current)	672	672	547	547
Total	$ 7,405	$7,632	$ 7,225	$7,249

(1) Corporate borrowings is classified under level 1 of the fair value hierarchy; quoted prices in an active market are available.

(2) Non-recourse borrowings are classified under level 2 of the fair value hierarchy with the exception of borrowings at the UK port operation and Chilean toll road which are classified under level 1. For level 2 fair values, future cash flows are estimated based on observable forward interest rates at the end of the reporting period.

Hedging Activities

Brookfield Infrastructure uses derivatives and non-derivative financial instruments to manage or maintain exposures to interest and currency risks. For certain derivatives which are used to manage exposures, Brookfield Infrastructure determines whether hedge accounting can be applied. When hedge accounting can be applied, a hedge relationship can be designated as a fair value hedge, cash flow hedge or a hedge of foreign currency exposure of a net investment in a foreign operation with a functional currency other than the U.S. dollar. To qualify for hedge accounting the derivative must be highly effective in accomplishing the objective of offsetting changes in the fair value or cash flows attributable to the hedged risk both at inception and over the life of the hedge. If it is determined that the derivative is not highly effective as a hedge, hedge accounting is discontinued prospectively.

Cash Flow Hedges

Brookfield Infrastructure uses interest rate swaps to hedge the variability in cash flows related to a variable rate asset or liability. The settlement dates typically coincide with the dates on which the interest is payable on the underlying debt, and the amount accumulated in equity is reclassified to income or loss over the period that the floating rate interest payments on debt affect income or loss. For the three months ended March 31, 2014, pre-tax net unrealized gains of $4 million (2013: gains of $27 million) were recorded in other comprehensive income (loss) for the effective portion of the cash flow hedges. As at March 31, 2014, there was a derivative liability balance of $27 million relating to hedging items designated as cash flow hedges (December 31, 2013: derivative liability balance of $31 million).

Net Investment Hedges

Brookfield Infrastructure uses foreign exchange hedging items and foreign currency denominated debt instruments to manage its foreign currency exposures arising from net investments in foreign operations having a functional currency other than the U.S. dollar. For the three months ended March 31, 2014 unrealized pre-tax net losses of $29 million, (2013: gains of $6 million) were recorded in other comprehensive income (loss) for the effective portion of hedges of net investments in foreign operations. Further, Brookfield Infrastructure recognized a $8 million loss (2013: gain of $7 million) in other comprehensive income (loss) related to the net settlement of foreign exchange hedging items in the three month period ended March 31, 2014. As at March 31, 2014, there was a derivative liability balance of $29 million relating to hedging items designated as net investment hedges (December 31, 2013: derivative asset balance of $8 million).

Fair Value Hierarchical Levels

Fair value hierarchical levels are directly determined by the amount of subjectivity associated with the valuation inputs of these assets and liabilities, and are as follows:

- Level 1 – Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 – Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and for the duration of the instrument's anticipated life. Fair valued assets and liabilities that are included in this category are primarily certain hedging items, other financial assets carried at fair value in an inactive market and redeemable fund units.
- Level 3 – Inputs reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs to determining the estimate. Fair valued assets and liabilities that are included in this category are power purchase hedging items, interest rate swap hedging items, derivative hedging items, certain equity securities carried at fair value which are not traded in an active market.

Fair value of the partnership's financial assets and financial liabilities are measured at fair value on a recurring basis. The following table summarizes the valuation techniques and significant inputs for Brookfield Infrastructure's financial assets and financial liabilities:

US$ MILLIONS	Fair value hierarchy	March 31, 2014	Dec. 31, 2013
Marketable securities	Level 1[1]	**$ 296**	$ 230
Foreign currency forward contracts	Level 2[2]		
Financial asset		**30**	64
Financial liability		**51**	36
Interest rate swaps & other	Level 2[2]		
Financial asset		**$ 141**	$ 177
Financial liability		**545**	511

(1) Valuation technique: Quoted bid prices in an active market.

(2) Valuation technique: Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the issuer's or counterparty's credit risk.

Assets and liabilities measured at fair value on a recurring basis include $467 million (2013: $471 million) of financial assets and $596 million (2013: $547 million) of financial liabilities which are measured at fair value using valuation inputs based on management's best estimates. During the three months ended March 31, 2014 and 2013, no transfers were made between level 1 and 2 or level 2 and 3. The following table categorizes financial assets and liabilities, which are carried at fair value, based upon the level of input.

	March 31, 2014			December 31, 2013		
US$ MILLIONS	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Marketable securities	**$ 296**	**$ —**	**$ —**	$ 230	$ —	$ —
Financial assets (current and non-current) [1]	**—**	**171**	**—**	—	241	—
Financial liabilities						
Financial liabilities (current and non-current) [1]	**$ —**	**$ 596**	**$ —**	$ —	$ 547	$ —

(1) Level 1 financial assets relate to marketable securities. Level 2 financial assets and liabilities primarily relate to derivative instruments.

5. PROPERTY, PLANT AND EQUIPMENT

US$ MILLIONS	Utility Assets	Transport Assets	Energy Assets	Timberland Assets	Total Assets
Gross carrying amount:					
Balance at January 1, 2013	$ 3,320	$ 3,000	$ 1,082	$ 651	$ 8,053
Additions (disposals)	172	170	38	—	380
Acquisitions (dispositions) through business combinations	—	—	145	(651)	(506)
Fair value adjustments	167	225	39	—	431
Net foreign currency exchange differences	(13)	(410)	(71)	—	(494)
Balance at December 31, 2013	$ 3,646	$ 2,985	$ 1,233	$ —	$ 7,864
Additions	**54**	**32**	**17**	**—**	**103**
Net foreign currency exchange differences	**(9)**	**110**	**(17)**	**—**	**84**
Balance at March 31, 2014	**$ 3,691**	**$ 3,127**	**$ 1,233**	**$ —**	**$ 8,051**
Accumulated depreciation:					
Balance at January 1, 2013	$ (10)	$ (43)	$ (25)	$ (5)	$ (83)
Depreciation expense	(121)	(111)	(43)	—	(275)
Fair value adjustment	102	93	32	—	227
Disposals	—	—	—	5	5
Net foreign currency exchange differences	5	17	3	—	25
Balance at December 31, 2013	$ (24)	$ (44)	$ (33)	$ —	$ (101)
Depreciation expense	**(36)**	**(31)**	**(12)**	**—**	**(79)**
Net foreign exchange differences	**4**	**(8)**	**(1)**	**—**	**(5)**
Balance at March 31, 2014	**$ (56)**	**$ (83)**	**$ (46)**	**$ —**	**$ (185)**
Net book value:					
March 31, 2014	**$ 3,635**	**$ 3,044**	**$ 1,187**	**$ —**	**$ 7,866**
December 31, 2013	$ 3,622	$ 2,941	$ 1,200	$ —	$ 7,763

6. INTANGIBLE ASSETS

US$ MILLIONS	For the three months ended March 31, 2014	For the 12 months ended December 31, 2013
Cost	$ 4,159	$ 4,117
Accumulated amortization	(125)	(111)
Total	$ 4,034	$ 4,006

Intangible assets are allocated to the following cash generating units:

US$ MILLIONS	As of March 31, 2014	As of December 31, 2013
Regulated terminal	$ 2,316	$ 2,231
Chilean toll roads	1,219	1,278
UK port operation	357	355
Other [1]	142	142
Total	$ 4,034	$ 4,006

(1) Other intangibles are comprised of customer order backlogs and easements and permits to use and operate on government land.

The following table presents the change in the balance of intangible assets:

US$ MILLIONS	For the three months ended March 31, 2014
Cost at beginning of the period	$ 4,117
Additions	6
Foreign currency translation	36
Balance at March 31, 2014	$ 4,159

The following table presents the accumulated amortization for Brookfield Infrastructure's intangible assets:

US$ MILLIONS	For the three months ended March 31, 2014
Accumulated amortization at beginning of period	$ (111)
Amortization	(12)
Foreign currency translation	(2)
Balance at March 31, 2014	$ (125)

7. INVESTMENTS IN ASSOCIATES

The following table represents the reconciliation of movement in the partnership's investments in associates:

US$ MILLIONS	For the three month period ended March 31, 2014	For the 12 month period ended December 31, 2013
Balance at beginning of period	**$ 2,039**	$ 2,179
Share of earnings for the period	**12**	(217)
Foreign currency translation	**(8)**	(81)
Share of other reserves for the period-OCI	**(1)**	160
Investments, net of disposals[1]	**126**	88
Distributions	**(1)**	(90)
Ending balance	**$ 2,167**	$ 2,039

(1) On March 26, 2014, Brookfield Infrastructure, through an arrangement formed between Brookfield and Mitsui O.S.K. Lines Ltd., acquired a 20% interest in a North American container terminal operation. Brookfield Infrastructure has significant influence through Brookfield's position in the arrangement. Accordingly, Brookfield Infrastructure equity accounts for the entity. The purchase price is payable in a series of three equal payments, one on the date of acquisition as well as one and two years subsequent to this date. Also, an acquisition earn-out may be payable to the extent that certain earnings-based performance metrics are met. The estimated amount payable by Brookfield Infrastructure of $87 million is recorded as a financial liability within the condensed and consolidated statements of financial position.

The following table represents the carrying value of the partnership's investments in associates:

	As of	
US$ MILLIONS	March 31, 2014	December 31, 2013
Brazilian toll road operation	**$ 798**	$ 773
South American transmission operation	**694**	717
Other associates	**675**	549
	$ 2,167	$ 2,039

The following table summarizes the aggregate balances of investments in associates:

	As of	
US$ MILLIONS	March 31, 2014	December 31, 2013
Financial position:		
Total assets	**$ 20,023**	$ 19,988
Total liabilities	**(13,016)**	(12,971)
Net assets	**$ 7,007**	$ 7,017

	For the three month period ended March 31	
US$ MILLIONS	2014	2013
Financial performance:		
Total revenue	**$ 717**	$ 694
Total income for the period	**46**	48
Brookfield Infrastructure's share of associates' net income	**12**	17

8. NON-RECOURSE BORROWINGS

US$ MILLIONS	As of March 31, 2014	As of December 31, 2013
Current	$ 128	$ 71
Non-current	5,706	5,719
Total	$ 5,834	$ 5,790

During the three months ended March 31, 2014, subsidiary borrowings, net of repayments, were $20 million.

Foreign currency translation gains associated with non-recourse borrowings for the three months ended March 31, 2014 were $34 million, primarily attributable to the impact of higher exchange rates on Australian dollar denominated non-recourse borrowings.

9. SEGMENTED INFORMATION

IFRS 8, *Operating Segments,* requires operating segments to be determined based on internal reports that are regularly reviewed by the Executive Management and the Board of Directors for the purpose of allocating resources to the segment and to assessing its performance. Key measures used by the Chief Operating Decision Maker ("CODM") in assessing performance and in making resource allocation decisions are funds from operations ("FFO") and earnings before interest, tax, depreciation and amortization ("Adjusted EBITDA"), measures not defined by IFRS, which enable the determination of cash return on the equity deployed. FFO is calculated as net income excluding the impact of depreciation and amortization, deferred income taxes, breakage and transaction costs, non-cash valuation gains or losses and other items. Adjusted EBITDA is calculated as FFO excluding the impact of interest expense and other cash income (expenses), which includes cash taxes.

	Total attributable to Brookfield Infrastructure							
FOR THE THREE MONTHS ENDED MARCH 31, 2014 US$ MILLIONS	Utilities	Transport	Energy	Corporate & Other	Brookfield Infrastructure	Contribution from investments in associates	Attributable to non-controlling interest	As per IFRS financials[1]
Revenues	$ 176	$ 286	$ 91	$ —	$ 553	$ (223)	$ 150	$ 480
Costs attributed to revenues	(50)	(142)	(47)	—	(239)	105	(78)	(212)
General and administrative costs	—	—	—	(27)	(27)	—	—	(27)
Adjusted EBITDA	126	144	44	(27)	287	(118)	72	
Other income (expenses)	2	(7)	—	6	1	3	(1)	3
Interest expense	(39)	(42)	(18)	(3)	(102)	40	(25)	(87)
FFO	89	95	26	(24)	186	(75)	46	
Depreciation and amortization	(39)	(61)	(17)	—	(117)	51	(25)	(91)
Deferred taxes	(6)	7	(4)	4	1	(6)	(1)	(6)
Mark-to-market on hedging items	2	5	—	(23)	(16)	—	—	(16)
Other (expenses) income	(9)	(13)	4	(4)	(22)	18	(8)	(12)
Share of earnings from associates	—	—	—	—	—	12	—	12
Income from discontinued operations, net of income tax	—	—	—	—	—	—	—	—
Net income attributable to non-controlling interest	—	—	—	—	—	—	(12)	(12)
Net income (loss) attributable to partnership[2]	$ 37	$ 33	$ 9	$ (47)	$ 32	$ —	$ —	$ 32

(1) The above table provides each segment's results in the format that management organizes its segments to make operating decisions and assess performance. Each segment is presented on a proportionate basis, taking into account Brookfield Infrastructure's ownership in operations accounted for using the consolidation and equity methods under IFRS. The above table reconciles Brookfield Infrastructure's proportionate results to the partnership's condensed and consolidated statements of operating results on a line by line basis by aggregating the components comprising the earnings from the partnership's investments in associates and reflecting the portion of each line item attributable to non-controlling interests.

(2) Includes net income (loss) attributable to non-controlling interest – Redeemable Partnership Units held by Brookfield, general partner and limited partners.

FOR THE THREE MONTHS ENDED MARCH 31, 2013 US$ MILLIONS	Total attributable to Brookfield Infrastructure					Contribution from investments in associates	Attributable to non-controlling interest	Discontinued Operations	As per IFRS financials[1]
	Utilities	Transport	Energy	Corporate & Other	Brookfield Infrastructure				
Revenues	$ 206	$ 252	$ 83	$ 38	$ 579	$ (218)	$ 140	$ (38)	$ 463
Costs attributed to revenues	(73)	(145)	(45)	(20)	(283)	115	(74)	20	(222)
General and administrative costs	—	—	—	(28)	(28)	—	—	—	(28)
Adjusted EBITDA	133	107	38	(10)	268	(103)	66	(18)	
Other income (expenses)	2	(4)	1	—	(1)	2	(4)	—	(3)
Interest expense	(43)	(36)	(17)	(11)	(107)	39	(25)	6	(87)
FFO	92	67	22	(21)	160	(62)	37	(12)	
Depreciation and amortization	(42)	(51)	(17)	—	(110)	46	(22)	—	(86)
Deferred taxes	1	18	6	(2)	23	(3)	6	—	26
Mark-to-market on hedging items	(43)	—	—	(2)	(45)	(6)	(11)	—	(62)
Other (expenses) income	(13)	(35)	(2)	(6)	(56)	8	2	6	(40)
Share of earnings from associates	—	—	—	—	—	17	—	—	17
Income from discontinued operations, net of income tax	—	—	—	—	—	—	—	21	21
Net income attributable to non-controlling interest	—	—	—	—	—	—	(12)	(15)	(27)
Net (loss) income attributable to partnership[2]	$ (5)	$ (1)	$ 9	$ (31)	$ (28)	$ —	$ —	$ —	$ (28)

(1) The above table provides each segment's results in the format that management organizes its segments to make operating decisions and assess performance. Each segment is presented on a proportionate basis, taking into account Brookfield Infrastructure's ownership in operations accounted for using the consolidation and equity methods under IFRS. The above table reconciles Brookfield Infrastructure's proportionate results to the partnership's condensed and consolidated statements of operating results on a line by line basis by aggregating the components comprising the earnings from the partnership's investments in associates and reflecting the portion of each line item attributable to non-controlling interests.

(2) Includes net (loss) income attributable to non-controlling interest – Redeemable Partnership Units held by Brookfield, general partner and limited partners.

Segment assets

For the purpose of monitoring segment performance and allocating resources between segments, Brookfield Infrastructure's Executive Management and Board of Directors monitor the assets, including investments accounted for using the equity method, attributable to each segment.

The following is an analysis of Brookfield Infrastructure's assets by operating segment for the periods under review:

	Total attributable to Brookfield Infrastructure								
AS AT MARCH 31, 2014 US$ MILLIONS	Utilities	Transport	Energy	Corporate & Other	Brookfield Infrastructure	Contribution from investments in associates	Attributable to non-controlling interest	Working capital adjustment	As per IFRS financials[1]
Total assets	$ 4,920	$ 4,887	$ 1,637	$ (117)	$ 11,327	$ (2,035)	$ 3,864	$ 2,599	$ 15,755

	Total attributable to Brookfield Infrastructure								
AS AT DECEMBER 31, 2013 US$ MILLIONS	Utilities	Transport	Energy	Corporate & Other	Brookfield Infrastructure	Contribution from investments in associates	Attributable to non-controlling interest	Working capital adjustment	As per IFRS financials[1]
Total assets	$ 4,766	$ 4,789	$ 1,629	$ (46)	$ 11,138	$ (2,156)	$ 3,899	$ 2,801	$ 15,682

(1) The above tables provide each segment's assets in the format that management organizes its segments to make operating decisions and assess performance. Each segment is presented on a proportionate basis, taking into account Brookfield Infrastructure's ownership in operations using consolidation and the equity method whereby the partnership either controls or exercises significant influence over the investment respectively. The above table reconciles Brookfield Infrastructure's proportionate assets to total assets presented on the partnership's consolidated statements of financial position by removing net liabilities contained within investments in associates and reflecting the assets attributable to non-controlling interests, and adjusting for working capital assets which are netted against working capital liabilities.

10. SUBSIDIARY PUBLIC ISSUERS

In June 2012, wholly-owned subsidiaries of Brookfield Infrastructure, Brookfield Infrastructure Finance ULC, Brookfield Infrastructure Finance LLC, Brookfield Infrastructure Finance Pty Ltd, Brookfield Infrastructure Finance Limited, and Brookfield Infrastructure Preferred Equity Inc. (collectively, the "Issuers"), registered with securities commissions for the distribution of debt securities or Class A preference shares. The Issuers may offer and sell these instruments in one or more issuances in the aggregate, of up to C$750 million (or the equivalent in other currencies). The outstanding debt securities are unconditionally guaranteed by Brookfield Infrastructure Partners L.P., Brookfield Infrastructure L.P., and wholly-owned subsidiaries, Brookfield Infrastructure Holdings (Canada) Inc., Brookfield Infrastructure US Holdings I Corporation, Brookfield Infrastructure LLC and BIP Bermuda Holdings I Limited.

The following debt securities were issued as of March 31, 2014:

On October 10, 2012, wholly-owned subsidiaries of Brookfield Infrastructure executed a C$400 million, five-year medium term note offering in the Canadian bond market with a coupon of 3.5%, which was swapped into U.S. dollars on a matched maturity basis at an all-in rate of 2.7%. The following tables set forth consolidated summary financial information for Brookfield Infrastructure and the Issuers:

FOR THE THREE MONTHS ENDED MARCH 31, 2014	Brookfield Infrastructure[2]	The Issuers	Subsidiaries of the partnership other than the Issuers[3]	Consolidating adjustments[4]	Brookfield Infrastructure consolidated
Revenue	$ —	$ —	$ 480	$ —	$ 480
Net income (loss) attributable to partnership[1]	15	—	66	(49)	32
FOR THE THREE MONTHS ENDED MARCH 31, 2013					
Revenue	$ —	$ —	$ 463	$ —	$ 463
Net (loss) income from continuing operations attributable to partnership[1]	(34)	—	174	(174)	(34)
Net (loss) income attributable to partnership[1]	(28)	—	175	(175)	(28)
AS AT MARCH 31, 2014					
Current assets	$ —	$ 6	$ 1,141	$ (6)	$ 1,141
Non-current assets	3,653	360	14,614	(4,013)	14,614
Current liabilities	—	(9)	730	9	730
Non-current liabilities	—	(369)	11,206	(2,298)	8,539
Non-controlling interests – Redeemable Partnership Units held by Brookfield	—	—	1,385	—	1,385
Non-controlling interests – in operating subsidiaries	—	—	1,381	—	1,381
AS AT DECEMBER 31, 2013					
Current assets	$ —	$ 3	$ 1,268	$ (3)	$ 1,268
Non-current assets	3,711	377	14,414	(4,088)	14,414
Current liabilities	—	(3)	598	3	598
Non-current liabilities	—	(377)	11,146	(2,288)	8,479
Non-controlling interest – Redeemable Partnership Units held by Brookfield	—	—	1,408	—	1,408
Non-controlling interests – in operating subsidiaries	—	—	1,419	—	1,419

(1) Includes net income (loss) income attributable to non-controlling interest – Redeemable Partnership Units held by Brookfield, general partner and limited partners.

(2) Includes investments in all subsidiaries of the partnership under the equity method.

(3) Includes investments in all subsidiaries of the partnership other than the Issuers on a consolidated basis.

(4) Includes elimination of intercompany transactions and balances necessary to present Brookfield Infrastructure on a consolidated basis.

11. PARTNERSHIP CAPITAL

Brookfield Infrastructure's capital structure is comprised of three classes of partnership units: general partnership units, limited partnership units and Redeemable Partnership Units held by Brookfield.

In March 2014 Brookfield Infrastructure's holding entity Brookfield Infrastructure LP (the "Holding LP") underwent a restructuring whereby the Holding LP's limited partnership agreement was amended to make the partnership the managing general partner of the Holding LP by redesignating the limited partner units as managing general partner units and to make the general partner a special limited partner of the Holding LP by redesignating the general partner units to special limited partner units. This change was made in order to simplify our governance structure and to more clearly delineate the partnership's governance rights in respect of the Holding LP.

(a) General and Limited Partnership Capital

	General partnership units		Limited partnership units		Total	
UNITS MILLIONS	**For the three months ended March 31, 2014**	For the 12 months ended December 31, 2013	**For the three months ended March 31, 2014**	For the 12 months ended December 31, 2013	**For the three months ended March 31, 2014**	For the 12 months ended December 31, 2013
Authorized to issue						
Opening balance	**1.1**	1.1	**150.2**	143.6	**151.3**	144.7
Issued for cash	**—**	—	**0.1**	6.6	**0.1**	6.6
Ending balance	**1.1**	1.1	**150.3**	150.2	**151.4**	151.3

	General Partnership Units		Limited Partnership Units		Total	
US$ MILLIONS	**For the three months ended March 31, 2014**	For the 12 months ended December 31, 2013	**For the three months ended March 31, 2014**	For the 12 months ended December 31, 2013	**For the three months ended March 31, 2014**	For the 12 months ended December 31, 2013
Opening balance	**$ 19**	$ 19	**$ 3,199**	$ 2,955	**$ 3,218**	$ 2,974
Share issuance	**—**	—	**2**	244	**2**	244
Ending balance	**$ 19**	$ 19	**$ 3,201**	$ 3,199	**$ 3,220**	$ 3,218

In June 2010, we implemented a distribution reinvestment plan ("the Plan") that allows eligible holders of the partnership to purchase additional units by reinvesting their cash distributions. Under the Plan, units are acquired at a price per unit calculated by reference to the volume weighted average of the trading price for our units on the New York Stock Exchange for the five trading days immediately preceding the relevant distribution date. During the three-month period ended March 31, 2014, the partnership issued less than 1 million units for proceeds of $2 million (2013: less than 1 million units for proceeds of $2 million) under the Plan.

The weighted average number of general partnership units outstanding for the three months ended March 31, 2014 was 1.1 million (2013: 1.1 million). The weighted average number of limited partnership units outstanding for the three months ended March 31, 2014 was 150.3 million, (2013: 150.2 million).

(b) Non-controlling interest – Redeemable Partnership Units held by Brookfield

UNITS MILLIONS	Non-controlling interest—Redeemable Partnership Units held by Brookfield: For the three months ended March 31, 2014	For the 12 months ended December 31, 2013
Opening balance	58.7	56.1
Issued for cash	—	2.6
Ending balance	58.7	58.7

US$ MILLIONS	Non-controlling interest—Redeemable Partnership Units held by Brookfield: For the three months ended March 31, 2014	For the 12 months ended December 31, 2013
Opening balance	$ 1,178	$ 1,084
Issued for cash	—	94
Ending balance	$ 1,178	$ 1,178

The weighted average number of Redeemable Partnership Units held by Brookfield outstanding for the three months ended March 31, 2014 was 58.7 million, (2013: 58.7 million).

12. DISTRIBUTIONS

For the three months ended March 31, 2014, distributions to partnership unitholders were $101 million or $0.48, per partnership unit (2013: $86 million or $0.43 per unit, for the three months ended March 31, 2013).

Additionally, incentive distributions were made to an affiliate of Brookfield, in its capacity as the special limited partner of the Holding LP, in the amount of $11 million for the three months ended March 31, 2014 ($8 million for the three months ended March 31, 2013).

13. ACCUMULATED OTHER COMPREHENSIVE INCOME

(a) Attributable to Limited Partners

US$ MILLIONS	Revaluation Surplus	Foreign Currency Translation	Net Investment Hedges	Cash Flow Hedges	Available for Sale	Unrealized Actuarial losses	Equity Accounted Investments	Accumulated Other Comprehensive Income
Balance at January 1, 2014	$ 652	$ (94)	$ (65)	$ (63)	$ 10	$ (6)	$ 254	$ 688
Other comprehensive income (loss)	—	16	(26)	1	8	—	(1)	(2)
Balance at March 31, 2014	$ 652	$ (78)	$ (91)	$ (62)	$ 18	$ (6)	$ 253	$ 686

US$ MILLIONS	Revaluation Surplus	Foreign Currency Translation	Net Investment Hedges	Cash Flow Hedges	Available for Sale Securities	Unrealized Actuarial losses	Equity Accounted Investments	Accumulated Other Comprehensive Income
Balance at January 1, 2013	$ 398	$ 142	$ (57)	$ (53)	$ —	$ (1)	$ 200	$ 629
Other comprehensive (loss) income	(8)	(25)	9	14	—	(4)	(4)	(18)
Balance at March 31, 2013	$ 390	$ 117	$ (48)	$ (39)	$ —	$ (5)	$ 196	$ 611

(b) Attributable to General Partner

US$ MILLIONS	Revaluation Surplus	Foreign Currency Translation	Net Investment Hedges	Cash Flow Hedges	Available for Sale Securities	Unrealized Actuarial losses	Equity Accounted Investments	Accumulated Other Comprehensive Income
Balance at January 1, 2014	$ 5	$ —	$ —	$ (1)	$ —	$ —	$ 2	$ 6
Other comprehensive income	—	—	—	—	—	—	—	—
Balance at March 31, 2014	$ 5	$ —	$ —	$ (1)	$ —	$ —	$ 2	$ 6

US$ MILLIONS	Revaluation Surplus	Foreign Currency Translation	Net Investment Hedges	Cash Flow Hedges	Available for Sale Securities	Unrealized Actuarial losses	Equity Accounted Investments	Accumulated Other Comprehensive Income
Balance at January 1, 2013	$ 3	$ 1	$ —	$ (1)	$ —	$ —	$ 2	$ 5
Other comprehensive income	—	—	—	—	—	—	—	—
Balance at March 31, 2013	$ 3	$ 1	$ —	$ (1)	$ —	$ —	$ 2	$ 5

(c) Attributable to Non-controlling interest – Redeemable Partnership Units held by Brookfield

US$ MILLIONS	Revaluation Surplus	Foreign Currency Translation	Net Investment Hedges	Cash Flow Hedges	Available for Sale Securities	Unrealized Actuarial losses	Equity Accounted Investments	Accumulated Other Comprehensive Income
Balance at January 1, 2014	$ 272	$ (30)	$ (27)	$ (28)	$ 4	$ (2)	$ 106	$ 295
Other comprehensive income (loss)	—	6	(10)	1	3	(1)	—	(1)
Balance at March 31, 2014	272	$ (24)	$ (37)	$ (27)	$ 7	$ (3)	$ 106	$ 294

US$ MILLIONS	Revaluation Surplus	Foreign Currency Translation	Net Investment Hedges	Cash Flow Hedges	Available for Sale Securities	Unrealized Actuarial losses	Equity Accounted Investments	Accumulated Other Comprehensive Income
Balance at January 1, 2013	$ 171	$ 62	$ (24)	$ (24)	$ —	$ —	$ 87	$ 272
Other comprehensive (loss) income	(3)	(9)	4	6	—	(2)	(2)	(6)
Balance at March 31, 2013	$ 168	$ 53	$ (20)	$ (18)	$ —	$ (2)	$ 85	$ 266

14. RELATED PARTY TRANSACTIONS

In the normal course of operations, Brookfield Infrastructure entered into the transactions below with related parties on market terms. These transactions have been measured at fair value and are recognized on the interim condensed and consolidated financial statements.

The immediate parent of Brookfield Infrastructure is the managing general partner of the partnership. The ultimate parent of Brookfield Infrastructure is Brookfield. Other related parties of Brookfield Infrastructure represent its subsidiary and operating entities.

a) Transactions with the immediate parent

Throughout the period, the managing general partner, in its capacity as the partnership's general partner, incurs director fees, a portion of which are charged at cost to the partnership in accordance with the limited partnership agreement. Less than $1 million in director fees were incurred during the three months ended March 31, 2014 (less than $1 million during the three months ended March 31, 2013).

b) Transactions with other related parties

Since inception, Brookfield Infrastructure had a management agreement with its external managers, wholly owned subsidiaries of Brookfield.

Pursuant to the Master Services Agreement, on a quarterly basis, Brookfield Infrastructure pays a Base Management Fee, (the "Base Management Fee",) to affiliates of Brookfield (the "Manager") equal to 0.3125% per quarter (1.25% annually) of the market value of the partnership. The Base Management Fee was $25 million for the three months ended March 31, 2014 ($26 million during the three months ended March 31, 2013).

For purposes of calculating the Base Management Fee, the market value of the partnership is equal to the volume weighted average of the closing prices of the partnership's units on the NYSE (or other exchange or market where the partnership's units are principally traded) for each of the last five trading days of the applicable quarter multiplied by the number of issued and outstanding units of the partnership on the last of those days (assuming full conversion of Brookfield's interest in Brookfield Infrastructure into units of the partnership), plus the amount of third-party debt, net of cash, with recourse to the partnership and the Holding LP and certain holding entities held directly by the Holding LP.

During the three months ended March 31, 2014, $2 million was reimbursed at cost to our Manager of the partnership ($2 million and during the three months ended March 31, 2013). These amounts represent third party costs that were paid for by Brookfield on behalf of Brookfield Infrastructure relating to general and administrative expenses, and acquisition related expenses of Brookfield Infrastructure. These expenses were charged to Brookfield Infrastructure at cost.

Brookfield Infrastructure has placed funds on deposit with Brookfield. Interest earned on the deposits is at market terms. At March 31, 2014, Brookfield Infrastructure's deposit balance with Brookfield was $90 million (December 31, 2013: $262 million) and earned interest of less than $1 million for the three months ended March 31, 2014 ($nil during the three months ended March 31, 2013).

Brookfield Infrastructure's North American district energy operation has various right-of-way easements and leases office space on market terms with subsidiaries of Brookfield Office Properties Inc. The North American district energy operation also utilizes consulting and engineering services provided by wholly-owned subsidiaries of Brookfield on market terms.

15. SUBSEQUENT EVENTS

(a) Acquisition of district energy businesses

Subsequent to period end, Brookfield signed definitive agreements to acquire a 100% stake in two district energy businesses located in Chicago and Seattle, of which Brookfield Infrastructure will acquire a 40% interest through a Brookfield sponsored infrastructure fund for $50 million. Concurrently, Brookfield Infrastructure will enter into a voting arrangement with an affiliate of Brookfield, providing Brookfield Infrastructure with the right to elect the Board of Directors of these entities, thereby providing Brookfield Infrastructure with control. Accordingly, Brookfield Infrastructure will consolidate these entities. Completion of these transactions is expected to occur in the second quarter of 2014, subject to customary closing conditions.

(b) U.K. regulated distribution and Australian railroad refinancing

Subsequent to period end, the UK regulated distribution operation and Australian railroad operation priced a £100 million refinancing with a 15 year term and A$520 million refinancing with a 10 year term, respectively. These financings are expected to close in the second and third quarters of 2014, respectively, and are subject to customary closing conditions.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE QUARTER ENDED MARCH 31, 2014

INTRODUCTION

The following Management's Discussion and Analysis ("MD&A") is the responsibility of management of Brookfield Infrastructure Partners L.P. (the "partnership" collectively with its subsidiary and operating entities "Brookfield Infrastructure"). This MD&A is dated May 14, 2014 and has been approved by the Board of Directors of the general partner of the partnership for issuance as of that date. The Board of Directors carries out its responsibility for review of this document principally through its audit committee, comprised exclusively of independent directors. The audit committee reviews and, prior to its publication, approves this document, pursuant to the authority delegated to it by the Board of Directors. The terms "Brookfield Infrastructure", the "partnership", "we", "us" and "our" refer to Brookfield Infrastructure Partners L.P., and the partnership's direct and indirect subsidiaries as a group. This MD&A should be read in conjunction with Brookfield Infrastructure Partners L.P.'s most recently issued annual and interim financial statements. Additional information, including Brookfield Infrastructure's Form 20-F, is available on its website at www.brookfieldinfrastructure.com, on SEDAR's website at www.sedar.com and on EDGAR's website at www.sec.gov/edgar.shtml.

Business Overview

Brookfield Infrastructure owns and operates high quality, long-life assets that generate stable cash flows, require relatively minimal maintenance capital expenditures and, by virtue of barriers to entry and other characteristics, tend to appreciate in value over time. Our current operations[1] consist of utility, transport and energy businesses in North and South America, Australasia and Europe. Our mission is to own and operate a globally diversified portfolio of high quality infrastructure assets that will generate sustainable and growing distributions over the long term for our unitholders. To accomplish this objective, we will seek to leverage our operating platforms to acquire infrastructure assets and actively manage them to extract additional value following our initial investment. An integral part of our strategy is to participate with institutional investors in Brookfield Asset Management Inc. ("Brookfield") sponsored partnerships that target acquisitions that suit our profile. We will focus on partnerships in which Brookfield has sufficient influence or control to deploy an operations-oriented approach.

Performance Targets and Key Measures

We target a total return of 12% to 15% per annum on the infrastructure assets that we own, measured over the long term. We intend to generate this return from the in-place cash flow from our operations plus growth through investments in upgrades and expansions of our asset base, as well as acquisitions. If we are successful in growing our funds from operations ("FFO") per unit, we will be able to increase distributions to unitholders. Furthermore, the increase in our FFO per unit should result in capital appreciation. We also measure the growth of FFO per unit, which we believe is a proxy for our ability to increase distributions. In addition, we have performance measures that track key value drivers for each of our operating platforms. See "Segmented Disclosures" on page 28 for more detail.

Distribution Policy

Our objective is to pay a distribution that is sustainable on a long-term basis while retaining sufficient liquidity within our operations to fund recurring growth capital expenditures, debt repayments and general corporate requirements. We currently believe that a payout of 60% to 70% of our FFO is appropriate.

In light of the current strong prospects for our business, the Board of Directors of our Managing General Partner has approved a 12% increase in our quarterly distribution to 48 cents per unit starting with the distribution paid in March 2014. This increase reflects the forecasted contribution from our recently commissioned capital projects, as well as the expected cash yield on acquisitions that we closed in the past year. Since the spin-off, we have increased our quarterly distribution from 26.5 cents per unit to 48 cents, a compound annual growth rate in excess of 10%. We target 5% to 9% annual distribution growth in light of the per unit FFO growth we foresee in our operations.

Basis of Presentation

Our condensed and consolidated financial statements are prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB") and using the accounting policies Brookfield Infrastructure applied in its consolidated financial statements as of and for the year ended December 31, 2013. Our condensed and consolidated financial statements include the accounts of Brookfield Infrastructure and the entities over which it has control. Brookfield Infrastructure accounts for investments over which it exercises significant influence, but does not control, using the equity method.

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[1] *During the second quarter of 2013, we announced the sale of our interests in our timberland operations. The results of these operations are presented in the 'Corporate and other' segment in this document.*

The partnership's equity interests include limited partnership units ("LP Units") held by public unitholders and redeemable partnership units ("Redeemable Partnership Units") held by Brookfield. The LP Units and the Redeemable Partnership Units have the same economic attributes in all respects, except that the Redeemable Partnership Units provide Brookfield the right to request that its units be redeemed for cash consideration. In the event that Brookfield exercises this right, the partnership has the right, at its sole discretion, to satisfy the redemption request with its LP Units, rather than cash, on a one-for-one basis. As a result, Brookfield, as holder of Redeemable Partnership Units, participates in earnings and distributions on a per unit basis equivalent to the per unit participation of the LP Units of the partnership. However, given the redeemable feature referenced above, we present the Redeemable Partnership Units as a component of non-controlling interests.

When we discuss the results of our operating platforms, we present Brookfield Infrastructure's proportionate share of results for operations accounted for using consolidation and the equity method, in order to demonstrate the impact of key value drivers of each of these operating platforms on the partnership's overall performance. As a result, segment revenues, costs attributable to revenues, other income, interest expense, depreciation and amortization, deferred taxes, fair value adjustments and other items will differ from results presented in accordance with IFRS as they (1) include Brookfield Infrastructure's proportionate share of earnings from investments in associates attributable to each of the above noted items, and (2) exclude the share of earnings (loss) of consolidated investments not held by Brookfield Infrastructure apportioned to each of the above noted items. However, net income for each segment is consistent with results presented in accordance with IFRS. See "Reconciliation of Operating Segments" on page 43 for a reconciliation of segment results to the partnership's statement of operating results in accordance with IFRS.

Our presentation currency and functional currency is the U.S. dollar, and has been throughout each of the last six years. There were no changes in accounting policies that have had a material impact on the comparability of the results between financial years since the adoption of IFRS.

OUR OPERATIONS

Brookfield Infrastructure owns a balanced portfolio of infrastructure assets that are diversified by sector and by geography. We have a stable cash flow profile with approximately 90% of our Adjusted EBITDA supported by regulated or contractual revenues. In order to assist our unitholders in evaluating our performance and assessing our value, we group our businesses into operating platforms based on similarities in their underlying economic drivers.

Our operating platforms are summarized below:

Operating Platform	Asset Type	Primary Location
Utilities *Regulated or contractual businesses which earn a return on their rate base*	• Regulated Terminal • Electricity Transmission • Regulated Distribution	• Australasia • North & South America • Europe
Transport *Provide transportation for freight, bulk commodities and passengers, for which we are paid an access fee*	• Railroad • Toll Roads • Ports	• Australasia • South America • Europe & North America
Energy *Systems that provide energy transmission, distribution and storage services*	• Energy Transmission, Distribution & Storage • District Energy	• North America • Europe • Australasia

REVIEW OF CONSOLIDATED FINANCIAL RESULTS

In this section we review our financial position and consolidated performance as at March 31, 2014 and December 31, 2013 and for the three month periods ended March 31, 2014 and 2013. Further details on the key drivers of our operations and financial position are contained within the Segmented Disclosures section on page 28.

US$ MILLIONS, EXCEPT PER UNIT INFORMATION Summary Statements of Operating Results	Three months ended March 31 2014	 2013
Revenues	$ 480	$ 463
Direct operating expenses	(212)	(222)
General and administrative expenses	(27)	(28)
Depreciation and amortization expense	(91)	(86)
Interest expense	(87)	(87)
Mark-to-market on hedging items	(16)	(62)
Earnings from investments in associates	12	17
Net income (loss)	44	(1)
Income (loss) from continuing operations	44	(22)
Income from discontinued operations, net of income tax	—	21
Net income (loss) attributable to the partnership[1]	32	(28)
Net income (loss) per limited partnership unit	$ 0.10	$ (0.17)

(1) Includes net income (loss) attributable to non-controlling interests - Redeemable Partnership Units held by Brookfield, general partner and limited partners.

For the three months ended March 31, 2014, we reported net income of $44 million, of which $32 million is attributable to the partnership, compared to net loss of $1 million and net loss attributable to the partnership of $28 million in the prior year. Net income increased compared to the first quarter of 2013 as the prior year included breakage costs associated with our Australian railroad's execution of a long-term financing and mark-to-market losses on hedging positions at our UK regulated distribution business.

Revenues totaled $480 million for the first quarter of 2014, representing a year-over-year increase of $17 million, or 4%. The increase is primarily attributable to organic growth initiatives completed in the last 12 months, which resulted in increased revenue of $18 million at our Australian railroad and $14 million at our UK regulated distribution operation as well as the acquisition of our U.S. district energy operation in the fourth quarter of 2013 which contributed incremental revenue of $5 million. Our business also recorded higher revenues in its transport and energy operations as a result of increased volumes that contributed an incremental $11 million to our total revenues. These increases were partially offset by a $31 million reduction in revenue resulting from negative movements in foreign exchange.

Direct operating expenses totaled $212 million for the first quarter of 2014, which represented a decrease of $10 million, or 5%, compared to the same period in 2013. This was driven by a $13 million decrease in expenses as a result of foreign exchange movements, which was partially offset by a $3 million increase in expenses from new investments and the aforementioned capital expansion programs completed over the last year.

General and administrative expenses totaled $27 million for the three months ended March 31, 2014, which was a $1 million decrease relative to the prior year comparative period. This line item is primarily comprised of the Base Management Fee that is paid to Brookfield, which is equal to 1.25% of the partnership's market value plus recourse debt, net of cash. It also includes certain public company expenditures relating to the on-going operations of the partnership. The Base Management Fee decreased versus the same period in 2013 as a result of higher recourse debt in the comparative period as our corporate credit facility was drawn to fund new investments made in the fourth quarter of 2012. This was partially offset by an increase in market capitalization attributable to the increased trading price of the partnership units and the equity issuance completed in May 2013.

Depreciation and amortization expense totaled $91 million in the first quarter of 2014, an increase of $5 million over the first quarter of 2013. The increase was primarily due to higher property, plant and equipment values as a result of our annual revaluation process.

Earnings from investments in associates were $12 million for the three months ended March 31, 2014, representing a decline of $5 million over the first quarter of 2013. The decline was primarily attributable to the sale of our Australasian regulated distribution operation in the fourth quarter of 2013, as well as a foreign exchange loss recognized on translation of U.S denominated debt in our Chilean electricity transmission system. These items were partially offset by higher earnings at our North American gas transmission business which benefited from increased natural gas demand into the Chicago market caused by record cold weather, as well as the contribution from our additional investment in our Brazilian toll road in the prior year.

US$ MILLIONS Summary Statements of Financial Position Key Metrics	As of March 31, 2014	 December 31, 2013
Cash and cash equivalents	$ 363	$ 538
Other current assets	778	730
Total assets	15,755	15,682
Current liabilities	602	527
Corporate borrowings	363	377
Non-recourse borrowings	5,834	5,790
Other long-term liabilities	2,470	2,383
Limited Partners' capital	3,693	3,751
Non-controlling interest – Redeemable Partnership Units held by Brookfield	1,385	1,408
Non-controlling interest – in operating subsidiaries	1,381	1,419
General Partner capital	27	27

As of March 31, 2014, we had $15,755 million in assets, compared to $15,682 million at the end of 2013. This $73 million increase is primarily due to foreign currency translation gains of $186 million that resulted from the appreciation of the Australian dollar and Brazilian reais relative to the U.S. dollar. These gains were partially offset by approximately $125 million of foreign currency translation losses due to the depreciation of the Chilean peso and Canadian dollar versus the U.S. dollar during the period.

Non-recourse borrowings increased by $44 million to $5,834 million at March 31, 2014 from $5,790 million at December 31, 2013. The increase was primarily due to the impact of the appreciation of the Australian dollar relative to the U.S. dollar since year end, which led to an increase in debt balances of approximately $110 million. This was partially offset by an approximate $66 million decline in Chilean peso, Canadian dollar and Colombian peso denominated debt balances in conjunction with the depreciation of these currencies versus the U.S. dollar during the three months ended March 31, 2014.

Partnership capital decreased by $81 million to $5,105 million as of March 31, 2014 from $5,186 million at the end of 2013 as distributions paid during the period exceeded earnings.

Summary of Quarterly Results

Total revenues and net income for the eight most recent quarters are as follows:

THREE MONTHS ENDED	2014	2013				2012		
(US$ MILLIONS, EXCEPT PER UNIT AMOUNTS)	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenues	$ 480	$ 470	$ 431	$ 462	$ 463	$ 451	$ 374	$ 368
Direct operating costs	(212)	(212)	(187)	(202)	(222)	(229)	(190)	(187)
Equity accounted income (loss)	12	(272)	20	18	17	(8)	40	(32)
Expenses								
Interest	(87)	(98)	(87)	(90)	(87)	(98)	(75)	(75)
Corporate costs	(27)	(28)	(28)	(26)	(28)	(28)	(25)	(22)
Valuation items								
Fair value changes and other	(19)	55	(33)	107	(99)	(5)	14	(29)
Depreciation and amortization	(91)	(79)	(81)	(83)	(86)	(73)	(56)	(53)
Income tax (expense) recovery	(12)	(12)	33	(36)	20	4	6	16
Net income (loss) from continuing operations	44	(176)	68	150	(22)	14	88	(14)
(Loss) income from discontinued operations, net of tax	—	—	(11)	35	21	166	7	7
Net income (loss)	44	(176)	57	185	(1)	180	95	(7)
Net income (loss) attributable to others	29	(32)	39	97	24	147	49	14
Net income (loss) attributable to limited partners	15	(144)	18	88	(25)	33	46	(21)
Per limited partnership unit	$0.10	$(0.96)	$0.12	$0.60	$(0.17)	$0.23	$0.33	$(0.16)

A significant driver of our results continues to be new investments that we execute in addition to organic expansion projects that we commission within our various businesses, which add to the ongoing earnings profile of our current businesses. These factors all contributed to the consistent increases in our revenues, operating and interest costs, as well as depreciation expense. In addition to the factors mentioned, net income is also impacted by other items that relate to fair value adjustments to our assets and financial instruments.

We do not consider the effects of seasonality to be significant to the business overall. This is primarily due to the diversification of our business from a geographic and a segment perspective.

SEGMENTED DISCLOSURES

In this section, we review the results of our principal operating segments: utilities, transport and energy. Each segment is presented on a proportionate basis, taking into account Brookfield Infrastructure's ownership in operations accounted for using the consolidation and equity method, whereby the partnership either controls or exercises significant influence over its investments. See "Discussion of Segment Reconciling Items" on page 46 for a reconciliation of segment results to the partnership's statement of operating results in accordance with IFRS.

Utilities Operations

Our utilities platform is comprised of regulated businesses, which earn a return on their asset base, as well as businesses with long-term contracts designed to generate a return on capital over the life of the contract. In all cases, we own and operate assets that earn a return on a regulated or notionally stipulated asset base, which we refer to as rate base. Our rate base increases in accordance with capital that we invest to upgrade and expand our systems. Depending on the jurisdiction, our rate base may also increase by inflation and maintenance capital expenditures and decrease by regulatory depreciation. The return that we earn is typically determined by a regulator or contracts for prescribed periods of time. Thereafter, it may be subject to customary reviews based upon established criteria. Due to the regulatory diversity we have within our utilities platform, we mitigate exposure to any single regulatory regime. In addition, due to the regulatory frameworks and economies of scale of our utilities businesses, we often have significant competitive advantages in competing for projects to expand our rate base. Accordingly, we expect this segment to produce stable revenue and margins that should increase with investment of additional capital and inflation. Virtually all of our utility platform's Adjusted EBITDA is supported by regulated or contractual revenues.

Our objectives for our utilities platform are to invest capital in the expansion of our rate base and to provide safe and reliable service for our customers on a cost efficient basis. If we do so, we will be in a position to earn an appropriate return on our rate base. Our performance can be measured by the growth in our rate base, the return on our rate base, as well as our AFFO.

Our utilities platform is comprised of the following:

Regulated Terminal

- One of the world's largest coal export terminals in Australia, with 85 Mtpa of capacity

Electricity Transmission

- Approximately 10,500 kilometres of transmission lines in North and South America

Regulated Distribution

- Approximately 2.1 million electricity and natural gas connections

Results of Operations

The following table presents our proportionate share of our rate base and selected key metrics:

	Three months ended March 31	
(US$ MILLIONS)	2014	2013
Rate base, start of period	$ 4,242	$ 4,790
Capital expenditures commissioned	61	102
Inflation and other indexation	23	76
Regulatory depreciation	(15)	(20)
Foreign exchange	24	(68)
Rate base, end of period	$ 4,335	$ 4,880

	Three months ended March 31	
(US$ MILLIONS)	2014	2013
Funds from operations (FFO)	$ 89	$ 92
Maintenance capital	(2)	(6)
Adjusted funds from operations (AFFO)	$ 87	$ 86

For the three months ended March 31, 2014, our utilities platform produced FFO of $89 million, compared with $92 million in the same period in the prior year. The decrease in FFO was primarily attributable to the sale of our Australasian regulated distribution operation in the fourth quarter of 2013. Excluding the impact of the sale, FFO increased by $6 million as the business benefited from inflation indexation and the commissioning of capital projects into rate base.

The following table presents our utilities platform's proportionate share of financial results:

(US$ MILLIONS)	Three months ended March 31 2014	2013
Revenue	$ 176	$ 206
Costs attributed to revenues	(50)	(73)
Adjusted EBITDA	126	133
Interest expense	(39)	(43)
Other income	2	2
Funds from operations (FFO)	89	92
Depreciation and amortization	(39)	(42)
Deferred taxes and other items	(13)	(55)
Net income (loss)	$ 37	$ (5)

The following table presents our proportionate Adjusted EBITDA and FFO for each business in this operating platform:

	Adjusted EBITDA Three months ended March 31		FFO Three months ended March 31	
(US$ MILLIONS)	2014	2013	2014	2013
Regulated Distribution	$ 47	$ 53	$ 36	$ 40
Regulated Terminal	42	45	23	23
Electricity Transmission	37	35	30	29
Total	$ 126	$ 133	$ 89	$ 92

Our regulated distribution operations generated Adjusted EBITDA and FFO of $47 million and $36 million, respectively, for the current quarter, versus $53 million and $40 million, respectively, in the comparative period. This decrease was due primarily to the sale of our Australasian regulated distribution operation in the fourth quarter of 2013. Excluding the impact of the sale, results were ahead of the prior year due primarily to improved performance at our UK regulated distribution business due to higher rate base, inflation indexation and higher connections revenue.

Our regulated terminal operation reported Adjusted EBITDA and FFO of $42 million and $23 million, respectively, for the three months ended March 31, 2014, versus $45 million and $23 million, respectively, in the comparative period. Adjusted EBITDA decreased due to negative movements in foreign exchange. In natural currency, Adjusted EBITDA and FFO were ahead of prior year as we benefited from additions to our rate base.

Our electricity transmission operations reported Adjusted EBITDA and FFO of $37 million and $30 million, respectively, for the current quarter, versus $35 million and $29 million, respectively, in the comparative period. Adjusted EBITDA and FFO increased primarily due to inflation indexation and commissioning of projects into our rate base which was partially offset by the impact of foreign exchange.

Non-cash expenses are primarily comprised of depreciation and amortization, inflation indexation on our Chilean peso denominated debt, deferred taxes and other items. Depreciation and amortization decreased to $39 million for the three months ended March 31, 2014, down from $42 million for the same period in 2013. The decrease is primarily due to the sale of the Australasian regulated distribution operation in the fourth quarter of 2013. Deferred taxes and other items for the three months ended March 31, 2014 was $13 million compared to $55 million for the same period in 2013, as the prior year results contained mark-to-market losses of $46 million on hedging positions at our UK regulated distribution business.

Transport Operations

Our transport platform is comprised of open access systems that provide transportation, storage and handling services for freight, bulk commodities and passengers, for which we are paid an access fee. Profitability is based on the volume and price achieved for the provision of these services. This operating platform is comprised of businesses with price ceilings as a result of regulation, such as our railroad and toll road operations, as well as unregulated businesses, such as our ports. Transport businesses typically have high barriers to entry and, in many instances, have very few substitutes in their local markets. While these businesses have greater sensitivity to market prices and volume than our utilities platform, revenues are generally stable and, in many cases, are supported by long-term contracts or customer relationships. Our transport platform is expected to benefit from increases in demand for commodities as well as increases in the global movement of goods. Furthermore, the diversification within our transport platform mitigates the impact of fluctuations in demand from any particular sector, commodity, or customer. Approximately 80% of our transport platform's Adjusted EBITDA is supported by long-term contractual revenues.

Our objectives for our transport platform are to provide safe and reliable service to our customers and to satisfy their growth requirements by increasing the utilization of our assets and expanding our capacity in a capital efficient manner. If we do so, we will be able to charge an appropriate price for our services and we will be able to earn an attractive return on the capital that we have deployed as well as the capital that we will invest to increase the capacity of our operations. Our performance can be measured by our revenue growth and our Adjusted EBITDA margin.

Our transport platform is comprised of the following:

Railroad

- Sole provider of rail service in southwestern Western Australia with approximately 5,100 kilometres of tracks

Toll Roads

- 3,200 kilometres of motorways in Brazil and Chile

Ports

- 30 terminals primarily in North America, UK and across Europe

Results of Operations

The following table presents our proportionate share of the key metrics of our transport platform:

	Three months ended March 31	
(US$ MILLIONS)	2014	2013
Growth capital expenditures	$ 66	$ 48
Adjusted EBITDA margin[1]	50%	42%
Funds from operations (FFO)	95	67
Maintenance capital	(18)	(14)
Adjusted funds from operations (AFFO)	$ 77	$ 53

1. *Adjusted EBITDA margin is Adjusted EBITDA divided by revenues.*

In our transport platform, we generated FFO of $95 million in the first quarter of 2014 compared to $67 million in the same period of 2013. The increase in FFO was primarily driven by contributions from the additional investment in our Brazilian toll road operation in the third quarter of 2013. We also benefited from improved results from our Australian railroad due to the full contribution from the expansion program and higher volumes from a bumper grain harvest.

The following table presents our transport platform's proportionate share of financial results:

	Three months ended March 31	
(US$ MILLIONS)	2014	2013
Revenues	$ 286	$ 252
Cost attributed to revenues	(142)	(145)
Adjusted EBITDA	144	107
Interest expense	(42)	(36)
Other expenses	(7)	(4)
Funds from operations (FFO)	95	67
Depreciation and amortization	(61)	(51)
Deferred taxes and other items	(1)	(17)
Net income (loss)	$ 33	$ (1)

The following table presents proportionate Adjusted EBITDA and FFO for each business in this operating platform:

(US$ MILLIONS)	Adjusted EBITDA Three months ended March 31		FFO Three months ended March 31	
	2014	2013	2014	2013
Railroad	$ 65	$ 57	$ 49	$ 42
Toll Roads	60	32	34	16
Ports	19	18	12	9
Total	$ 144	$ 107	$ 95	$ 67

For the three months ended March 31, 2014, our Australian railroad reported Adjusted EBITDA and FFO of $65 million and $49 million, respectively, versus $57 million and $42 million, respectively, in the comparative period. Adjusted EBITDA and FFO increased versus the prior period due to benefits of our expansion program, as volumes ramped up substantially over the past year with full take-or-pay operating levels achieved by the end of March 2013. Results also benefited from a stronger grain harvest, which contributed $3 million of incremental Adjusted EBITDA to our results.

For the three months ended March 31, 2014, our toll roads contributed Adjusted EBITDA and FFO of $60 million and $34 million, respectively, compared to Adjusted EBITDA and FFO of $32 million and $16 million, respectively, in the comparative period. This increase is primarily a result of the additional investment in our Brazilian toll roads completed in the third quarter of 2013. Adjusted for ownership interest, toll revenues increased by approximately 10% from prior year due to higher traffic volumes and regulatory tariff increases.

For the three months ended March 31, 2014, our port operations reported Adjusted EBITDA and FFO of $19 million and $12 million, respectively, compared to Adjusted EBITDA and FFO of $18 million and $9 million, respectively, in the comparative period. Adjusted EBITDA and FFO increased versus the prior year mainly due to improved volumes across our various terminals as economic conditions continue to improve in the region. FFO was also aided by the benefit of lower borrowing costs following a refinancing at our European port operations in the second quarter of 2013.

Non-cash expenses are primarily comprised of depreciation and amortization, deferred taxes and other items. Depreciation and amortization increased to $61 million for the current quarter, up from $51 million for the same period in 2013. The increase is primarily due to higher depreciation at our Brazilian toll road operation, as a result of our additional investment in our Brazilian toll road operation in the third quarter of 2013. Deferred taxes and other items were $1 million compared to $17 million for the same period in 2013. The variance is primarily attributable to a break fee relating to the refinancing of our railroad operation of $37 million, which was recorded in the comparative period.

Energy Operations

Our energy platform is comprised of systems that provide energy transportation, storage, and distribution services. Profitability is based on the volume and price achieved for the provision of these services. This operating platform is comprised of businesses that are subject to light regulation, such as our natural gas transmission business whose services are subject to price ceilings, and businesses that are essentially unregulated like our district energy business. Energy businesses typically have high barriers to entry as a result of significant fixed costs combined with economies of scale or unique positions in their local markets. Our energy platform is expected to benefit from forecasted increases in demand for energy. Although these businesses have greater sensitivity to market prices and volume than our utilities platform, revenues are typically generated under contracts with varying durations and are relatively stable. Approximately 80% of our energy platform's Adjusted EBITDA is supported by long-term contractual revenues.

Our objectives for our energy platform are to provide safe and reliable service to our customers and to satisfy their growth requirements by increasing the utilization of our assets and expanding our capacity in a capital efficient manner. If we do so, we will be able to charge an appropriate price for our services and earn an attractive return on the capital that we have deployed as well as the capital that we will invest to increase the capacity of our operations. Our performance can be measured by our revenue growth, our Adjusted EBITDA margin and our AFFO.

Our energy platform is comprised of the following:

Energy Transmission, Distribution and Storage

- 15,500 kilometres of natural gas transmission pipelines, located primarily in the U.S.
- Gas distribution to over 50,000 customers
- 300 billion cubic feet of natural gas storage in the U.S. and Canada

District Energy

- Consists of heating plants capable of delivering 1,905,000 pounds per hour of steam, as well as 136,800 tons of cooling capacity, sourced from a deep lake water system

Results of Operations

The following table presents our proportionate share of the key metrics of our energy platform:

	Three months ended March 31	
(US$ MILLIONS)	2014	2013
Growth capital expenditures	$ 11	$ 3
Adjusted EBITDA margin[1]	48%	46%
Funds from operations (FFO)	26	22
Maintenance capital	(3)	(6)
Adjusted funds from operations (AFFO)	$ 23	$ 16

1. Adjusted EBITDA margin is Adjusted EBITDA divided by revenues.

Our energy platform generated FFO of $26 million in the first quarter of 2014 compared to $22 million in the same period of 2013. The increase in FFO was primarily driven by improved performance at our North American gas transmission business as a result of increased natural gas volume demand into the Chicago market due to record cold weather. We also benefited from improved results at our UK energy distribution operation from higher tariffs and lower costs from a margin improvement program.

The following table presents our energy platform's proportionate share of financial results:

	Three months ended March 31	
(US$ MILLIONS)	2014	2013
Revenues	$ 91	$ 83
Cost attributed to revenues	(47)	(45)
Adjusted EBITDA	44	38
Interest expense	(18)	(17)
Other income	—	1
Funds from operations (FFO)	26	22
Depreciation and amortization	(17)	(17)
Deferred taxes and other items	—	4
Net income	$ 9	$ 9

The following table presents proportionate Adjusted EBITDA and FFO for each business in this operating platform:

	Adjusted EBITDA		FFO	
	Three months ended March 31		Three months ended March 31	
	2014	2013	2014	2013
Energy Transmission, Distribution & Storage	$ 41	$ 35	$ 24	$ 20
District Energy	3	3	2	2
Total	$ 44	$ 38	$ 26	$ 22

For the three months ended March 31, 2014, our energy transmission, distribution and storage operations reported Adjusted EBITDA and FFO of $41 million and $24 million, respectively, versus $35 million and $20 million respectively, in the comparative period. Adjusted EBITDA and FFO increased versus prior year primarily due to higher revenues driven by increased natural gas volumes into the Chicago market and higher basis spreads. These higher spreads were primarily driven by natural gas price volatility caused by an unusually long and cold winter. Our UK energy distribution operations also benefited from higher tariffs as well as lower costs associated with a margin improvement program over the past year.

Our district energy business contributed Adjusted EBITDA and FFO of $3 million and $2 million, respectively, for the first quarter of 2014, which is consistent with the prior year.

Non-cash expenses are primarily comprised of depreciation, amortization, deferred taxes and other items. Depreciation and amortization was consistent with the comparative period at $17 million.

Corporate and other

The following table presents the components of corporate and other, on a proportionate basis:

(US$ MILLIONS)	Three months ended March 31 2014	2013
Timber EBITDA	$ —	$ 18
General and administrative costs	(2)	(2)
Base Management Fee	(25)	(26)
Adjusted EBITDA	(27)	(10)
Other income	6	—
Financing costs		
Timber	—	(6)
Corporate	(3)	(5)
Funds from operations (FFO)	(24)	(21)
Deferred taxes and other	(23)	(10)
Net loss	$ (47)	$ (31)

General and administrative costs for the period ended March 31, 2014 were in-line with prior year. We anticipate that our general and administrative costs, excluding the Base Management Fee, will be in the range of $8 million to $10 million per year.

Pursuant to our Master Services Agreement, we pay an annual Base Management Fee to Brookfield equal to 1.25% of our market value, plus recourse debt net of cash. The Base Management Fee for the current quarter decreased versus the prior year due to higher recourse debt in the comparative period as our corporate credit facility was drawn to fund new investments made in the fourth quarter of 2012. This was partially offset by an increase in market capitalization following the May 2013 equity issuance and a higher unit trading price.

Financing costs include interest expense and standby fees on our committed credit facility, less interest earned on cash balances. The decrease in financing costs is primarily due to lower interest costs on our corporate credit facility as we were drawn in the prior year to fund new investments that closed in the fourth quarter of 2012.

Other income includes interest and distribution income earned on corporate cash and financial assets.

Deferred taxes and other items for the period ended March 31, 2014 were $23 million, compared to $10 million in the same period in 2013, as the current period included $22 million of mark-to-market losses on derivative positions hedging foreign currency exposures.

SELECTED STATEMENT OF OPERATING RESULTS AND FINANCIAL POSITION INFORMATION

To measure performance, we focus on FFO and AFFO, among other measures. We also focus on Adjusted EBITDA and net income, taking into account items that we consider unusual or otherwise not reflective of the ongoing profitability of our operations. We define FFO as net income excluding the impact of depreciation and amortization, deferred income taxes, breakage and transaction costs, non-cash valuation gains or losses and other items. We define AFFO as FFO less maintenance capex, as detailed in the Reconciliation of Non-IFRS Financial Measures section of this MD&A. FFO is a measure of operating performance, and AFFO is a measure of the sustainable cash flow of our business. Since they are not calculated in accordance with, and do not have any standardized meanings prescribed by IFRS, FFO and AFFO are unlikely to be comparable to similar measures presented by other issuers, and FFO and AFFO have limitations as analytical tools. See the Reconciliation of Non-IFRS Financial Measures section for a more fulsome discussion, including a reconciliation to the most directly comparable IFRS measures.

Key Metrics (US$ MILLIONS, EXCEPT PER UNIT INFORMATION)	Three months ended March 31 2014	 2013
Funds from operations (FFO)	**$ 186**	$ 160
Per unit FFO[1]	**0.89**	0.80
Distributions	**0.48**	0.43
Payout ratio[2]	**60%**	59%
Growth of per unit FFO[1]	**11%**	38%
Adjusted funds from operations (AFFO)[3]	**163**	134

1. *Calculation based on average units outstanding during the three month period ending March 31, 2014 of 210.1 million (2013: 200.8 million).*
2. *Payout ratio is defined as distributions paid (inclusive of general partner incentive distributions) divided by FFO.*
3. *AFFO is defined as FFO less maintenance capital expenditures.*

We posted strong results for the quarter ended March 31, 2014 with funds from operations ("FFO") totaling $186 million ($0.89 per unit) compared to FFO of $160 million ($0.80 per unit) in the first quarter of 2013. This 16% increase in year-over-year FFO (11% per unit) reflects steady improvements in each of our operating segments and the deployment of capital in both organic growth initiatives and new acquisitions. The payout ratio was 60%, which is at the low end of the target range of 60-70%, and we generated a solid AFFO yield of 14% during the quarter.

The following tables present selected statement of operating results and financial position information by operating platform on a proportionate basis:

(US$ MILLIONS)	Three months ended March 31	
Statement of Operating Results	**2014**	2013
Net income (loss) by segment		
Utilities	**$ 37**	$ (5)
Transport	**33**	(1)
Energy	**9**	9
Corporate and other	**(47)**	(31)
Net income (loss)	**$ 32**	$ (28)
Adjusted EBITDA by segment		
Utilities	**$ 126**	$ 133
Transport	**144**	107
Energy	**44**	38
Corporate and other	**(27)**	(10)
Adjusted EBITDA	**$ 287**	$ 268
FFO by segment		
Utilities	**$ 89**	$ 92
Transport	**95**	67
Energy	**26**	22
Corporate and other	**(24)**	(21)
FFO	**$ 186**	$ 160

(US$ MILLIONS)	As of	
Statement of Financial Position	**March 31, 2014**	December 31, 2013
Total assets by segment		
Utilities	**$ 4,920**	$ 4,766
Transport	**4,887**	4,789
Energy	**1,637**	1,629
Corporate and other	**(117)**	(46)
Total assets	**$ 11,327**	$ 11,138
Net debt by segment		
Utilities	**$ 2,989**	$ 2,838
Transport	**2,360**	2,333
Energy	**926**	927
Corporate and other	**(53)**	(146)
Net debt	**$ 6,222**	$ 5,952
Partnership capital by segment		
Utilities	**$ 1,931**	$ 1,928
Transport	**2,527**	2,456
Energy	**711**	702
Corporate and other	**(64)**	100
Partnership capital	**$ 5,105**	$ 5,186

CAPITAL RESOURCES AND LIQUIDITY

The nature of our asset base and the quality of our associated cash flows enable us to maintain a stable and low cost capital structure. We attempt to maintain sufficient financial liquidity at all times so that we are able to participate in attractive opportunities as they arise, better withstand sudden adverse changes in economic circumstances and maintain a relatively high distribution of our FFO to unitholders. Our principal sources of liquidity are cash flows from our operations, undrawn credit facilities and access to public and private capital markets. We also structure the ownership of our assets to enhance our ability to monetize them to provide additional liquidity, if necessary. Certain subsidiaries may be subject to limitations on their ability to declare and pay dividends. Any limitations existing at March 31, 2014 and 2013 were insignificant and would not adversely impact our ability to meet cash obligations.

Our group-wide liquidity was $2,550 million at March 31, 2014, was in line with at December 31, 2013, and comprised of the following:

	As of	
(US$ MILLIONS)	March 31, 2014	December 31, 2013
Corporate cash and cash equivalents	$ 416	$ 523
Committed corporate credit facility	1,400	1,400
Draws on corporate credit facility	—	—
Commitments under corporate credit facility	(99)	(99)
Proportionate cash retained in businesses	379	330
Proportionate availability under subsidiary credit facilities	454	428
Group-wide liquidity	$ 2,550	$ 2,582

We finance our assets principally at the operating company level with debt that generally has long-term maturities, few restrictive covenants and no recourse to either Brookfield Infrastructure or our other operations. At the operating company level, we endeavour to maintain prudent levels of debt. We also strive to ladder our principal repayments over a number of years. On a proportionate basis as of March 31, 2014, scheduled principal repayments over the next five years are as follows:

(US$ MILLIONS)	Average Term (years)	2014	2015	2016	2017	2018	Beyond	Total
Recourse borrowings								
Corporate borrowings	4	$ —	$ —	$ —	$ 363	$ —	$ —	$ 363
Total recourse borrowings	4	—	—	—	363	—	—	363
Non-recourse borrowings[1, 2]								
Utilities								
Regulated Distribution	13	—	—	35	—	—	935	970
Regulated Terminal	7	—	18	230	—	—	961	1,209
Electricity Transmission	11	81	38	80	64	5	611	879
	11	81	56	345	64	5	2,507	3,058
Transport								
Railroad	9	—	—	16	—	—	1,114	1,130
Ports	9	10	39	49	10	227	123	458
Toll Roads	7	54	217	13	69	13	650	1,016
	8	64	256	78	79	240	1,887	2,604
Energy								
Energy Transmission, Distribution & Storage	7	16	—	—	506	—	385	907
District Energy	20	—	—	21	—	—	64	85
	8	16	—	21	506	—	449	992
Total non-recourse borrowings[1, 2]	10	161	312	444	649	245	4,843	6,654
Total borrowings[3]	10	$ 161	$ 312	$ 444	$ 1,012	$ 245	$ 4,843	$ 7,017
Cash retained in businesses								
Utilities								$ 69
Transport								244
Energy								66
Corporate and other								416
Total cash retained								$ 795
Net debt								
Utilities								$ 2,989
Transport								2,360
Energy								926
Corporate								(53)
Total net debt		2%	5%	6%	14%	4%	69%	$ 6,222

1. *Represents non-recourse debt to Brookfield Infrastructure as the holders have recourse only to the underlying operations.*
2. *Non-recourse project debt from our social infrastructure operations has been excluded from the above tables as this is long-term debt which is fully amortized during the term of our concession contracts.*
3. *As of March 31, 2014, approximately 39% has been issued as floating rate debt. Brookfield Infrastructure and its subsidiaries have entered into interest rate swaps whereby the floating rate debt has been converted to fixed rate debt, effectively reducing floating rate debt maturities to approximately 12% of our total borrowings.*

Our debt has an average term of 10 years. On a proportionate basis, our net debt-to-capitalization ratio as of March 31, 2014 was 55%. The average cash interest rates for our utilities, transport, energy and corporate platforms were 5.2%, 6.5%, 6.9% and 2.9%, respectively (March 31, 2013: 5.5%, 6.2%, 7.4% and 3.5% respectively). The weighted average cash interest rate was 5.8% for the overall business (March 31, 2013: 6.6%).

Proportionate debt can be reconciled to consolidated debt as follows:

(US$ MILLIONS)	As of March 31, 2014	As of December 31, 2013
Consolidated debt	$ 6,197	$ 6,167
Less: borrowings attributable to non-controlling interest	(1,675)	(1,675)
Premium on debt and cross currency swaps	105	(67)
Add proportionate share of borrowings of investments in associates:		
Utilities	700	716
Transport	911	885
Energy	779	779
Proportionate debt	$ 7,017	$ 6,805

CONTRACTUAL OBLIGATIONS

The table below outlines Brookfield Infrastructure's contractual obligations as at March 31, 2014:

	Payments due by period				
(US$ MILLIONS)	Total	Less than 1 year	1-2 years	2-5 years	5+ years
Accounts payable and other liabilities	$ 685	$ 596	$ 3	$ 8	$ 78
Interest-bearing liabilities[1]	8,925	417	587	2,125	5,796
Finance lease liabilities	34	3	3	5	23
Other long-term liabilities	649	—	135	236	278
	$10,293	$ 1,016	$ 728	$ 2,374	$ 6,175

1. *Comprised of non-recourse borrowings and corporate borrowings and includes interest payments of $286 million, $284 million, $698 million and $1,302 million for the periods as follows: less than 1 year, 1-2 years, 2-5 years and 5 years and thereafter, respectively. Interest payments are calculated based on interest rates in effect as at the balance sheet date.*

In addition, pursuant to the Master Services Agreement, on a quarterly basis we pay a Base Management Fee to Brookfield equal to 0.3125% (1.25% annually) of the market value, plus non-recourse debt of the partnership. Based on the market value of the partnership as of March 31, 2014, this fee is estimated to be approximately $100 million per year based on our current capitalization and unit price.

FINANCIAL INSTRUMENTS—FOREIGN CURRENCY HEDGING STRATEGY

To the extent that we believe it is economic to do so, our strategy is to hedge a portion of our equity investments and/or cash flows exposed to foreign currencies. The following key principles form the basis of our foreign currency hedging strategy:

- We leverage any natural hedges that may exist within our operations
- We utilize local currency debt financing to the extent possible
- We may utilize derivative contracts to the extent that natural hedges are insufficient

The following table presents our hedged position in foreign currencies as of March 31, 2014:

	Net Investment Hedges							
(US$ MILLIONS)	USD	AUD	GBP	BRL	CLP	CAD	EUR	COP
Equity Investment—US$	$ 977	$ 1,648	$ 988	$ 794	$300	$ 169	$ 166	$ 63
FX contracts—US$	2,747	(1,334)	(988)	(111)	—	(169)	(145)	—
Net unhedged—US$	$3,724	$ 314	$ —	$ 683	$300	$ —	$ 21	$ 63

At March 31, 2014, we had hedges in place equal to approximately 67% of our net equity investment in foreign currencies. In the three months ended March 31, 2014, we recorded losses in comprehensive income of $37 million related to these contracts.

CAPITAL REINVESTMENT

Our financing plan is to fund our recurring growth capital expenditures with cash flow generated by our operations, as well as debt financing that is sized to maintain our credit profile. To fund large scale development projects and acquisitions, we will evaluate a variety of capital sources including proceeds from selling non-core assets, equity and debt financing. We will seek to raise additional equity if we believe that we can earn returns on these investments in excess of the cost of the incremental equity.

The following table highlights the sources and uses of cash for the year:

	Three months ended March 31	
(US$ MILLIONS)	2014	2013
Funds from operations (FFO)	$ 186	$ 160
Less maintenance capital	(23)	(26)
Funds available for distribution (AFFO)	163	134
Distributions paid	(112)	(94)
Funds available for reinvestment	51	40
Growth capital expenditures	(145)	(106)
Asset level debt funding of growth capex	71	49
New investments	(39)	(17)
Project level (repayments) draws	(27)	290
Repayments of corporate credit facility	—	(222)
Changes in working capital and other	31	(22)
Change in proportionate cash retained in business	(58)	12
Opening, proportionate cash retained in business	853	210
Closing, proportionate cash retained in business	$ 795	$ 222

The following table presents the components of growth and maintenance capital expenditures by operating platform:

	Three months ended March 31	
(US$ MILLIONS)	2014	2013
Growth capital expenditures by segment		
Utilities	$ 68	$ 55
Transport	66	48
Energy	11	3
	$ 145	$ 106

	Actual Capex	
	Three months ended March 31	
THREE MONTHS ENDED MARCH 31 (US$ MILLIONS)	2014	2013
Maintenance capital expenditures by segment		
Utilities	$ 2	$ 6
Transport	18	14
Energy	3	6
	$ 23	$ 26

We estimate annual maintenance capital expenditures of $15-20 million, $80-90 million and $25-35 million for our utilities, transport and energy operations, respectively, for a total range between $120-145 million.

PARTNERSHIP CAPITAL

The total number of partnership units outstanding was comprised of the following:

	As of	
	March 31, 2014	December 31, 2013
Redeemable Partnership Units, held by Brookfield	58,739,416	58,739,416
General partnership units	1,066,929	1,066,929
Limited partnership units	150,297,157	150,252,174
Total	210,103,502	210,058,519

The partnership had total units outstanding of 210,103,502 as of March 31, 2014.

An affiliate of Brookfield, in its capacity as the special limited partner of the Holding LP is entitled to incentive distributions which are based on the amount by which quarterly distributions on the limited partnership units exceed specified target levels. To the extent distributions on partnership units exceed $0.305 per quarter, the incentive distribution rights entitle the special limited partner to 15% of incremental distributions above this threshold to $0.33 per unit. To the extent that distributions on limited partnership units exceed $0.33 per unit, the incentive distribution rights entitle the special limited partner to 25% of incremental distributions above this threshold. During the three months ended March 31, 2014, an incentive distribution of $11 million was paid to the special limited partner (for the three months ended March 31, 2013: $8 million).

RELATED PARTY TRANSACTIONS

In the normal course of operations, Brookfield Infrastructure entered into the transactions below with related parties on market terms. These transactions have been measured at fair value and are recognized on the interim condensed and consolidated financial statements.

The immediate parent of Brookfield Infrastructure is the managing general partner of the partnership. The ultimate parent of Brookfield Infrastructure is Brookfield. Other related parties of Brookfield Infrastructure represent its subsidiary and operating entities.

Transactions with the immediate parent

Throughout the period, the managing general partner, in its capacity as the partnership's general partner, incurs director fees, a portion of which are charged at cost to the partnership in accordance with the limited partnership agreement. Less than $1 million in director fees were incurred during the three months ended March 31, 2014 (less than $1 million during the three months ended March 31, 2013).

Transactions with other related parties

Since inception, Brookfield Infrastructure had a management agreement with its external managers, wholly owned subsidiaries of Brookfield.

Pursuant to the Master Services Agreement, on a quarterly basis, Brookfield Infrastructure pays a base management fee, (the "Base Management Fee"), to affiliates of Brookfield (the "Manager") equal to 0.3125% per quarter (1.25% annually) of the market value of the partnership. The Base Management Fee was $25 million for the three months ended March 31, 2014 ($26 million during the three months ended March 31, 2013).

For purposes of calculating the Base Management Fee, the market value of the partnership is equal to the volume weighted average of the closing prices of the partnership's units on the NYSE (or other exchange or market where the partnership's units are principally traded) for each of the last five trading days of the applicable quarter multiplied by the number of issued and outstanding units of the partnership on the last of those days (assuming full conversion of Brookfield's interest in Brookfield Infrastructure into units of the partnership), plus the amount of third-party debt, net of cash, with recourse to the partnership and Brookfield Infrastructure's holding entity Brookfield Infrastructure LP ("Holding LP") and certain holding entities held directly by the Holding LP.

During the three months ended March 31, 2014, $2 million was reimbursed at cost to the Manager of the partnership ($2 million and during the three months ended March 31, 2013). These amounts represent third party costs that were paid for by Brookfield on behalf of Brookfield Infrastructure relating to general and administrative expenses, and acquisition related expenses of Brookfield Infrastructure. These expenses were charged to Brookfield Infrastructure at cost.

Brookfield Infrastructure has placed funds on deposit with Brookfield. Interest earned on the deposits is at market terms. At March 31, 2014, Brookfield Infrastructure's deposit balance with Brookfield was $90 million (December 31, 2013: $262 million) and earned interest of less than $1 million for the three months ended March 31, 2014 ($nil during the three months ended March 31, 2013).

Brookfield Infrastructure's North American district energy operation has various right-of-way easements and leases office space on market terms with subsidiaries of Brookfield Office Properties Inc. The North American district energy operation also utilizes consulting and engineering services provided by wholly-owned subsidiaries of Brookfield on market terms.

OFF-BALANCE SHEET ARRANGEMENTS

Brookfield Infrastructure has no off-balance sheet arrangements.

Brookfield Infrastructure, on behalf of our subsidiaries provide letters of credit, which include, but are not limited to, guarantees for debt service reserves, capital reserves, construction completion and performance. As at March 31, 2014, letters of credit issued by subsidiaries of Brookfield Infrastructure amounted to $116 million.

In the normal course of operations, we execute agreements that provide for indemnification and guarantees to third parties in transactions such as business dispositions and acquisitions, construction projects, capital projects, and sales and purchases of assets and services. We have also agreed to indemnify our directors and certain of our officers and employees. The nature of substantially all of the indemnification undertakings prevents us from making a reasonable estimate of the maximum potential amount that we could be required to pay third parties, as many of the agreements do not specify a maximum amount and the amounts are dependent upon the outcome of future contingent events, the nature and likelihood of which cannot be determined at this time. Historically, we have made no significant payments under such indemnification agreements.

RECONCILIATION OF NON-IFRS FINANCIAL MEASURES

To measure performance, amongst other measures, we focus on FFO. We define FFO as net income excluding the impact of depreciation and amortization, deferred income taxes, breakage and transaction costs, non-cash valuation gains or losses and other items. FFO is a measure of operating performance that is not calculated in accordance with, and does not have any standardized meaning prescribed by IFRS. FFO is therefore unlikely to be comparable to similar measures presented by other issuers.

FFO has limitations as an analytical tool:

- FFO does not include depreciation and amortization expense; because we own capital assets with finite lives, depreciation and amortization expense recognizes the fact that we must maintain or replace our asset base in order to preserve our revenue generating capability;
- FFO does not include deferred income taxes, which may become payable if we own our assets for a long period of time;
- FFO does not include any non-cash fair value adjustments or mark-to-market adjustments recorded to net income.

Because of these limitations, FFO should not be considered as the sole measure of our performance and should not be considered in isolation from, or as a substitute for, analysis of our results as reported under IFRS. However, FFO is a key measure that we use to evaluate the performance of our operations and forms the basis for the partnership's distribution policy.

When viewed with our IFRS results, we believe that FFO provides a more complete understanding of factors and trends affecting our underlying operations. FFO allows us to evaluate our businesses on the basis of cash return on invested capital by removing the effect of non-cash and other items. We add back depreciation and amortization to remove the implication that our assets decline in value over time since we believe that the value of most of our assets will typically increase over time provided we make all necessary maintenance expenditures.

We add back deferred income taxes because we do not believe this item reflects the present value of the actual cash tax obligations we will be required to pay, particularly if our operations are held for a long period of time. We add back non-cash valuation gains or losses recorded in net income as these are non-cash in nature and indicate a point in time approximation of value on long-term items. We also add back breakage and transaction costs as they are capital in nature.

In addition, we focus on adjusted funds from operations or AFFO, which is defined as FFO less maintenance capital expenditures. Management uses AFFO as a measure of long-term sustainable cash flow.

The following table reconciles FFO and AFFO to the most directly comparable IFRS measure, which is net income. We urge you to review the IFRS financial measures within the MD&A and to not rely on any single financial measure to evaluate the partnership.

	Three months ended March 31	
(US$ MILLIONS)	2014	2013
Net income (loss) attributable to partnership[1]	$ 32	$ (28)
Add back or deduct the following:		
Depreciation and amortization	117	110
Deferred income taxes	(1)	(23)
Mark-to-market on hedging items	16	45
Valuation losses and other	22	56
FFO	186	160
Maintenance capital	(23)	(26)
AFFO	$ 163	$ 134

1. *Includes net income (loss) attributable to non-controlling interests — Redeemable Partnership Units held by Brookfield, general partner and limited partners.*

The difference between net income and FFO is primarily attributable to depreciation and amortization and mark-to-market losses on hedging items during the period.

We also use Adjusted EBITDA as a measure of performance. We define Adjusted EBITDA as FFO excluding the impact of interest expense and other income (expenses).

Reconciliation of Operating Segments

Adjusted EBITDA, FFO, and AFFO are presented based on Brookfield Infrastructure's proportionate share of results in operations accounted for using consolidation and the equity method whereby the partnership either controls or exercises significant influence over the investment respectively, in order to demonstrate the impact of key value drivers of each of these operating platforms on the partnership's overall performance. As a result, segment depreciation and amortization, deferred income taxes, breakage and transaction costs, non-cash valuation gains and losses and other items are reconciling items that will differ from results presented in accordance with IFRS as these reconciling items (1) include Brookfield Infrastructure's proportionate share of earnings from investments in associates attributable to each of the above-noted items, and (2) exclude the proportionate share of earnings (loss) of consolidated investments not held by Brookfield Infrastructure apportioned to each of the above-noted items.

The following tables present each segment's results in the format that management organizes its segments to make operating decisions and assess performance. Each segment is presented on a proportionate basis, taking into account Brookfield Infrastructure's ownership in operations accounted for using the consolidation and equity method whereby the partnership either controls or exercises significant influence over the investment, respectively. These tables reconcile Brookfield Infrastructure's proportionate results to the partnership's consolidated statements of operating results on a line by line basis by aggregating the components comprising the earnings from the partnership's investments in associates and reflecting the portion of each line item attributable to non-controlling interests. See "Discussion of Segment Reconciling Items" on page 46 for a reconciliation of segment results to the partnership's statement of operating results in accordance with IFRS.

FOR THE THREE MONTHS ENDED MARCH 31, 2014 (US$ MILLIONS)	Brookfield Infrastructure's Share					Contribution from investments in associates	Attributable to non-controlling interest	As per IFRS financials [1]
	Utilities	Transport	Energy	Other	Total			
Revenues	$ 176	$ 286	$ 91	$ —	$ 553	$ (223)	$ 150	$ 480
Costs attributed to revenues	(50)	(142)	(47)	—	(239)	105	(78)	(212)
General and administrative costs	—	—	—	(27)	(27)	—	—	(27)
Adjusted EBITDA	126	144	44	(27)	287	(118)	72	
Other income (expense)	2	(7)	—	6	1	3	(1)	3
Interest expense	(39)	(42)	(18)	(3)	(102)	40	(25)	(87)
FFO	89	95	26	(24)	186	(75)	46	
Depreciation and amortization	(39)	(61)	(17)	—	(117)	51	(25)	(91)
Deferred taxes	(6)	7	(4)	4	1	(6)	(1)	(6)
Mark-to-market on hedging items	2	5	—	(23)	(16)	—	—	(16)
Valuation (losses) and gains and other	(9)	(13)	4	(4)	(22)	18	(8)	(12)
Share of earnings from associates	—	—	—	—	—	12	—	12
Net income attributable to non-controlling interest	—	—	—	—	—	—	(12)	(12)
Net income (loss) attributable to partnership[2]	$ 37	$ 33	$ 9	$ (47)	$ 32	$ —	$ —	$ 32

(1) The above table provides each segment's results in the format that management organizes its segments to make operating decisions and assess performance. Each segment is presented on a proportionate basis, taking into account Brookfield Infrastructure's ownership in operations accounted for using the consolidation and equity methods under IFRS. The above table reconciles Brookfield Infrastructure's proportionate results to the partnership's consolidated statements of operating results on a line by line basis by aggregating the components comprising the earnings from the partnership's investments in associates and reflecting the portion of each line item attributable to non-controlling interests.

(2) Net income attributable to the partnership includes net income attributable to non-controlling interests—Redeemable Partnership Units held by Brookfield, general partners and limited partners

FOR THE THREE MONTHS ENDED MARCH 31, 2013 (US$ MILLIONS)	Brookfield Infrastructure's Share					Contribution from investments in associates	Attributable to non-controlling interest	Discontinued operations	As per IFRS financials [1]
	Utilities	Transport	Energy	Other	Total				
Revenues	$ 206	$ 252	$ 83	$ 38	$ 579	$ (218)	$ 140	$ (38)	$ 463
Costs attributed to revenues	(73)	(145)	(45)	(20)	(283)	115	(74)	20	(222)
General and administrative costs	—	—	—	(28)	(28)	—	—	—	(28)
Adjusted EBITDA	133	107	38	(10)	268	(103)	66	(18)	
Other income (expense)	2	(4)	1	—	(1)	2	(4)	—	(3)
Interest expense	(43)	(36)	(17)	(11)	(107)	39	(25)	6	(87)
FFO	92	67	22	(21)	160	(62)	37	(12)	
Depreciation and amortization	(42)	(51)	(17)	—	(110)	46	(22)	—	(86)
Deferred taxes	1	18	6	(2)	23	(3)	6	—	26
Mark-to-market on hedging items	(43)	—	—	(2)	(45)	(6)	(11)	—	(62)
Valuation (losses) and gains and other	(13)	(35)	(2)	(6)	(56)	8	2	6	(40)
Share of earnings from associates	—	—	—	—	—	17	—	—	17
Income from discontinued operations, net of income tax	—	—	—	—	—	—	—	21	21
Net income attributable to non-controlling interest	—	—	—	—	—	—	(12)	(15)	(27)
Net income (loss) attributable to partnership[2]	$ (5)	$ (1)	$ 9	$ (31)	$ (28)	$ —	$ —	$ —	$ (28)

(1) The above table provides each segment's results in the format that management organizes its segments to make operating decisions and assess performance. Each segment is presented on a proportionate basis, taking into account Brookfield Infrastructure's ownership in operations accounted for using the consolidation and equity methods under IFRS. The above table reconciles Brookfield Infrastructure's proportionate results to the partnership's consolidated statements of operating results on a line by line basis by aggregating the components comprising the earnings from the partnership's investments in associates and reflecting the portion of each line item attributable to non-controlling interests.

(2) Net (loss) income attributable to the partnership includes net income attributable to non-controlling interests—Redeemable Partnership Units held by Brookfield, general partners and limited partners

The following tables provide each segment's assets in the format that management organizes its segments to make operating decisions and assess performance. Each segment is presented on a proportionate basis, taking into account Brookfield Infrastructure's ownership in operations using consolidation and the equity method whereby the partnership either controls or exercises significant influence over the investment respectively. These tables reconcile Brookfield Infrastructure's proportionate assets to total assets presented on the partnership's consolidated statements of financial position by removing net liabilities contained within investments in associates and reflecting the assets attributable to non-controlling interests, and adjusting for working capital assets which are netted against working capital liabilities.

	Brookfield Infrastructure's Shares								
As at March 31, 2014 US$ millions	Utilities	Transport	Energy	Corporate & Other	Total	Contribution from investments in associates	Attributable to non-controlling interest	Working capital adjustment	As per IFRS financials[1]
Total assets	$4,920	$4,887	$1,637	$(117)	$11,327	$(2,035)	$3,864	$2,599	$15,755

	Brookfield Infrastructure's Shares								
As at December 31, 2013 US$ millions	Utilities	Transport	Energy	Corporate & Other	Total	Contribution from investments in associates	Attributable to non-controlling interest	Working capital adjustment	As per IFRS financials[1]
Total assets	$4,766	$4,789	$1,629	$(46)	$11,138	$(2,156)	$3,899	$2,801	$15,682

(1) The above tables provide each segment's assets in the format that management organizes its segments to make operating decisions and assess performance. Each segment is presented on a proportionate basis, taking into account Brookfield Infrastructure's ownership in operations using consolidation and the equity method whereby the partnership either controls or exercises significant influence over the investment respectively. The above table reconciles Brookfield Infrastructure's proportionate assets to total assets presented on the partnership's consolidated statements of financial position by removing net liabilities contained within investments in associates and reflecting the assets attributable to non-controlling interests, and adjusting for working capital assets which are netted against working capital liabilities

Discussion of Segment Reconciling Items

The following tables detail and provide discussion, where applicable, of material changes between reporting periods for each operating segment, the reconciliation of contributions from investments in associates and attribution of non-controlling interest in the determination of Adjusted EBITDA, FFO, and net income attributable to the partnership in order to facilitate the understanding of the nature of and changes to reconciling items.

(US$ MILLIONS)	Three months ended March 31 2014	2013
Utilities		
Adjustments to items comprising Adjusted EBITDA[1]		
Contributions from investment in associates	$ (28)	$ (43)
Attribution to non-controlling interest	48	45
Adjusted EBITDA	20	2
Adjustments to items comprising Adjusted FFO[2]		
Contributions from investment in associates	6	11
Attribution to non-controlling interest	(17)	(19)
FFO	9	(6)
Adjustments to items comprising net income attributable to Partnership[3]		
Contributions from investment in associates	22	32
Attribution to non-controlling interest	(31)	(26)
Net income attributable to partnership	$ —	$ —

1. *Revenues, costs attributed to revenues, general and administrative costs.*
2. *Other income, interest expense and cash taxes.*
3. *Depreciation and amortization, deferred taxes, fair value adjustments, other expenses, share of earnings from associates, net income attributable to non-controlling interest.*

Contributions from investments in associates decreased compared to the first quarter of 2013, primarily as a result of the disposition of our Australasian regulated distribution operation in the fourth quarter of 2013.

Attribution to non-controlling interest increased over the prior year primarily due to inflation indexation and commissioning of projects into our rate base.

(US$ MILLIONS)	Three months ended March 31 2014	2013
Transport		
Adjustments to items comprising Adjusted EBITDA[1]		
Contributions from investment in associates	$ (61)	$ (33)
Attribution to non-controlling interest	16	13
Adjusted EBITDA	(45)	(20)
Adjustments to items comprising Adjusted FFO[2]		
Contributions from investment in associates	25	15
Attribution to non-controlling interest	(7)	(8)
FFO	(27)	(13)
Adjustments to items comprising net income attributable to Partnership[3]		
Contributions from investment in associates	36	18
Attribution to non-controlling interest	(9)	(5)
Net income attributable to partnership	$ —	$ —

1. *Revenues, costs attributed to revenues, general and administrative costs.*
2. *Other income, interest expense and cash taxes.*
3. *Depreciation and amortization, deferred taxes, fair value adjustments, other expenses, share of earnings from associates, net income attributable to non-controlling interest.*

Contributions from investments in associates increased over the prior year comparative period as a result of the additional investment in our Brazilian toll roads during the third quarter of 2013.

Attribution to non-controlling interest increased over the prior year mainly due to improved volumes at our UK port operation as economic conditions continue to improve in the region.

(US$ MILLIONS)	Three months ended March 31 2014	2013
Energy		
Adjustments to items comprising Adjusted EBITDA[1]		
Contributions from investment in associates	$ (29)	$ (27)
Attribution to non-controlling interest	8	8
Adjusted EBITDA	(21)	(19)
Adjustments to items comprising Adjusted FFO[2]		
Contributions from investment in associates	15	15
Attribution to non-controlling interest	(2)	(2)
FFO	(8)	(6)
Adjustments to items comprising Net income attributable to Partnership[3]		
Contributions from investment in associates	14	12
Attribution to non-controlling interest	(6)	(6)
Net income attributable to partnership	$ —	$ —

1. *Revenues, costs attributed to revenues, general and administrative costs.*
2. *Other income, interest expense and cash taxes.*
3. *Depreciation and amortization, deferred taxes, fair value adjustments, other expenses, share of earnings from associates, net income attributable to non-controlling interest.*

Contributions from investments in associates increased over the prior year primarily due to improved performance at our North American gas transmission business as a result of increased natural gas volume demand into the Chicago market due to record cold weather.

Attribution to non-controlling interest for the three months ended March 31, 2014 is in line with the prior year as the results of our district energy operations were consistent with the comparative period.

(US$ MILLIONS)	Three months ended March 31 2014	2013
Other		
Adjustments to items comprising Adjusted EBITDA[1]		
Contributions from investment in associates	$ —	$ —
Attribution to non-controlling interest	—	—
Discontinued operations	—	(18)
Adjusted EBITDA	—	(18)
Adjustments to items comprising Adjusted FFO[2]		
Contributions from investment in associates	(3)	—
Attribution to non-controlling interest	—	—
Discontinued operations	—	6
FFO	(3)	(12)
Adjustments to items comprising Net income attributable to Partnership[3]		
Contributions from investment in associates	3	—
Attribution to non-controlling interest	—	—
Discontinued operations	—	12
Net income attributable to partnership	$ —	$ —

1. *Revenues, costs attributed to revenues, general and administrative costs.*
2. *Other income, interest expense and cash taxes.*
3. *Depreciation and amortization, deferred taxes, fair value adjustments, other expenses, share of earnings from associates, net income attributable to non-controlling interest.*

Contributions from our discontinued operations are comprised of the results of our Canadian and U.S. freehold timberland operations, which recognized lower earnings relative to the prior year as result of the disposition of these timberland assets during 2013.

(US$ MILLIONS)	Three months ended March 31 2014	2013
Total		
Adjustments to items comprising Adjusted EBITDA[1]		
Contributions from investment in associates	$ (118)	$ (103)
Attribution to non-controlling interest	72	66
Discontinued operations	—	(18)
Adjusted EBITDA	(46)	(55)
Adjustments to items comprising Adjusted FFO[2]		
Contributions from investment in associates	43	41
Attribution to non-controlling interest	(26)	(29)
Discontinued operations	—	6
FFO	(29)	(37)
Adjustments to items comprising net income attributable to Partnership[3]		
Contributions from investment in associates	75	62
Attribution to non-controlling interest	(46)	(37)
Discontinued operations	—	12
Net income attributable to partnership	$ —	$ —

1. *Revenues, costs attributed to revenues, general and administrative costs.*
2. *Other income, interest expense and cash taxes.*
3. *Depreciation and amortization, deferred taxes, fair value adjustments, other expenses, share of earnings from associates, net income attributable to non-controlling interest.*

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements requires management to make critical judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses that are not readily apparent from other sources, during the reporting period. These estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments made by management and utilized in the normal course of preparing Brookfield Infrastructure's consolidated financial statements are outlined below.

Common control transactions

IFRS 3 (2008) does not include specific measurement guidance for transfers of businesses or subsidiaries between entities under common control. Accordingly, Brookfield Infrastructure has developed a policy to account for such transactions taking into consideration other guidance in the IFRS framework and pronouncements of other standard-setting bodies. Brookfield Infrastructure's policy is to record assets and liabilities recognized as a result of transactions between entities under common control at the carrying value on the transferor's financial statements, and to have the Consolidated Statements of Financial Position, Consolidated Statements of Operating Results, Consolidated Statements of Comprehensive Income and Statements of Cash Flows reflect the results of combining entities for all periods presented for which the entities were under the transferor's common control, irrespective of when the combination takes place.

Classification of assets and liabilities as held for sale

Judgment is applied in determining whether the results of operations associated with the assets should be recorded in discontinued operations on the Consolidated Statements of Operating Results. Brookfield Infrastructure will reclassify the results of operations associated with certain assets to discontinued operations where the assets represent a component of the partnership whose operations and cash flows can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the partnership.

Financial instruments

Brookfield Infrastructure's accounting policies relating to derivative financial instruments are described in note 3(n) of Brookfield Infrastructure's annual consolidated financial statements. The critical judgments inherent in these policies relate to applying the criteria to the assessment of the effectiveness of hedging relationships. Estimates and assumptions used in determining the fair value of financial instruments are equity and commodity prices; future interest rates; the credit worthiness of the company relative to its counterparties; the credit risk of the company's counterparties relative to the company; estimated future cash flows; and discount rates.

Revaluation of property, plant and equipment

Property, plant and equipment is revalued on a regular basis. The critical estimates and assumptions underlying the valuation of property, plant and equipment are set out in note 15 of Brookfield Infrastructure's annual consolidated financial statements.

Valuation of standing timber

Changes in fair value are recorded in profit and loss during the period of change. Brookfield Infrastructure determines fair value on an annual basis. Certain assets recorded at fair value were estimated and determined by management of the partnership with due consideration given to other relevant data points. Key estimates and assumptions in determining the fair value of standing timber are: the timing of forecasted revenues and timber prices; estimated selling costs; sustainable felling plans; growth assumptions; silviculture costs; discount rates; terminal capitalization rates and terminal valuation dates.

Valuation of investment property

The fair value of investment property is primarily determined by discounting the expected future cash flows of each property, generally over a term of 10 years, using a discount and terminal capitalization rate reflective of the characteristics, location and market of each property. The future cash flows of each property are based upon, among other things, rental income from current leases and assumptions about rental income from future leases reflecting current conditions, less future cash outflows in respect of such current and future leases.

In some cases, the fair values are determined based on recent real estate transactions with similar characteristics and location to those of Brookfield Infrastructure. Fair value is estimated by management of the partnership with due consideration given to other relevant data points.

Fair values in business combinations

Brookfield Infrastructure accounts for business combinations using the acquisition method of accounting. This method requires the application of fair values for both the consideration given and the assets and liabilities acquired. The calculation of fair values is often predicated on estimates and judgments including future cash flows, revenue streams and value-in-use calculations. The determination of the fair values may remain provisional for up to 12 months from the date of acquisition due to the time required to obtain independent valuations of individual assets and to complete assessments of provisions. When the accounting for a business combination has not been completed as at the reporting date, this is disclosed in the financial statements, including observations on the estimates and judgments made as of the reporting date.

Impairment of goodwill and intangibles with indefinite lives

The impairment assessment of goodwill and intangible assets with indefinite lives requires an estimation of the value-in-use or fair value less costs of disposal of the cash-generating units to which goodwill or the intangible asset has been allocated. Brookfield Infrastructure uses the following critical assumptions and estimates: the tax circumstances that gave rise to the goodwill, timing and amount of future cash flows expected from the cash-generating unit; discount rates; terminal capitalization rates; terminal valuation dates; useful lives and residual values.

Other estimates utilized in the preparation of the partnership's financial statements are: depreciation and amortization rates and useful lives; recoverable amount of goodwill and intangible assets; ability to utilize tax losses and other tax measurements.

Other critical judgments utilized in the preparation of the partnership's financial statements include the determination of functional currency, determination of operating segments, determination of effectiveness of financial hedges for accounting purposes, recoverability of deferred tax assets and assessment of tax uncertainties, and determination of control.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Brookfield Infrastructure applied, for the first time, certain Standards and amendments to Standards applicable to Brookfield Infrastructure that became effective January 1, 2014. The impact of adopting these standards on the partnership's accounting policies and disclosures is as follows:

a) Recently Adopted Accounting Standards and Amendments

IFRIC 21, *Levies* ("IFRIC 21") provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37, Provisions, Contingent Liabilities and Contingent Assets, and those where the timing and amount of the levy is certain. IFRIC 21 identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation. A liability is recognized progressively if the obligating event occurs over a period of time or, if an obligation is triggered on reaching a minimum threshold, the liability is recognized when that minimum threshold is reached. IFRIC 21 was applied retrospectively and the application of this new standard had no impact on Brookfield Infrastructure's accounting for levies for the current and prior periods presented.

IAS 32, *Financial Instruments: Presentation* ("IAS 32") was amended to clarify certain aspects as a result of the application of offsetting requirements, namely focusing on the following four main areas: the interpretation of "currently has a legally enforceable right of set-off", the application of simultaneous realization and settlement, the offsetting of collateral amounts, and the unit of account for applying the offsetting requirements. The amendments to IAS 32 were applied retrospectively and the application of these amendments had no impact on Brookfield Infrastructures accounting for or presentation of financial instruments for the current and prior periods presented.

b) Standard issued not yet adopted

IFRS 9, *Financial Instruments* ("IFRS 9") was issued by the IASB on November 12, 2009 and will replace IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is tentatively effective for annual periods beginning on or after January 1, 2018. Brookfield Infrastructure is currently evaluating the impact of IFRS 9 on its consolidated financial statements.

CONTROLS AND PROCEDURES

As of March 31, 2014, an evaluation of the effectiveness of our "disclosure controls and procedures" (as defined in Rules 13a-15(e) and 15d-15(e) of the United States Securities Exchange Act of 1934, or the Exchange Act) was carried out under the supervision and with the participation of persons performing the functions of principal executive and principal financial officers for us and our Manager. Based upon that evaluation, the persons performing the functions of principal executive and principal financial officers for us have concluded that, as of March 31, 2014, our disclosure controls and procedures were effective: (i) to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms; and (ii) to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including the persons performing the functions of principal executive and principal financial officers for us, to allow timely decisions regarding required disclosure.

It should be noted that while our management, including persons performing the functions of principal executive and principal financial officers for us, believe our disclosure controls and procedures provide a reasonable level of assurance that such controls and procedures are effective, they do not expect that our disclosure controls and procedures or internal controls will prevent all error and all fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

No changes were made in our internal control over financial reporting during the three months ended March 31, 2014, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Management's Discussion and Analysis contains forward-looking information within the meaning of Canadian provincial securities laws and "forward-looking statements" within the meaning of certain securities laws including Section 27A of the U.S. Securities Act of 1933, as amended, Section 21E of the U.S. Securities Exchange Act of 1934, as amended, "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995 and in any applicable Canadian securities regulations. We may make such statements in this report, in other filings with Canadian regulators or the SEC or in other communications. The words "tend", "seek", "target", "foresee", "believe," "expect," "could", "aim to," "intend," "objective", "outlook", "endeavour", "estimate", "likely", "continue", "plan", "positioned to", derivatives thereof and other expressions of similar import, or the negative variations thereof, and similar expressions of future or conditional verbs such as "will", "may", "should," which are predictions of or indicate future events, trends or prospects and which do not relate to historical matters, identify forward-looking statements. Forward-looking statements in this Management's Discussion and Analysis include among others, statements with respect to our assets tending to appreciate in value over time, growth in our assets and operations, increases in FFO per unit and resulting capital appreciation, returns on capital and on equity, increasing demand for commodities and global movement of goods, expected capital expenditures, the impact of planned capital projects by customers of our railroad business on the performance and growth of that business, the extent of our corporate, general and administrative expenses, our ability to close acquisitions (including acquisitions referred to in this Management's Discussion and Analysis), our capacity to take advantage of opportunities in the marketplace, the future prospects of the assets that Brookfield Infrastructure operates or will operate, partnering with institutional investors, ability to identify, acquire and integrate new acquisition opportunities, long-term target return on our assets, sustainability of distribution levels, distribution growth and payout ratios, operating results and margins for our business and each operation, future prospects for the markets for our products, Brookfield Infrastructure's plans for growth through internal growth and capital investments, ability to achieve stated objectives, ability to drive operating efficiencies, return on capital expectations for the business, contract prices and regulated rates for our operations, our expected future maintenance and capital expenditures, ability to deploy capital in accretive investments, impact on the business resulting from our view of future economic conditions, our ability to maintain sufficient financial liquidity, our ability to draw down funds under our bank credit facilities, our ability to secure financing through the issuance of equity or debt, expansions of existing operations, financing plan for operating companies, foreign currency management activities and other statements with respect to our beliefs, outlooks, plans, expectations and intentions. Although we believe that the partnership's anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information because they involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the partnership to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements and information.

Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include: general economic and financial conditions in the countries in which we do business which may impact market demand, foreign currency risk, the high level of government regulation affecting our businesses, the outcome and timing of various regulatory, legal and contractual issues, global credit and financial markets, the competitive business environment in the industries in which we operate, the competitive market for acquisitions and other growth opportunities, availability of equity and debt financing, the completion of various large capital projects by mining customers of our railroad business which themselves rely on access to capital and continued favourable commodity prices, our ability to complete large capital expansion projects on time and within budget, ability to negotiate favourable take-or-pay contractual terms, traffic volumes on our toll roads, acts of God, weather events, or similar events outside of our control, and other risks and factors detailed from time to time in documents filed by Brookfield Infrastructure with the securities regulators in Canada and the United States, including Brookfield Infrastructure's most recent Annual Report on Form 20-F under the heading "Risk Factors".

We caution that the foregoing list of important factors that may affect future results is not exhaustive. When relying on our forward-looking statements to make decisions with respect to Brookfield Infrastructure, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Except as required by law, the partnership undertakes no obligation to publicly update or revise any forward-looking statements or information, whether written or oral, that may be as a result of new information, future events or otherwise.

CAUTIONARY STATEMENT REGARDING USE OF NON-IFRS ACCOUNTING MEASURES

Although our financial results are determined in accordance with International Financial Reporting Standards ("IFRS"), the basis of presentation throughout much of this report differs from IFRS in that it is organized by business segment and utilizes funds from operations ("FFO") and adjusted funds from operations ("AFFO") as important measures. This is reflective of how we manage the business and, in our opinion, enables the reader to better understand our affairs. We provide a reconciliation to the most directly comparable IFRS measure in this Management's Discussion and Analysis. Readers are encouraged to consider both measures in assessing Brookfield Infrastructure's results.

BUSINESS ENVIRONMENT AND RISKS

Brookfield Infrastructure's financial results are impacted by various factors, including the performance of each of our operations and various external factors influencing the specific platforms and geographic locations in which we operate; macro-economic factors such as economic growth, changes in currency, inflation and interest rates; regulatory requirements and initiatives; and litigation and claims that arise in the normal course of business. These and other factors are described in Brookfield Infrastructure's most recent Annual Report on Form 20-F which is available on our website at www.brookfieldinfrastructure.com and at www.sec.gov/edgar.shtml and www.sedar.com.

Exhibit 99.2

FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS
FULL CERTIFICATE

I, Samuel Pollock, Chief Executive Officer of Brookfield Infrastructure Group L.P., manager of Brookfield Infrastructure Partners L.P., certify the following:

1. ***Review:*** I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of Brookfield Infrastructure Partners L.P. (the "issuer") for the interim period ended March 31, 2014.

2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

4. ***Responsibility:*** The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, for the issuer.

5. ***Design:*** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer and I have, as at the end of the period covered by the interim filings

   (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that

      (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

      (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

   (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1 ***Control framework:*** The control framework the issuer's other certifying officer and I used to design the issuer's ICFR is the Internal Control – Integrated Framework (COSO Framework) published by The Committee of Sponsoring Organizations of the Treadway Commission (COSO).

5.2 ***ICFR – material weakness relating to design:*** N/A

5.3 ***Limitation on scope of design:*** N/A

6. ***Reporting changes in ICFR:*** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on January 1, 2014 and ended on March 31, 2014 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: May 14, 2014

/s/ Samuel Pollock
Samuel Pollock
Chief Executive Officer,
Brookfield Infrastructure Group L.P.

Exhibit 99.3

FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS
FULL CERTIFICATE

I, Bahir Manios, Chief Financial Officer of Brookfield Infrastructure Group L.P., manager of Brookfield Infrastructure Partners L.P., certify the following:

1. ***Review:*** I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of Brookfield Infrastructure Partners L.P. (the "issuer") for the interim period ended March 31, 2014.

2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

4. ***Responsibility:*** The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, for the issuer.

5. ***Design:*** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer and I have, as at the end of the period covered by the interim filings

   (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that

      (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

      (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

   (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1 ***Control framework:*** The control framework the issuer's other certifying officer and I used to design the issuer's ICFR is the Internal Control – Integrated Framework (COSO Framework) published by The Committee of Sponsoring Organizations of the Treadway Commission (COSO).

5.2 ***ICFR – material weakness relating to design:*** **N/A**

5.3 ***Limitation on scope of design:*** **N/A**

6. ***Reporting changes in ICFR:*** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on January 1, 2014 and ended on March 31, 2014, that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: May 14, 2014

/s/ Bahir Manios
Bahir Manios
Chief Financial Officer,
Brookfield Infrastructure Group L.P.

As filed with the Securities and Exchange Commission on March 28, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington D.C. 20549

FORM 20-F

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

for the fiscal year ended December 31, 2013

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number 001-33632

BROOKFIELD INFRASTRUCTURE PARTNERS L.P.

(Exact name of Registrant as specified in its charter)

Bermuda

(Jurisdiction of incorporation or organization)

73 Front Street
Hamilton, HM 12, Bermuda

(Address of principal executive offices)

73 Front Street
Hamilton, HM 12, Bermuda
+1-441-294-3309

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered pursuant to Section 12(b) of the Act:

Title of class	Name of each exchange on which registered
Limited Partnership Units	New York Stock Exchange; Toronto Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act:
None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:
None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report:

150,252,174 Limited Partnership Units as of December 31, 2013

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. **Yes** ☒ **No** ☐

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. **Yes** ☐ **No** ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. **Yes** ☒ **No** ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). **Yes** ☐ **No** ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer ☒ **Accelerated filer** ☐ **Non-accelerated filer** ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

☐ **U.S. GAAP** ☒ **International Financial Reporting Standards as issued by the International Accounting Standards Board** ☐ **Other**

If "Other" has been checked in response to the previous question indicate by check mark which financial statement item the registrant has elected to follow. **Item 17** ☐ **Item 18** ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). **Yes** ☐ **No** ☒

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INTRODUCTION AND USE OF CERTAIN TERMS

Unless otherwise specified, information provided in this annual report on Form 20-F is as of December 31, 2013.

Unless the context requires otherwise, when used in this annual report on Form 20-F, the terms "Brookfield Infrastructure", "we", "us" and "our" refer to Brookfield Infrastructure Partners L.P., collectively with its subsidiary entities and the operating entities (as defined below). All dollar amounts contained in this annual report on Form 20-F are expressed in U.S. dollars and references to "dollars", "$", "US$" or "USD" are to U.S. dollars, all references to "C$" or "CAD" are to Canadian dollars, and all references to "A$" are to Australian dollars. In addition, all references to "£" or "GBP" are to pound sterling, all references to "NZD" are to New Zealand dollars, all references to "€" or "EUR" are to Euros, and unless the context suggests otherwise, references to:

- an "affiliate" of any person are to any other person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such person;
- "Brookfield" are to Brookfield Asset Management and any affiliate of Brookfield Asset Management, other than us;
- "Brookfield Asset Management" are to Brookfield Asset Management Inc.;
- our "current operations" are to the businesses in which we hold an interest as set out in Item 4.B "Business Overview";
- our "energy operations" are to our interest in North American gas transmission operations in the U.S., European energy distribution operations in the Channel Islands and Isle of Man, Australian energy distribution operation, U.S. and Canadian natural gas storage operations and Canadian district energy operations, as described in Item 4.B "Business Overview—Current Operations—Energy Operations—Overview";
- the "general partner" are to our partnership in its capacity as general partner of the Holding LP;
- "Holding Entities" are to the subsidiaries of the Holding LP, from time-to-time, through which we hold all of our interests in the operating entities;
- the "Holding LP" are to Brookfield Infrastructure L.P.;
- the "Infrastructure General Partner" are to Brookfield Infrastructure General Partner Limited, which serves as the general partner of the Infrastructure Special LP;
- the "Infrastructure Special LP" are to Brookfield Infrastructure Special L.P., which is a special limited partner of the Holding LP;
- "Licensing Agreements" are to the licensing agreements described in Item 7.B "Related Party Transactions—Licensing Agreements";
- our "Limited Partnership Agreement" are to the second amended and restated limited partnership agreement of our partnership;
- our "Managing General Partner" are to Brookfield Infrastructure Partners Limited, which serves as our partnership's general partner;
- "Master Services Agreement" are to the amended and restated master services agreement dated as of March 28, 2014, among the Service Recipients, Brookfield Asset Management Inc., the Service Provider and others, as described in Item 6.A "Directors and Senior Management—Our Master Services Agreement";

- "Merger Transaction" are to our acquisition of the ownership interests in Prime not already held by us, which was completed on December 8, 2010;
- "operating entities" are to the entities which directly or indirectly hold our current operations and assets that we may acquire in the future, including any assets held through joint ventures, partnerships and consortium arrangements;
- our "partnership" are to Brookfield Infrastructure Partners L.P.;
- "Prime" are to Prime Infrastructure, known collectively as Babcock & Brown Infrastructure Limited and Babcock & Brown Infrastructure Trust, or BBI, prior to its recapitalization on November 20, 2009;
- "rate base" are to a regulated or notionally stipulated asset base;
- the "Redemption-Exchange Mechanism" are to the mechanism by which Brookfield may request redemption of its limited partnership interests in the Holding LP in whole or in part in exchange for cash, subject to the right of our partnership to acquire such interests (in lieu of such redemption) in exchange for limited partnership units of our partnership, as more fully set forth in Item 10.B "Memorandum and Articles of Association—Description of the Holding LP's Limited Partnership Agreement—Redemption-Exchange Mechanism";
- "Redeemable Partnership Unit" is a unit of the Holding LP that has the rights of the Redemption-Exchange Mechanism. See Item 10.B "Memorandum and Articles of Association—Description of the Holding LP's Limited Partnership Agreement—Units";
- "Relationship Agreement" are to the amended and restated relationship agreement dated as of March 28, 2014 by and among our partnership, the Holding LP, the Holding Entities the Service Provider and Brookfield Asset Management Inc., as described in Item 7.B "Related Party Transactions—Relationship Agreement";
- the "Service Provider" are to Brookfield Infrastructure Group L.P., Brookfield Infrastructure Group Corporation, Brookfield Asset Management Barbados Inc., Brookfield Global Infrastructure Advisor Limited, Brookfield Infrastructure Group (Australia) PTY Limited and, unless the context otherwise requires, includes any other affiliate of Brookfield Asset Management that provides services to us pursuant to the Master Services Agreement or any other service agreement or arrangement;
- "Service Recipients" are to our partnership, the Holding LP and certain of the Holding Entities;
- "spin-off" are to the issuance of the special dividend by Brookfield Asset Management to its shareholders of 23,344,508 of our units on January 31, 2008;
- our "transport operations" are to our interests in Australian railroad operation, port operations in the UK, port operations in Europe, Chilean toll road operations and Brazilian toll road operations, as described in Item 4.B "Business Overview—Our Operations—Transport—Overview";
- our "units" are to the limited partnership units in our partnership and references to our "unitholders" are to the holders of our units;
- our "utilities operations" refer to our interests in Australian regulated terminal operation, South American electricity transmission operation in Chile and distribution operation in Colombia, North American electricity transmission operation in Canada and U.S., Australasian energy distribution operation, and European energy distribution operation in the UK, as described in Item 4.B "Business Overview—Current Operations—Utilities—Overview"; and
- "Voting Agreements" are to the voting arrangements described in Item 7.B "Related Party Transactions—Voting Agreements".

FORWARD-LOOKING STATEMENTS

This annual report on Form 20-F contains certain forward-looking statements and information concerning our business and operations. The forward-looking statements and information also relate to, among other things, our objectives, goals, strategies, intentions, plans, beliefs, expectations and estimates and anticipated events or trends. In some cases, you can identify forward-looking statements by terms such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "potential," "should," "objective," "will" and "would" or the negative of those terms or other comparable terminology.

Although we believe that our anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based on reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information because they involve assumptions, known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to differ materially from anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information.

The following factors could cause our actual results to differ materially from our forward looking statements and information:

- our assets are or may become highly leveraged and we intend to incur indebtedness above the asset level;
- our partnership is a holding entity that relies on its subsidiaries to provide the funds necessary to pay our distributions and meet our financial obligations;
- future sales and issuances of our units, or the perception of such sales or issuances, could depress the trading price of our units;
- future acquisitions may significantly increase the scale and scope of our operations;
- foreign currency risk and risk management activities;
- our partnership may become regulated as an investment company under the *U.S. Investment Company Act of 1940* ("Investment Company Act"), as amended;
- we are exempt from certain requirements of Canadian securities laws and we are not subject to the same disclosure requirements as a U.S. domestic issuer;
- we may be subject to the risks commonly associated with a separation of economic interest from control or the incurrence of debt at multiple levels within an organizational structure;
- effectiveness of our internal controls over financial reporting could have a material adverse effect;
- general economic conditions and risks relating to the global economy;
- commodity risks;
- availability and cost of credit;
- government policy and legislation changes;
- exposure to uninsurable losses and force majeure events;
- infrastructure operations may require substantial capital expenditures;
- labour disruptions and economically unfavorable collective bargaining agreements;
- exposure to health and safety related accidents;

- exposure to increased economic regulation;
- exposure to environmental risks, including increasing environmental legislation and the broader impacts of climate change;
- high levels of regulation upon many of our operating entities;
- First Nations claims to land, adverse claims or governmental claims may adversely affect our infrastructure operations;
- the competitive market for acquisition opportunities;
- our ability to renew existing contracts and win additional contracts with existing or potential customers;
- timing and price for the completion of unfinished projects;
- some of our current operations are held in the form of joint ventures or partnerships or through consortium arrangements;
- our infrastructure business is at risk of becoming involved in disputes and possible litigation;
- some of our businesses operate in jurisdictions with less developed legal systems and could experience difficulties in obtaining effective legal redress;
- actions taken by national, state, or provincial governments, including nationalization, or the imposition of new taxes, could materially impact the financial performance or value of our assets;
- reliance on technology;
- customers may default on their obligations;
- reliance on tolling and revenue collection systems;
- our ability to finance our operations due to the status of the capital markets;
- changes in our credit ratings;
- our operations may suffer a loss from fraud, bribery, corruption or other illegal acts;
- Brookfield's influence over our partnership;
- the lack of an obligation of Brookfield to source acquisition opportunities for us;
- our dependence on Brookfield and its professionals;
- interests in our Managing General Partner may be transferred to a third party without unitholder consent;
- Brookfield may increase its ownership of our partnership;
- our Master Services Agreement and our other arrangements with Brookfield do not impose on Brookfield any fiduciary duties to act in the best interests of unitholders;
- conflicts of interest between our partnership and our unitholders, on the one hand, and Brookfield, on the other hand;
- our arrangements with Brookfield may contain terms that are less favorable than those which otherwise might have been obtained from unrelated parties;
- our Managing General Partner may be unable or unwilling to terminate the Master Services Agreement;

- the limited liability of, and our indemnification of, the Service Provider;
- our unitholders do not have a right to vote on partnership matters or to take part in the management of our partnership;
- market price of our units may be volatile;
- dilution of existing unitholders;
- adverse changes in currency exchange rates;
- investors may find it difficult to enforce service of process and enforcement of judgments against us;
- we may not be able to continue paying comparable or growing cash distributions to unitholders in the future;
- we rely on the Holding LP and, indirectly, the Holding Entities and the operating entities to provide us with the funds necessary to pay distributions and meet our financial obligations;
- changes in tax law and practice; and
- other factors described in this annual report on Form 20-F, including, but not limited to, those described under Item 3.D "Risk Factors" and elsewhere in this annual report on Form 20-F.

In light of these risks, uncertainties and assumptions, the events described by our forward-looking statements and information might not occur. We qualify any and all of our forward-looking statements and information by these cautionary factors. Please keep this cautionary note in mind as you read this annual report on Form 20-F. We disclaim any obligation to update or revise publicly any forward-looking statements or information, whether as a result of new information, future events or otherwise, except as required by applicable law.

CAUTIONARY STATEMENT REGARDING THE USE OF NON-IFRS ACCOUNTING MEASURES

FFO

To measure performance, among other measures, we focus on net income as well as funds from operations ("FFO").

We define FFO as net income excluding the impact of depreciation and amortization, deferred income taxes, breakage and transaction costs, non-cash valuation gains or losses and other items. FFO is a measure of operating performance, which is not calculated in accordance with, and does not have any standardized meaning prescribed by, International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), FFO is therefore unlikely to be comparable to similar measures presented by other issuers. FFO has limitations as an analytical tool. See Item 5 "Operating and Financial Review and Prospects—Reconciliation of Non-IFRS Financial Measures" for more information on this measure, including a reconciliation to the most directly comparable IFRS measure.

AFFO

In addition, we use adjusted funds from operations ("AFFO") as a measure of long-term sustainable cash flow.

We define AFFO as FFO less maintenance capital expenditures. AFFO is a measure of operating performance, which is not calculated in accordance with, and does not have any standardized meaning prescribed by IFRS. AFFO is therefore unlikely to be comparable to similar measures presented by other issuers. AFFO has limitations as an analytical tool. See Item 5 "Operating and Financial Review

and Prospects—Reconciliation of Non-IFRS Financial Measures" for more information on this measure, including a reconciliation to the most directly comparable IFRS measure.

Adjusted EBITDA

In addition to FFO, we focus on "adjusted EBITDA", which we define as FFO excluding the impact of interest expense, cash taxes and other income (expenses). Like FFO, adjusted EBITDA is a measure of operating performance, which is not calculated in accordance with, and does not have any standardized meaning prescribed by IFRS. Adjusted EBITDA is therefore unlikely to be comparable to similar measures presented by other issuers. Adjusted EBITDA has limitations as an analytical tool. See Item 5 "Operating and Financial Review and Prospects—Reconciliation of Non-IFRS Financial Measures" for more information on this measure, including a reconciliation to the most directly comparable IFRS measure.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

3.A SELECTED FINANCIAL DATA

The following table presents financial data for Brookfield Infrastructure as of and for the periods indicated:

MILLIONS	For the Year Ended December 31,				
Statements of Operating Results Key Metrics	**2013**	2012	2011	2010	2009
Revenue	**$1,826**	$1,524	$1,115	$ 280	$ 51
Direct operating costs	**(823)**	(766)	(561)	(172)	(12)
General and administrative expenses	**(110)**	(95)	(61)	(35)	(18)
Depreciation and amortization expense	**(329)**	(230)	(126)	(27)	(9)
Interest expense	**(362)**	(322)	(253)	(59)	(2)
Earnings from investments in associates	**(217)**	1	76	52	14
Gain on sale of investment (after-tax)	**—**	—	—	—	68
Fair value gains and other items	**—**	8	—	396	28
Income from discontinued operations, net of income tax[1]	**45**	190	289	59	(150)
Net income attributable to partnership[2]	**(58)**	106	187	430	53
Net income per limited partnership unit	**(0.43)**	0.47	1.13	3.91	1.11
Funds from operations (FFO)[3][4]	**682**	462	392	197	117
Per unit FFO[4][5]	**3.30**	2.41	2.41	1.79	2.45
Per unit distributions	**1.72**	1.50	1.32	1.10	1.06

(1) The timber segment was reported as part of continuing operations until the second quarter of 2013 and has since been classified as discontinued operations for both the current and comparative periods.

(2) Net income attributable to partnership includes net income attributable to non-controlling interests—Redeemable Partnership Units held by Brookfield, general partner and limited partners.

(3) FFO is defined as net income excluding the impact of depreciation and amortization, deferred income taxes, breakage and transaction costs, non-cash valuation gains or losses and other items. FFO is a measure of operating performance that is not calculated in accordance with, and does not have any standardized meaning prescribed by IFRS. Please see Item 5 "Operating and Financial Review and Prospects—Management's Discussion and Analysis of Financial Condition and Results of Operations—Reconciliation of Non-IFRS Financial Measures" for a discussion of FFO and its limitations as a measure of our operating performance.

(4) Includes $68 million gain on sale of Transmissoras Brasileiras de Energia ("TBE") in 2009.

(5) During 2013, on average there were 206.7 million units outstanding (2012: 191.5 million, 2011: 162.5 million, 2010: 109.9 million, 2009: 47.7 million).

MILLIONS	As of December 31,				
Statements of Financial Position Key Metrics	**2013**	2012	2011	2010	2009
Cash and cash equivalents	**$ 538**	$ 263	$ 153	$ 154	$ 107
Total assets	**15,682**	19,718	13,269	13,352	6,052
Corporate borrowings	**377**	946	—	18	—
Non-recourse borrowings	**5,790**	6,993	4,885	4,575	1,926
Partnership capital—attributable to limited partners	**3,751**	3,632	3,049	2,461	1,126
Partnership capital—attributable to general partner	**27**	27	24	23	18
Non-controlling interest—Redeemable Partnership Units held by Brookfield	**1,408**	1,365	1,133	887	761
Non-controlling interest—in operating subsidiaries	**1,419**	2,784	1,683	1,552	1,305

The following table reconciles FFO, a non-IFRS financial metric, to the most directly comparable IFRS measure, which is net income:

	For the Year Ended December 31				
MILLIONS, EXCEPT PER UNIT AMOUNTS[1]	**2013**	2012	2011	2010	2009
Net (loss) income attributable to partnership[2]	**$ (58)**	$ 106	$ 187	$ 430	$ 53
Add back or deduct the following:					
Depreciation and amortization	**400**	300	203	132	26
Impairment charge	**275**	16	—	—	—
Deferred income taxes	**65**	(37)	73	11	(8)
Gain on sale of associate	**(53)**	—	—	—	—
Mark-to-market on hedging items	**(7)**	50	26	1	21
Valuation losses (gains) and other	**60**	27	(97)	(377)	25
FFO[3]	**$ 682**	$ 462	$ 392	$ 197	$ 117

(1) Please see Item 5 "Operating and Financial Review and Prospects—Management's Discussion and Analysis of Financial Condition and Results of Operations—Reconciliation of Non-IFRS Financial Measures" for a detailed reconciliation of Brookfield Infrastructure's proportionate results to our partnership's consolidated statements of operating results.

(2) Net income attributable to partnership includes net income attributable to non-controlling interest—Redeemable Partnership Units held by Brookfield, general partner and limited partners.

(3) Includes $68 million gain on sale of TBE in 2009.

3.B CAPITALIZATION AND INDEBTEDNESS

Not applicable.

3.C REASONS FOR THE OFFER AND USE OF PROCEEDS

Not applicable.

3.D RISK FACTORS

You should carefully consider the following factors in addition to the other information set forth in this annual report on Form 20-F. If any of the following risks actually occur, our business, financial condition and results of operations and the value of our unitholders' units would likely suffer.

Risks Relating to Us and Our Partnership

Brookfield Infrastructure and our operating entities use leverage and such indebtedness may result in Brookfield Infrastructure or our operating entities being subject to certain covenants which restrict our ability to engage in certain types of activities or to make distributions to equity.

The Holding LP and many of our Holding Entities and operating entities have entered into credit facilities or have incurred other forms of debt, including for the purposes of acquisitions and investments as well as for general corporate purposes. The total quantum of exposure to debt within Brookfield Infrastructure is significant, and we may become more highly leveraged in the future. Some facilities are fully drawn, while some have amounts of principal which are undrawn.

Highly leveraged assets are inherently more sensitive to declines in revenues, increases in expenses and interest rates, and adverse economic, market and industry developments. A leveraged company's income and net assets also tend to increase or decrease at a greater rate than would otherwise be the case if money had not been borrowed. As a result, the risk of loss associated with a leveraged company, all other things being equal, is generally greater than for companies with comparatively less debt. In addition, the use of indebtedness in connection with an acquisition may give rise to negative tax consequences to certain investors. Leverage may also result in a requirement for short-term liquidity, which may force the sale of assets at times of low demand and/or prices for such assets. This may mean that we are unable to realize fair value for the assets in a sale.

Our credit facilities also contain covenants applicable to the relevant borrower and events of default. Covenants can relate to matters including limitations on financial indebtedness, dividends, investments, or minimum amounts for interest coverage, adjusted EBITDA, cash flow or net worth. If an event of default occurs, or minimum covenant requirements are not satisfied, this can result in a requirement to immediately repay any drawn amounts or the imposition of other restrictions including a prohibition on the payment of distributions to equity.

Our credit facilities or other debt or debt-like instruments may or may not be rated. Should such debt or debt-like instruments be rated, a credit downgrade may have an adverse impact on the cost of such debt.

Our partnership is a holding entity and currently we rely on the Holding LP and, indirectly, the Holding Entities and our operating entities to provide us with the funds necessary to pay distributions and meet our financial obligations.

Our partnership is a holding entity and its sole material asset is its managing general partnership interest in the Holding LP, which owns all of the common shares of the Holding Entities, through which we hold all of our interests in the operating entities. Our partnership has no independent means of generating revenue. As a result, we depend on distributions and other payments from the Holding LP and, indirectly, the Holding Entities and our operating entities to provide us with the funds necessary to pay distributions on our units and to meet our financial obligations. The Holding LP, the Holding Entities and our operating entities are legally distinct from us and some of them are or may become restricted in their ability to pay dividends and distributions or otherwise make funds available to us pursuant to local law, regulatory requirements and their contractual agreements, including agreements governing their financing arrangements, such as the Holding LP's credit facilities and other indebtedness incurred by the Holding Entities and operating entities. Any other entities through which we may conduct operations in the future will also be legally distinct from us and may be similarly restricted in their ability to pay dividends and distributions or otherwise make funds available to us under certain conditions. The Holding LP, the Holding Entities and our operating entities will generally be required to service their debt obligations before making distributions to us or their parent entities, as applicable, thereby reducing the amount of our cash flow available to pay distributions, fund working capital and satisfy other needs.

Our partnership anticipates that the only distributions that it will receive in respect of our partnership's managing general partnership interests in the Holding LP will consist of amounts that are intended to assist our partnership in making distributions to our unitholders in accordance with our partnership's distribution policy and to allow our partnership to pay expenses as they become due.

While we plan to review our partnership's distributions to our unitholders periodically, there is no guarantee that we will be able to increase, or even maintain the level of distributions that are paid. Historically, as a result of this review, we decided to increase distributions in February 2011, February 2012, February 2013 and February 2014, respectively. However, such historical increases in distribution payments may not be reflective of any future increases in distribution payments which will be subject to review by the board of directors of our Managing General Partner taking into account prevailing circumstances at the relevant time. Although we intend to make distributions in accordance with our distribution policy, our partnership is not required to pay distributions and neither our partnership nor our Managing General Partner can assure you that our partnership will be able to increase or even maintain the level of distributions that are made in the future.

Future sales or issuances of our units in the public markets, or the perception of such sales or issuances, could depress the trading price of our units.

The sale or issuance of a substantial number of our units or other equity related securities of our partnership in the public markets, or the perception that such sales or issuances could occur, could depress the market price of our units and impair our ability to raise capital through the sale of additional units. We cannot predict the effect that future sales or issuances of our units or other equity-related securities would have on the market price of our units.

The completion of new acquisitions can have the effect of significantly increasing the scale and scope of our operations, including operations in new geographic areas and industry segments, and the Service Provider may have difficulty managing these additional operations. In addition, acquisitions involve risks to our business. In addition, acquisitions involve risks to our business.

A key part of Brookfield Infrastructure's strategy involves seeking further acquisition opportunities. Acquisitions may increase the scale, scope and diversity of our operations. We depend on the diligence and skill of Brookfield's professionals to manage us, including integrating all of the acquired business's operations with our existing operations. These individuals may have difficulty managing the additional operations and may have other responsibilities within Brookfield's asset management business. If Brookfield does not effectively manage the additional operations, our existing business, financial condition and results of operations may be adversely affected.

Future acquisitions will likely involve some or all of the following risks, which could materially and adversely affect our business, financial condition or results of operations: the difficulty of integrating the acquired operations and personnel into our current operations; potential disruption of our current operations; diversion of resources, including Brookfield's time and attention; the difficulty of managing the growth of a larger organization; the risk of entering markets in which we have little experience; the risk of becoming involved in labour, commercial or regulatory disputes or litigation related to the new enterprise; and risk of environmental or other liabilities associated with the acquired business; and the risk of a change of control resulting from an acquisition triggering rights of third parties or government agencies under contracts with, or authorizations held by the operating business being acquired. While it is our practice to conduct extensive due diligence investigations into businesses being acquired, it is possible that due diligence may fail to uncover all material risks in the business being acquired, or to identify a change of control trigger in a material contract or authorization, or that a contractual counterparty or government agency may take a different view on the interpretation of such a provision to that taken by us, thereby resulting in a dispute.

We are subject to foreign currency risk and our risk management activities may adversely affect the performance of our operations.

A significant portion of our current operations are in countries where the U.S. dollar is not the functional currency. These operations pay distributions in currencies other than the U.S. dollar, which we must convert to U.S. dollars prior to making distributions, and certain of our operations have revenues denominated in currencies different from our expense structure, thus exposing us to currency risk. Fluctuations in currency exchange rates could reduce the value of cash flows generated by our operating entities or could make it more expensive for our customers to purchase our services and consequently reduce the demand for our services. In addition, a significant depreciation in the value of such foreign currencies may have a material adverse effect on our business, financial condition and results of operations.

When managing our exposure to such market risks, we may use forward contracts, options, swaps, caps, collars and floors or pursue other strategies or use other forms of derivative instruments. The success of any hedging or other derivative transactions that we enter into generally will depend on our ability to structure contracts that appropriately offset our risk position. As a result, while we may enter into such transactions in order to reduce our exposure to market risks, unanticipated market changes may result in poorer overall investment performance than if the derivative transaction had not been executed. Such transactions may also limit the opportunity for gain if the value of a hedged position increases.

Our partnership is not, and does not intend to become, regulated as an investment company under the Investment Company Act (and similar legislation in other jurisdictions) and if our partnership was deemed an "investment company" under the Investment Company Act, applicable restrictions could make it impractical for us to operate as contemplated.

The Investment Company Act (and similar legislation in other jurisdictions) provide certain protections to investors and impose certain restrictions on companies that are required to be regulated as investment companies. Among other things, such rules limit or prohibit transactions with affiliates, impose limitations on the issuance of debt and equity securities and impose certain governance requirements. Our partnership has not been and does not intend to become regulated as an investment company and our partnership intends to conduct its activities so it will not be deemed to be an investment company under the Investment Company Act (and similar legislation in other jurisdictions). In order to ensure that we are not deemed to be an investment company, we may be required to materially restrict or limit the scope of our operations or plans. We will be limited in the types of acquisitions that we may make, and we may need to modify our organizational structure or dispose of assets of which we would not otherwise dispose. Moreover, if anything were to happen which causes our partnership to be deemed an investment company under the Investment Company Act, it would be impractical for us to operate as contemplated. Agreements and arrangements between and among us and Brookfield would be impaired, the type and amount of acquisitions that we would be able to make as a principal would be limited and our business, financial condition and results of operations would be materially adversely affected. Accordingly, we would be required to take extraordinary steps to address the situation, such as the amendment or termination of the Master Services Agreement, the restructuring of our partnership and the Holding Entities, the amendment of our Limited Partnership Agreement or the termination of our partnership, any of which could materially adversely affect the value of our units. In addition, if our partnership were deemed to be an investment company under the Investment Company Act, it would be taxable as a corporation for U.S. federal income tax purposes, and such treatment could materially adversely affect the value of our units.

Our partnership is an "SEC foreign issuer" under Canadian securities regulations and is exempt from certain requirements of Canadian securities laws and a "foreign private issuer" under U.S. securities laws and as a result is subject to disclosure obligations different from requirements applicable to U.S. domestic registrants listed on the New York Stock Exchange ("NYSE").

Although our partnership is a reporting issuer in Canada, it is an "SEC foreign issuer" and is exempt from certain Canadian securities laws relating to disclosure obligations and proxy solicitation, subject to certain conditions. Therefore, there may be less publicly available information in Canada about our partnership than would be available if we were a typical Canadian reporting issuer.

Although our partnership is subject to the periodic reporting requirement of the *U.S. Securities Exchange Act of 1934*, as amended, and the rules and regulations promulgated thereunder ("Exchange Act"), the periodic disclosure required of foreign private issuers under the Exchange Act is different from periodic disclosure required of U.S. domestic registrants. Therefore, there may be less publicly available information about our partnership than is regularly published by or about other public limited partnerships in the United States. Our partnership is exempt from certain other sections of the Exchange Act to which U.S. domestic issuers are subject, including the requirement to provide our unitholders with information statements or proxy statements that comply with the Exchange Act. In addition, insiders and large unitholders of our partnership are not obligated to file reports under Section 16 of the Exchange Act, and certain corporate governance rules imposed by the NYSE are inapplicable to our partnership.

We may be subject to the risks commonly associated with a separation of economic interest from control or the incurrence of debt at multiple levels within an organizational structure.

Our ownership and organizational structure is similar to structures whereby one company controls another company which in turn holds controlling interests in other companies; thereby, the company at the top of the chain may control the company at the bottom of the chain even if its effective equity position in the bottom company is less than a controlling interest. Brookfield is the sole shareholder of our Managing General Partner and, as a result of such ownership of our Managing General Partner, Brookfield is able to control the appointment and removal of our Managing General Partner's directors and, accordingly, exercises substantial influence over us. In turn, we often have a majority controlling interest or a significant influence in our investments. Even though Brookfield currently has an effective economic interest in our business of approximately 28.1% as a result of ownership of our units and the Redeemable Partnership Units, over time Brookfield may reduce this economic interest while still maintaining its controlling interest, and, therefore, Brookfield may use its control rights in a manner that conflicts with the economic interests of our other unitholders. For example, despite the fact that we have a conflicts protocol in place, which addresses the requirement for independent approval and other requirements for transactions in which there is greater potential for a conflict of interest to arise, including transactions with affiliates of Brookfield, because Brookfield will be able to exert substantial influence over us, and, in turn, over our investments, there is a greater risk of transfer of assets of our investments at non-arm's length values to Brookfield and its affiliates. In addition, debt incurred at multiple levels within the chain of control could exacerbate the separation of economic interest from controlling interest at such levels, thereby creating an incentive to leverage us and our investments. Any such increase in debt would also make us more sensitive to declines in revenues, increases in expenses and interest rates, and adverse market conditions. The servicing of any such debt would also reduce the amount of funds available to pay distributions to us and ultimately to our unitholders.

Our failure to maintain effective internal controls could have a material adverse effect on our business in the future and the price of our units.

Any failure to maintain adequate internal controls over financial reporting or to implement required, new or improved controls, or difficulties encountered in their implementation, could cause us

to report material weaknesses or other deficiencies in our internal controls over financial reporting and could result in errors or misstatements in our consolidated financial statements that could be material. If we or our independent registered public accounting firm were to conclude that our internal controls over financial reporting were not effective, investors could lose confidence in our reported financial information and the price of our units could decline. Our failure to achieve and maintain effective internal controls could have a material adverse effect on our business in the future, our access to the capital markets and investors' perception of us. In addition, material weaknesses in our internal controls could require significant expense and management time to remediate.

Risks Relating to Our Operations and the Infrastructure Industry

All of our operating entities are subject to general economic conditions and risks relating to the economy.

Many industries, including the industries in which we operate, are impacted by adverse events in financial markets, which may have a profound effect on global or local economies. Some key impacts of general financial market turmoil include contraction in credit markets resulting in a widening of credit spreads, devaluations and enhanced volatility in global equity, commodity and foreign exchange markets and a general lack of market liquidity. A slowdown in the financial markets or other key measures of the global economy or the local economies of the regions in which we operate, including, but not limited to, new home construction, employment rates, business conditions, inflation, fuel and energy costs, commodity prices, lack of available credit, the state of the financial markets, interest rates and tax rates may adversely affect our growth and profitability.

The demand for services provided by our operating entities are, in part, dependent upon and correlated to general economic conditions and economic growth of the regions applicable to the relevant asset. Poor economic conditions or lower economic growth in a region or regions may, either directly or indirectly, reduce demand for the services provided by an asset.

For example, a credit/liquidity crisis, such as the global crisis experienced in 2008/2009, could materially impact the cost and availability of financing and overall liquidity; the volatility of commodity output prices and currency exchange markets could materially impact revenues, profits and cash flow; volatile energy, commodity input and consumables prices and currency exchange rates could materially impact production costs; poor local or regional economic conditions could materially impact the level of traffic on our toll roads or volume of commodities transported on our rail network and/or shipped through our ports; our UK regulated distribution business earns connection revenues that would be negatively impacted by an economic recession and a reduction of housing starts in the UK; and the devaluation and volatility of global stock markets could materially impact the valuation of our units. Any one of these factors could have a material adverse effect on our business, financial condition and results of operations. If such increased levels of volatility and market turmoil were to continue, our operations and the trading price of our units may be further adversely impacted.

Some of our operations depend on continued strong demand for commodities, such as natural gas or minerals, for their financial performance. Material reduction in demand for these key commodities can potentially result in reduced value for assets, or in extreme cases, a stranded asset.

Some of our operations are critically linked to the transport or production of key commodities. For example, in the long term, our Australian regulated terminal operation relies on demand for coal exports, our Australian railroad operation relies on demand for iron ore for steel production and our North American gas transmission operation relies on demand for natural gas and benefits from higher gas prices. Furthermore, our Australian railroad business relies on the demand for iron ore exports. While we endeavor to protect against short to medium term commodity demand risk wherever possible by structuring our contracts in a way that minimizes volume risk (e.g. minimum guaranteed volumes and 'take-or-pay' arrangements), these contract terms are finite. Accordingly, a long term and sustained

downturn in the demand for or price of a key commodity linked to one of our operations may have a material adverse impact on the financial performance or growth prospects of that particular operation, notwithstanding the use of take-or-pay contracts.

If a critical upstream or downstream business ceased to operate, this could materially impact our financial performance or the value of one or more of our operating businesses. In extreme cases, our infrastructure could become redundant, resulting in an inability to recover a return on or of capital and potentially triggering covenants and other terms and conditions under associated debt facilities.

General economic and business conditions that impact the debt or equity markets could impact Brookfield Infrastructure's ability to access credit markets.

General economic and business conditions that impact the debt or equity markets could impact the availability of credit to, and cost of credit for, Brookfield Infrastructure. Brookfield Infrastructure has revolving credit facilities and other short-term borrowings. The amount of interest charged on these will fluctuate based on changes in short-term interest rates. Any economic event that affects interest rates or the ability to refinance borrowings could materially adversely impact Brookfield Infrastructure's financial condition. Movements in interest rates could also affect the discount rates used to value Brookfield Infrastructure's assets, which in turn could cause their valuations calculated under IFRS to be reduced resulting in a material reduction in Brookfield Infrastructure's equity value.

In addition, some of our operations either currently have a credit rating or may have a credit rating in the future. A credit rating downgrade may result in an increase in the cost of debt for the relevant businesses and reduced access to debt markets.

Some assets in our portfolio have a requirement for significant capital expenditure. For other assets, cash, cash equivalents and short-term investments combined with cash flow generated from operations are believed to be sufficient for it to make the foreseeable required level of capital investment. However, no assurance can be given that additional capital investments will not be required in these businesses. If Brookfield Infrastructure is unable to generate enough cash to finance necessary capital expenditures through operating cash flow, then Brookfield Infrastructure may be required to issue additional equity or incur additional indebtedness. The issue of additional equity would be dilutive to existing unitholders at the time. Any additional indebtedness would increase the leverage and debt payment obligations of Brookfield Infrastructure, and may negatively impact its business, financial condition and results of operations.

Our business relies on continued access to capital to fund new investments and capital projects. While we aim to prudently manage our capital requirements and ensure access to capital is always available, it is possible we may overcommit ourselves or misjudge the requirement for capital or the availability of liquidity. Such a misjudgment may require capital to be raised quickly and the inability to do so could result in negative financial consequences or in extreme cases bankruptcy.

All of our operating entities are subject to changes in government policy and legislation.

Our financial condition and results of operations could also be affected by changes in economic or other government policies or other political or economic developments in each country or region, as well as regulatory changes or administrative practices over which we have no control such as: the regulatory environment related to our business operations and concession agreements; interest rates; currency fluctuations; exchange controls and restrictions; inflation; liquidity of domestic financial and capital markets; policies relating to climate change or policies relating to tax; and other political, social, economic, and environmental and occupational health and safety developments that may occur in or affect the countries in which our operating entities are located or conduct business or the countries in which the customers of our operating entities are located or conduct business or both.

In addition, operating costs can be influenced by a wide range of factors, many of which may not be under the control of the owner/operator, including the need to comply with the directives of central and local government authorities. For example, in the case of our utility, transport and energy operations, we cannot predict the impact of future economic conditions, energy conservation measures, alternative fuel requirements, or governmental regulation all of which could reduce the demand for or availability of commodities our transport and energy operations rely upon, most notably coal and natural gas. It is difficult to predict government policies and what form of laws and regulations will be adopted or how they will be construed by the relevant courts, or to the extent which any changes may adversely affect us.

We may be exposed to natural disasters, weather events, uninsurable losses and force majeure events.

Force majeure is the term generally used to refer to an event beyond the control of the party claiming that the event has occurred, including but not limited to acts of God, fires, floods, earthquakes, wars and labour strikes. The assets of our infrastructure businesses are exposed to unplanned interruptions caused by significant catastrophic events such as cyclones, landslides, explosions, terrorist attacks, war, floods, earthquakes, fires, major plant breakdowns, pipeline or electricity line ruptures, accidents, extreme weather events or other disasters. Operational disruption, as well as supply disruption, could adversely affect the cash flow available from these assets. In addition, the cost of repairing or replacing damaged assets could be considerable and could give rise to third-party claims. In some cases, project agreements can be terminated if the force majeure event is so catastrophic as to render it incapable of remedy within a reasonable time period. Repeated or prolonged interruption may result in a permanent loss of customers, substantial litigation, damage, or penalties for regulatory or contractual non-compliance. Moreover, any loss from such events may not be recoverable in whole or in part under relevant insurance policies. Business interruption insurance is not always available, or available on reasonable economic terms to protect the business from these risks.

Given the nature of the assets operated by our operating entities, we may be more exposed to risks in the insurance market that lead to limitations on coverage and/or increases in premium. For example, many components of our South American electricity transmission operations and toll roads are not insured or not fully insured against losses from earthquakes and our North American gas transmission operation, our Australasian distribution operations and our European regulated distribution operations self-insure the majority of their line and pipe assets. Therefore, the occurrence of a major or uninsurable event could have a material adverse effect on financial performance. Even if such insurance were available, the cost may be prohibitive. The ability of the operating entities to obtain the required insurance coverage at a competitive price may have an impact on the returns generated by them and accordingly the returns we receive.

For example, our regulated energy distribution businesses generate revenue based on the volume transmitted through their systems. Weather that deviates materially from normal conditions could impact these businesses. A number of our businesses may be adversely impacted by extreme weather. Our Australian railroad transports grain on its system, for which it is contracted on a volume basis. A drought could have a material negative impact on revenue from grain transportation.

All of our infrastructure operations may require substantial capital expenditures in the future.

Our utilities, transport and energy operations are capital intensive and require substantial ongoing expenditures for, among other things, additions and improvements, and maintenance and repair of plant and equipment related to our operations. Any failure to make necessary capital expenditures to maintain our operations in the future could impair the ability of our operations to serve existing customers or accommodate increased volumes. In addition, we may not be able to recover such investments based upon the rates our operations are able to charge.

In some of the jurisdictions in which we have utilities, transport or energy operations, certain maintenance capital expenditures may not be covered by the regulatory framework. If our operations in these jurisdictions require significant capital expenditures to maintain our asset base, we may not be able to recover such costs through the regulatory framework. In addition, we may be exposed to disallowance risk in other jurisdictions to the extent that capital expenditures and other costs are not fully recovered through the regulatory framework.

Performance of our operating entities may be harmed by future labour disruptions and economically unfavorable collective bargaining agreements.

Several of our current operations or other business operations have workforces that are unionized or that in the future may become unionized and, as a result, are required to negotiate the wages, benefits and other terms with many of their employees collectively. If an operating entity were unable to negotiate acceptable contracts with any of its unions as existing agreements expire, it could experience a significant disruption of its operations, higher ongoing labour costs and restrictions on its ability to maximize the efficiency of its operations, which could have a material adverse effect on its business, financial condition and results of operations.

In addition, in some jurisdictions where we have operations, labour forces have a legal right to strike which may have an impact on our operations, either directly or indirectly, for example if a critical upstream or downstream counterparty was itself subject to a labour disruption which impacted our ability to operate.

Our operations are exposed to occupational health and safety and accident risks.

Infrastructure projects and operational assets are highly exposed to the risk of accidents that may give rise to personal injury, loss of life, disruption to service and economic loss. Some of the tasks undertaken by employees and contractors are inherently dangerous and have the potential to result in serious injury or death.

Our operating entities are subject to laws and regulations governing health and safety matters, protecting both members of the public and their employees and contractors. Occupational health and safety legislation and regulations differ in each jurisdiction. Any breach of these obligations, or serious accidents involving our employees, contractors or members of the public could expose them to adverse regulatory consequences, including the forfeit or suspension of operating licenses, potential litigation, claims for material financial compensation, reputational damage, fines or other legislative sanction, all of which have the potential to impact the results of our operating entities and our ability to make distributions. Furthermore, where we do not control a business, we have a limited ability to influence health and safety practices and outcomes.

Many of our operations are subject to economic regulation and may be exposed to adverse regulatory decisions.

Due to the essential nature of some of the services provided by our assets and the fact that some of these services are provided on a monopoly or near monopoly basis, many of our operations are subject to forms of economic regulation. This regulation can involve different forms of price control and can involve ongoing commitments to economic regulators and other governmental agencies. The terms upon which access to our facilities is provided, including price, can be determined or amended by a regulator periodically. Future terms to apply, including access charges that our operations are entitled to charge, cannot be determined with any certainty, as we do not have discretion as to the amount that can be charged. New legislation, regulatory determinations or changes in regulatory approaches may result in regulation of previously unregulated businesses or material changes to the revenue or profitability of our operations. In addition, a decision by a government or regulator to regulate non-regulated assets may significantly and negatively change the economics of these businesses and the

value or financial performance of Brookfield Infrastructure. For example, in 2010 regulatory action taken by the Federal Energy Regulatory Commission ("FERC") saw a significant reduction in annual cashflow expectations of our North American gas transmission operations.

Our operating entities are exposed to the risk of environmental damage.

Many of Brookfield Infrastructure's assets are involved in using, handling or transporting substances that are toxic, combustible or otherwise hazardous to the environment. Furthermore some of our assets have operations in or in close proximity to environmentally sensitive areas or densely populated communities. There is a risk of a leak, spillage or other environmental emission at one of these assets, which could cause regulatory infractions, damage to the environment, injury or loss of life. Such an incident if it occurred could result in fines or penalties imposed by regulatory authorities, revocation of licenses or permits required to operate the business or the imposition of more stringent conditions in those licenses or permits, or legal claims for compensation (including punitive damages) by affected stakeholders. In addition, some of our assets may be subject to regulations or rulings made by environmental agencies that conflict with existing obligations we have under concession or other permitting agreements. Resolution of such conflicts may lead to uncertainty and increased risk of delays or cost over-runs on projects. All of these have the potential to significantly impact the value or financial performance of Brookfield Infrastructure.

Our operating entities are exposed to the risk of increasing environmental legislation and the broader impacts of climate change.

With an increasing global focus and public sensitivity to environmental sustainability and environmental regulation becoming more stringent, Brookfield Infrastructure's assets could be subject to increasing environmental responsibility and liability. For example, many jurisdictions in which Brookfield Infrastructure operates are considering implementing, or have implemented, schemes relating to the regulation of carbon emissions. As a result, there is a risk that the consumer demand for some of the energy sources supplied by Brookfield Infrastructure will be reduced. For example, the United Kingdom's phasing out of analog meters and use of gas as a source of heating for residential customers could lead to a reduction in revenue and growth at our UK utility business. The nature and extent of future regulation in the various jurisdictions in which Brookfield Infrastructure's operations are situated is uncertain, but is expected to become more complex and stringent.

It is difficult to assess the impact of any such changes on Brookfield Infrastructure. These schemes may result in increased costs to our operations that may not be able to be passed onto our customers and may have an adverse impact on prospects for growth of some businesses. To the extent such regimes (such as carbon emissions schemes or other carbon emissions regulations) become applicable to the operations of Brookfield Infrastructure (and the costs of such regulations are not able to be fully passed on to consumers), its financial performance may be impacted due to costs applied to carbon emissions and increased compliance costs.

Our operating entities are also subject to laws and regulations relating to the protection of the environment and pollution. Standards are set by these laws and regulations regarding certain aspects of environmental quality and reporting, provide for penalties and other liabilities for the violation of such standards, and establish, in certain circumstances, obligations to remediate and rehabilitate current and former facilities and locations where our operations are, or were, conducted. These laws and regulations may have a detrimental impact on the financial performance of our infrastructure operations and projects through increased compliance costs or otherwise. Any breach of these obligations, or even incidents relating to the environment that do not amount to a breach, could adversely affect the results of our operating entities and their reputations and expose them to claims for financial compensation or adverse regulatory consequences.

Our operations may also be exposed directly or indirectly to the broader impacts of climate change, including extreme weather events, export constraints on commodities, increased resource prices and restrictions on energy and water usage.

Our operating entities may be exposed to higher levels of regulation than in other sectors and breaches of such regulations could expose our operating entities to claims for financial compensation and adverse regulatory consequences.

In many instances, our ownership and operation of infrastructure assets involves an ongoing commitment to a governmental agency. The nature of these commitments exposes the owners of infrastructure assets to a higher level of regulatory control than typically imposed on other businesses. For example, several of our utilities, transport and energy operations are subject to government safety and reliability regulations that are specific to their industries. The risk that a governmental agency will repeal, amend, enact or promulgate a new law or regulation or that a governmental authority will issue a new interpretation of the law or regulations, could affect our operating entities substantially.

Sometimes commitments to governmental agencies, for example, under toll road concession arrangements, involve the posting of financial security for performance of obligations. If obligations are breached these financial securities may be called upon by the relevant agency.

There is also the risk that our operating entities do not have, might not obtain, or may lose permits necessary for their operations. Permits or special rulings may be required on taxation, financial and regulatory related issues. Even though most permits and licenses are obtained before the commencement of operations, many of these licenses and permits have to be renewed or maintained over the life of the business. The conditions and costs of these permits, licenses and consents may be changed on any renewal, or, in some cases, may not be renewed due to unforeseen circumstances or a subsequent change in regulations. In any event, the renewal or non-renewal could have a material adverse effect on our business, financial condition and results of operations.

The risk that a government will repeal, amend, enact or promulgate a new law or regulation or that a regulator or other government agency will issue a new interpretation of the law or regulations, may affect our operations or a project substantially. This may also be due to court decisions and actions of government agencies that affect these operations or a project's performance or the demand for its services. For example, a government policy decision may result in adverse financial outcomes for us through directions to spend money to improve security, safety, reliability or quality of service.

The lands used for our infrastructure assets may be subject to adverse claims or governmental or First Nations rights.

Our operations require large areas of land on which to be constructed and operated. The rights to use the land can be obtained through freehold title, leases and other rights of use. Although we believe that we have valid rights to all material easements, licenses and rights of way for our infrastructure operations, not all of our easements, licenses and rights of way are registered against the lands to which they relate and may not bind subsequent owners. Additionally, different jurisdictions have adopted different systems of land title and in some jurisdictions it may not be possible to ascertain definitively who has the legal right to enter into land tenure arrangements with the asset owner. In some jurisdictions where we have operations, it is possible to claim indigenous or aboriginal rights to land and the existence or declaration of native title may affect the existing or future activities of our utilities, transport or energy operations and impact on their business, financial condition and results of operations.

In addition, a government, court, regulator, or indigenous or aboriginal group may make a decision or take action that affects an asset or project's performance or the demand for its services. In particular, a regulator may restrict our access to an asset, or may require us to provide third parties

with access, or may affect the pricing structure so as to lower our revenues and earnings. In Australia, native title legislation provides for a series of procedures that may need to be complied with if native title is declared on relevant land. In Canada, for example, courts have recognized that First Nations peoples may possess rights at law in respect of land used or occupied by their ancestors where treaties have not been concluded to deal with these rights. In either case, the claims of a First Nations group may affect the existing or future activities of our operations, impact on our business, financial condition and results of operations, or require that compensation be paid.

We operate in a highly competitive market for acquisition opportunities.

Our acquisition strategy is dependent to a significant extent on the ability of Brookfield to identify acquisition opportunities that are suitable for us. We face competition for acquisitions primarily from investment funds, operating companies acting as strategic buyers, construction companies, commercial and investment banks, and commercial finance companies. Many of these competitors are substantially larger and have considerably greater financial, technical and marketing resources than are available to us. Some of these competitors may also have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of acquisitions and to offer terms that we are unable or unwilling to match. Due to the capital intensive nature of infrastructure acquisitions, in order to finance acquisitions we will need to compete for equity capital from institutional investors and other equity providers, including Brookfield, and our ability to consummate acquisitions will be dependent on such capital continuing to be available. Increases in interest rates could also make it more difficult to consummate acquisitions because our competitors may have a lower cost of capital which may enable them to bid higher prices for assets. In addition, because of our affiliation with Brookfield, there is a higher risk that when we participate with Brookfield and others in joint ventures, partnerships and consortiums on acquisitions we may become subject to antitrust or competition laws that we would not be subject to if we were acting alone. These factors may create competitive disadvantages for us with respect to acquisition opportunities.

We cannot provide any assurance that the competitive pressures we face will not have a material adverse effect on our business, financial condition and results of operations or that Brookfield will be able to identify and make acquisitions on our behalf that are consistent with our objectives or that generate attractive returns for our unitholders. We may lose acquisition opportunities in the future if we do not match prices, structures and terms offered by competitors, if we are unable to access sources of equity or obtain indebtedness at attractive rates or if we become subject to antitrust or competition laws. Alternatively, we may experience decreased rates of return and increased risks of loss if we match prices, structures and terms offered by competitors.

Infrastructure assets may be subject to competition risk.

Some assets may be affected by the existence of other competing assets owned and operated by other parties. There can be no assurance that our businesses can renew all their existing contracts or win additional contracts with their existing or potential customers. The ability of our businesses to maintain or improve their revenue is dependent on price, availability and customer service as well as on the availability of access to alternative infrastructure. In the case where the relevant business is unable to retain customers and/or unable to win additional customers to replace those customers it is unable to retain, the revenue from such assets will be reduced.

Investments in infrastructure projects prior to or during a construction or expansion phase are likely to be subject to increased risk.

A key part of Brookfield Infrastructure's growth strategy involves identifying and taking advantage of organic growth opportunities within our existing businesses. These opportunities typically involve development and construction of new infrastructure or expansion or upgrades to existing infrastructure.

Investments in new infrastructure projects during a development or construction phase are likely to be subject to additional risk that the project will not receive all required approvals, will not be completed within budget, within the agreed timeframe and to the agreed specifications and, where applicable, will not be successfully integrated into the existing assets. During the construction phase, major risks include: (i) a delay in the projected completion of the project, which can result in an increase in total project construction costs through higher capitalized interest charges and additional labour, material expenses, and a resultant delay in the commencement of cash flow; (ii) the insolvency of the head contractor, a major subcontractor and/or a key equipment supplier, (iii) construction costs exceeding estimates for various reasons, including inaccurate engineering and planning, labour and building material costs in excess of expectations and unanticipated problems with project start-up; and (iv) defects in design, engineering or construction (including, without limitation, latent defects that do not materialize during an applicable warranty or limitation periods. Such unexpected increases may result in increased debt service costs, operations phase debt service costs, operations and maintenance expenses and damage payments for late delivery. This may result in the inability of project owners to meet the higher interest and principal repayments arising from the additional debt required.

Finally, construction projects may be exposed to significant liquidated damages to the extent that commercial operations are delayed beyond prescribed dates or that performance levels do not meet guaranteed levels. For example, a liquated damages regime applies in respect of some of the expansion of works at our Brazilian toll road business.

Brookfield has structured some of our current operations as joint ventures, partnerships and consortium arrangements, and we intend to continue to operate in this manner in the future, which will reduce Brookfield's and our control over our operations and may subject us to additional obligations.

Brookfield has structured some of our current operations as joint ventures, partnerships and consortium arrangements. An integral part of our strategy is to participate with institutional investors in Brookfield sponsored or co-sponsored consortiums for single asset acquisitions and as a partner in or alongside Brookfield sponsored or co-sponsored partnerships that target acquisitions that suit our profile. These arrangements are driven by the magnitude of capital required to complete acquisitions of infrastructure assets and other industry-wide trends that we believe will continue. Such arrangements involve risks not present where a third party is not involved, including the possibility that partners or co-venturers might become bankrupt or otherwise fail to fund their share of required capital contributions. Additionally, partners or co-venturers might at any time have economic or other business interests or goals different from us and Brookfield.

Joint ventures, partnerships and consortium investments generally provide for a reduced level of control over an acquired company because governance rights are shared with others. Accordingly, decisions relating to the underlying operations, including decisions relating to the management and operation and the timing and nature of any new investment or exit, are often made by a majority vote of the investors or by separate agreements that are reached with respect to individual decisions. In addition, such operations may be subject to the risk that the company may make business, financial or management decisions with which we do not agree or the management of the company may take risks or otherwise act in a manner that does not serve our interests. Because we may not have the ability to exercise sole control over such operations, we may not be able to realize some or all of the benefits that we believe will be created from our and Brookfield's involvement. If any of the foregoing were to occur, our business, financial condition and results of operations could suffer as a result.

In addition, because some of our current operations are structured as joint ventures, partnerships or consortium arrangements, the sale or transfer of interests in some of our operations are subject to rights of first refusal or first offer, tag along rights or drag along rights and some agreements provide for buy-sell or similar arrangements. For example, some of our investments are subject to a shareholder agreement which allows for the sale of the assets without our consent. Such rights may be triggered at

a time when we may not want them to be exercised and such rights may inhibit our ability to sell our interest in an entity within our desired time frame or on any other desired basis.

Our infrastructure business is at risk of becoming involved in disputes and possible litigation.

Our infrastructure business is at risk of becoming involved in disputes and possible litigation, the extent of which cannot be ascertained. Any material or costly dispute or litigation could adversely affect the value of the assets or future financial performance of Brookfield Infrastructure. In addition, as a result of the actions of the Holding Entities or the operating entities, Brookfield Infrastructure could be subject to various legal proceedings concerning disputes of a commercial nature, or to claims in the event of bodily injury or material damage. The final outcome of any proceeding could have a negative impact on the business, financial condition or results of operations of Brookfield Infrastructure during a given quarter or financial year.

Some of our businesses operate in jurisdictions with less developed legal systems and could experience potential difficulties in obtaining effective legal redress and create uncertainties.

Some of our businesses operate in jurisdictions with less developed legal systems than those in more established economies. In these jurisdictions, Brookfield Infrastructure could be faced with potential difficulties in obtaining effective legal redress; a higher degree of discretion on the part of governmental authorities; a lack of judicial or administrative guidance on interpreting applicable rules and regulations; inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; and relative inexperience of the judiciary and courts in such matters.

In addition, in certain jurisdictions, Brookfield Infrastructure may find that the commitment of local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements could be uncertain, creating particular concerns with respect to permits, approvals and licenses required or desirable for, or agreements entered into in connection with, the Brookfield Infrastructure business in any such jurisdiction. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that joint ventures, licenses, permits or approvals (or applications for licenses, permits or approvals) or other legal arrangements will not be adversely affected by the actions of government authorities or others and the effectiveness of and enforcement of such arrangements in these jurisdictions cannot be assured.

Action taken by national, state or provincial governments, including nationalization or the imposition of new taxes, could materially impact the financial performance or value of our assets.

Our assets are located in many different jurisdictions, each with its own government and legal system. Different levels of political risk exist in each jurisdiction and it is possible that action taken by a national, state or provincial government, including the nationalization of a business or the imposition of new taxes, could materially impact our financial performance or in extreme cases deprive Brookfield Infrastructure of one or more of its businesses without adequate compensation.

Our business relies on the use of technology.

Our business places significant reliance on information and other technology. This technology includes our computer systems used for information, processing, administrative and commercial operations and the operating plant and equipment used by our assets, including that on our toll roads, in our electricity transmission systems, coal terminal operations, ports, rail networks and by our electricity and gas distribution companies. In addition, our business also relies upon telecommunication services to interface with its widely distributed business network and customers. The information and embedded systems of key business partners and regulatory agencies are also important to our operations. Our business relies on this technology functioning as intended.

Our computer systems may be subject to cybersecurity risks or other breaches of information technology security, noting the increasing frequency and severity of these kinds of incidents. Further, the operating equipment used by our assets may not continue to perform as it has in the past, and there is a risk of equipment failure due to wear and tear, latent defect, design or operator errors or early obsolescence, among other things.

A breach of our cyber/data security measures, the failure of any such computerized system or of the operating equipment used by our assets for a significant time period could have a material adverse effect on our business prospects, financial condition, results of operations and cash flow.

Many of our operations depend on relevant contractual arrangements.

Some of our operations rely on revenue from customers under contracts. There is a risk that customers will default under these contracts. We cannot provide assurance that one or more customers will not default on their obligations to us or that such a default or defaults will not have a material adverse effect on our operations, financial position, future results of operations, or future cash flows. Furthermore, the bankruptcy of one or more of our customers, or some other similar proceeding or liquidity constraint, might make it unlikely that we would be able to collect all or a significant portion of amounts owed by the distressed entity or entities. In addition, such events might force such customers to reduce or curtail their future use of our products and services, which could have a material adverse effect on our business, financial condition and results of operations. For example, we have a single customer which represented a majority of contractual and regulated revenues of our South American electricity transmission operations in 2013. As this accounts for a majority of its cash flow, our South American electricity transmission operations could be materially adversely affected by any material change in the financial condition of that customer. Similarly, our rail business is party to several long-term commercial track access agreements to provide access to our rail network for the haulage of iron ore. The largest of these contracts currently accounts for over 43% of forecast adjusted EBITDA within the rail business and an event of default under this contract could have a materially adverse effect on that business.

Certain of our assets with revenues contracted under long term contracts will be subject to re-contracting risk in the future. We cannot provide assurance that we will be able to re-negotiate these contracts once their terms expire, or that even if we are able to do so, that we will be able to obtain the same prices or terms we currently receive. If we are unable to renegotiate these contracts, or unable to receive prices at least equal to the current prices we receive, our business, financial condition, results of operation and prospects could be adversely affected.

We rely on tolling and revenue collection systems.

Revenues at some of our assets depend on reliable and efficient tolling, metering or other revenue collection systems. There is a risk that, if one or more of our businesses are not able to operate and maintain these tolling, metering or other revenue collection systems in the manner expected, or if the cost of operation and maintenance is greater than expected, our assets, business, financial condition, and risks of operations could be materially adversely affected. Users of our facilities who do not pay tolls or other charges may be subject to either direct legal action from the relevant business, or in some cases may be referred to the state for enforcement action. We bear the ultimate risk if enforcement actions against defaulting customers are not successful or if enforcement actions are more costly or take more time than expected.

Our ability to finance our operations is subject to various risks relating to the state of the capital markets.

We have corporate debt and limited recourse project level debt, the majority of which is non-recourse that will need to be replaced from time to time. Our financings may contain conditions

that limit our ability to repay indebtedness prior to maturity without incurring penalties, which may limit our capital markets flexibility. Refinancing risk includes, among other factors, dependence on continued operating performance of our assets, future electricity market prices, future capital markets conditions, the level of future interest rates and investors' assessment of our credit risk at such time. In addition, certain of our financings are, and future financings may be exposed to floating interest rate risks, and if interest rates increase, an increased proportion of our cash flow may be required to service indebtedness. Future acquisitions, development and construction of new facilities and other capital expenditures will be financed out of cash generated from our operations, borrowings and possible future sales of equity. Our ability to obtain financing to finance our growth is dependent on, among other factors, the overall state of the capital markets, continued operating performance of our assets, future electricity market prices, the level of future interest rates and investors' assessment of our credit risk at such time, and investor appetite for investments in renewable energy and infrastructure assets in general and in our securities in particular. To the extent that external sources of capital become limited or unavailable or available on onerous terms, our ability to make necessary capital investments to construct new or maintain existing facilities will be impaired, and as a result, our business, financial condition, results of operations and prospects may be materially adversely affected.

Changes in our credit ratings may have an adverse effect on our financial position and ability to raise capital.

We cannot assure you that any credit rating assigned to us or any of our subsidiaries' debt securities will remain in effect for any given period of time or that any rating will not be lowered or withdrawn entirely by the relevant rating agency. A lowering or withdrawal of such ratings may have an adverse effect on our financial position and ability to raise capital.

We may suffer a significant loss resulting from fraud, bribery, corruption other illegal acts, inadequate or failed internal processes or systems, or from external events.

We may suffer a significant loss resulting from fraud, bribery, corruption, other illegal acts by our employees or those of Brookfield, inadequate or failed internal processes or systems, or from external events, such as security threats affecting our ability to operate. Both Brookfield and our partnership operate in different markets and rely on our employees to follow our policies and processes as well as applicable laws in their activities. Risk of illegal acts or failed systems is managed through our infrastructure, controls, systems and people, complemented by a focus on enterprise-wide management of specific operational risks such as fraud, bribery and corruption, as well as personnel and systems risks. Specific programs, policies, standards and methodologies have been developed to support the management of these risks, however these cannot guarantee that such conduct does not occur and if it does, it can result in direct or indirect financial loss, reputational impact or regulatory consequences.

Risks Relating to Our Relationship with Brookfield

Brookfield exercises substantial influence over our partnership and we are highly dependent on the Service Provider.

Brookfield is the sole shareholder of our Managing General Partner. As a result of its ownership of our Managing General Partner, Brookfield is able to control the appointment and removal of our Managing General Partner's directors and, accordingly, exercise substantial influence over our partnership and over the Holding LP, for which our partnership is the managing general partner. Our partnership and the Holding LP do not have any employees and depend on the management and administration services provided by the Service Provider. Brookfield personnel and support staff that provide services to us are not required to have as their primary responsibility the management and administration of our partnership or the Holding LP or to act exclusively for either of us. Any failure

to effectively manage our current operations or to implement our strategy could have a material adverse effect on our business, financial condition and results of operations.

Brookfield has no obligation to source acquisition opportunities for us and we may not have access to all infrastructure acquisitions that Brookfield identifies.

Our ability to grow depends on Brookfield's ability to identify and present us with acquisition opportunities. Brookfield established our partnership to own and operate certain infrastructure assets on a global basis. However, Brookfield has no obligation to source acquisition opportunities for us. In addition, Brookfield has not agreed to commit to us any minimum level of dedicated resources for the pursuit of infrastructure-related acquisitions. There are a number of factors which could materially and adversely impact the extent to which suitable acquisition opportunities are made available from Brookfield, for example:

- there is no accepted industry standard for what constitutes an infrastructure asset. For example, Brookfield may consider certain assets that have both real-estate related characteristics and infrastructure related characteristics to be real estate and not infrastructure;
- it is an integral part of Brookfield's (and our) strategy to pursue the acquisition of infrastructure assets through consortium arrangements with institutional investors, strategic partners or financial sponsors and to form partnerships to pursue such acquisitions on a specialized or global basis. Although Brookfield has agreed with us that it will not enter any such arrangements that are suitable for us without giving us an opportunity to participate in them, there is no minimum level of participation to which we will be entitled;
- the same professionals within Brookfield's organization that are involved in acquisitions that are suitable for us are responsible for the consortiums and partnerships referred to above, as well as having other responsibilities within Brookfield's broader asset management business. Limits on the availability of such individuals will likewise result in a limitation on the availability of acquisition opportunities for us;
- Brookfield will only recommend acquisition opportunities that it believes are suitable for us. Our focus is on assets where we believe that our operations-oriented approach can be deployed to create value. Accordingly, opportunities where Brookfield cannot play an active role in influencing the underlying operating company or managing the underlying assets may not be suitable for us, even though they may be attractive from a purely financial perspective. Legal, regulatory, tax and other commercial considerations will likewise be an important consideration in determining whether an opportunity is suitable and will limit our ability to participate in these more passive investments and may limit our ability to have more than 50% of our assets concentrated in a single jurisdiction; and
- in addition to structural limitations, the question of whether a particular acquisition is suitable is highly subjective and is dependent on a number of factors including our liquidity position at the time, the risk profile of the opportunity, its fit with the balance of our then current operations and other factors. If Brookfield determines that an opportunity is not suitable for us, it may still pursue such opportunity on its own behalf, or on behalf of a Brookfield sponsored partnership or consortium.

In making these determinations, Brookfield may be influenced by factors that result in a misalignment or conflict of interest. See Item 7.B "Related Party Transactions—Conflicts of Interest and Fiduciary Duties."

The departure of some or all of Brookfield's professionals could prevent us from achieving our objectives.

We depend on the diligence, skill and business contacts of Brookfield's professionals and the information and opportunities they generate during the normal course of their activities. Our future success will depend on the continued service of these individuals, who are not obligated to remain employed with Brookfield. Brookfield has experienced departures of key professionals in the past and may do so in the future, and we cannot predict the impact that any such departures will have on our ability to achieve our objectives. The departure of a significant number of Brookfield's professionals for any reason, or the failure to appoint qualified or effective successors in the event of such departures, could have a material adverse effect on our ability to achieve our objectives. Our Limited Partnership Agreement and our Master Services Agreement do not require Brookfield to maintain the employment of any of its professionals or to cause any particular professionals to provide services to us or on our behalf.

The control of our Managing General Partner may be transferred to a third party without unitholder consent.

Our Managing General Partner may transfer its general partnership interest to a third party in a merger or consolidation or in a transfer of all or substantially all of its assets without the consent of our unitholders. Furthermore, at any time, the shareholder of our Managing General Partner may sell or transfer all or part of its shares in our Managing General Partner without the approval of our unitholders. If a new owner were to acquire ownership of our Managing General Partner and to appoint new directors or officers of its own choosing, it would be able to exercise substantial influence over our partnership's policies and procedures and exercise substantial influence over our management and the types of acquisitions that we make. Such changes could result in our partnership's capital being used to make acquisitions in which Brookfield has no involvement or in making acquisitions that are substantially different from our targeted acquisitions. Additionally, our partnership cannot predict with any certainty the effect that any transfer in the ownership of our Managing General Partner would have on the trading price of our units or our partnership's ability to raise capital or make investments in the future, because such matters would depend to a large extent on the identity of the new owner and the new owner's intentions with regard to our partnership. As a result, the future of our partnership would be uncertain and our partnership's business, financial condition and results of operations may suffer.

Brookfield may increase its ownership of our partnership and the Holding LP relative to other unitholders.

Brookfield holds approximately 28.5% of the issued and outstanding interests in the Holding LP through a 0.5% special limited partnership interest and a 28% redeemable limited partnership interest. The redeemable limited partnership interests held by Brookfield are redeemable for cash or exchangeable for our units in accordance with the Redemption-Exchange Mechanism, which could result in Brookfield eventually owning approximately 28.1% of our issued and outstanding units (including other issued and outstanding units that Brookfield currently also owns). See Item 10.B "Memorandum and Articles of Association—Description of the Holding LP's Limited Partnership Agreement—Redemption-Exchange Mechanism." Brookfield currently owns approximately 0.03% of our issued and outstanding units.

Our Infrastructure Special L.P. may also reinvest incentive distributions in exchange for units of the Holding LP. See Item 7.B "Related Party Transactions—Incentive Distributions." In addition, Brookfield has advised our partnership that it may from time-to-time reinvest distributions it receives from the Holding LP in the Holding LP's distribution reinvestment plan, with the result that Brookfield will receive additional units of the Holding LP. Additional units of the Holding LP acquired, directly or indirectly, by Brookfield are redeemable for cash or exchangeable for our units in accordance with the Redemption-Exchange Mechanism. See Item 10.B "Memorandum and Articles of Association—

Description of the Holding LP's Limited Partnership Agreement—Redemption-Exchange Mechanism." Brookfield may also purchase additional units of our partnership in the market. Any of these events may result in Brookfield increasing its ownership of our partnership and the Holding LP above 50%.

Our Master Services Agreement and our other arrangements with Brookfield do not impose on Brookfield any fiduciary duties to act in the best interests of our unitholders.

Our Master Services Agreement and our other arrangements with Brookfield do not impose on Brookfield any duty (statutory or otherwise) to act in the best interests of the Service Recipients, nor do they impose other duties that are fiduciary in nature. As a result, our Managing General Partner, a wholly-owned subsidiary of Brookfield Asset Management, in its capacity as our general partner, has sole authority to enforce the terms of such agreements and to consent to any waiver, modification or amendment of their provisions, subject to approval by a majority of our independent directors in accordance with our conflicts protocol.

In addition, the *Bermuda Limited Partnership Act of 1883* ("Bermuda Limited Partnership Act"), under which our partnership and the Holding LP were established, does not impose statutory fiduciary duties on a general partner of a limited partnership in the same manner that certain corporate statutes, such as the *Canada Business Corporations Act* ("Canada Business Corporations Act"), impose fiduciary duties on directors of a corporation. In general, under applicable Bermudian legislation, a general partner has certain limited duties to its limited partners, such as the duty to render accounts, account for private profits and not compete with the partnership in business. In addition, Bermudian common law recognizes that a general partner owes a duty of utmost good faith to its limited partners. These duties are, in most respects, similar to duties imposed on a general partner of a limited partnership under U.S. and Canadian law. However, to the extent that our Managing General Partner owes any such fiduciary duties to our partnership and our unitholders, these duties have been modified pursuant to our Limited Partnership Agreement as a matter of contract law. We have been advised by Bermudian counsel that such modifications are not prohibited under Bermudian law, subject to typical qualifications as to enforceability of contractual provisions, such as the application of general equitable principles. This is similar to Delaware law which expressly permits modifications to the fiduciary duties owed to partners, other than an implied contractual covenant of good faith and fair dealing.

Our Limited Partnership Agreement contains various provisions that modify the fiduciary duties that might otherwise be owed to our partnership and our unitholders, including when conflicts of interest arise. Specifically, our Limited Partnership Agreement states that no breach of our Limited Partnership Agreement or a breach of any duty, including fiduciary duties, may be found for any matter that has been approved by a majority of the independent directors of our Managing General Partner. In addition, when resolving conflicts of interest, our Limited Partnership Agreement does not impose any limitations on the discretion of the independent directors or the factors which they may consider in resolving any such conflicts. The independent directors of our Managing General Partner can therefore take into account the interests of third parties, including Brookfield, when resolving conflicts of interest. Additionally, any fiduciary duty that is imposed under any applicable law or agreement is modified, waived or limited to the extent required to permit our Managing General Partner to undertake any affirmative conduct or to make any decisions, so long as such action is reasonably believed to be in, or not inconsistent with, the best interests of our partnership.

In addition, our Limited Partnership Agreement provides that our Managing General Partner and its affiliates do not have any obligation under our Limited Partnership Agreement, or as a result of any duties stated or implied by law or equity, including fiduciary duties, to present business or investment opportunities to our partnership, the Holding LP, any Holding Entity or any other holding entity established by us. They also allow affiliates of our Managing General Partner to engage in activities that may compete with us or our activities. Additionally, any failure by our Managing General Partner to consent to any merger, consolidation or combination will not result in a breach of our Limited

Partnership Agreement or any other provision of law. Our Limited Partnership Agreement prohibits our limited partners from advancing claims that otherwise might raise issues as to compliance with fiduciary duties or applicable law. These modifications to the fiduciary duties are detrimental to our unitholders because they restrict the remedies available for actions that might otherwise constitute a breach of fiduciary duty and permit conflicts of interest to be resolved in a manner that is not in the best interests of our partnership or the best interests of our unitholders. See Item 7.B. Related Party Transactions—Conflicts of Interest and Fiduciary Duties".

Our organizational and ownership structure may create significant conflicts of interest that may be resolved in a manner that is not in the best interests of our partnership or the best interests of our unitholders.

Our organizational and ownership structure involves a number of relationships that may give rise to conflicts of interest between our partnership and our unitholders, on the one hand, and Brookfield, on the other hand. In certain instances, the interests of Brookfield may differ from the interests of our partnership and our unitholders, including with respect to the types of acquisitions made, the timing and amount of distributions by our partnership, the reinvestment of returns generated by our operations, the use of leverage when making acquisitions and the appointment of outside advisors and service providers, including as a result of the reasons described under Item 7.B "Related Party Transactions."

In addition, the Service Provider, an affiliate of Brookfield, provides management services to us pursuant to our Master Services Agreement. Pursuant to our Master Services Agreement, on a quarterly basis, we pay a base management fee to the Service Provider equal to 0.3125% (1.25% annually) of the market value of our partnership. For purposes of calculating the base management fee, the market value of our partnership is equal to the aggregate value of all our outstanding units (assuming full conversion of Brookfield's limited partnership interests in Brookfield Infrastructure into units and securities of the other Service Recipients that are no held by Brookfield Infrastructure, plus all outstanding third party debt with recourse to a Service Recipient, less all cash held by such entities. Infrastructure Special L.P. will also receive incentive distributions based on the amount by which quarterly distributions on the limited partnership units of the Holding LP exceed specified target levels as set forth in the Holding LP's limited partnership agreement. For a further explanation of the base management fee and incentive distributions, see Item 6.A "Directors and Senior Management—Management Fee" and Item 7.B "Related Party Transactions—Incentive Distributions". This relationship may give rise to conflicts of interest between us and our unitholders, on the one hand, and Brookfield, on the other, as Brookfield's interests may differ from the interests of Brookfield Infrastructure and our unitholders.

Our Managing General Partner, the sole shareholder of which is Brookfield, has sole authority to determine whether we will make distributions and the amount and timing of these distributions. The arrangements we have with Brookfield may create an incentive for Brookfield to take actions which would have the effect of increasing distributions and fees payable to it, which may be to the detriment of us and our unitholders. For example, because the base management fee is calculated based on the market value of our partnership, it may create an incentive for Brookfield to increase or maintain the market value of our partnership over the near-term when other actions may be more favorable to us or our unitholders. Similarly, Brookfield may take actions to increase our distributions in order to ensure Brookfield is paid incentive distributions in the near-term when other investments or actions may be more favorable to us or our unitholders. Also, through Brookfield's ownership of our units and the Redeemable Partnership Units, it has an effective economic interest in our business of approximately 28.1% and therefore may be incentivized to increase distributions payable to our unitholders and thereby to Brookfield.

Our arrangements with Brookfield were negotiated in the context of an affiliated relationship and may contain terms that are less favorable than those which otherwise might have been obtained from unrelated parties.

The terms of our arrangements with Brookfield were effectively determined by Brookfield in the context of the spin-off. While our Managing General Partner's independent directors are aware of the terms of these arrangements and have approved the arrangements on our behalf, they did not negotiate the terms. These terms, including terms relating to compensation, contractual or fiduciary duties, conflicts of interest and Brookfield's ability to engage in outside activities, including activities that compete with us, our activities and limitations on liability and indemnification, may be less favorable than otherwise might have resulted if the negotiations had involved unrelated parties. Under our Limited Partnership Agreement, persons who acquire our units and their transferees will be deemed to have agreed that none of those arrangements constitutes a breach of any duty that may be owed to them under our Limited Partnership Agreement or any duty stated or implied by law or equity.

Our Managing General Partner may be unable or unwilling to terminate the Master Services Agreement.

The Master Services Agreement provides that the Service Recipients may terminate the agreement only if: the Service Provider defaults in the performance or observance of any material term, condition or covenant contained in the agreement in a manner that results in material harm to us and the default continues unremedied for a period of 30 days after written notice of the breach is given to the Service Provider; the Service Provider engages in any act of fraud, misappropriation of funds or embezzlement against any Service Recipient that results in material harm to us; the Service Provider is grossly negligent in the performance of its duties under the agreement and such negligence results in material harm to the Service Recipients; or upon the happening of certain events relating to the bankruptcy or insolvency of the Service Provider. Our Managing General Partner cannot terminate the agreement for any other reason, including if the Service Provider or Brookfield experiences a change of control, and there is no fixed term to the agreement. In addition, because our Managing General Partner is an affiliate of Brookfield, it may be unwilling to terminate the Master Services Agreement, even in the case of a default. If the Service Provider's performance does not meet the expectations of investors, and our Managing General Partner is unable or unwilling to terminate the Master Services Agreement, the market price of our units could suffer. Furthermore, the termination of the Master Services Agreement would terminate our partnership's rights under the Relationship Agreement and our Licensing Agreements. See Item 7.B "Related Party Transactions—Relationship Agreement" and Item 7.B "Related Party Transactions—Licensing Agreements."

The liability of the Service Provider is limited under our arrangements with it and we have agreed to indemnify the Service Provider against claims that it may face in connection with such arrangements, which may lead it to assume greater risks when making decisions relating to us than it otherwise would if acting solely for its own account.

Under the Master Services Agreement, the Service Provider has not assumed any responsibility other than to provide or arrange for the provision of the services described in the Master Services Agreement in good faith and will not be responsible for any action that our Managing General Partner takes in following or declining to follow its advice or recommendations. In addition, under our Limited Partnership Agreement, the liability of our Managing General Partner and its affiliates, including the Service Provider, is limited to the fullest extent permitted by law to conduct involving bad faith, fraud or willful misconduct or, in the case of a criminal matter, action that was known to have been unlawful. The liability of the Service Provider under the Master Services Agreement is similarly limited, except that the Service Provider is also liable for liabilities arising from gross negligence. In addition, our partnership has agreed to indemnify the Service Provider to the fullest extent permitted by law from and against any claims, liabilities, losses, damages, costs or expenses incurred by an indemnified person or threatened in connection with our operations, investments and activities or in respect of or arising

from the Master Services Agreement or the services provided by the Service Provider, except to the extent that the claims, liabilities, losses, damages, costs or expenses are determined to have resulted from the conduct in respect of which such persons have liability as described above. These protections may result in the Service Provider tolerating greater risks when making decisions than otherwise would be the case, including when determining whether to use leverage in connection with acquisitions. The indemnification arrangements to which the Service Provider is a party may also give rise to legal claims for indemnification that are adverse to our partnership and our unitholders.

Risks Relating to Our Units

Our unitholders do not have a right to vote on partnership matters or to take part in the management of our partnership.

Under our Limited Partnership Agreement, our unitholders are not entitled to vote on matters relating to our partnership, such as acquisitions, dispositions or financing, or to participate in the management or control of our partnership. In particular, our unitholders do not have the right to remove our Managing General Partner, to cause our Managing General Partner to withdraw from our partnership, to cause a new general partner to be admitted to our partnership, to appoint new directors to our Managing General Partner's board of directors, to remove existing directors from our Managing General Partner's board of directors or to prevent a change of control of our Managing General Partner. In addition, except as prescribed by applicable laws, our unitholders' consent rights apply only with respect to certain amendments to our Limited Partnership Agreement. As a result, unlike holders of common stock of a corporation, our unitholders are not able to influence the direction of our partnership, including its policies and procedures, or to cause a change in its management, even if they are unsatisfied with the performance of our partnership. Consequently, our unitholders may be deprived of an opportunity to receive a premium for their units in the future through a sale of our partnership and the trading price of our units may be adversely affected by the absence or a reduction of a takeover premium in the trading price.

The market price of our units may be volatile.

The market price of our units may be highly volatile and could be subject to wide fluctuations. Some of the factors that could negatively affect the price of our units include: general market and economic conditions, including disruptions, downgrades, credit events and perceived problems in the credit markets; actual or anticipated variations in our quarterly operating results or distributions; changes in our investments or asset composition; write-downs or perceived credit or liquidity issues affecting our assets; market perception of our partnership, our business and our assets; our level of indebtedness and/or adverse market reaction to any indebtedness we incur in the future; our ability to raise capital on favorable terms or at all; loss of any major funding source; the termination of our Master Services Agreement or additions or departures of our or Brookfield's key personnel; changes in market valuations of similar infrastructure companies; speculation in the press or investment community regarding us or Brookfield; and changes in U.S. tax laws that make it impractical or impossible for our partnership to continue to be taxable as a partnership for U.S. federal income tax purposes. Securities markets in general have experienced extreme volatility that has often been unrelated to the operating performance of particular companies or partnerships. Any broad market fluctuations may adversely affect the trading price of our units.

We may need additional funds in the future and we may issue additional units in lieu of incurring indebtedness which may dilute existing holders of our units or we may issue securities that have rights and privileges that are more favorable than the rights and privileges accorded to our unitholders.

Under our Limited Partnership Agreement, we may issue additional partnership securities, including units and options, rights, warrants and appreciation rights relating to partnership securities for any purpose and for such consideration and on such terms and conditions as our Managing General Partner may determine. Our Managing General Partner's board of directors will be able to determine the class, designations, preferences, rights, powers and duties of any additional partnership securities, including any rights to share in our profits, losses and distributions, any rights to receive partnership assets upon our dissolution or liquidation and any redemption, conversion and exchange rights. Our Managing General Partner may use such authority to issue additional units, which could dilute holders of our units, or to issue securities with rights and privileges that are more favorable than those of our units. Holders of units will not have any pre-emptive right or any right to consent to or otherwise approve the issuance of any such securities or the terms on which any such securities may be issued.

Non-U.S. unitholders will be subject to foreign currency risk associated with Brookfield Infrastructure's distributions.

A significant number of our unitholders will reside in countries where the U.S. dollar is not the functional currency. Our distributions are denominated in U.S. dollars but are settled in the local currency of the unitholder receiving the distribution. For each non-U.S. unitholder, the value received in the local currency from the distribution will be determined based on the exchange rate between the U.S. dollar and the applicable local currency at the time of payment. As such, if the U.S. dollar depreciates significantly against the local currency of the non-U.S. unitholder, the value received by such unitholder in its local currency will be adversely affected.

U.S. investors in our units may find it difficult or impossible to enforce service of process and enforcement of judgments against us and directors and officers of our Managing General Partner and the Service Provider.

We were established under the laws of Bermuda, and most of our subsidiaries are organized in jurisdictions outside of the United States. In addition, our executive officers and the experts identified in this annual report on Form 20-F are located outside of the United States. Certain of the directors and officers of our Managing General Partner and the Service Provider reside outside of the United States. A substantial portion of our assets are, and the assets of the directors and officers of our Managing General Partner and the Service Provider and the experts identified in this annual report on Form 20-F may be, located outside of the United States. It may not be possible for investors to effect service of process within the United States upon the directors and officers of our Managing General Partner and the Service Provider. It may also not be possible to enforce against us, the experts identified in this annual report on Form 20-F, or the directors and officers of our Managing General Partner and the Service Provider judgments obtained in U.S. courts predicated upon the civil liability provisions of applicable securities law in the United States.

Canadian investors in our units may find it difficult or impossible to enforce service of process and enforcement of judgments against us and the directors and officers of our Managing General Partner and the Service Provider.

We were established under the laws of Bermuda, and most of our subsidiaries are organized in jurisdictions outside of Canada. Certain of the directors and officers of our Managing General Partner and the Service Provider reside outside of Canada. A substantial portion of our assets are, and the assets of the directors and officers of our Managing General Partner and the Service Provider and the experts identified in this annual report on Form 20-F may be, located outside of Canada. It may not be possible for investors to effect service of process within Canada upon the directors and officers of our

Managing General Partner and the Service Provider. It may also not be possible to enforce against us, the experts identified in this annual report on Form 20-F, or the directors and officers of our Managing General Partner and the Service Provider judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada.

We may not be able to continue paying comparable or growing cash distributions to our unitholders in the future.

The amount of cash we can distribute to our unitholders depends upon the amount of cash we receive from the Holding LP and, indirectly, the Holding Entities and the operating entities. The amount of cash the Holding LP, the Holding Entities and the operating entities generate will fluctuate from quarter to quarter and will depend upon, among other things: the weather in the jurisdictions in which they operate; the level of their operating costs; and prevailing economic conditions. In addition, the actual amount of cash we will have available for distribution will also depend on other factors, such as: the level of costs related to litigation and regulatory compliance matters; the cost of acquisitions, if any; our debt service requirements; fluctuations in our working capital needs; our ability to borrow under our credit facilities; our ability to access capital markets; restrictions on distributions contained in our debt agreements; and the amount, if any, of cash reserves established by our Managing General Partner in its discretion for the proper conduct of our business. As a result of all these factors, we cannot guarantee that we will have sufficient available cash to pay a specific level of cash distributions to our unitholders. Furthermore, unitholders should be aware that the amount of cash we have available for distribution depends primarily upon the cash flow of the Holding LP, the Holding Entities and the operating entities, and is not solely a function of profitability, which is affected by non-cash items. As a result, we may declare and/or pay cash distributions during periods when we record net losses.

Risks Related to Taxation

General

Changes in tax law and practice may have a material adverse effect on the operations of our partnership, the Holding Entities, and the operating entities and, as a consequence, the value of our assets and the net amount of distributions payable to our unitholders.

Our structure, including the structure of the Holding Entities and the operating entities, is based on prevailing taxation law and practice in the local jurisdictions in which we operate. Any change in tax legislation (including in relation to taxation rates) and practice in these jurisdictions could adversely affect these entities, as well as the net amount of distributions payable to our unitholders. Taxes and other constraints that would apply to our operating entities in such jurisdictions may not apply to local institutions or other parties, and such parties may therefore have a significantly lower effective cost of capital and a corresponding competitive advantage in pursuing such acquisitions.

Our partnership's ability to make distributions depends on it receiving sufficient cash distributions from its underlying operations, and we cannot assure our unitholders that our partnership will be able to make cash distributions to them in amounts that are sufficient to fund their tax liabilities.

Our Holding Entities and operating entities may be subject to local taxes in each of the relevant territories and jurisdictions in which they operate, including taxes on income, profits or gains and withholding taxes. As a result, our partnership's cash available for distribution is indirectly reduced by such taxes, and the post-tax return to our unitholders is similarly reduced by such taxes. We intend for future acquisitions to be assessed on a case-by-case basis and, where possible and commercially viable, structured so as to minimize any adverse tax consequences to our unitholders as a result of making such acquisitions.

In general, a unitholder that is subject to income tax in Canada or the United States must include in income its allocable share of our partnership's items of income, gain, loss, and deduction (including, so long as it is treated as a partnership for tax purposes, our partnership's allocable share of those items of the Holding LP) for each of our partnership's fiscal years ending with or within such unitholder's tax year. See Item 10.E "Taxation—Certain Material Canadian Federal Income Tax Considerations" and "Taxation—Certain Material U.S. Federal Income Tax Considerations". However, the cash distributed to a unitholder may not be sufficient to pay the full amount of such unitholder's tax liability in respect of its investment in our partnership, because each unitholder's tax liability depends on such unitholder's particular tax situation and the tax treatment of the underlying activities or assets of our partnership. If our partnership is unable to distribute cash in amounts that are sufficient to fund our unitholders' tax liabilities, each of our unitholders will still be required to pay income taxes on its share of our partnership's taxable income.

As a result of holding our units, our unitholders may be subject to U.S. federal, state, local or non-U.S. taxes and return filing obligations in jurisdictions in which they are not resident for tax purposes or otherwise not subject to tax.

Our unitholders may be subject to U.S. federal, state, local, and non-U.S. taxes, including unincorporated business taxes and estate, inheritance or intangible taxes that are imposed by the various jurisdictions in which our partnership entities do business or own property now or in the future, even if our unitholders do not reside in any of those jurisdictions. Our unitholders may be required to file income tax returns and pay income taxes in some or all of these jurisdictions. Further, our unitholders may be subject to penalties for failure to comply with these requirements. Although our partnership will attempt, to the extent reasonably practicable, to structure our partnership operations and investments so as to minimize income tax filing obligations by our unitholders in such jurisdictions, there may be circumstances in which our partnership is unable to do so. It is the responsibility of each unitholder to file all U.S. federal, state, local, and non-U.S. tax returns that may be required of such unitholder.

Our unitholders may be exposed to transfer pricing risks.

To the extent that our partnership, the Holding LP, the Holding Entities or the operating entities enter into transactions or arrangements with parties with whom they do not deal at arm's length, including Brookfield, the relevant tax authorities may seek to adjust the quantum or nature of the amounts received or paid by such entities if they consider that the terms and conditions of such transactions or arrangements differ from those that would have been made between persons dealing at arm's length. This could result in more tax (and penalties and interest) being paid by such entities, and therefore the return to investors could be reduced. For Canadian tax purposes, a transfer pricing adjustment may in certain circumstances result in additional income being allocated to a unitholder with no corresponding cash distribution or in a dividend being deemed to be paid by a Canadian-resident to a non-arm's length non-resident, which deemed dividend is subject to Canadian withholding tax.

Our Managing General Partner believes that the base management fee and any other amount that is paid to the Service Provider will be commensurate with the value of the services being provided by the Service Provider and comparable to the fees or other amounts that would be agreed to in an arm's-length arrangement. However, no assurance can be given in this regard.

If the relevant tax authority were to assert that an adjustment should be made under the transfer pricing rules to an amount that is relevant to the computation of the income of the Holding LP or our partnership, such assertion could result in adjustments to amounts of income (or loss) allocated to our unitholders by our partnership for tax purposes. In addition, we might also be liable for transfer pricing penalties in respect of transfer pricing adjustments unless reasonable efforts were made to determine, and use, arm's-length transfer prices. Generally, reasonable efforts in this regard are only considered to

be made if contemporaneous documentation has been prepared in respect of such transactions or arrangements that support the transfer pricing methodology.

The U.S. Internal Revenue Service ("IRS") or Canada Revenue Service ("CRA") may not agree with certain assumptions and conventions that our partnership uses in order to comply with applicable U.S. and Canadian federal income tax laws or that our partnership uses to report income, gain, loss, deduction, and credit to our unitholders.

Our partnership will apply certain assumptions and conventions in order to comply with applicable tax laws and to report income, gain, deduction, loss, and credit to a unitholder in a manner that reflects such unitholder's beneficial ownership of partnership items, taking into account variation in ownership interests during each taxable year because of trading activity. A successful IRS or CRA challenge to such assumptions or conventions could adversely affect the amount of tax benefits available to our unitholders and could require that items of income, gain, deduction, loss, or credit, including interest deductions, be adjusted, reallocated or disallowed in a manner that adversely affects our unitholders. See Item 10.E "Taxation—Certain Material Canadian Federal Income Tax Considerations" and "Taxation—Certain Material U.S. Federal Income Tax Considerations."

United States

If our partnership or the Holding LP were to be treated as a corporation for U.S. federal income tax purposes, the value of our units might be adversely affected.

The value of our units to unitholders will depend in part on the treatment of our partnership and the Holding LP as partnerships for U.S. federal income tax purposes. However, in order for our partnership to be treated as a partnership for U.S. federal income tax purposes, under present law, 90% or more of our partnership's gross income for every taxable year must consist of qualifying income, as defined in Section 7704 of the *U.S. Internal Revenue Code of 1986* (U.S. Internal Revenue Code"), and our partnership must not be required to register, if it were a U.S. corporation, as an investment company under the Investment Company Act and related rules. Although our Managing General Partner intends to manage our partnership's affairs so that our partnership will not need to be registered as an investment company if it were a U.S. corporation and so that it will meet the 90% test described above in each taxable year, our partnership may not meet these requirements, or current law may change so as to cause, in either event, our partnership to be treated as a corporation for U.S. federal income tax purposes. If our partnership (or the Holding LP) were treated as a corporation for U.S. federal income tax purposes, adverse U.S. federal income tax consequences could result for our unitholders and our partnership (or the Holding LP, as applicable), as described in greater detail in Item 10.E "Taxation—Certain Material U.S. Federal Income Tax Considerations—Partnership Status of Our Partnership and the Holding LP."

The U.S. Congress has considered legislation that could, if enacted, adversely affect our partnership's qualification as a partnership for U.S. federal tax purposes under the publicly traded partnership rules. If this or similar legislation were to be enacted and to apply to our partnership, then the value of our units might be adversely affected.

Over the past several years, a number of legislative proposals have been considered by the U.S. Congress which could have had adverse tax consequences for our partnership and its unitholders. Most recently, Representative Camp, Chairman of the Ways and Means Committee of the U.S. House of Representatives, released a discussion draft of proposed legislation that would, among other things, prevent our partnership from qualifying for treatment as a partnership for U.S. federal tax purposes for taxable years beginning after 2016. If Chairman Camp's proposal were to be enacted into law, or any other change in the tax laws or their interpretation were to prevent our partnership from qualifying for treatment as a partnership for U.S. federal tax purposes under the publicly traded partnership rules, then our partnership could be classified as a corporation for U.S. federal tax purposes. Such

classification could have adverse tax consequences to our unitholders, as described in the preceding risk factor. Unitholders should consult their own tax advisers as to the potential effect of any proposed or future legislation on an investment in our partnership.

We may be subject to U.S. backup withholding tax or other U.S. withholding taxes if any unitholder fails to comply with U.S. tax reporting rules or if the U.S. Internal Revenue Service ("IRS") or other applicable state or local taxing authority does not accept our withholding methodology, and such excess withholding tax cost will be an expense borne by our partnership and, therefore, by all of our unitholders on a pro rata basis.

We may become subject to U.S. "backup" withholding tax or other U.S. withholding taxes with respect to any unitholder who fails to timely provide our partnership (or the applicable clearing agent or other intermediary) with an IRS Form W-9 or IRS Form W-8, as the case may be, or if the withholding methodology we use is not accepted by the IRS or other applicable state or local taxing authority. See Item 10.E "Taxation—Certain Material U.S. Federal Income Tax Considerations—Administrative Matters—Withholding and Backup Withholding". To the extent that any unitholder fails to timely provide the applicable form (or such form is not properly completed), or should the IRS or other applicable state or local taxing authority not accept our withholding methodology, our partnership might treat such U.S. backup withholding taxes or other U.S. withholding taxes as an expense, which would be borne indirectly by all of our unitholders on a pro rata basis. As a result, our unitholders that fully comply with their U.S. tax reporting obligations may bear a share of such burden created by other unitholders that do not comply with the U.S. tax reporting rules.

Tax-exempt organizations may face certain adverse U.S. tax consequences from owning our units.

Our Managing General Partner intends to use commercially reasonable efforts to structure the activities of our partnership and the Holding LP, respectively, to avoid generating income connected with the conduct of a trade or business (which income generally would constitute "unrelated business taxable income" ("UBTI") to the extent allocated to a tax-exempt organization). However, neither our partnership nor the Holding LP is prohibited from incurring indebtedness, and no assurance can be provided that neither our partnership nor the Holding LP will generate UBTI attributable to debt-financed property in the future. In particular, UBTI includes income attributable to debt-financed property, and neither our partnership nor the Holding LP is prohibited from financing the acquisition of property with debt. The potential for income to be characterized as UBTI could make our units an unsuitable investment for a tax-exempt organization. Each tax-exempt organization should consult its own tax adviser to determine the U.S. federal income tax consequences of an investment in our units.

If our partnership were engaged in a U.S. trade or business, non-U.S. persons would face certain adverse U.S. tax consequences from owning our units.

Our Managing General Partner intends to use commercially reasonable efforts to structure the activities of our partnership and the Holding LP to avoid generating income treated as effectively connected with a U.S. trade or business, including effectively connected income attributable to the sale of a "United States real property interest", as defined in the U.S. Internal Revenue Code. If our partnership were deemed to be engaged in a U.S. trade or business, or to realize gain from the sale or other disposition of a U.S. real property interest, Non-U.S. Holders (as defined in Item 10.E "Taxation—Certain Material U.S. Federal Income Tax Considerations") generally would be required to file U.S. federal income tax returns and could be subject to U.S. federal withholding tax at the highest marginal U.S. federal income tax rates applicable to ordinary income. See Item 10.E "Taxation—Certain Material U.S. Federal Income Tax Considerations—Consequences to Non-U.S. Holders".

To meet U.S. federal income tax and other objectives, our partnership and the Holding LP may invest through U.S. and non-U.S. Holding Entities that are treated as corporations for U.S. federal income tax purposes, and such Holding Entities may be subject to corporate income tax.

To meet U.S. federal income tax and other objectives, our partnership and the Holding LP may invest through U.S. and non-U.S. Holding Entities that are treated as corporations for U.S. federal income tax purposes, and such Holding Entities may be subject to corporate income tax. Consequently, items of income, gain, loss, deduction, or credit realized in the first instance by the operating entities will not flow, for U.S. federal income tax purposes, directly to the Holding LP, our partnership, or our unitholders, and any such income or gain may be subject to a corporate income tax, in the United States or other jurisdictions, at the level of the Holding Entity. Any such additional taxes may adversely affect our partnership's ability to maximize its cash flow.

Our unitholders taxable in the United States may be viewed as holding an indirect interest in an entity classified as a "passive foreign investment company" for U.S. federal income tax purposes.

U.S. Holders may face adverse U.S. tax consequences arising from the ownership of a direct or indirect interest in a "passive foreign investment company" ("PFIC"). In general, gain realized by U.S. Holders from the sale of stock of a PFIC is subject to tax at ordinary income rates, and an interest charge generally applies. Alternatively, U.S. Holders making certain elections with respect to their direct or indirect interest in a PFIC may be required to recognize taxable income prior to the receipt of cash relating to such income. See Item 10.E "Taxation—Certain Material U.S. Federal Income Tax Considerations—Consequences to U.S. Holders—Passive Foreign Investment Companies". Based on our organizational structure, as well as our expected income and assets, our Managing General Partner currently believes that a U.S. Holder is unlikely to be regarded as owning an interest in a PFIC solely by reason of owning our units for the taxable year ending December 31, 2014. However, our Managing General Partner believes that some of our operating entities may have been PFICs in prior taxable years. Furthermore, there can be no assurance that a future entity in which our partnership acquires an interest will not be classified as a PFIC with respect to a U.S. Holder, because PFIC status is a factual determination that depends on the assets and income of a given entity and must be made on an annual basis. Each U.S. Holder should consult its own tax adviser regarding the implication of the PFIC rules for an investment in our units.

Tax gain or loss from the disposition of our units could be more or less than expected.

If a sale of our units by a unitholder is taxable in the United States, the unitholder will recognize gain or loss for U.S. federal income tax purposes equal to the difference between the amount realized and the unitholder's adjusted tax basis in such units. Prior distributions to a unitholder in excess of the total net taxable income allocated to such unitholder will have decreased such unitholder's tax basis in our units. Therefore, such excess distributions will increase a unitholder's taxable gain or decrease such unitholder's taxable loss when our units are sold, and may result in a taxable gain even if the sale price is less than the original cost. A portion of the amount realized, whether or not representing gain, could be ordinary income to such unitholder.

Our partnership structure involves complex provisions of U.S. federal income tax law for which no clear precedent or authority may be available. The tax characterization of our partnership structure is also subject to potential legislative, judicial, or administrative change and differing interpretations, possibly on a retroactive basis.

The U.S. federal income tax treatment of our unitholders depends in some instances on determinations of fact and interpretations of complex provisions of U.S. federal income tax law for which no clear precedent or authority may be available. Unitholders should be aware that the U.S. federal income tax rules, particularly those applicable to partnerships, are constantly under review by the Congressional tax-writing committees and other persons involved in the legislative process, the

IRS, the Treasury Department and the courts, frequently resulting in changes which could adversely affect the value of our units or cause our partnership to change the way it conducts its activities. In addition, our partnership's organizational documents and agreements permit our Managing General Partner to modify our Limited Partnership Agreement, without the consent of our unitholders, to address such changes. These modifications could have a material adverse impact on our unitholders. See Item 10.E "—Taxation—Certain Material U.S. Federal Income Tax Considerations—Administrative Matters—New Legislation or Administrative or Judicial Action".

Our partnership's delivery of required tax information for a taxable year may be subject to delay, which could require a unitholder who is a U.S. taxpayer to request an extension of the due date for such unitholder's income tax return.

Our partnership has agreed to use commercially reasonable efforts to provide U.S. tax information (including IRS Schedule K-1 information needed to determine a unitholder's allocable share of our partnership's income, gain, losses, and deductions) no later than 90 days after the close of each calendar year. However, providing this U.S. tax information to our unitholders will be subject to delay in the event of, among other reasons, the late receipt of any necessary tax information from lower-tier entities. It is therefore possible that, in any taxable year, a unitholder will need to apply for an extension of time to file such unitholder's tax returns. See Item 10.E "Certain Material U.S. Federal Income Tax Considerations—Administrative Matters—Information Returns".

The sale or exchange of 50% or more of our units will result in the constructive termination of our partnership for U.S. federal income tax purposes.

Our partnership will be considered to have been terminated for U.S. federal income tax purposes if there is a sale or exchange of 50% or more of our units within a 12-month period. A constructive termination of our partnership would, among other things, result in the closing of its taxable year for U.S. federal income tax purposes for all of our unitholders and could result in the possible acceleration of income to certain of our unitholders and certain other consequences that could adversely affect the value of our units. However, our Managing General Partner does not expect a constructive termination, should it occur, to have a material impact on the computation of the future taxable income generated by our partnership for U.S. federal income tax purposes. See Item 10.E "Taxation—Certain Material U.S. Federal Income Tax Considerations—Administrative Matters—Constructive Termination".

Under the Foreign Account Tax Compliance provisions of the Hiring Incentives to Restore Employment Act of 2010 ("FATCA"), certain payments made or received by our partnership on or after July 1, 2014 may be subject to a 30% federal withholding tax, unless certain requirements are met.

Under FATCA, a 30% withholding tax may apply to certain payments of U.S.-source income made on or after July 1, 2014 to our partnership, the Holding LP, the Holding Entities, or the operating entities, or by our partnership to a unitholder, unless certain requirements are met, as described in greater detail in Item 10.E "Taxation—Certain Material U.S. Federal Income Tax Considerations—Administrative Matters—Foreign Account Tax Compliance". The 30% withholding tax may also apply to certain payments made on or after January 1, 2017 that are attributable to U.S.-source income or that constitute gross proceeds from the disposition of property that could produce U.S.-source dividends or interest. To ensure compliance with FATCA, information regarding certain unitholders' ownership of our units may be reported to the IRS or to a non-U.S. governmental authority. Unitholders should consult their own tax advisers regarding the consequences under FATCA of an investment in our units.

Canada

If the subsidiaries that are corporations ("Non-Resident Subsidiaries") and that are not resident or deemed to be resident in Canada for purposes of the Income Tax Act (Canada) (together with the regulations thereunder, "Tax Act") and that are "controlled foreign affiliates" (as defined in the Tax Act and referred to herein as "CFAs") in which the Holding LP directly invests earn income that is "foreign accrual property income" ("FAPI"), our unitholders may be required to include amounts allocated from our partnership in computing their income for Canadian federal income tax purposes even though there may be no corresponding cash distribution.

Certain of the Non-Resident Subsidiaries in which the Holding LP directly invests are expected to be CFAs of the Holding LP. If any CFA of the Holding LP or any direct or indirect subsidiary thereof that is itself a CFA of the Holding LP ("Indirect CFA"), earns income that is characterized as FAPI in a particular taxation year of the CFA or Indirect CFA, the FAPI allocable to the Holding LP must be included in computing the income of the Holding LP for Canadian federal income tax purposes for the fiscal period of the Holding LP in which the taxation year of that CFA or Indirect CFA ends, whether or not the Holding LP actually receives a distribution of that FAPI. Our partnership will include its share of such FAPI of the Holding LP in computing its income for Canadian federal income tax purposes and our unitholders will be required to include their proportionate share of such FAPI allocated from our partnership in computing their income for Canadian federal income tax purposes. As a result, our unitholders may be required to include amounts in their income for Canadian federal income tax purposes even though they have not and may not receive an actual cash distribution of such amounts. The Tax Act contains anti-avoidance rules to address certain foreign tax credit generator transactions ("Foreign Tax Credit Generator Rules"). Under the Foreign Tax Credit Generator Rules, the "foreign accrual tax" (as defined in the Tax Act) applicable to a particular amount of FAPI included in the Holding LP's income in respect of a particular CFA of the Holding LP may be limited in certain specified circumstances. See Item 10.E "Taxation—Certain Material Canadian Federal Income Tax Considerations".

Unitholders may be required to include imputed amounts in their income for Canadian federal income tax purposes in accordance with section 94.1 of the Tax Act.

Section 94.1 of the Tax Act contains rules relating to investments in entities that are not resident or deemed to be resident in Canada for purposes of the Tax Act or not situated in Canada, other than a CFA of the taxpayer ("Non-Resident Entities"), that could in certain circumstances cause income to be imputed to unitholders for Canadian federal income tax purposes, either directly or by way of allocation of such income imputed to our partnership or to the Holding LP. See Item 10.E "Taxation—Certain Material Canadian Federal Income Tax Considerations".

Unitholders' foreign tax credits for Canadian federal income tax purposes will be limited if the Foreign Tax Credit Generator Rules apply in respect of the foreign "business-income tax" or "non-business-income tax" (each as defined in the Tax Act) paid by our partnership or the Holding LP to a foreign country.

Under the Foreign Tax Credit Generator Rules, the foreign "business-income tax" or "non-business-income tax" for Canadian federal income tax purposes for any taxation year may be limited in certain circumstances. If the Foreign Tax Credit Generator Rules apply, the allocation to a unitholder of foreign "business-income tax" or "non-business-income tax" paid by our partnership or the Holding LP, and therefore, such unitholder's foreign tax credits for Canadian federal income tax purposes, will be limited. See Item 10.E "Taxation—Certain Material Canadian Federal Income Tax Considerations".

Unitholders who are not and are not deemed to be resident in Canada for purposes of the Tax Act and who do not use or hold, and are not deemed to use or hold, their units of our partnership in connection with a business carried on in Canada ("non-Canadian limited partners"), may be subject to Canadian federal income tax with respect to any Canadian source business income earned by our partnership or the Holding LP if our partnership or the Holding LP were considered to carry on business in Canada.

If our partnership or the Holding LP were considered to carry on a business in Canada for purposes of the Tax Act, non-Canadian limited partners would be subject to Canadian federal income tax on their proportionate share of any Canadian source business income earned or considered to be earned by our partnership, subject to the potential application of the safe harbor rule in section 115.2 of the Tax Act and any relief that may be provided by any relevant income tax treaty or convention.

Our Managing General Partner intends to manage the affairs of our partnership and the Holding LP, to the extent possible, so that they do not carry on business in Canada and are not considered or deemed to carry on business in Canada for purposes of the Tax Act. Nevertheless, because the determination of whether our partnership or the Holding LP is carrying on business and, if so, whether that business is carried on in Canada, is a question of fact that is dependent upon the surrounding circumstances, the CRA might contend successfully that either or both of our partnership and the Holding LP carries on business in Canada for purposes of the Tax Act.

If our partnership or the Holding LP is considered to carry on business in Canada or is deemed to carry on business in Canada for the purposes of the Tax Act, non-Canadian limited partners that are corporations would be required to file a Canadian federal income tax return for each taxation year in which they are a non-Canadian limited partner regardless of whether relief from Canadian taxation is available under an applicable income tax treaty or convention. Non-Canadian limited partners who are individuals would only be required to file a Canadian federal income tax return for any taxation year in which they are allocated income from our partnership from carrying on business in Canada that is not exempt from Canadian taxation under the terms of an applicable income tax treaty or convention.

Non-Canadian limited partners may be subject to Canadian federal income tax on capital gains realized by our partnership or the Holding LP on dispositions of "taxable Canadian property" (as defined in the Tax Act).

A non-Canadian limited partner will be subject to Canadian federal income tax on its proportionate share of capital gains realized by our partnership or the Holding LP on the disposition of "taxable Canadian property" other than "treaty-protected property" (as defined in the Tax Act). "Taxable Canadian property" includes, but is not limited to, property that is used or held in a business carried on in Canada and shares of corporations that are not listed on a "designated stock exchange" (as defined in the Tax Act) if more than 50% of the fair market value of the shares is derived from certain Canadian properties during the 60-month period immediately preceding the particular time. Property of our partnership and the Holding LP generally will be "treaty-protected property" to a non-Canadian limited partner if the gain from the disposition of the property would, because of an applicable income tax treaty or convention, be exempt from tax under the Tax Act. Our Managing General Partner does not expect our partnership or the Holding LP to realize capital gains or losses from dispositions of "taxable Canadian property". However, no assurance can be given in this regard. Non-Canadian limited partners will be required to file a Canadian federal income tax return in respect of a disposition of "taxable Canadian property" by our partnership or the Holding LP unless the disposition is an "excluded disposition" for the purposes of section 150 of the Tax Act. However, non-Canadian limited partners that are corporations will still be required to file a Canadian federal income tax return in respect of a disposition of "taxable Canadian property" that is an "excluded disposition" for purposes of section 150 of the Tax Act if tax would otherwise be payable under Part I of the Tax Act by the non-Canadian limited partners in respect of the disposition but is not because of an applicable income tax treaty or convention (otherwise than in respect of a disposition of "taxable

Canadian property" that is "treaty-protected property" of the corporation). In general, an "excluded disposition" is a disposition of property by a taxpayer in a taxation year where (a) the taxpayer is a non-resident of Canada at the time of the disposition; (b) no tax is payable by the taxpayer under Part I of the Tax Act for the taxation year; (c) the taxpayer is not liable to pay any amounts under the Tax Act in respect of any previous taxation year (other than certain amounts for which the CRA holds adequate security); and (d) each "taxable Canadian property" disposed of by the taxpayer in the taxation year is either (i) "excluded property" (as defined in subsection 116(6) of the Tax Act) or (ii) property in respect of the disposition of which a certificate under subsection 116(2), (4) or (5.2) of the Tax Act has been issued by the CRA. Non-Canadian limited partners should consult their own tax advisors with respect to the requirements to file a Canadian federal income tax return in respect of a disposition of "taxable Canadian property" by our partnership or the Holding LP.

Non-Canadian limited partners may be subject to Canadian federal income tax on capital gains realized on the disposition of our units if our units are "taxable Canadian property".

Any capital gain arising from the disposition or deemed disposition of our units by a non-Canadian limited partner will be subject to taxation in Canada, if, at the time of the disposition or deemed disposition, our units are "taxable Canadian property" of the non-Canadian limited partner, unless our units are "treaty-protected property" to such non-Canadian limited partner. In general, our units will not constitute "taxable Canadian property" of any non-Canadian limited partner at the time of disposition or deemed disposition, unless (a) at any time in the 60-month period immediately preceding the disposition or deemed disposition, more than 50% of the fair market value of our units was derived, directly or indirectly (excluding through a corporation, partnership or trust, the shares or interests in which were not themselves "taxable Canadian property"), from one or any combination of (i) real or immovable property situated in Canada, (ii) "Canadian resource property" (as defined in the Tax Act), (iii) "timber resource property" (as defined in the Tax Act), and (iv) options in respect of, or interests in, or for civil law rights in, such property, whether or not such property exists, or (b) our units are otherwise deemed to be "taxable Canadian property". Since our partnership's assets will consist principally of units of the Holding LP, our units would generally be "taxable Canadian property" at a particular time if the units of the Holding LP held by our partnership derived, directly or indirectly (excluding through a corporation, partnership or trust, the shares or interests in which were not themselves "taxable Canadian property") more than 50% of their fair market value from properties described in (i) to (iv) above, at any time in the 60-month period preceding the particular time. Units of our partnership will be "treaty-protected property" if the gain on the disposition of our units is exempt from tax under the Tax Act under the terms of an applicable income tax treaty or convention. Our Managing General Partner does not expect our units to be "taxable Canadian property" of any non-Canadian limited partner at any time but no assurance can be given in this regard. See Item 10.E "Taxation—Certain Material Canadian Federal Income Tax Considerations." Even if our units constitute "taxable Canadian property", our units will be "treaty-protected property" if the gain on the disposition of our units is exempt from tax under the Tax Act under the terms of an applicable income tax treaty or convention. If our units constitute "taxable Canadian property", non-Canadian limited partners will be required to file a Canadian federal income tax return in respect of a disposition of our units unless the disposition is an "excluded disposition" (as discussed above). If our units constitute "taxable Canadian property", non-Canadian limited partners should consult their own tax advisors with respect to the requirement to file a Canadian federal income tax return in respect of a disposition of our units.

Non-Canadian limited partners may be subject to Canadian federal income tax reporting and withholding tax requirements on the disposition of "taxable Canadian property".

Non-Canadian limited partners who dispose of "taxable Canadian property", other than "excluded property" (as defined in subsection 116(6) of the Tax Act) and certain other property described in subsection 116(5.2) of the Tax Act, (or who are considered to have disposed of such property on the

disposition of such property by our partnership or the Holding LP), are obligated to comply with the procedures set out in section 116 of the Tax Act and obtain a certificate pursuant to the Tax Act. In order to obtain such certificate, the non-Canadian limited partner is required to report certain particulars relating to the transaction to the CRA not later than 10 days after the disposition occurs. Our Managing General Partner does not expect our units to be "taxable Canadian property" of any non-Canadian limited partner and does not expect our partnership or the Holding LP to dispose of property that is "taxable Canadian property" but no assurance can be given in these regards.

Payments of dividends or interest (other than interest exempt from Canadian federal withholding tax) by residents of Canada to the Holding LP will be subject to Canadian federal withholding tax and we may be unable to apply a reduced rate taking into account the residency or entitlement to relief under an applicable income tax treaty or convention of our unitholders.

Our partnership and the Holding LP will be deemed to be a non-resident person in respect of certain amounts paid or credited or deemed to be paid or credited to them by a person resident or deemed to be resident in Canada, including dividends or interest. Dividends or interest (other than interest exempt from Canadian federal withholding tax) paid or deemed to be paid by a person resident or deemed to be resident in Canada to the Holding LP will be subject to withholding tax under Part XIII of the Tax Act at the rate of 25%. However, the CRA's administrative practice in similar circumstances is to permit the rate of Canadian federal withholding tax applicable to such payments to be computed by looking through the partnership and taking into account the residency of the partners (including partners who are resident in Canada) and any reduced rates of Canadian federal withholding tax that any non-Canadian limited partners may be entitled to under an applicable income tax treaty or convention, provided that the residency status and entitlement to treaty benefits can be established. In determining the rate of Canadian federal withholding tax applicable to amounts paid by the Holding Entities to the Holding LP, our Managing General Partner expects the Holding Entities to look-through the Holding LP and our partnership to the residency of the partners of our partnership (including partners who are resident in Canada) and to take into account any reduced rates of Canadian federal withholding tax that non-Canadian limited partners may be entitled to under an applicable income tax treaty or convention in order to determine the appropriate amount of Canadian federal withholding tax to withhold from dividends or interest paid to the Holding LP. However, there can be no assurance that the CRA will apply its administrative practice in this context. If the CRA's administrative practice is not applied and the Holding Entities withhold Canadian federal withholding tax from applicable payments on a look-through basis, the Holding Entities may be liable for additional amounts of Canadian federal withholding tax plus any associated interest and penalties. Under the *Canada-United States Tax Convention 1980* ("Treaty"), in certain circumstances a Canadian-resident payer is required to look-through fiscally transparent partnerships, such as our partnership, and the Holding LP to the residency and Treaty entitlements of their partners and take into account the reduced rates of Canadian federal withholding tax that such partners may be entitled to under the Treaty.

While we expect the Holding Entities to look-through our partnership and the Holding LP in determining the rate of Canadian federal withholding tax applicable to amounts paid or deemed to be paid by the Holding Entities to the Holding LP, we may be unable to accurately or timely determine the residency of our unitholders for purposes of establishing the extent to which Canadian federal withholding taxes apply or whether reduced rates of withholding tax apply to some or all of our unitholders. In such a case, the Holding Entities will withhold Canadian federal withholding tax from all payments made to the Holding LP that are subject to Canadian federal withholding tax at the rate of 25%. Canadian-resident unitholders will be entitled to claim a credit for such taxes against their Canadian federal income tax liability but non-Canadian limited partners will need to take certain steps to receive a refund or credit in respect of any such Canadian federal withholding taxes withheld equal to the difference between the withholding tax at a rate of 25% and the withholding tax at the reduced

rate they are entitled to under an applicable income tax treaty or convention. Investors should consult their own tax advisors concerning all aspects of Canadian federal withholding taxes.

Our units may not continue to be "qualified investments" under the Tax Act for registered plans.

Provided that our units are listed on a "designated stock exchange" (which currently includes the Toronto Stock Exchange ("TSX") and the NYSE), our units will be "qualified investments" under the Tax Act for a trust governed by a registered retirement savings plan ("RRSP"), deferred profit sharing plan, registered retirement income fund ("RRIF"), registered education savings plan, registered disability savings plan, and a tax-free savings account ("TFSA"). However, there can be no assurance that tax laws relating to "qualified investments" will not be changed. Taxes may be imposed in respect of the acquisition or holding of non-qualified investments by such registered plans and certain other taxpayers and with respect to the acquisition or holding of "prohibited investments" (as defined in the Tax Act) by a TFSA or an RRSP or RRIF.

Notwithstanding the foregoing, a holder of a TFSA or an annuitant under an RRSP or RRIP, as the case may be, will be subject to a penalty tax if our units held in a TFSA, RRSP or RRIF are a "prohibited investment" (as defined in the Tax Act) for the TFSA, RRSP or RRIF, as the case may be. Generally, our units will not be a "prohibited investment" if the holder of the TFSA or the annuitant under the RRSP or RRIF, as applicable, deals at arm's length with our partnership for purposes of the Tax Act and does not have a "significant interest" (as defined in the Tax Act) in our partnership. Unitholders who intend to hold our units in a TFSA, RRSP or RRIF should consult with their own tax advisors regarding the application of the foregoing "prohibited investment" rules having regard to their particular circumstances.

The Canadian federal income tax consequences to our unitholders could be materially different in certain respects from those described in this annual report on Form 20-F if our partnership or the Holding LP is a "SIFT partnership" (as defined in the Tax Act).

Under the rules in the Tax Act applicable to a "SIFT partnership" ("SIFT Rules"), certain income and gains earned by a "SIFT partnership" will be subject to income tax at the partnership level at a rate similar to a corporation, and allocations of such income and gains to its partners will be taxed as a dividend from a taxable Canadian corporation. In particular, a "SIFT partnership" will be required to pay a tax on the total of its income from businesses carried on in Canada, income from "non-portfolio properties" (as defined in the Tax Act) other than taxable dividends, and taxable capital gains from dispositions of "non-portfolio properties". "Non-portfolio properties" include, among other things, equity interests or debt of corporations, trusts or partnerships that are resident in Canada, and of non-resident persons or partnerships the principal source of income of which is one or any combination of sources in Canada (other than an "excluded subsidiary entity", as defined in the Tax Act that are held by the "SIFT partnership" and have a fair market value that is greater than 10% of the equity value of such entity, or that have, together with debt or equity that the "SIFT partnership" holds of entities affiliated (within the meaning of the Tax Act) with such entity, an aggregate fair market value that is greater than 50% of the equity value of the "SIFT partnership". The tax rate that is applied to the above mentioned sources of income and gains is set at a rate equal to the "net corporate income tax rate" plus the "provincial SIFT tax rate" (each as defined in the Tax Act).

A partnership will be a "SIFT partnership" throughout a taxation year if at any time in the taxation year (i) it is a "Canadian resident partnership" (as defined in the Tax Act), (ii) "investments" (as defined in the Tax Act) in the partnership are listed or traded on a stock exchange or other public market, and (iii) it holds one or more "non-portfolio properties". For these purposes, a partnership will be a "Canadian resident partnership" at a particular time if (a) it is a "Canadian partnership" (as defined in the Tax Act) at that time, (b) it would, if it were a corporation be resident in Canada (including, for greater certainty, a partnership that has its central management and control located in Canada), or (c) it was formed under the laws of a province. A "Canadian partnership" for these

purposes is a partnership all of whose members are resident in Canada or are partnerships that are "Canadian partnerships".

Under the SIFT Rules, our partnership and the Holding LP could each be a "SIFT partnership" if it is a "Canadian resident partnership". However, the Holding LP would not be a "SIFT partnership" if our partnership is a "SIFT partnership" regardless of whether the Holding LP is a "Canadian resident partnership" on the basis that the Holding LP would be an "excluded subsidiary entity". Our partnership and the Holding LP will be a "Canadian resident partnership" if the central management and control of these partnerships is located in Canada. This determination is a question of fact and is expected to depend on where our Managing General Partner is located and exercises central management and control of the respective partnerships. Our Managing General Partner will take appropriate steps so that the central management and control of these entities is not located in Canada such that the SIFT Rules should not apply to our partnership or the Holding LP at any relevant time. However, no assurance can be given in this regard. If our partnership or the Holding LP is a "SIFT partnership", the Canadian federal income tax consequences to our unitholders could be materially different in certain respects from those described in Item 10.E "Taxation—Certain Material Canadian Federal Income Tax Considerations." In addition, there can be no assurance that the SIFT Rules will not be revised or amended in the future such that the SIFT Rules will apply.

ITEM 4. INFORMATION ON THE COMPANY

4.A HISTORY AND DEVELOPMENT OF BROOKFIELD INFRASTRUCTURE

Overview

Brookfield Infrastructure owns and operates high quality, long-life assets that generate stable cash flows, require relatively minimal maintenance capital expenditures and, by virtue of barriers to entry and other characteristics, tend to appreciate in value over time. Our current operations consist of utilities, transport and energy businesses in North and South America, Australasia and Europe. Brookfield Infrastructure has appointed Brookfield as its Service Provider to provide certain management, administrative and advisory services for a fee under the Master Services Agreement. Brookfield owns an approximate 28% interest in Brookfield Infrastructure.

Our mission is to own and operate a globally diversified portfolio of high quality infrastructure assets that will generate sustainable and growing distributions over the long term for our unitholders. To accomplish this objective, we will seek to leverage our operating platforms to acquire infrastructure assets and actively manage them to extract additional value following our initial investment. An integral part of our strategy is to participate with institutional investors in Brookfield-sponsored partnerships that target acquisitions that suit our profile. We focus on partnerships in which Brookfield has sufficient influence or control to deploy an operations-oriented approach.

We target a total return of 12% to 15% per annum on the infrastructure assets that we own, measured over the long term. We intend to generate this return from the in-place cash flow of our operations plus growth through investments in upgrades and expansions of our asset base, as well as acquisitions. If we are successful in growing our FFO per unit, we expect to be able to increase distributions to unitholders. Additionally, an increase in our FFO per unit should result in capital appreciation. We also measure the growth of FFO per unit, which we believe is a proxy for our ability to increase distributions. See Item 5 "Operating and Financial Review and Prospects" for more detail.

Our objective is to pay a distribution that is sustainable on a long-term basis while retaining within our operations sufficient liquidity to fund recurring growth capital expenditures, debt repayments and general corporate requirements. We currently believe that a payout of 60% to 70% of our FFO is appropriate.

In light of the current prospects for our business, the board of directors of our Managing General Partner recently approved a 12% increase in our quarterly distribution to 48 cents per unit. Since our spin-off in 2008, we have increased our quarterly distribution from 26.5 cents per unit to 48 cents, a compound annual growth rate in excess of 10%. We target a 5% to 9% annual distribution growth in light of the per unit FFO growth that we foresee in our operations. We intend to review our distribution in the first quarter of each year in the normal course. Please refer to Item 3.D Risk Factors—Risks Relating to Us and Our Partnership—"Our partnership is a holding entity and currently we rely on the Holding LP and, indirectly, the Holding Entities and our operating entities to provide us with the funds necessary to pay distributions and meet our financial obligations".

History and Development of our Business

Our partnership, Brookfield Infrastructure Partners L.P., is a Bermuda exempted limited partnership that was established on May 21, 2007 under the provisions of the *Bermuda Exempted Partnership Act of 1992* ("Bermuda Exempted Partnerships Act") and the Bermuda Limited Partnership Act. Our registered office is 73 Front Street, Hamilton HM 12, Bermuda and our telephone number at this address is +1-441-294-3309. Our partnership was spun-off from Brookfield on January 31, 2008. The following table outlines the formative events in the history and development of our business:

Date	Notes		Event
May 2007	1	*Corporate*:	Established Brookfield Infrastructure Partners L.P.
		Utilities:	Contributed interests in utilities investments into Brookfield Infrastructure, including: – South American electricity transmission operations – North American electricity transmission operations – Brazilian transmission investments (TBE)
		Timber:	Contributed interests in timberlands into Brookfield Infrastructure
January 2008	2	*Corporate*:	Began trading as public entity on NYSE (under the symbol "BIP")
November 2008	3	*Timber*:	Invested $103 million in U.S. timber operation following the acquisition of a tree farm in Washington State
January 2009	4	*Utilities*:	Brookfield and partner Isolux Corsan Concesiones, SA (Isolux) were awarded right to build $500 million of transmission lines in Texas
June 2009	5	*Utilities*:	Completed the sale of our interest in TBE for after-tax proceeds of $275 million
September 2009	6	*Corporate:*	Units commenced trading on TSX (under the symbol "BIP.UN")
November 2009	7	*Corporate*:	Invested $941 million to acquire a 40% interest in Prime and direct interests in two assets from Prime
		Utilities:	Acquired interests in the following: – Australian regulated terminal operations – Australasian regulated distribution operations – UK regulated distribution operations
		Transport:	Acquired interests in the following: – Australian railroad operations – UK port operations – European port operations
		Energy:	Acquired interests in the following: – North American gas transmission operations – European energy distribution operations – Australian energy distribution operations

Date	Notes		Event
November 2009	8	*Corporate:*	Raised approximately $940 million of net proceeds through issuance of equity. Proceeds were used to fund the Prime investments
December 2009 – September 2010	9	Corporate:	Sold interests in certain utilities, transport and energy assets for proceeds of $74 million and acquired Brookfield's interest in our UK port operations for $27 million
December 2010	10	*Corporate:*	Completed merger with Prime
		Utilities:	Increased interests in the following: – Australian regulated terminal operations – Australasian regulated distribution operations – UK regulated distribution operations
		Transport:	Increased interests in the following: – Australian railroad operations – European port operations
		Energy:	Increased interests in the following: – North American gas transmission operations – European energy distribution operations – Australian energy distribution operations
October 2011	11	*Corporate:*	Raised approximately $660 million of net proceeds through issuance of equity. Proceeds were used primarily to fund Australian railroad expansion and pending Chilean toll road acquisition
December 2011	12	*Transport:*	Invested $160 million to acquire Chilean toll road assets
January 2012	13	*Utilities:*	Invested $55 million in a Colombian regulated distribution business
April 2012	14	*Energy:*	Invested $16 million in a natural gas storage facility in Alberta
August 2012	15	*Corporate:*	Raised approximately $500 million of net proceeds through issuance of equity. Proceeds were used to partially fund several strategic initiatives
September 2012	16	*Utilities:*	Announced plans to acquire Brookfield's interest in our Chilean transmission system for approximately $235 million
October 2012	17	*Transport:*	Closed acquisition of additional interest in Chilean toll road for $170 million increasing ownership to 51%
October 2012	18	*Corporate:*	Completed C$400 million corporate bond issuance
October 2012	19	*Energy:*	Invested approximately $75 million in a district energy system in Toronto
November 2012	20	*Utilities:*	Completed merger and recapitalization of a UK regulated distribution utility investing approximately $525 million and closed sale of 20% interest in combined UK regulated distribution business for proceeds of approximately $235 million
December 2012	21	*Transport:*	Completed $310 million investment in Brazilian toll road platform
December 2012	22	*Corporate:*	Closed upsizing of credit facilities to $855 million
December 2012	23	*Timber:*	Completed sale of 12.5% interest in Canadian Timber operations for approximately $85 million
May 2013	24	*Corporate:*	Raised approximately $330 million of net proceeds through issuance of equity. Proceeds were used for repayment of amounts outstanding under revolving credit facilities, investment opportunities, working capital and other general corporate purposes
June 2013	25	*Timber:*	Completed sale of Canadian timberlands for net proceeds of approximately $170 million

Date	Notes		Event
July 2013	26	*Timber:*	Completed the sale of U.S. timberland operations for approximately $790 million, including $320 million of proportionate debt
August 2013	27	*Corporate:*	Closed upsizing of credit facilities to $1.4 billion
September 2013	28	*Transport:*	Invested a further approximate $490 million in Brazilian toll road platform
November 2013	29	*Utilities:*	Sold Australasian regulated distribution business for approximately $415 million
December 2013	30	*Energy:*	Invested approximately $40 million in a district energy business serving Houston and New Orleans
December 2013	31	*Transport:*	Announced plans to invest approximately $350 million in a rail and port logistics business in Brazil
December 2013	32	*Transport:*	Signed agreements to invest in West Coast North American container terminals
February 2014	33	*Transport:*	Signed agreements to invest in East Coast North American container terminals
March 2014	34	*Corporate:*	Effected certain amendments to the limited partnership agreement of the Holding LP to simplify its governance structure

Details of History and Development of our Business (Notes)

(1) Prior to the spin-off, Brookfield acquired the following interests in our utilities and timber operations: (i) a 100% interest in our North American electricity transmission operations, in 1982; (ii) a 50% interest in our Canadian freehold timberlands, in May 2005; (iii) a 28% interest in our South American electricity transmission operations, in June 2006; (iv) 7%-18% interests in TBE, a group of five related transmission investments in Brazil, in 2006; and (v) a 100% interest in our U.S. freehold timberlands, in April 2007.

In conjunction with the spin-off, Brookfield contributed the following interests in our utilities and timber operations to us: (i) a 100% interest in our North American electricity transmission operations; (ii) a 38% interest in our Canadian freehold timberlands; and (iii) an 11% interest in our South American electricity transmission operations; (iv) 7%-18% interests in TBE; (v) a 30% interest in our U.S. freehold timberlands.

Our Chilean electricity transmission system was acquired by Brookfield on June 30, 2006 by a consortium of buyers led by Brookfield. As part of the stock purchase agreement between the parties, the buyers agreed to pay a purchase price adjustment of $160 million that was determined on April 4, 2008 following the final resolution of the 2006 transmission rate proceeding. In conjunction with our disproportionate funding of this purchase price adjustment, our ownership in our Chilean electricity transmission system increased to approximately 18% from approximately 11% at the time of the spin-off.

(2) On January 31, 2008, our partnership was spun off from Brookfield and its units began trading on the NYSE under the symbol "BIP".

(3) On November 4, 2008, we invested $103 million into our U.S. freehold timberlands. The proceeds were used to partially fund the add-on acquisition of a 67,661 acre tree farm in Washington State for $163 million and repay an outstanding bridge loan whose principal amount was approximately $250 million.

(4) In January 2009, Brookfield and its partner Isolux, through their joint venture company, Wind Energy Texas Transmission LLC ("WETT"), were awarded the right to build $500 million of

transmissions lines in Texas to facilitate the delivery of wind power to population centers as part of the Texas Competitive Renewable Energy Zones ("CREZ") program. In the third quarter of 2009, Brookfield contributed its interest in WETT to a Brookfield sponsored infrastructure fund in which we own an interest (see Note 9 below). Upon finalization of the route selection and determination of the number of substations that comprise our system, this investment opportunity increased to approximately $750 million.

(5) On June 30, 2009, we completed the sale of our interest in our Brazilian transmission operations for after-tax proceeds of $275 million, including proceeds from foreign exchange currency hedges. The sale resulted in the recognition of an approximately $68 million after-tax gain over book value.

(6) On September 10, 2009, our partnership's units commenced trading on the TSX under the symbol "BIP.UN".

(7) On November 20, 2009, we invested $941 million to acquire an interest in Prime, and direct interests in two assets from Prime, collectively the BBI Transaction. In total, our investment in Prime was part of a comprehensive recapitalization in which Prime raised over $1.6 billion from our partnership, Brookfield and other investors to repay debt. The first direct investment was in a UK port operation, which is one of the largest in the UK. The second investment was an economic interest in an Australian terminal operation, one of the largest coal export terminals in the world. Our interests in North American gas transmission operations, Australasian regulated distribution operations, UK regulated distribution operations, European energy distribution operations, Australian energy distribution operations, Australian railroad operations, European port operations and an additional interest in the Australian terminal operations were held through Prime.

(8) Our participation in the BBI Transaction was financed in part by a public offering of 40.7 million units at a price of C$15.55 per unit that closed in November 2009. The net proceeds of the public offering, inclusive of the exercise of the underwriters' over-allotment option, were approximately C$601 million. We funded the balance of the $940 million investment in the BBI Transaction through the issuance of Redeemable Partnership Units and general partner units of the Holding LP to Brookfield at a price of approximately $13.71 per unit, representing the price of our units issued under the public offering net of underwriting commissions payable by our partnership.

(9) On September 20, 2010, Brookfield closed a $2.7 billion infrastructure fund. Brookfield manages the fund and has committed 25% of the fund's total capital commitments, with such commitments primarily funded by Brookfield Infrastructure. We hold all or a portion of our interests in our Australian regulated terminal operations, our UK port operations, our Texas electricity transmission project, our HVDC submarine transmission line, our South American toll road operations, our Colombian distribution utility, our gas storage operations and our district heating and cooling operations through this fund.

(10) On December 8, 2010, Brookfield Infrastructure increased its ownership of Prime from 40% to 100% through a Merger Transaction whereby Prime security holders received 0.24 of our units per Prime security held and a special distribution of A$0.20 per Prime security. Pursuant to the merger, approximately 50.7 million units were issued, including 0.9 million Redeemable Partnership Units to Brookfield.

(11) On October 26, 2011, Brookfield Infrastructure issued approximately 28 million units at $24.75 per unit under its shelf registrations in the U.S. and Canada. In total, net proceeds of approximately $660 million were raised. Proceeds from the offering were used to fund an equity investment in our Australian railroad, including the pay down of our corporate credit facility, which had been primarily drawn over the previous nine months to fund the investment in our rail expansion program, and a $160 million investment in Chilean toll road assets.

(12) On December 15, 2011 we invested approximately $160 million to purchase an ownership stake in two related Chilean toll road assets comprised of a 33 kilometre toll road and tunnel that form part of a key ring road in the transportation network of Santiago, Chile. The toll road and tunnel are long-life assets that have concessions with expirations in 2033 and 2037, respectively. This investment seeds our toll road platform with high quality assets in a high growth country with a favorable concession regime.

(13) On January 27, 2012, we purchased an ownership interest in a Colombian electricity distribution utility. This utility serves predominantly residential load in Boyacá, a region of 1.3 million inhabitants located 150 kilometres north of Bogotá with emerging cement, steel and coal industries.

(14) On April 27, 2012, we purchased an ownership interest in a natural gas storage facility in northeastern Alberta.

(15) On August 10, 2012, Brookfield Infrastructure issued approximately 15.7 million units at an offering price of $33.25 per unit, under its shelf registrations in the U.S. and Canada, raising net proceeds of approximately $500 million. The net proceeds from the issuance of equity were used by Brookfield Infrastructure to partially fund several strategic initiatives further described below.

(16) In September 2012, Brookfield Infrastructure announced plans to acquire Brookfield's interest in its Chilean transmission system for $235 million. Following this transaction, Brookfield Infrastructure's ownership interest was 28%.

(17) On October 1, 2012, we closed the acquisition of an additional interest in our Chilean toll road for $170 million, increasing our ownership to 51%.

(18) On October 10, 2012, Brookfield Infrastructure issued C$400 million of five-year corporate bonds in the Canadian market with a 3.5% interest rate, which was swapped into U.S. dollars at an effective interest rate of 2.7%. Proceeds were used primarily to refinance holding company debt.

(19) On October 31, 2012, we invested approximately $75 million in a district energy system that serves commercial customers in downtown Toronto, which we acquired in partnership with institutional investors. This business generates very stable cash flow with 93% of its revenue under long-term contracts with high quality counterparties. There are growth opportunities in this business in light of the large pipeline of prospective new customers that can be connected to the deep lake cooling system.

(20) On November 13, 2012, we completed the merger of our existing UK regulated distribution business with a UK regulated distribution business that we acquired in the third quarter. In conjunction with the merger, we invested $525 million of equity to recapitalize the combined business. On November 30, 2012, Brookfield Infrastructure closed the sale of a 20% interest in the combined business to an institutional investor for proceeds of approximately $235 million. Brookfield Infrastructure maintained control of this business, while bringing on board a respected global infrastructure investor as a minority partner who we believe is well-suited to work with us in support of the growth of the combined business over the long term.

(21) On December 4, 2012, Brookfield Infrastructure purchased a controlling interest in a Brazilian toll road platform, along with Abertis Infraestructuras and institutional partners. With this acquisition, Brookfield Infrastructure owns interests in 11 toll roads in Brazil and Chile. Its 3,200 kilometre network is diversified with a balance of light and heavy vehicles and urban and interurban traffic. As one of the largest owner/operators of toll roads in the region, Brookfield Infrastructure is well positioned to invest in additional expansions and upgrades of the system as well as add-on acquisitions and development opportunities in two of the highest growth countries in the region. As required by law, Brookfield Infrastructure and its partners have satisfied its obligations under a

tender offer made to the minority holders of the Brazilian toll roads, which offered substantially the same consideration as was paid in the acquisition of the controlling stake.

(22) In December, 2012, Brookfield Infrastructure closed an upsizing of its corporate credit facilities, increasing commitments to $855.6 million. Following a second close in January 2013, commitments increased to $900 million. The incremental $200 million of commitments have substantially the same terms as the previous facilities. These corporate credit facilities continue to be available to provide short-term liquidity for investments and acquisitions as well as general corporate purposes.

(23) On December 31, 2012, Brookfield Infrastructure completed its sale of a 12.5% interest of its Canadian timberlands for $85 million, and retained a 25% interest in this business.

(24) In May 2013, Brookfield Infrastructure issued approximately 6.5 million units at an offering price of $37.75 per unit, under its shelf registrations in the U.S. and Canada. Brookfield acquired approximately 2.6 million Redeemable Partnership Units at the offering price net of commissions in order to maintain its approximate 30% interest on a fully-exchanged basis. Net proceeds from this equity offering totaled approximately $330 million. The proceeds were used for the repayment of amounts outstanding under revolving credit facilities, investment opportunities, working capital and other general corporate purposes.

(25) On June 7, 2013, Brookfield Infrastructure completed the sale of its remaining 25% interest in its Canadian timberlands for proceeds of approximately $170 million.

(26) On July 23, 2013, Brookfield Infrastructure completed the sale of its interest in its U.S. Pacific Northwest timberlands for approximately $790 million. The buyer agreed to assume Brookfield Infrastructure's proportionate debt of approximately $320 million resulting in net proceeds from the transaction of approximately $470 million.

(27) In August 2013, Brookfield Infrastructure closed an upsizing of its corporate credit facilities, increasing commitments to $1.4 billion. The incremental $545 billion of commitments have substantially the same terms as the previous facilities. These corporate credit facilities continue to be available to provide short-term liquidity for investments and acquisitions as well as general corporate purposes.

(28) On September 6, 2013, Brookfield Infrastructure invested a further approximate $490 million in its Brazilian toll road platform, increasing its ownership to approximately 31%.

(29) On November 29, 2013, Brookfield Infrastructure announced that it completed the sale of its 42% interest in its Australasian regulated distribution business for approximately $415 million.

(30) On December 2, 2013, Brookfield Infrastructure invested approximately $40 million in a district energy system that serves commercial customers in New Orleans and Houston, which we acquired in partnership with institutional investors. Brookfield Infrastructure owns an approximate 40% interest in the business. This operation will complement the system that Brookfield Infrastructure acquired in downtown Toronto in October 2012 and is a key milestone in its broader plan to build out a North American district energy business.

(31) On December 23, 2013, Brookfield Infrastructure announced plans to invest approximately $350 million, alongside institutional investors, to acquire an interest in one of Brazil's largest rail and port logistics businesses. Completion of this transaction is expected to occur in the first half of 2014, subject to obtaining all required consents and regulatory approvals.

(32) In December 2013, Brookfield Infrastructure signed agreements to invest alongside institutional investors to acquire an approximate 50% equity stake in Mitsui O.S.K. Lines, Ltd. container terminals in Los Angeles and Oakland, of which Brookfield Infrastructure would invest 40%. This transaction closed in March 2014.

(33) In February 2014, Brookfield Infrastructure signed agreements to invest alongside institutional investors to acquire an approximate 50% equity stake in APM Terminals' Port Elizabeth container terminal in New York/New Jersey, of which Brookfield Infrastructure will invest 40%. Completion of this transaction is expected to occur in the first half of 2014, subject to obtaining all required consents and regulatory approvals.

(34) On March 28, 2014, Brookfield Infrastructure effected a restructuring pursuant to which the Holding LP's limited partnership agreement was amended to make Brookfield Infrastructure the managing general partner of the Holding LP and to make the Infrastructure Special LP, the former general partner of the Holding LP, a special limited partner of the Holding LP. This change was made in order to simplify the Holding LP's governance structure and to more clearly delineate Brookfield Infrastructure's governance rights in respect of the Holding LP. As a result, the voting agreement between Brookfield Infrastructure and Brookfield, which required Brookfield to exercise certain of its voting rights in respect of the Holding LP's former general partner as directed by Brookfield Infrastructure, was terminated and related changes were made to our Limited Partnership Agreement and the Master Services Agreement. Because Brookfield is a party to these agreements, all of the amendments were approved by a special committee of independent directors of the Managing General Partner and the former general partner of the Holding LP. The economic interests of Brookfield Infrastructure were not affected by these changes.

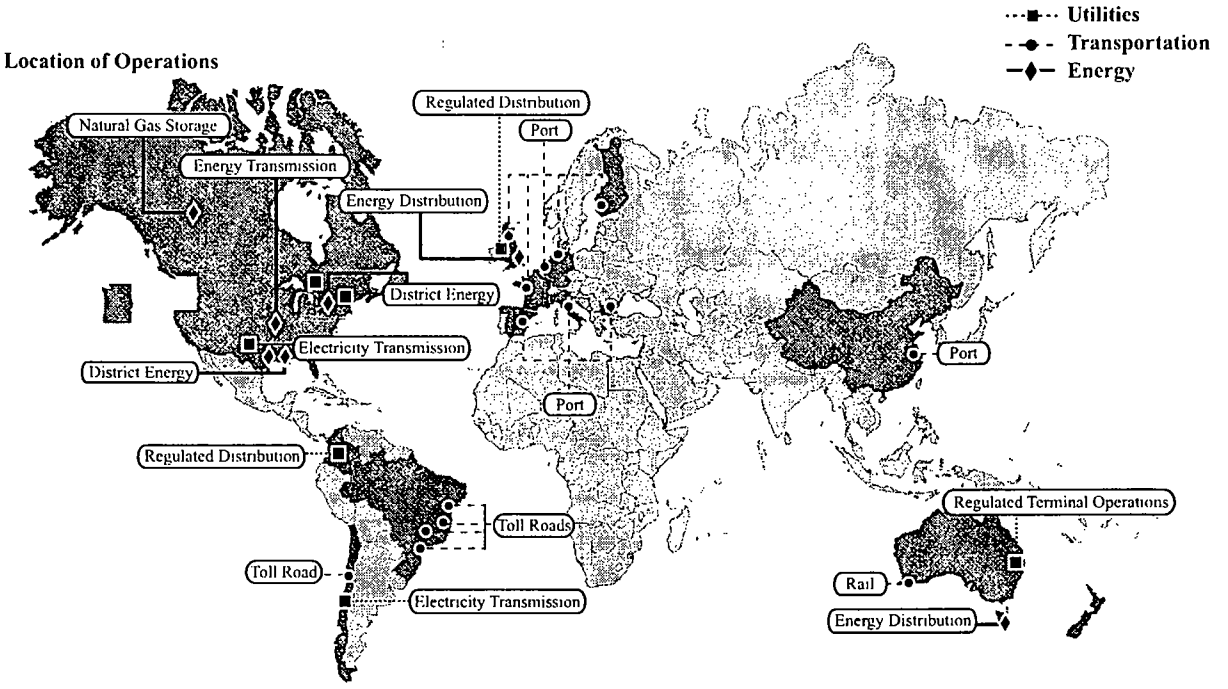
4.B BUSINESS OVERVIEW

Our Operations

Brookfield Infrastructure owns a portfolio of infrastructure assets that are diversified by sector and by geography. We have a stable cash flow profile with approximately 90% of our adjusted EBITDA supported by regulated or contractual revenues. In order to assist our unitholders in evaluating our performance and assessing our value, we group our businesses into operating platforms based on similarities in their underlying economic drivers.

Our operating platforms are summarized below:

Operating Platform	Asset Type	Primary Location
Utilities		
Regulated or contractual businesses that earn a return on their rate base	Regulated Terminal Electricity Transmission Regulated Distribution	Australasia North & South America Europe
Transport		
Key assets involved in the movement of freight, bulk commodities and passengers	Railroad Toll Roads Ports	Australasia South America Europe
Energy		
Systems for the transportation, storage and handling of energy	Energy Transmission Storage Distribution and Storage District Energy	North America Australasia & Europe North America



Utilities

Overview

Our utilities platform is comprised of regulated businesses, which earn a return on their asset base, as well as businesses with long-term contracts designed to generate a stable return on capital over the life of the contract. In all cases, we own and operate assets that earn a return on a regulated or notionally stipulated asset base, which we refer to as rate base. Our rate base increases in accordance with capital that we invest to upgrade and expand our systems. Depending on the jurisdiction, our rate base may also increase by inflation and maintenance capital expenditures and decrease by regulatory depreciation. The return that we earn is typically determined by a regulator or contract for prescribed periods of time. Thereafter, it may be subject to customary reviews based upon established criteria. Due to the regulatory diversity we have within our utilities platform, we mitigate exposure to any single regulatory regime. In addition, due to the regulatory frameworks and economies of scale in our established franchises of our utilities businesses, we often have significant competitive advantages in competing for projects to expand our rate base. Accordingly, we expect this segment to produce stable revenue and margins that should increase with investment of additional capital and inflation. Virtually all of our utility platform's adjusted EBITDA is supported by regulated or contractual revenues.

Our objectives for our utilities platform are to invest capital in the expansion of our rate base and to provide safe and reliable service for our customers on a cost efficient basis. If we do so, we will be in a position to earn an appropriate return on our rate base. Our performance can be measured by the growth in our rate base and the return on our rate base, as well as AFFO.

Our utilities platform is comprised of the following:

Regulated Terminal Operations

- One of the world's largest coal export terminals, with 85 mtpa of coal handling capacity

Electricity Transmission Operations

- Approximately 10,500 kilometres of transmission lines in North and South America

Regulated Distribution Operations

- Approximately 2.1 million electricity and natural gas connections

Regulated Terminal Operations

Our regulated terminal operation is comprised of a port facility that exports metallurgical and thermal coal mined in the central Bowen Basin region of Queensland, Australia, which is a high quality and low cost source of metallurgical coal. Our Australian regulated terminal is one of the world's largest export terminals, accounting for approximately 18% of global seaborne metallurgical coal exports and 5% of total global seaborne coal exports.

Our regulated terminal operation generates revenues under long-term take-or-pay contracts. These contracts include: (i) a capacity charge that is allocated to users based on the percentage of total capacity for which they contract and (ii) a fixed and variable handling charge associated with operating and maintaining the terminal. The capacity charge is paid by users irrespective of their use of our terminal facility and is not subject to any force majeure provisions. The handling charge (both fixed and variable) is structured to be a complete pass through of the costs charged for terminal operations and maintenance.

Strategic Position

The Bowen Basin is a high quality, low cost, prolific series of coal deposits, where there are few cost efficient options to access export markets for this coal other than through our terminal operations. We have long-term take-or-pay contracts with some of the world's largest mining companies that operate in the Bowen Basin. Our coal terminal has a capacity of 85 mtpa. This capacity is currently 99% contracted through 2018 with customers having an evergreen option to extend their capacity by a further five years. However, under the regulatory regime, we receive capacity revenue as if the terminal is 100% contracted.

Regulatory Environment

Our Australian terminal operation is regulated by the Queensland Competition Authority ("QCA"). The current regulatory period was set for five and a half years ending June 30, 2016. The QCA utilizes a return on regulated asset base methodology to calculate our revenue requirement. Our coal terminal's rate base increases with inflation and capital expenditures, and decreases by depreciation. Our current weighted average cost of capital allowed by the QCA is approximately 9.9%.

Growth Opportunities

Over the past 30 years, our terminal's capacity has been expanded from 15 mtpa to 85 mtpa to meet ongoing customer demand. Potential exists to further expand our operations to facilitate future expansions by mining companies in the Bowen Basin. In December 2011, the Queensland government announced that we would be allocated 50% of the site earmarked for development of the new coal export terminal at Dudgeon Point, which is located approximately four kilometres to the north of our existing terminal facility. The ultimate land allocation at Dudgeon Point will be subject to finalization of the Master Plan by the North Queensland Bulk Ports Corporation and the demand for further port capacity by miners in the Bowen Basin. Following allocation of land we will work with potential counterparties to negotiate sufficient long-term contracts to support our capital investment.

Electricity Transmission Operations

Our electricity transmission operations are comprised of approximately 10,500 kilometres of transmission lines in North and South America. Our North American electricity transmission operations consists of approximately 560 kilometres of 44 kilovolt ("kV") to 230 kV transmission lines in Ontario and a 39 kilometre, 330 megawatt ("MW") high-voltage direct current ("HVDC") submarine cable in New York. We also have approximately 600 kilometres of 345 kV transmission lines in Texas, which are now partially operational. Our South American electricity transmission system includes 100% of Chile's 500 kV transmission lines (the highest voltage lines in Chile) and approximately 51% of the 220 kV lines, 86% of the 154 kV lines and 11% of the 66 kV and 110 kV lines in Chile.

Strategic Position

Our electricity transmission operations occupy key positions in the markets in which we operate. In North America, our operations include an important component of Ontario's transmission system that connects generators in Northern Ontario to electricity demand in Southern Ontario. Our HVDC submarine cable connects the electricity grids of New England and Long Island, New York. In Texas, our transmission lines facilitate the delivery of wind power to population centers as part of the state's competitive renewable energy zone program. In South America, our operations constitute the backbone of the high-voltage transmission system in Chile. Our Chilean operations extend from the city of Arica in the north of Chile to the island of Chiloé in the south, serving 98% of the population of the country.

All of our electricity transmission operations benefit from stable long-term cash flows. Our Ontario operation has a broad customer base with revenues assessed and collected on a province-wide basis, mitigating our volume and credit risk. Our HVDC submarine cable is fully contracted to an investment grade utility on Long Island, and the contract is based on availability, not usage. Approximately 55% of our South American electricity transmission operations' revenues are derived from a number of long-term transmission contracts, primarily serving hydro-electric power generators. These contracts have a pricing framework that is similar to the applicable regulatory framework (as discussed below), and following their expiration, a majority of this contracted revenue will convert to the regulatory framework.

Regulatory Environment

All of our electricity transmission operations are located in regions with stable regulatory environments. In Ontario, revenues from our operations are 100% regulated under a historical cost of service regime and are subject to periodic review by the Ontario Energy Board. Based on a recent rate review, our Ontario transmission operations are allowed to earn a 9.4% return on equity, which is deemed to be 40% of our rate base. Our rate base is equal to the historic cost of the system's assets plus any capital expenditures less depreciation and other deductibles. Our operating revenues do not fluctuate with usage of our system but do fluctuate based on provincial electric loads, which are measured by the Independent Electricity System Operator, a not-for-profit corporate entity that is responsible for the day-to-day operation of Ontario's electrical system.

In the U.S., capacity payments on our HVDC submarine cable escalate by 1% per annum and are based on a 98% availability factor. To the extent that performance diverges from the target availability factor, the capacity payments are adjusted in a linear fashion either upwards or downwards. Historically, the capacity factor of our HVDC submarine cable has been in excess of the target level. Our Texas transmission business operates under a historical cost of services regulatory regime (similar to Ontario) overseen by the Public Utility Commission of Texas. Based on a January 2013 rate case settlement, our Texas transmission business is allowed to earn a 9.6% return on equity which is deemed to be 40% of our rate base.

In Chile, regulated revenues are determined every four years based on a 10% annuity real rate return on replacement cost of the existing transmission system plus annual payments that provide for recovery of operational, maintenance and administrative costs. Since the 10% annuity return is prescribed by law, it is not subject to review in the regulatory process. Between rate reviews, both revenue components are adjusted by a multi-component inflation factor. This effectively results in a 10% pre-tax, real return on our regulated asset base. Since the Chilean regulatory and contractual frameworks are based on replacement cost, we are not required to invest capital in our regulated asset base at a level equal to depreciation to prevent a decline in revenue. Furthermore, our South American electricity transmission system has no material volume risk.

Growth Opportunities

We believe that attractive growth opportunities exist for our electricity transmission operations, including the following.

In 2013, we made significant progress advancing our Texas transmission project. As at December 31, 2013, all foundations were completed and all towers erected, with approximately 97% of the conductors strung. Construction was completed in January 2014, which included energization of the final elements of the project.

Ontario has adopted a very aggressive Renewable Portfolio Standard through the passage of *Ontario Bill 150* ("Green Energy Act"). A cornerstone of the Green Energy Act requires the decommissioning of existing coal plants and replacement with renewable and clean sources of power. The majority of the new generation that will be developed is in remote locations far from the existing transmission grid. Expansions of the electricity transmission system will be required to connect this generation to the existing grid. As an incumbent utility, our Ontario electricity transmission system has an advantage in competing for these projects, and we have identified projects where, due to their geographic location and size, we believe that we have a unique competitive advantage to build and own these new lines.

Chile also has electricity generation that is many miles away from population centers. Upgrades and expansions of the electricity transmission system will be required to connect new electricity generation to load centers to satisfy increased electricity demand resulting from economic growth. As of December 31, 2013, the capital expenditure backlog of our South American transmission system was approximately $245 million and is comprised of projects that have been awarded to us for which expenditures have not yet been made.

Regulated Distribution Operations

Our regulated distribution operations have almost 2.1 million electricity and natural gas connections in the UK and Colombia. In the UK, our regulated distribution operation is the largest independent "last mile" natural gas and electricity connections provider, comprised of approximately 1.75 million connections, principally natural gas and electricity. In South America, our electricity distribution franchise area is in the Boyacá province of Colombia, a region that is approximately 150 kilometres north of the capital, Bogotá.

Strategic Position

Like our electricity transmission systems, our regulated distribution operations are critical to the markets in which they are located. In the UK, our regulated distribution system is currently a market leader in terms of new gas and electricity connection sales and in terms of total installed connections among independent utilities. Our South American regulated distribution operations provide reliable power to 416,000 customers in the Boyacá region of Colombia.

Our regulated distribution operations generate stable cash flow in the geographies in which we operate. Our UK regulated distribution operations have a diverse customer base throughout England, Scotland and Wales, which underpins its cash flow. Our UK customers consist primarily of large energy retailers who serve residential and business users. Our South American regulated distribution operations provide power to a customer base that is primarily residential, with nearly 100% urban electrification and 92% rural electrification in the areas we service.

Regulatory Environment

Our UK regulated distribution operations compete with other connection providers in the UK to secure contracts to construct, own and operate new natural gas and electricity connections. Once connections are established, we charge energy retailers rates that are established based on the tariff of the distribution utility with which we are interconnected, which are set on the basis of a regulated asset base. The connection rate is typically adjusted annually and provides inflation protection as it escalates at inflation minus a factor determined by the UK regulator. During the first 20 years after the commissioning of a connection, the gas connection rate is subject to a cap and floor that escalates by an inflation factor. Electricity and gas connections revenue does not vary materially with volume transported over our system. Our South American distribution business earns an annuity return on the replacement cost of its systems plus a charge to cover operating expenses. Our rates are determined every five years. Our current regulated return is in excess of 13%. Between rate reviews, revenues are adjusted by an inflation factor. A majority of our South American regulated distribution business' revenues do not fluctuate with volumes.

Growth Opportunities

We believe that our regulated distribution operations will be able to grow organically in each of the regions in which we operate. Opportunities for growth in the UK are driven by new gas and electricity connections, as well as through leveraging and cross-selling certain bundled service offerings, by introducing new product lines such as "fibre to home" to existing customers. Prospects for growth are further aided by the continual opening up of the electricity market to independent connections providers and by the continuing recovery in the housing market. In South America, our regulated distribution operations will benefit from economic growth in the Boyacá region of Colombia, which is home to emerging cement, coal and steel industries.

Transport

Overview

Our transport platform is comprised of open access systems that provide transportation for freight, bulk commodities and passengers, for which we are paid an access fee. Profitability is based on the volume and price achieved for the provision of these services. This operating platform is comprised of businesses with regulated tariff structures, such as our railroad and toll road operations, as well as unregulated businesses, such as our ports. Our transport platform is expected to benefit from increases in demand for commodities as well as increases in the global movement of goods. Furthermore, the diversification within our transport platform mitigates the impact of fluctuations in demand from any particular sector, commodity or customer. Approximately 80% of our transport platform's adjusted EBITDA is supported by long-term contracts or regulation.

Our primary objective for our transport platform is the safe and efficient movement of people and goods over our networks. Additionally, we will seek to expand our networks in a capital efficient manner to support additional capacity. If we do so, we should be able to charge an appropriate price for our services, and earn an attractive return on the incremental capital that we have deployed. Our performance can be measured by our revenue growth and our adjusted EBITDA margin.

Our transport platform is comprised of the following:

Railroad Operations

- 5,100 kilometres of track in the southwest region of Western Australia

Toll Roads Operations

- 3,200 kilometres of toll roads in Brazil and Chile

Port Operations

- 28 port terminals primarily in the UK and across Europe

Railroad Operations

Our railroad operations are comprised of a below rail access provider, which operates approximately 5,100 kilometres of track and related infrastructure in the southwest region of Western Australia ("WA") under a long-term lease with the government. Our railroad has approximately 36 years remaining on the lease and is a crucial transport link in the region.

Our Australian railroad's revenue is derived from access charges paid by rail operators or underlying customers. Stability of revenue is underpinned by rail transport being a small yet essential component of the overall value of the commodities and freight transported and the long-term contractual framework that exists with a significant proportion of our customers.

Strategic Position

Our railroad is the only freight rail network in the southwest region of WA providing access to the region's five government-owned ports for minerals, grain and interstate intermodal traffic. The majority of our customers are leading commodity customers and our top 10 customers contribute approximately 92% of our track access revenue, with contract expiration dates ranging from 2014 to 2027. In 2011 and 2012 we embarked on an approximate A$600 million expansion of our railroad. In 2013, this expansion was completed ahead of schedule and under budget. We are now generating approximately A$150 million of annual incremental adjusted EBITDA from this expansion program. Following its completion in February, 2013, approximately 54% of revenue is now derived from long-term, take-or-pay contracts.

Regulatory Environment

The Economic Regulatory Authority ("ERA") is the independent economic regulator for WA, responsible for the gas, electricity and rail industries. For the rail industries, the ERA has an access regime with revenue ceilings and floors for each track segment, established using a methodology based on return on regulated asset base.

However, our revenue is not tied to this regulatory regime as our customers have requested greater service than the level required in the standard tariff. As a result, at present, none of our contracted revenue is exposed to reduction under this access regime; however, one of our customers (representing approximately 10% of our revenue) whose contract is due to be renewed in 2014 is exploring access to our network under the regulatory regime. Our Australian railroad operates its track as open access infrastructure consistent with the rail access regime and its lease obligations to the WA government.

Growth Opportunities

Our Australian railroad is a critical component of the logistics chain in WA as, in many cases, it is the only mode of transportation for freight that is economically viable. As a result, our railroad is well positioned to benefit from a number of expansions of existing mines and the development of new mine projects in WA, which would require access to our rail network in order for commodities from these projects to access the export markets.

Toll Road Operations

Our toll road operations are comprised of two urban toll roads and nine interurban toll roads in Chile and Brazil, respectively. Our Chilean operations include 33 kilometres of free flowing toll roads that form a key part of the ring road in the transportation network of Santiago, Chile. Our Brazilian operations comprise in excess of 3,200 kilometres of inter-urban toll roads, located in the Southeast and South regions of Brazil crossing or connecting states like São Paulo, Rio de Janeiro, Minas Gerais, Parana and Santa Catarina. Our concessions began operations between 1998 and 2008 and operate under long-term concessions with staggered maturities. The average remaining term is over 15 years, weighted by length (kilometres).

Our toll roads should generate stable, growing cash flows as a result of their strategic locations and the favorable economic trends in Chile and Brazil. Both markets have experienced significant economic growth over the last 20 years, which has led to increased motorization rates and economic trade. These key factors have driven increases in traffic volumes. We expect these trends to continue, resulting in significant future traffic growth on our toll roads.

Strategic Position

Our Chilean toll road constitutes a key artery in Santiago's urban road network as it connects the affluent business center of east Santiago with Chile's international airport, the Port of Valparaiso and the North of Chile. The primary users of the road are commuters getting to and from work. Conversely, our Brazilian toll roads are part of the inter-urban Brazilian toll road network, whose traffic is primarily heavy industrial users. Our roads are used in the transportation of goods in states of Brazil, which represent approximately 63% of Brazilian GDP.

Our toll roads are critical infrastructure for the economies of Chile and Brazil, with few alternative routes available. The ability to build new competing routes is limited by environmental restrictions, difficulty to expropriate urban land and physical restrictions.

Regulatory Environment

Our Chilean assets are governed by the Ministerio de Obras Publicas ("MOP"). Chile has an established concession program which has been in place for more than 20 years. To date, 66 concession agreements have been awarded, representing a total investment of approximately $17 billion within the country. Specifically, the ministerial regime for urban toll roads allows operators to raise annual tariffs at a level equal to the consumer price index ("CPI") + 3.5% with additional increases in the form of congestion premiums, which can be up to three times the base tariff during congested periods.

Our Brazilian assets are governed by Agência Reguladora de Serviços Públicos Delegados de Transporte do Estado de São Paulo ("ARTESP") and Agência Nacional de Transportes Terrestres ("ANTT"), the Sao Paulo State and Federal regulators, respectively. The country has a widely developed toll road program, both at the Federal and State level, which has been in place for approximately 15 years. As of 2013, there were 53 motorway concessions in Brazil totaling 15,000 kilometres. From October to December 2013, ANTT auctioned five new lots of road concessions totaling over 3,500 kilometres. Brazilian concession agreements provide operators with annual tariff

increases indexed to Índice Nacional de Preços ao Consumidor Amplo ("IPCA"), the Brazilian inflation rate. Additional investments not considered in the initial concession agreements are compensated with real tariff increase or an extension of the concession period.

Growth Opportunities

We believe that continued growth in these South American economies will trigger increases in traffic volumes. Coupled with tariff increases in excess of inflation and congestion tariffs, this should drive significant future cash flow growth for our toll road businesses. In addition, both Brazil and Chile are seeking to increase their respective paved road network by expanding existing roads and developing new roads. These planned expansions should present opportunities for us to invest additional capital in these attractive markets, given the scale of our existing network.

Port Operations

Our port operations are located primarily in the UK and Europe. Our UK port is one of the largest operators in the country by volume and is a statutory harbor authority ("SHA") for the Port of Tees and Hartlepool in the north of the UK. Our UK port's status as the SHA gives it the right to charge vessel and cargo owners conservancy tariffs (toll-like dues) for use of the River Tees. Our European port operations are comprised of a portfolio of concessions in key strategic locations throughout Europe that handle heavy dry bulk, specialty dry bulk, liquid bulk, general cargo and containers. Our European port operations handle approximately 80 mtpa of cargo.

At our UK port, our revenue is primarily generated from port handling services for bulk and container volumes. However, approximately 25% of our revenue is earned from conservancy and pilotage tariffs. Furthermore, we have a freehold land base of approximately 2,065 acres that is strategically located in close proximity to our port, which generates income from long-term property leases that account for 10% of our revenue. At our European operations, we benefit from diversified operations with over 50 different types of products handled at 19 terminals located throughout seven countries in continental Europe.

Strategic Position

Our port operations are strategically located. In the UK, Teesport is a large, deep-water port located in a well-developed industrial area in Northern England. The SHA status, as well as the established infrastructure which includes rail and road access, create barriers to entry for potential competitors. Our European port operations are located in 19 port terminals across continental Europe plus two in China and consist of 465 hectares of long-term port concessions and over 29 kilometres of quay length. With substantial infrastructure that is often integrated with our customers' facilities, including cranes, berths, warehouses, inloading and outloading equipment, our European port operations are protected by significant barriers to entry. Additionally, our operations provide significant logistical services for our customers that would be difficult for potential competitors to replicate.

Our UK port operations have a number of long-term contracts with established parties, including large multinational corporations. The majority of our revenues are derived from customers with significant investment in industrial infrastructure at or within close proximity to Teesport. Our European port operations mainly serve industrial customers in the immediate vicinity of our terminals under varied contract terms. Many key customers have been long-term customers continuously for between 10 and 30 years.

Regulatory Environment

Our UK port is unregulated, but its status as the SHA for the River Tees provides the statutory right to collect conservancy tariffs (toll-like dues) payable by ships using the river and the requirement to maintain navigability of the waterway. Our European port operations conduct business in an unregulated environment.

Growth Opportunities

Our UK port's flexible, multi-purpose capacity positions it to benefit from numerous growth initiatives, including the following:

- slab production operational efficiencies in the steel facility adjacent to Teesport has led to increased throughput (import of commodities and export of steel slab) which is expected to grow further in the short to medium term as the facility reaches full production capacity;
- the growing market for renewable energy in the UK, both offshore wind and biomass energy, may enable Teesport to provide the port-based industrial infrastructure that these industries require; and
- the expansion of our container handling facilities, in addition to improvements in our rail capacity, have driven new customer contracts for container cargo and positions Teesport to be the main entry point for container cargo destined for the Northern England market as retailers seek to streamline their logistics supply chains.

In Europe, our port operations are well positioned to capitalize on increasing demand for bulk and general commodities as well as cross-selling opportunities with existing customers.

Energy

Overview

Our energy platform is comprised of systems that provide energy transportation, distribution and storage services. Profitability is based on the volume and price achieved for the provision of these services. This operating platform is comprised of businesses that are subject to light regulation, such as our natural gas transmission business whose services are subject to price ceilings, and businesses that are essentially unregulated like our district energy business. Energy businesses typically have high barriers to entry as a result of significant fixed costs combined with economies of scale or unique positions in their local markets. Our energy platform is expected to benefit from increases in demand for energy. Although these businesses have greater sensitivity to market prices and volumes than our utilities platform, revenues are typically generated under contracts with varying durations and are generally stable. Approximately 80% of our energy platform's adjusted EBITDA is supported by long-term contractual revenues.

Our objectives for our energy platform are to provide safe and reliable service to our customers and to satisfy their growth requirements by increasing the utilization of our assets and expanding our capacity in a capital efficient manner. If we do so, we will be able to charge an appropriate price for our services, and we will be able to earn an attractive return on the capital that we have deployed, as well as the capital that we will invest to increase the capacity of our operations. Our performance can be measured by our revenue growth, our adjusted EBITDA margin and our AFFO.

Our energy platform is comprised of the following:

Energy Transmission, Distribution and Storage Operations

- 15,500 kilometres of natural gas transmission pipelines, located primarily in the U.S.
- Over 50,000 gas distribution customers
- 300 billion cubic feet of natural gas storage in the U.S. and Canada

District Energy Operations

- Consists of heating plants capable of delivering 1,905,000 pounds per hour of steam, as well as 136,800 tons of cooling capacity, sourced from a deep lake water system

Energy Transmission, Distribution and Storage Operations

Our energy transmission, distribution and storage operations include one of the largest natural gas transmission and pipeline systems in the U.S., unregulated natural gas and liquid propane gas ("LPG") distribution operations in Australia and the UK, and significant natural gas storage capacity in Alberta and the continental U.S. Our profitability in this segment is primarily determined by our ability to compete in the market rather than from a regulated return on rate base.

The majority of our revenues from these operations are generated under contracts with a demand charge and variable charge structure. The demand charge does not fluctuate with usage and is designed to cover fixed costs and a return of and return on our capital, while the variable charge is designed to cover variable costs. Our energy distribution systems in Tasmania and the UK are the only providers of natural gas distribution services on the islands on which they operate. Revenues from our distribution operations fluctuate with the volume of sales, which is primarily driven by the weather.

Strategic Position

Our North American natural gas transmission system is the largest provider of natural gas transmission and storage services to the Chicago and Northern Indiana market and has significant interconnectivity with local distribution companies, industrial users and gas fired power plants. The system is also well connected to other pipelines accessing additional downstream markets, which increases demand for our services. Our natural gas transmission operation provides transportation and storage to approximately 64% of the Chicago and Northern Indiana natural gas market, and its storage facilities represent approximately 6% of total working U.S. natural gas storage capacity. With its broad geographical footprint, our natural gas pipeline system traverses many of the prolific natural gas supply basins in the U.S. and also provides access to high growth shale basins including Eagleford, Granite Wash, Barnett and Haynesville, as well as liquefied natural gas supply from the Gulf Coast.

Our North American natural gas transmission operation has a diverse group of customers comprised primarily of investment grade local distribution companies, producers, marketers and industrial users. Its top 10 customers account for approximately 67% of transportation and storage revenues.

In the UK, our energy distribution business is the sole provider of gas distribution and retail services on the Channel Islands and the Isle of Man, servicing approximately 40,500 customers. The natural gas and LPG distribution customer base on the Channel Islands and Isle of Man is comprised of a number of residential and commercial end users. Our main competition comes from alternate energy sources, such as electricity, as we believe it is uneconomic for potential new entrants to establish competing businesses.

In Australasia, we are the sole provider of gas distribution services in Tasmania. Capital expenditures of approximately A$200 million have been incurred to establish this network, which creates a significant barrier to new entrants due to the limited market opportunity for customers to support a competing business. Our Australasian operation receives revenue from natural gas retailers who supply gas to approximately 11,500 residential, commercial and industrial customers connected to the network. As one of two natural gas retailers in Tasmania, we also earn a margin on the difference between the sales price and the cost of procuring and transporting natural gas.

Our Canadian natural gas storage facility represents approximately 5% of total storage capacity in the province of Alberta and is connected to the mainline natural gas transportation system in central

Alberta. The facility contracts with customers to provide natural gas storage services and the customers pay a fee to store their natural gas. The facility's customers are primarily large international financial institutions.

Regulatory Environment

Our energy transmission and storage operations are subject to varied regulation that differs across our regions of operation. Our U.S. operations are regulated by FERC under the *Natural Gas Act of 1938* ("Gas Act"). FERC provides a regulated framework for shippers and natural gas pipeline owners to reach commercial agreement with customers without regulatory intervention under a maximum rate regime, and there is no periodic rate case obligation.

Our European energy distribution operations are not regulated, but are ultimately subject to government oversight, while our Australian energy distribution operation is not subject to any economic regulation.

Our Canadian natural gas storage facility is regulated by the Alberta Energy and Resources Conservation Board, which provides operational and environmental oversight. This facility is not subject to any economic regulation.

Growth Opportunities

We believe that various growth opportunities exist within our energy transmission and distribution operations. In North America, our profitability has been negatively impacted by a significant build-out of natural gas pipeline capacity as well as low natural gas prices. Due to our connectivity with emerging natural gas shale basins and our strong market position in the Chicago area, we believe our cash flow will recover as demand for natural gas increases, particularly from growth in power generation.

In Tasmania, the natural gas market is relatively new. Our network is currently accessible by approximately 46,500 households through approximately 11,500 installed connections. Our network's commercial and industrial growth is linked to the Tasmanian economy and alternate energy options, including cogeneration opportunities.

District Energy

Our district energy operations consist of heating plants capable of delivering 1,905,000 pounds per hour of steam heating capacity, produced from three gas-fired steam plants and 136,800 tons of cooling capacity, sourced primarily from a deep lake water system. Our district energy operations provide steam heating in downtown Toronto, Ontario and in the medical district of New Orleans, Louisiana. District cooling services are provided through an innovative deep lake cooling system in Toronto and from mechanical chilling operations in Houston, Texas and New Orleans.

Strategic Position

Our district energy business provides essential heating and cooling services to approximately 150 customers in Toronto, including commercial real estate operators, governments and hospitals. We serve an additional 30 customers in Houston and New Orleans, including hospitals, major sporting venues and commercial real estate operators. Over 90% of the system's revenue is generated from long-term capacity contracts, indexed to inflation. In many instances, our system is the only source of heating and cooling services as customers removed their in-house equipment once connected to our system. Additionally, our network would be extremely difficult to replicate with a greenfield development due to the difficulty in obtaining permits to build pipeline networks and substantial capital cost.

Regulatory Environment

Our district energy business is regulated under the Ontario *Public Utilities Act of 1913* and *Toronto District Heating Corporation Act, 1998*. However, the business is not subject to rate regulation but receives the rights of a utility, allowing it unrestricted access to its network of underground pipes in downtown Toronto. In Houston and New Orleans, our operations are enabled by franchise agreements with the respective municipalities.

Growth Opportunities

We have organic growth opportunities in our district energy business through system expansions. We are currently undertaking a significant capital project to increase our steam generating capacity in New Orleans to meet the needs of our customers, a number of whom are expanding the size and scope of their facilities. Our Toronto deep lake cooling system provides chilled water by pumping cold water from the depths of Lake Ontario. As a result of significant historical investment, this system has low variable costs. Our deep lake cooling system currently has significant excess capacity during non-peak periods of demand, upon which we will seek to capitalize by connecting incremental interruptible load to the system at limited capital cost. Furthermore, the district energy industry in North America is highly fragmented. We believe there are significant opportunities to grow our business through acquisitions.

Acquisition Strategy

Over the past few years, we have established operating platforms with scale in many aspects of the utility, transport and energy industries. As we look to grow our business, we will primarily target acquisitions that add on to existing operating platforms and extend our operating platforms into new geographies in which we have a presence. As we grow our asset base, we will primarily target acquisitions in the following infrastructure sectors:

- Utilities: electricity transmission, regulated electricity, gas and water distribution and regulated or contracted terminal operations;
- Transport: railroads, ports, toll roads and airports; and
- Energy: oil and gas pipelines and gathering and storage systems and district energy systems.

An integral part of our acquisition strategy is to participate with institutional investors in Brookfield sponsored consortiums for single asset acquisitions and as a partner in or alongside Brookfield sponsored partnerships that target acquisitions that suit our profile. We will focus on consortiums and partnerships where Brookfield has sufficient influence or control to deploy our operations oriented approach. Brookfield has a strong track record of leading such transactions.

Brookfield has agreed that it will not sponsor transactions that are suitable for us in the infrastructure sector unless we are given an opportunity to participate. See Item 7.B "Related Party Transactions—Relationship Agreement". Since Brookfield has large, well-established operations in real estate and renewable power that are separate from us, Brookfield will not be obligated to provide us with any opportunities in these sectors. In addition, since Brookfield has granted an affiliate the right to act as the exclusive vehicle for Brookfield's timberland acquisitions in Eastern Canada and the Northeastern U.S., we will not be entitled to participate in timberland acquisitions in those geographic regions.

About Brookfield

Brookfield is a global asset management company focused on property, power and infrastructure assets with over $175 billion of assets under management, 28,000 operating employees and over

600 investment professionals worldwide. Brookfield's strategy is to combine best-in-class operating platforms and transaction execution capabilities to acquire and invest in targeted assets and actively manage them in order to achieve superior returns on a long-term basis.

To execute our vision of being a leading owner and operator of high quality infrastructure assets that produce an attractive risk-adjusted total return for our unitholders, we will seek to leverage our relationship with Brookfield and in particular, its operations-oriented approach, which is comprised of the following attributes:

- strong business development capabilities, which benefit from deep relationships within, and in-depth knowledge of, its target markets;
- technical knowledge and industry insight used in the evaluation, execution, risk management and financing of development projects and acquisitions;
- project development capabilities, with expertise in negotiating commercial arrangements (including offtake arrangements and engineering, procurement and construction contracts), obtaining required permits and managing construction of network upgrades and expansions, as well as greenfield projects;
- operational expertise, with considerable experience optimizing sales of its products and structuring and executing contracts with end users to enhance the value of its assets; and
- development and retention of the highest quality people in its operations.

Brookfield has an approximate 28% interest in Brookfield Infrastructure. Our partnership and the other Service Recipients have each appointed Brookfield as their Service Provider to provide certain management, administrative and advisory services, for a fee, under the Master Services Agreement.

Employees

Our partnership does not employ any of the individuals who carry out the current management of our partnership. The personnel that carry out these activities are employees of Brookfield, and their services are provided to our partnership or for our benefit under the Master Services Agreement. For a discussion of the individuals from Brookfield's management team that are expected to be involved in our infrastructure business, see Item 6.A "Directors and Senior Management—Our Management."

Intellectual Property

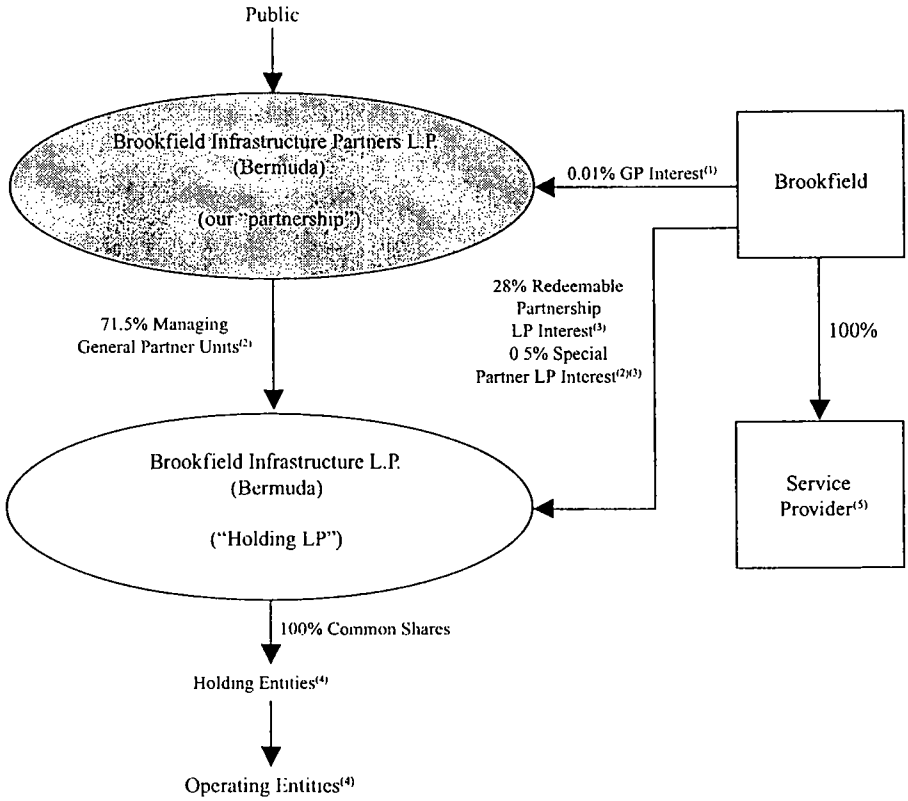
Our partnership, as licensee, has entered into a Licensing Agreement with Brookfield pursuant to which Brookfield has granted us a non-exclusive, royalty-free license to use the name "Brookfield" and the Brookfield logo in connection with marketing activities. Other than under this limited license, we do not have a legal right to the "Brookfield" name or the Brookfield logo. Brookfield may terminate our Licensing Agreement immediately upon termination of our Master Services Agreement and it may be terminated in the circumstances described under Item 7.B "Related Party Transactions—Licensing Agreements."

4.C ORGANIZATIONAL STRUCTURE

Organizational Charts

The chart below presents a summary of our ownership and organizational structure. Please note that on this chart all interests are 100% unless otherwise indicated and "GP Interest" denotes a general partnership interest and "LP Interest" denotes a limited partnership interest. These charts should be read in conjunction with the explanation of our ownership and organizational structure below and the

information included under Item 4.B "Business Overview," Item 6.C "Board Practices" and Item 7.B "Related Party Transactions."



(1) Brookfield's general partner interest is held through Brookfield Infrastructure Partners Limited, a Bermuda company that is wholly-owned by Brookfield Asset Management, an Ontario corporation.

(2) On March 28, 2014, our partnership and the Holding LP underwent a restructuring, which redesignated our partnership's interest in the Holding LP as managing general partner units("Managing General Partner Units") and re-designated Brookfield's 0.5% interest in the Holding LP as special limited partner units ("Special Limited Partner Units"). Brookfield's Special Limited Partner Units are held through Brookfield Infrastructure Special L.P., a Bermuda limited partnership, the sole general partner of which is the Infrastructure General Partner, a Bermuda company that is wholly owned by Brookfield Asset Management.

(3) Brookfield's limited partnership interest in the Holding LP, held in Redeemable Partnership Units, is redeemable for cash or exchangeable for our units in accordance with the Redemption-Exchange Mechanism, which could result in Brookfield eventually owning approximately 28.1% of our partnership's issued and outstanding units on a fully exchanged basis (including the issued and outstanding units that Brookfield currently also owns). See Item 10.B "Memorandum and Articles of Association—Description of the Holding LP's Limited Partnership Agreement—Redemption-Exchange Mechanism."

(4) Brookfield has provided an aggregate of $20 million of working capital to certain Holding Entities through a subscription for preferred shares. See Item 4.C "Organizational Structure—The Holding LP and Holding Entities".

(5) The Service Provider provides services to Brookfield Infrastructure pursuant to the Master Services Agreement.

Our Partnership

We own and operate high quality, long-life assets that generate stable cash flows, require relatively minimal maintenance capital expenditures and, by virtue of barriers to entry and other characteristics, tend to appreciate in value over time.

Our partnership is a Bermuda exempted limited partnership that was established on May 21, 2007. See Item 4.D "Property, Plant and Equipment" for information regarding our partnership's head office.

Our partnership's sole material asset is its managing general partnership interest in the Holding LP. Our partnership serves as the Holding LP's general partner and has sole authority for the

management and control of the Holding LP. Our partnership anticipates that the only distributions that it will receive in respect of our partnership's managing general partnership interests in the Holding LP will consist of amounts that are intended to assist our partnership in making distributions to our unitholders in accordance with our partnership's distribution policy and to allow our partnership to pay expenses as they become due. The declaration and payment of cash distributions by our partnership is at the discretion of our Managing General Partner. Our partnership is not required to make such distributions and neither our partnership nor our Managing General Partner can assure you that our partnership will make such distributions as intended.

The Service Provider and Brookfield

The Service Recipients have engaged the Service Provider, an affiliate of Brookfield, to provide them with management and administration services pursuant to the Master Services Agreement.

Our Managing General Partner

Our Managing General Partner serves as our partnership's general partner and has sole authority for the management and control of our partnership, which is exercised exclusively by its board of directors in Bermuda. Our partnership's interest in the Holding LP, which consists of managing general partnership interests, entitles our partnership to serve as the Holding LP's general partner, with sole authority for management and control of the Holding LP, which is exercised exclusively through the board of directors of our Managing General Partner.

See also the information contained in this annual report on Form 20-F under Item 3.D "Risk Factors—Risks Relating to Us and Our Partnership," Item 3.D "Risk Factors—Risks Relating to our Relationship with Brookfield," Item 6.A "Directors and Senior Management," Item 7.B "Related Party Transactions," Item 10.B "Memorandum and Articles of Association—Description of Our Units and Our Limited Partnership," Item 10.B "Memorandum and Articles of Association—Description of the Holding LP's Limited Partnership Agreement" and Item 7.A "Major Shareholders."

The Holding LP and Holding Entities

Our partnership indirectly holds its interests in operating entities through the Holding LP and the Holding Entities. The Holding LP owns all of the common shares of the Holding Entities. Brookfield has provided an aggregate of $20 million of working capital to certain Holding Entities through a subscription for preferred shares of such Holding Entities. These preferred shares are entitled to receive a cumulative preferential dividend equal to 6% of their redemption value as and when declared by the board of directors of the applicable Holding Entity and are redeemable at the option of the Holding Entity, subject to certain limitations, at any time after the tenth anniversary of their issuance. Except for the preferred share of our primary US Holding Entity, which is entitled to one vote, the preferred shares are not entitled to vote, except as required by law.

Infrastructure Special L.P.

The Infrastructure Special L.P. is entitled to receive incentive distributions from the Holding L.P. as a result of its ownership of the special limited partnership interest of the Holding L.P. See Item 7.B "Related Party Transactions—Incentive Distributions."

Significant Subsidiaries

The following table sets forth for each of Brookfield Infrastructure's significant subsidiaries, the jurisdiction of incorporation and the percentage ownership held by Brookfield Infrastructure.

Defined Name	Name of entity	Jurisdiction of Organization	Ownership Interest 2013 %	Voting Interest 2013 %
Holding LP	Brookfield Infrastructure L.P.	Bermuda	72[1]	100
Australian railroad operation	Brookfield Rail Holdings No. 1 Pty Ltd	Australia	100[2]	100
Regulated terminal operations	DBCT Management Pty Ltd	Australia	71[2]	100
UK regulated distribution operations	Brookfield Utilities UK Holdings Limited	United Kingdom	80[2]	80
South American transmission operation	ETC Holdings Limited	Chile	28[2]	28
North American gas transmission operation	Natural Gas Pipeline Company of America LLC	United States	26[2]	26
Australasian energy distribution operation	Powerco Limited	New Zealand	—[2]	—

(1) Ownership interest held directly by our partnership.

(2) Ownership interest held indirectly by the Holding LP.

4.D PROPERTY, PLANT AND EQUIPMENT

Our partnership's principal office and its registered office is at 73 Front Street, Hamilton HM 12, Bermuda. Our partnership does not directly own any real property.

See also the information contained in this annual report on Form 20-F under Item 3.D "Risk Factors—Risks Relating to Our Operations and the Infrastructure Industry—All of our infrastructure operations may require substantial capital expenditures in the future," "—Investments in infrastructure projects prior to or during a construction or expansion phase are likely to be subject to increased risk," "—All of our operating entities are subject to changes in government policy and legislation," and Item 5 "Operating and Financial Review and Prospects."

ITEM 4A. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Performance Targets and Key Measures

We target a total return of 12% to 15% per annum on the infrastructure assets that we own, measured over the long term. We intend to generate this return from the in-place cash flow from our operations plus growth through investments in upgrades and expansions of our asset base, as well as acquisitions. If we are successful in growing our funds from operations ("FFO") per unit, we will be able to increase distributions to unitholders. Furthermore, the increase in our FFO per unit should

result in capital appreciation (see "Reconciliation of Non-IFRS Financial Measures" on page 90 for more detail). We also measure the growth of FFO per unit, which we believe is a proxy for our ability to increase distributions. In addition, we have performance measures that track the key value drivers for each of our operating platforms. See "Segmented Disclosures" for more detail.

Distribution Policy

Our objective is to pay a distribution that is sustainable on a long-term basis while retaining sufficient liquidity within our operations to fund recurring growth capital expenditures, debt repayments and general corporate requirements. We currently believe that a payout of 60% to 70% of our FFO is appropriate.

In light of the current strong prospects for our business, the Board of Directors of our Managing General Partner has approved a 12% increase in our quarterly distribution to 48 cents per unit starting with the distribution paid in March 2014. This increase reflects the forecasted contribution from our recently commissioned capital projects, as well as the expected cash yield on acquisitions that we closed in the past year. Since the spin-off, we have increased our quarterly distribution from 26.5 cents per unit to 48 cents, a compound annual growth rate in excess of 10%. We target 5% to 9% annual distribution growth in light of the per unit FFO growth we foresee in our operations.

Basis of Presentation

Our consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). Our consolidated financial statements include the accounts of Brookfield Infrastructure and the entities over which it has control. Brookfield Infrastructure accounts for investments over which it exercises significant influence, but does not control, using the equity method.

The Partnership's equity interests include limited partnership units ("LP Units") held by public unitholders and redeemable partnership units ("Redeemable Partnership Units") held by Brookfield. The LP Units and the Redeemable Partnership Units have the same economic attributes in all respects, except that the Redeemable Partnership units provide Brookfield the right to request that its units be redeemed for cash consideration. In the event that Brookfield exercises this right, the Partnership has the right, at its sole discretion, to satisfy the redemption request with its LP Units, rather than cash, on a one-for-one basis. As a result, Brookfield, as holder of Redeemable Partnership Units, participates in earnings and distributions on a per unit basis equivalent to the per unit participation of the LP Units of the Partnership. However, given the redeemable feature referenced above, we present the Redeemable Partnership Units as a component of non-controlling interests.

When we discuss the results of our operating platforms, we present Brookfield Infrastructure's proportionate share of results for operations accounted for using consolidation and the equity method, in order to demonstrate the impact of key value drivers of each of these operating platforms on the Partnership's overall performance. As a result, segment revenues, costs attributable to revenues, other income, interest expense, depreciation and amortization, deferred taxes, fair value adjustments and other items will differ from results presented in accordance with IFRS as they (1) include Brookfield Infrastructure's proportionate share of earnings from investments in associates attributable to each of the above noted items, and (2) exclude the share of earnings (losses) of consolidated investments not held by Brookfield Infrastructure apportioned to each of the above noted items. However, net income for each segment is consistent with results presented in accordance with IFRS. See "Reconciliation of Operating Segments" on page 91 for a reconciliation of segment results to the Partnership's statement of operating results in accordance with IFRS.

Our presentation currency and functional currency is the U.S. dollar, and has been throughout each of the last six years. There were no changes in accounting policies that have had a material impact on the comparability of the results between financial years since the adoption of IFRS.

REVIEW OF CONSOLIDATED FINANCIAL RESULTS

In this section we review our consolidated performance and financial position for the 12-month periods ended December 31, 2013, 2012 and 2011. Further details on the key drivers of our operations and financial position are contained within the review of operating segments.

The following table summarizes the financial results of Brookfield Infrastructure.

US$ MILLIONS, EXCEPT PER UNIT INFORMATION	Year Ended December 31		
Summary Statements of Operating Results	**2013**	2012	2011
Revenues	**$1,826**	$1,524	$1,115
Direct operating expenses	**(823)**	(766)	(561)
General and administrative expenses	**(110)**	(95)	(61)
Depreciation and amortization expense	**(329)**	(230)	(126)
Interest expense	**(362)**	(322)	(253)
(Losses) earnings from investments in associates	**(217)**	1	76
Net income	**65**	291	440
Income from continuing operations	**20**	101	151
Income from discontinued operations	**45**	190	289
Net (loss) income attributable to the partnership[1]	**(58)**	106	187
Net (loss) income per limited partnership unit	**$(0.43)**	$ 0.47	$ 1.13

(1) Includes net (loss) income attributable to non-controlling interests—Redeemable Partnership units held by Brookfield, general partner and limited partners.

Revenues totaled $1,826 million for the year ended December 31, 2013, representing a year-over-year increase of $302 million, or 20%. Approximately $240 million of the increase relates to acquisitions made in the second half of 2012, in particular investments made in our UK regulated distribution and district energy businesses, which contributed incremental revenues of $98 million and $62 million, respectively. Our Chilean toll road contributed incremental revenues of $81 million, as we now consolidate this business following the additional investment made in this business in the fourth quarter of 2012 (it was equity accounted for in the prior year). Finally, $85 million of additional revenues were generated from the completion of our Australian railroad's expansion project. Compared to the same period in 2011, revenues for the year ended December 31, 2013 rose by $711 million or 64% due primarily to incremental revenues associated with the businesses acquired since 2011 and the expansion tasks completed at our Australian railroad in 2012.

Direct operating expenses totaled $823 million for the year ended December 31, 2013, which is an increase of $57 million, or 7%, compared to the prior year. The increase is primarily attributable to the aforementioned investments made in the second half of 2012 and the completion of the Australian railroad expansion, which contributed incremental direct operating costs of $88 million. These increases were partially offset by a $25 million decrease in direct operating costs at our Australian regulated terminal as a result of a depreciating Australian dollar. Compared to the same period in 2011, direct operating costs for the year ended December 31, 2013 increased by $262 million or 47% due primarily to incremental operating expenses associated with the aforementioned businesses acquired since 2011 and the expansion tasks completed at our Australian railroad in 2012.

General and administrative expenses totaled $110 million for the year ended December 31, 2013, which was a $15 million increase over the same period in 2012. This line item is primarily comprised of a management fee that is paid to Brookfield, which is equal to 1.25% of the partnership's market value plus recourse debt, net of cash. It also includes certain public company costs relating to the on-going operations of the partnership. The management fee for the year ended December 31, 2013 increased relative to the same period in 2012 due to an increase in our market capitalization attributable to the higher trading price of our partnership units and the $340 million equity issuance completed in May 2013. Compared to the same period in 2011, our general and administrative expenses for the year ended December 31, 2013 increased by $49 million as a result of the higher management fee, as our partnership's market capitalization grew significantly due to an increase in the trading price of our units in addition to a total of $1.6 billion of equity issuances completed since the beginning of 2011.

Depreciation and amortization expense totaled $329 million for the year ended December 31, 2013, an increase of $99 million and $203 million compared to the same period in 2012 and 2011, respectively. The increase relative to prior periods is due primarily to the expansion of the Australian railroad operations, the impact of new investments and higher property, plant and equipment values as a result of our annual revaluation process.

Interest expense for the year ended December 31, 2013 totaled $362 million, compared to $322 million and $253 million in the same period in 2012 and 2011, respectively. Interest expense for the year ended December 31, 2013 increased by $40 million compared to the same period in 2012 due primarily to the additional interest expense associated with the businesses we acquired in the fourth quarter of 2012, as well as higher borrowings at our Australian railroad, which contributed incremental interest expense of $31 million and $18 million, respectively. These increases were partially offset by $9 million of interest savings as a result of lower borrowing costs on our corporate credit facility following receipt of an investment grade credit rating and the replacement of higher cost legacy corporate debt with corporate bonds issued in the fourth quarter of 2012. Compared to the same period in 2011, interest expense for the year ended December 31, 2013 increased by $109 million due primarily to the additional interest expense associated with the businesses we acquired since 2011, as well as the increased debt levels attributable to our growth capital expenditures over the same period.

Losses from investments in associates were $217 million for the year ended December 31, 2013 compared to earnings of $1 million and $76 million for the same period in 2012 and 2011, respectively. Losses from investments in associates for the year ended December 31, 2013 increased by $218 million from the same period in 2012 due primarily to a $275 million impairment charge at our North American gas transmission operation taken in the current year partially offset by a number of non-recurring items that were recorded in the prior year. The most significant of these offsets include breakage costs attributable to a refinancing completed at our North American gas transmission business ($40 million) and an impairment of one of our European ports ($16 million). Compared to the same period in 2011, losses from investments in associates for the year ended December 31, 2013 increased by $293 million primarily due to the aforementioned impairment charge at our North American gas transmission business taken in the current year.

US$ MILLIONS	As of	
Summary Statements of Financial Position Key Metrics	December 31, 2013	December 31, 2012
Cash and cash equivalents	$ 538	$ 263
Other current assets	730	483
Total assets	15,682	19,718
Current liabilities	527	628
Corporate borrowings	377	946
Non-recourse borrowings	5,790	6,993
Other long-term liabilities	2,383	3,343
Non-controlling interest—in operating subsidiaries	1,419	2,784
Non-controlling interest—Redeemable Partnership Units held by Brookfield	1,408	1,365
Limited Partners' capital	3,751	3,632
General Partner capital	27	27

As of December 31, 2013, we had $15,682 million in assets, compared to $19,718 million at the end of 2012. This $4,036 million decrease is primarily due to the sale of the timber business, which reduced total assets by almost $4,400 million, in addition to foreign currency translation losses of approximately $330 million that resulted primarily from the depreciation of the Australian dollar, Chilean peso and Brazilian reais relative to the U.S. dollar. These factors were partially offset by approximately $600 million of new investments made in our Brazilian toll road and our district energy business during the year.

Corporate borrowings decreased to $377 million at December 31, 2013, compared to $946 million as of December 31, 2012, as proceeds from the sale of our timber business were used to repay the corporate credit facility, which was drawn to fund new investments made in the fourth quarter of 2012.

Non-recourse borrowings decreased by $1,203 million to $5,790 million at December 31, 2013 from $6,993 million at December 31, 2012. The decrease is primarily attributable to the disposition of the timber business, which combined with the impact of the depreciation of the Australian dollar and Chilean peso relative to the U.S. dollar, led to a decrease in debt balances of approximately $1,800 million. This decrease was partially offset by incremental debt of approximately $600 million that was raised during the year at our Australian railroad, district energy and Colombian regulated distribution operations to fund growth capital expenditures.

Partnership capital increased by $162 million to $5,186 million at the end of the year from $5,024 million at the end of 2012. The increase was a result of the $340 million equity issuance completed in May, revaluation gains of approximately $500 million resulting from our annual revaluation of property, plant and equipment and a $106 million gain recognized on the partial sale of our UK regulated distribution operation. These positive impacts were partially offset by the impact of foreign exchange translation losses and losses recorded during the year.

SEGMENTED DISCLOSURES

In this section, we review the results of our principal operating segments: utilities, transport and energy. Each segment is presented on a proportionate basis, taking into account Brookfield Infrastructure's ownership in operations accounted for using the consolidation and equity methods, whereby the Partnership either controls or exercises significant influence over its investments. See "Discussion of Segment Reconciling Items" on page 94 for a reconciliation of segment results to the Partnership's statement of operating results in accordance with IFRS.

Utilities Operations

Results of Operations

The following table presents the roll-forward of our rate base and selected key metrics:

(US$ MILLIONS)	Year ended December 31 2013	2012
Rate base, start of period	**$4,790**	$3,316
Impact of acquisitions, net of disposals	**(626)**	1,126
Capital expenditures commissioned	**355**	129
Inflation and other indexation	**161**	218
Regulatory depreciation	**(83)**	(107)
Foreign exchange	**(355)**	108
Rate base, end of period	**$4,242**	$4,790

(US$ MILLIONS)	Year ended December 31 2013	2012	2011
Funds from operations (FFO)	**$ 377**	$ 308	$ 275
Maintenance capital	**(27)**	(25)	(24)
Adjusted funds from operations (AFFO)	**$ 350**	$ 283	$ 251

For the year ended December 31, 2013, our utilities platform produced FFO of $377 million, compared with $308 million in the prior year and $275 million in 2011. The increase in FFO relative to 2012 and 2011 is primarily attributable to new investments completed near the end of 2012 that doubled the size of our UK regulated distribution business and increased our ownership in the Chilean electricity transmission system. In addition, our business also benefited from 'same store' organic growth from inflation indexation and contributions from organic growth investments.

The following table presents our utilities platform's proportionate share of financial results:

(US$ MILLIONS)	Year ended December 31 2013	2012	2011
Revenue	**$ 831**	$ 774	$ 644
Costs attributed to revenues	**(284)**	(305)	(226)
Adjusted EBITDA	**547**	469	418
Interest expense	**(175)**	(167)	(149)
Other income	**5**	6	6
Funds from operations (FFO)	**377**	308	275
Depreciation and amortization	**(147)**	(123)	(91)
Deferred taxes and other items	**6**	(74)	(21)
Net income	**$ 236**	$ 111	$ 163

The following table presents our proportionate Adjusted EBITDA and FFO for each business in this operating platform:

	Adjusted EBITDA			FFO		
(US$ MILLIONS)	**2013**	2012	2011	**2013**	2012	2011
Regulated Distribution	**$236**	$188	$151	**$178**	$133	$108
Regulated Terminal	**174**	180	182	**91**	98	102
Electricity Transmission	**137**	101	85	**108**	77	65
Total	**$547**	$469	$418	**$377**	$308	$275

For the year ended December 31, 2013 our regulated distribution operations generated Adjusted EBITDA and FFO of $236 million and $178 million, respectively, versus $188 million and $133 million, respectively, in the prior year and $151 million and $108 million, respectively, in 2011. Results increased compared to both comparative periods as a result of investments in our rate base, inflation indexation and contributions from new investment activities.

For the year ended December 31, 2013 our regulated terminal reported Adjusted EBITDA and FFO of $174 million and $91 million, respectively, versus $180 million and $98 million, respectively, in the prior period and $182 million and $102 million, respectively, in 2011. Results decreased compared to both comparative periods as a result of the impact of foreign exchange. In natural currency terms, Adjusted EBITDA was ahead of the comparative periods as we benefited from additions to our rate base.

For the year ended December 31, 2013 our electricity transmission operations generated Adjusted EBITDA and FFO of $137 million and $108 million, respectively, versus $101 million and $77 million, respectively, in the prior year and $85 million and $65 million, respectively, in 2011. Results increased compared to both periods primarily as a result of investments in our rate base and our increased ownership interest in the Chilean transmission system, which was completed in the fourth quarter of 2012. Excluding the impact of the increased ownership, results also benefited from inflation indexation and investments in our rate base compared to both periods.

Non-cash expenses are primarily comprised of depreciation, amortization, non-cash inflation indexation on our Chilean peso denominated debt, deferred taxes and other items. Depreciation and amortization increased to $147 million for the year ended December 31, 2013, up from $123 million and $91 million for the same period in 2012 and 2011, respectively. The increase is primarily due to higher depreciation expense from additions to our regulated asset base from growth capital expenditures and the aforementioned acquisitions. Deferred taxes and other items for the year ended December 31, 2013 was a gain of $6 million compared to an expense of $74 million for the same period in 2012. The positive variance is primarily the result of mark-to-market gains recognized during the year on hedging items relating to our UK regulated distribution business, compared to mark-to-market losses recorded on these items in the prior year. Deferred taxes and other items declined by $27 million compared to $21 million for the year ended December 31, 2011, as the aforementioned mark-to-market gains on hedging items in the current period were partially offset by a revaluation gain at our Chilean transmission operations that was recorded in 2011.

Transport Operations

Results of Operations

The following table presents our proportionate share of the key metrics of our transport platform:

(US$ MILLIONS)	Year ended December 31		
	2013	2012	2011
Growth capital expenditures	**$ 212**	$ 361	$ 335
Adjusted EBITDA margin[1]	**47%**	37%	28%
Funds from operations (FFO)	**326**	168	98
Maintenance capital	**(63)**	(45)	(36)
Adjusted funds from operations (AFFO)	**$ 263**	$ 123	$ 62

(1) Adjusted EBITDA margin is Adjusted EBITDA divided by revenues.

Our transport platform generated FFO of $326 million in 2013 compared to $168 million in 2012 and $98 million in 2011. The increase in FFO for the year ended December 31, 2013 versus the comparative years was primarily driven by the commissioning of our Australian railroad's expansion program, as well as a contribution from our investment in our South American toll roads acquired in the fourth quarter of 2012. Results also benefited from a partial period contribution from the increase in ownership of our Brazilian toll roads business completed in September 2013.

The following table presents our transport platform's proportionate share of financial results:

(US$ MILLIONS)	Year ended December 31		
	2013	2012	2011
Revenues	**$1,054**	$ 738	$ 640
Cost attributed to revenues	**(557)**	(463)	(460)
Adjusted EBITDA	**497**	275	180
Interest expense	**(153)**	(106)	(82)
Other expenses	**(18)**	(1)	—
Funds from operations (FFO)	**326**	168	98
Depreciation and amortization	**(183)**	(118)	(58)
Impairment charge	**—**	(16)	—
Deferred taxes and other items	**(78)**	(1)	(16)
Net income	**$ 65**	$ 33	$ 24

The following table presents proportionate Adjusted EBITDA and FFO for each business in this operating platform:

(US$ MILLIONS)	Adjusted EBITDA			FFO		
	2013	2012	2011	**2013**	2012	2011
Railroad	**$250**	$169	$ 98	**$187**	$118	$56
Toll Roads	**173**	30	—	**97**	12	—
Ports	**74**	76	82	**42**	38	42
Total	**$497**	$275	$180	**$326**	$168	$98

For the year ended December 31, 2013, our Australian railroad generated Adjusted EBITDA and FFO of $250 million and $187 million, respectively, versus $169 million and $118 million, respectively, in the prior year and $98 million and $56 million, respectively, in 2011. Results increased compared to the years ended December 31, 2012 and 2011 as a result of the aforementioned completion of the expansion program, where volumes ramped up substantially and reached full take-or-pay levels in March 2013.

For the year ended December 31, 2013, our toll roads contributed Adjusted EBITDA and FFO of $173 million and $97 million, respectively, versus $30 million and $12 million, respectively, in the prior year. Results increased compared to the prior year primarily as a result of the investments in our South American toll roads in the fourth quarter of 2012 and the increase in ownership of our Brazilian toll roads completed in September 2013. Adjusted for ownership interest, revenues increased by almost 15% from prior year, driven by higher traffic volumes and regulatory tariff increases.

For the year ended December 31, 2013, our port operations reported Adjusted EBITDA and FFO of $74 million and $42 million, respectively, versus $76 million and $38 million, respectively, in the prior year and $82 million and $42 million, respectively, in 2011. Adjusted EBITDA decreased compared to the years ended December 31, 2012 and 2011 due to declining volumes as a result of the economic slowdown in Europe. However, FFO for the year ended December 31, 2013 increased by $4 million compared to the same period in 2012 and was unchanged compared to the same period in 2011 as the decrease in adjusted EBITDA was more than offset by lower borrowing costs following a refinancing at our continental European port operation completed during the year.

Non-cash expenses are primarily comprised of depreciation, amortization, deferred taxes and other items. Depreciation and amortization increased to $183 million for the year ended December 31, 2013, up from $118 million and $58 million for the same period in 2012 and 2011, respectively. The increase is primarily due to additional depreciation on our recently commissioned Australian railroad expansion and toll road acquisitions. Deferred taxes and other expenses for the year ended December 31, 2013 were $78 million compared to $1 million and $16 million for the same period in 2012 and 2011, respectively. The increase is primarily the result of breakage costs associated with the refinancing of our railroad and European port operations during the year.

Energy Operations

Results of Operations

The following table presents our proportionate share of the key metrics of our energy platform:

	Year ended December 31		
(US$ MILLIONS)	**2013**	2012	2011
Growth capital expenditures	**$ 15**	$ 17	$ 21
Adjusted EBITDA margin[1]	**42%**	46%	46%
Funds from operations (FFO)	**70**	76	69
Maintenance capital	**(39)**	(37)	(29)
Adjusted funds from operations (AFFO)	**$ 31**	$ 39	$ 40

(1) Adjusted EBITDA margin is Adjusted EBITDA divided by revenues.

Our energy platform generated FFO of $70 million, compared to $76 million in 2012 and $69 million in 2011. Results were lower in 2013 relative to the prior year as the benefit of our district energy acquisitions that closed in 2012 and improved performance at our energy distribution businesses

in the UK and Australia, was offset by the impact of a challenging North American natural gas market that severely impacted the results of our gas transmission business in the U.S.. FFO increased versus 2011 due to the benefit of our district energy acquisition that closed in 2012 and the deployment of growth capital expenditures at our distribution operations offset by weak market fundamentals at our North American energy transmission business.

The following table presents our energy platform's proportionate share of financial results:

	Year ended December 31		
(US$ MILLIONS)	**2013**	2012	2011
Revenues	**$ 323**	$ 316	$ 311
Cost attributed to revenues	**(186)**	(172)	(168)
Adjusted EBITDA	**137**	144	143
Interest expense	**(69)**	(70)	(74)
Other income	**2**	2	—
Funds from operations (FFO)	**70**	76	69
Depreciation and amortization	**(70)**	(59)	(54)
Deferred taxes and other items	**(254)**	(17)	8
Net (loss) income	**$(254)**	$ —	$ 23

The following table presents proportionate Adjusted EBITDA and FFO for each business in this operating platform:

	Adjusted EBITDA			FFO		
(US$ MILLIONS)	**2013**	2012	2011	**2013**	2012	2011
Energy Transmission, Distribution & Storage	**$128**	$142	$143	**$65**	$75	$69
District Energy	**9**	2	—	**5**	1	—
Total	**$137**	$144	$143	**$70**	$76	$69

For the year ended December 31, 2013 our energy transmission, distribution and storage operations reported Adjusted EBITDA and FFO of $128 million and $65 million, respectively, versus $142 million and $75 million, respectively, in the prior year and $143 million and $69 million, respectively, in 2011. Adjusted EBITDA and FFO decreased compared to the years ended December 31, 2012 and 2011, as weak market fundamentals continue to impact transportation revenues at our North American energy transmission business, partially offset by the deployment of growth capital expenditures and colder than average weather at our distribution operations.

For the year ended December 31, 2013, our district energy business contributed Adjusted EBITDA and FFO of $9 million and $5 million, respectively, versus $2 million and $1 million, respectively, in the prior year. Results increased as we benefited from a full year of operations following our investment in this business in the fourth quarter of 2012.

Non-cash expenses are primarily comprised of depreciation, amortization, impairment charges, deferred taxes and other items. Depreciation and amortization increased to $70 million for the year ended December 31, 2013, up from $59 million and $54 million for the same period in 2012 and 2011, respectively. The increase is primarily due to additional depreciation as a result of the acquisition of our district energy business. Deferred taxes and other expenses for the year ended December 31, 2013 was $254 million compared to $17 million and a gain of $8 million for the same period in 2012 and

2011, respectively. The increase is due primarily to a $275 million impairment charge taken our North American gas transmission business during the year partially offset by non-recurring breakage costs ($40 million) attributable to a refinancing completed at our North American gas transmission business that impacted the prior year.

Corporate and other

The following table presents the components of Corporate and Other, on a proportionate basis for the twelve months ended December 31, 2013, 2012 and 2011:

	Year ended December 31		
(US$ MILLIONS)	**2013**	2012	2011
Timber EBITDA	**$ 39**	$ 48	$ 60
General and administrative costs	**(8)**	(9)	(8)
Base management fee	**(102)**	(86)	(53)
Adjusted EBITDA	**(71)**	(47)	(1)
Other income	**6**	7	4
Financing costs			
Timber	**(13)**	(28)	(28)
Corporate	**(13)**	(22)	(25)
Funds from operations (FFO)	**(91)**	(90)	(50)
Deferred taxes and other items	**(14)**	52	27
Net loss	**$(105)**	$ (38)	$ (23)

During the year we completed the sale of our timberland operations for proceeds of $640 million, and as a result eliminated reporting on the timber segment and included results from this business in our Corporate and other segment. The timber business generated FFO for the year ended December 31, 2013 of $25 million compared to $22 million in the prior year and $33 million in 2011.

General and administrative costs for the year ended December 31, 2013 were consistent with the comparative periods. We anticipate that our general and administrative costs, excluding the base management fee, will be in the range of $8 million to $10 million per year on an annualized basis.

Pursuant to our Master Services Agreement, we pay an annual base management fee to Brookfield equal to 1.25% of our market value, plus recourse debt net of cash. The base management fee for the year ended December 31, 2013 increased relative to the same periods in 2012 and 2011 due to an increase in our market capitalization attributable to the higher trading price of our partnership units and equity issuances completed in May 2013, August 2012 and October 2011.

Financing costs include interest expense and standby fees on our committed credit facility, less interest earned on cash balances. Financing costs for the year ended December 31, 2013 were lower than the comparative periods due to lower interest costs on our corporate credit facility following the receipt of our investment grade credit rating, in addition to refinancing higher cost legacy debt with corporate bonds issued in October 2012.

Other income includes interest and distribution income earned on corporate cash and financial assets.

Deferred taxes and other expenses for the year ended December 31, 2013 were $14 million compared to income of $52 million and $27 million in the same period in 2012 and 2011, respectively, as the comparative periods included positive fair value adjustments recorded on our timberlands.

SELECTED STATEMENT OF OPERATING RESULTS AND FINANCIAL POSITION INFORMATION

To measure performance, we focus on FFO and AFFO, among other measures. We also focus on Adjusted EBITDA and net income, taking into account items that we consider unusual or otherwise not reflective of the ongoing profitability of our operations. We define FFO as net income excluding the impact of depreciation and amortization, deferred income taxes, breakage and transaction costs, non-cash valuation gains or losses and other items. We define AFFO as FFO less maintenance capex, as detailed in the Reconciliation of Non-IFRS Financial Measures section of this MD&A. FFO is a measure of operating performance, and AFFO is a measure of the sustainable cash flow of our business. Since they are not calculated in accordance with, and do not have any standardized meanings prescribed by IFRS, FFO and AFFO are unlikely to be comparable to similar measures presented by other issuers, and FFO and AFFO have limitations as analytical tools. See the Reconciliation of Non-IFRS Financial Measures section for a more fulsome discussion, including a reconciliation to the most directly comparable IFRS measures.

(US$ MILLIONS, EXCEPT PER UNIT INFORMATION)	Year ended December 31		
Key Metrics	**2013**	2012	2011
Funds from operations (FFO)	**$ 682**	$ 462	$ 392
Per unit FFO[1]	**3.30**	2.41	2.41
Distributions	**1.72**	1.50	1.32
Payout ratio[2]	**57%**	66%	55%
Growth of per unit FFO[1]	**37%**	—	35%
Adjusted funds from operations (AFFO)[3]	**553**	355	300

(1) Average units outstanding during the year of 206.7 million (2012: 191.5 million, 2011: 162.5 million).

(2) Payout ratio is defined as distributions to unitholders, including GP incentive distributions, divided by FFO.

(3) AFFO is defined as FFO less maintenance capital expenditures.

For the year ended December 31, 2013 we posted strong results with FFO totaling $682 million ($3.30 per unit) compared to FFO of $462 million ($2.41 per unit) in 2012 and FFO of $392 million ($2.41 per unit) in 2011. This 48% and 74% increase in our FFO versus 2012 and 2011 was primarily due to the investments made to expand our railroad and utilities rate base, in addition to inflation indexation and high volumes in our transport business. We also benefited from a solid contribution from new investments made that expanded our utilities and transport platforms. Our distribution of $1.72 per unit represents a payout ratio of 57% of our FFO for the year, which is conservative versus our target range of 60%-70%.

The following tables present selected statement of operating results and financial position information by operating platform on a proportionate basis:

(US$ MILLIONS) Statement of Operating Results	Year ended December 31 2013	2012	2011
Net (loss) income by segment			
Utilities	**$ 236**	$ 111	$ 163
Transport	**65**	33	24
Energy	**(254)**	—	23
Corporate and other	**(105)**	(38)	(23)
Net (loss) income	**$ (58)**	$ 106	$ 187
Adjusted EBITDA by segment			
Utilities	**$ 547**	$ 469	$ 418
Transport	**497**	275	180
Energy	**137**	144	143
Corporate and other	**(71)**	(47)	(1)
Adjusted EBITDA	**$1,110**	$ 841	$ 740
FFO by segment			
Utilities	**$ 377**	$ 308	$ 275
Transport	**326**	168	98
Energy	**70**	76	69
Corporate and other	**(91)**	(90)	(50)
FFO	**$ 682**	$ 462	$ 392

(US$ MILLIONS) Statement of Financial Position	As of December 31, 2013	December 31, 2012
Total assets by segment		
Utilities	**$ 4,766**	$ 5,525
Transport	**4,789**	4,412
Energy	**1,629**	1,849
Corporate and other	**(46)**	895
Total assets	**$ 11,138**	$ 12,681
Net debt by segment		
Utilities	**$ 2,838**	$ 3,307
Transport	**2,333**	2,077
Energy	**927**	911
Corporate and other	**(146)**	1,362
Net debt	**$ 5,952**	$ 7,657
Partnership capital by segment		
Utilities	**$ 1,928**	$ 2,218
Transport	**2,456**	2,335
Energy	**702**	938
Corporate and other	**100**	(467)
Partnership capital	**$ 5,186**	$ 5,024

CAPITAL RESOURCES AND LIQUIDITY

The nature of our asset base and the quality of our associated cash flows enable us to maintain a stable and low cost capital structure. We attempt to maintain sufficient financial liquidity at all times so that we are able to participate in attractive opportunities as they arise, better withstand sudden adverse changes in economic circumstances and maintain a relatively high distribution of our FFO to unitholders. Our principal sources of liquidity are cash flows from our operations, undrawn credit facilities and access to public and private capital markets. We also structure the ownership of our assets to enhance our ability to monetize them to provide additional liquidity, if necessary. Certain subsidiaries may be subject to limitations on their ability to declare and pay dividends. Any limitations existing at December 31, 2013 and 2012 were insignificant and would not adversely impact our ability to meet cash obligations.

Our group-wide liquidity at December 31, 2013 was $2,582 million and was comprised of the following:

	As of	
(US$ MILLIONS)	December 31, 2013	December 31, 2012
Corporate cash and cash equivalents	$ 523	$ 7
Committed corporate credit facility	1,400	855
Draws on corporate credit facility	—	(546)
Commitments under corporate credit facility	(99)	(92)
Proportionate cash retained in businesses	330	203
Proportionate availability under subsidiary credit facilities	428	336
Group-wide liquidity	$2,582	$ 763

At December 31, 2013, we believe that the sources of group-wide liquidity are sufficient for Brookfield Infrastructure's present requirements. We finished the quarter with group wide liquidity of approximately $2,582 million, up from $763 million at December 31, 2012. At the corporate level, we ended the year with $1,824 million of liquidity, an increase of almost $1,600 million compared to the prior year. The increases were primarily attributable to $1,055 million of proceeds received from asset sales, the $340 million equity offering completed in May 2013, a return of capital of approximately $300 million from our Australian railroad, and the $545 million upsizing of our corporate credit facility. These positive impacts were partially offset by the approximately $600 million follow-on investments made in our Brazilian toll road and district energy businesses during the year.

We finance our assets principally at the operating company level with debt that generally has long-term maturities, few restrictive covenants and no recourse to either Brookfield Infrastructure or our other operations. At the operating company level, we endeavour to maintain prudent levels of debt.

We also strive to ladder our principal repayments over a number of years. On a proportionate basis as of December 31, 2013, scheduled principal repayments over the next five years are as follows:

(US$ MILLIONS)	Average Term (years)	2014	2015	2016	2017	2018	Beyond	Total
Recourse borrowings								
Corporate borrowings	4	$ —	$ —	$ —	$ 377	$ —	$ —	$ 377
Total recourse borrowings	4	—	—	—	377	—	—	377
Non-recourse borrowings[1][2]								
Utilities	10	92	54	387	50	6	2,310	2,899
Transport	7	57	255	303	77	470	1,380	2,542
Energy	9	14	—	16	506	—	451	987
Total non-recourse borrowings[1][2]	10	163	309	706	633	476	4,141	6,428
Total borrowings[3]	10	$163	$309	$706	$1,010	$476	$4,141	$6,805
Cash retained in businesses								
Utilities								$ 61
Transport								209
Energy								60
Corporate and other								523
Total cash retained								$ 853
Net debt								
Utilities								$2,838
Transport								2,333
Energy								927
Corporate								(146)
Total net debt		2%	5%	10%	15%	7%	61%	$5,952

(1) Represents non-recourse debt to Brookfield Infrastructure as the holders have recourse only to the underlying operations.

(2) Non-recourse project debt from our social infrastructure operations has been excluded from the above tables as this is long-term debt which is fully amortized during the term of our concession contracts.

(3) As of December 31, 2013, approximately 40% has been issued as floating rate debt. Brookfield Infrastructure and its subsidiaries have entered into interest rate swaps whereby the floating rate debt has been converted to fixed rate debt, effectively reducing floating rate debt maturities to approximately 12% of our total borrowings.

The average cash interest rates for our utilities, transport, energy and corporate platforms were 5.6%, 6.5%, 6.9% and 3.5%, respectively (December 31, 2012: 6.2%, 7.4%, 7.4% and 3.5% respectively).

Our debt has an average term of 10 years. On a proportionate basis, our net debt-to-capitalization ratio as of December 31, 2013 was 53%. Proportionate debt can be reconciled to consolidated debt as follows:

(US$ MILLIONS)	As of December 31 2013	2012
Consolidated debt	$ 6,167	$ 7,939
Less: borrowings attributable to non-controlling interest	(1,675)	(2,705)
Premium on debt and cross currency swaps	(67)	144
Add proportionate share of borrowings of investments in associates:		
Utilities	716	1,038
Transport	885	666
Energy	779	785
Proportionate debt	$ 6,805	$ 7,867

CONTRACTUAL OBLIGATIONS

The table below outlines Brookfield Infrastructure's contractual obligations as at December 31, 2013:

(US$ MILLIONS)	Payments due by period Total	Less than 1 year	1-2 years	2-5 years	5+ years
Accounts payable and other liabilities	$ 691	$584	$ 26	$ —	$ 81
Interest-bearing liabilities[1]	8,596	313	341	2,261	5,681
Finance lease liabilities	31	4	3	8	16
Other long-term liabilities	601	—	153	214	234
	$ 9,919	$901	$523	$2,483	$6,012

(1) Comprised of non-recourse borrowings and corporate borrowings and includes interest payments of $251 million, $225 million, $622 million and $1,161 million for the periods as follows: less than 1 year, 1-2 years, 2-5 years and 5 years and thereafter, respectively. Interest payments are calculated based on interest rates in effect as at the balance sheet date.

In addition, pursuant to the Master Services Agreement, on a quarterly basis we pay a base management fee to Brookfield equal to 0.3125% (1.25% annually) of the market value, plus non-recourse debt of our partnership. As of December 31, 2013, this fee is estimated to be approximately $104 million per year based on our current market capitalization and unit price.

FINANCIAL INSTRUMENTS—FOREIGN CURRENCY HEDGING STRATEGY

To the extent that we believe it is economic to do so, our strategy is to hedge a portion of our equity investments and/or cash flows exposed to foreign currencies. The following key principles form the basis of our foreign currency hedging strategy:

- We leverage any natural hedges that may exist within our operations
- We utilize local currency debt financing to the extent possible
- We may utilize derivative contracts to the extent that natural hedges are insufficient

The following table presents our hedged position in foreign currencies as of December 31, 2013:

	Net Investment Hedges							
(US$ MILLIONS)	USD	AUD	GBP	BRL	CLP	CAD	EUR	COP
Equity Investment—US$	$1,131	$1,575	$ 984	$773	$314	$ 176	$ 169	$64
FX contracts—US$	2,174	(866)	(984)	—	—	(176)	(148)	—
Net unhedged—US$	$3,305	$ 709	$ —	$773	$314	$ —	$ 21	$64

At December 31, 2013, we had hedges in place equal to approximately 54% of our net equity investment in foreign currencies. In the 12 months ended December 31, 2013, we recorded losses in other comprehensive income of $12 million related to these contracts.

OTHER MARKET RISKS

Inflation Risk

Certain of our subsidiaries and associates are subject to inflation risk. Most significantly, our South American electricity transmission operations and a portion of our toll road operations in Chile are subject to inflation risk as these debt portfolios are denominated in Unidad de Fomento, ("UF") which is an inflation indexed Chilean peso monetary unit that is set daily, on the basis of the prior month's inflation rate. However, we believe this is offset by the nature of our revenues which are in large part indexed to Chilean inflation.

Commodity Risk

Some of our operations are critically linked to the transport or production of key commodities. For example, in the long term, our Australian regulated terminal operation relies on demand for coal exports, our Australian railroad operation relies on demand for iron ore for steel production and our North American gas transmission operation relies on demand for natural gas and benefits from higher gas prices. Furthermore, our Australian railroad business relies on the demand for iron ore exports. While we endeavor to protect against short to medium term commodity demand risk wherever possible by structuring our contracts in a way that minimizes volume risk (e.g. minimum guaranteed volumes and 'take-or-pay' arrangements), these contract terms are finite. Accordingly, a long term and sustained downturn in the demand for or price of a key commodity linked to one of our operations may have a material adverse impact on the financial performance or growth prospects of that particular operation, notwithstanding the use of take-or-pay contracts. Furthermore, our North American gas transmission operations have direct natural gas exposure as it collects more natural gas from customers than it consumes and resells the balance; however, this exposure has been significantly reduced as a result of the FERC settlement agreed to in July 2011. See Item 4.B "Business Overview" for more information.

Revenues from our Chilean electricity transmission operation are adjusted by a multi-factor inflation index that is designed to approximate changes in prices of the underlying components of the replacement cost of our transmission system. See Item 4.B "Business Overview". Due to the construction of the system, metals, such as aluminum, are a material percentage of replacement cost. Thus, changes in the price of these metals will impact our revenues.

We do not currently use any strategies or instruments to manage the commodity risks in our operations.

CAPITAL REINVESTMENT

Our financing plan is to fund our recurring growth capital expenditures with cash flow generated by our operations, as well as debt financing that is sized to maintain our credit profile. To fund large scale development projects and acquisitions, we will evaluate a variety of capital sources including proceeds from selling non-core assets, equity and debt financing. We will seek to raise additional equity if we believe that we can earn returns on these investments in excess of the cost of the incremental equity.

The following table highlights the sources and uses of cash for the year:

	Year ended December 31		
(US$ MILLIONS)	**2013**	2012	2011
Funds from operations (FFO)	**$ 682**	$ 462	$ 392
Less maintenance capital	**(129)**	(107)	(89)
Funds available for distribution (AFFO)	**553**	355	303
Distributions paid	**(388)**	(304)	(217)
Funds available for reinvestment	**165**	51	86
Growth capital expenditures	**(504)**	(565)	(544)
Asset level debt funding of growth capex	**403**	437	149
Disposals, net of new investments	**528**	(1,012)	(140)
Asset level financings (repayments)	**304**	(374)	(93)
(Repayments) draws on corporate credit facility	**(546)**	546	(18)
Corporate debt issuance, net	**—**	408	—
Proceeds from equity issuance	**335**	497	657
Changes in working capital and other	**(42)**	16	(89)
Change in proportionate cash retained in business	**643**	4	8
Opening, proportionate cash retained in business	**210**	206	198
Closing, proportionate cash retained in business	**$ 853**	$ 210	$ 206

The following table presents the components of growth and maintenance capital expenditures by operating platform:

	Year ended December 31		
(US$ MILLIONS)	**2013**	2012	2011
Growth capital expenditures by segment			
Utilities	**$ 277**	$ 187	$ 188
Transport	**212**	361	335
Energy	**15**	17	21
	$ 504	$ 565	$ 544

(US$ MILLIONS)	Current Annual Estimated Sustaining Capex		Year ended December 31		
	Low	High	2013	2012	2011
Maintenance capital expenditures by segment					
Utilities	$ 20	$ 30	$ 27	$ 25	$24
Transport	80	90	63	45	36
Energy	20	25	39	37	29
	$120	$145	$129	$107	$89

For the year end, our maintenance capital expenditures were within the expected range required to maintain the infrastructure assets within our utilities and transport platforms. Maintenance capital expenditures were $39 million for the current period for our energy platform, which is higher than the average annual sustainable level of $20 million to $25 million. The higher than average expenditures are primarily attributable to timing of certain larger scale projects at our North American energy transmission business that are non-recurring.

PARTNERSHIP CAPITAL

As of December 31, 2013, our partnership owned limited partnership units that represented approximately 71.5% of the Holding LP's total outstanding units, and Brookfield owned Redeemable Partnership Units that represented approximately 28% of the Holding LP's total outstanding units. The Redeemable Partnership Units, at the request of the holder, require the Holding LP to redeem all or a portion of the holder's units for cash in an amount equal to the market value of our units multiplied by the number of units to be redeemed. This right is subject to our partnership's right of first refusal which entitles it, at its sole discretion, to elect to acquire any unit so presented to the Holding LP in exchange for one of the partnership's units (subject to certain customary adjustments). Both the units issued by Brookfield Infrastructure and the Redeemable Partnership Units issued by the Holding LP have the same economic attributes in all respects, except for the redemption right described above. The Redeemable Partnership Units participate in earnings and distributions on a per unit basis equivalent to the per unit participation of the units of Brookfield Infrastructure. The partnership reflects the Redeemable Partnership Units issued to Brookfield by the Holding LP as a separate component of non-controlling interest, within consolidated equity, as Brookfield Infrastructure can, at its sole discretion, elect to satisfy a redemption request by Brookfield of the Redeemable Partnership Units by issuing an equal number of units. Based on the number of units outstanding as of December 31, 2013, Brookfield's aggregate limited partnership interest in our partnership would be approximately 28%, if Brookfield fully exercised its redemption right and our partnership fully exercised its right of first refusal.

As of December 31, 2013 Brookfield also owned general partnership units that represented approximately 0.5% of the Holding LP's total outstanding units. Brookfield is entitled to incentive distribution rights which are based on the amount by which quarterly distributions on the limited partnership units exceed specified target levels. To the extent distributions on limited partnership units exceed $0.305 per quarter, the incentive distribution rights are entitled to 15% of incremental distributions above this threshold. To the extent that distributions on limited partnership units exceed $0.33 per quarter, the incentive distribution rights are entitled to 25% of incremental distributions above this threshold. During the year ended December 31, 2013, the partnership paid incentive distributions of $31 million (2012: $16 million, 2011: $4 million).

The total number of partnership units outstanding was comprised of the following:

	As of	
	December 31, 2013	December 31, 2012
Redeemable partnership units, held by Brookfield	**58,739,416**	56,137,081
General partnership units	**1,066,929**	1,066,929
Limited partnership units	**150,252,174**	143,567,955
Total	**210,058,519**	200,771,965

During 2013 and 2012, our outstanding issued Redeemable Partnership Units changed as follows:

	2013		2012	
MILLIONS, EXCEPT UNIT INFORMATION	Book Value	Units	Book Value	Units
Outstanding at beginning of year	**$1,084**	**56,137,081**	$ 942	51,698,081
Units issued	**94**	**2,602,335**	142	4,439,000
Outstanding at end of year	**$1,178**	**58,739,416**	$1,084	56,137,081

During 2013 and 2012, our outstanding issued limited partnership units changed as follows:

	2013		2012	
MILLIONS, EXCEPT UNIT INFORMATION	Book Value	Units	Book Value	Units
Outstanding at beginning of year	**$2,955**	**143,567,955**	$2,597	132,352,111
Units issued	**244**	**6,684,219**	358	11,215,844
Outstanding at end of year	**$3,199**	**150,252,174**	$2,955	143,567,955

During 2013 and 2012, our outstanding issued general partnership units changed as follows:

	2013		2012	
MILLIONS, EXCEPT UNIT INFORMATION	Book Value	Units	Book Value	Units
Outstanding at beginning of year	**$ 19**	**1,066,929**	$ 19	1,066,929
Outstanding at end of year	**$ 19**	**1,066,929**	$ 19	1,066,929

In May 2013, our partnership issued 6,528,665 LP units at a gross price of $37.75 under our shelf registrations in the U.S. and Canada. In addition, the Holding LP issued 2,602,335 million Redeemable Partnership units to Brookfield at $36.24. In total, $330 million of net proceeds were raised through this issuance.

In August 2012, our partnership issued 11,132,000 LP units at a gross price of $33.25 under our shelf registrations in the U.S. and Canada. In addition, the Holding LP issued 4,439,000 million Redeemable Partnership units to Brookfield at $31.92. In total, $497 million of net proceeds were raised through this issuance.

In June 2010, we implemented a distribution reinvestment plan ("Plan"), that allows eligible holders of our partnership to purchase additional units by reinvesting their cash distributions. Under the Plan, units are acquired at a price per unit calculated by reference to the volume weighted average

of the trading price for our units on the NYSE for the five trading days immediately preceding the relevant distribution date. During the period, our partnership issued 155,554 units (2012: 83,844 units).

In October 2013, we announced that the TSX accepted a notice filed by our partnership of its intention to renew its normal course issuer bid ("2013 Issuer Bid"). Repurchases were authorized to commence on October 4, 2013 and ending on October 3, 2014 or earlier if repurchases were completed prior to such date. In the year ended December 31, 2013, no units were repurchased and cancelled under this program. See Item 16E. "Purchases of Equity Securities by the Issuer and Affiliated Purchaser" for more information.

In March 2014, the Holding LP underwent a restructuring whereby the Holding LP's limited partnership agreement was amended to make our partnership the managing general partner of the Holding LP by redesignating the limited partner units as managing general partner units and to make the general partner a special limited partner of the Holding LP by redesignating the general partner units to special limited partner units. This change was made in order to simplify our governance structure and to more clearly delineate our partnership's governance rights in respect of the Holding LP.

RELATED PARTY TRANSACTIONS

We have entered into a number of related party transactions with Brookfield. See Item 7.B—"Related Party Transactions."

OFF-BALANCE SHEET ARRANGEMENTS

Brookfield Infrastructure has no off-balance sheet arrangements.

Brookfield Infrastructure, on behalf of our subsidiaries provide letters of credit, which include, but are not limited to, guarantees for debt service reserves, capital reserves, construction completion and performance. As at December 31, 2013, letters of credit issued by subsidiaries of Brookfield Infrastructure amounted to $116 million.

In the normal course of operations, we execute agreements that provide for indemnification and guarantees to third parties in transactions such as business dispositions and acquisitions, construction projects, capital projects, and sales and purchases of assets and services. We have also agreed to indemnify our directors and certain of our officers and employees. The nature of substantially all of the indemnification undertakings prevents us from making a reasonable estimate of the maximum potential amount that we could be required to pay third parties, as many of the agreements do not specify a maximum amount and the amounts are dependent upon the outcome of future contingent events, the nature and likelihood of which cannot be determined at this time. Historically, we have made no significant payments under such indemnification agreements.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to select appropriate accounting policies and to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. In particular, critical accounting policies and estimates utilized in the normal course of preparing our partnership's financial statements require the determination of the fair value of property, plant and equipment; the fair value of investment property; the impairment of goodwill and intangibles with indefinite lives; the fair values in business combinations; and the estimation of useful lives of assets of property, plant and equipment.

In making estimates, management relies on external information and observable conditions where possible, supplemented by internal analysis as required. These estimates have been applied in a manner consistent with that in the prior period, and there are no known trends, commitments, events or uncertainties that we believe will materially affect the methodology or assumptions utilized in this report. The estimates are impacted by, among other things, movements in interest rates, foreign exchange and other factors, some of which are highly uncertain. The interrelated nature of these factors prevents us from quantifying the overall impact of these movements on our partnership's financial statements in a meaningful way. These sources of estimation uncertainty relate in varying degrees to virtually all asset and liability account balances.

The following is a discussion of our critical accounting policies:

Common control transactions

IFRS does not include specific measurement guidance for transfers of businesses or subsidiaries between entities under common control. Accordingly, Brookfield Infrastructure has developed a policy to account for such transactions taking into consideration other guidance in the IFRS framework and pronouncements of other standard-setting bodies. Brookfield Infrastructure's policy is to record assets and liabilities recognized as a result of transactions between entities under common control at the carrying value on the transferor's financial statements, and to have the Statements of Financial Position, Statements of Operating Results, Statements of Comprehensive Income and Statements of Cash Flows reflect the results of combining entities for all periods presented for which the entities were under the transferor's common control, irrespective of when the combination takes place.

Classification of assets and liabilities as held for sale

Brookfield Infrastructure's accounting policy relating to assets held for sale is described in note 3(p) of Brookfield Infrastructure's consolidated financial statements. In applying this policy, judgment is applied in determining whether certain assets should be reclassified to assets held for sale on the consolidated Statements of Financial Position. Judgment is also applied in determining whether the results of operations associated with the assets should be recorded in discontinued operations on the consolidated Statements of Operating Results. Brookfield Infrastructure will reclassify the results of operations associated with certain assets to discontinued operations where the assets represent a component of the Partnership whose operations and cash flows can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Partnership.

Financial instruments

Brookfield Infrastructure's accounting policies relating to derivative financial instruments are described in note 3(n) of Brookfield Infrastructure's consolidated financial statements. The critical judgments inherent in these policies relate to applying the criteria to the assessment of the effectiveness of hedging relationships.

Revaluation of property, plant and equipment

Property, plant and equipment is revalued on a regular basis. The critical estimates and assumptions underlying the valuation of property, plant and equipment are set out in note 13 of Brookfield Infrastructure's consolidated financial statements.

Valuation of standing timber

Changes in fair value are recorded profit and loss during the period of change. Brookfield Infrastructure determines fair value on an annual basis. Certain assets recorded at fair value were estimated and determined by management of the Partnership with due consideration given to other relevant data points. Key estimates and assumptions in determining the fair value of standing timber are: the timing of forecasted revenues and timber prices; estimated selling costs; sustainable felling plans; growth assumptions; silviculture costs; discount rates; terminal capitalization rates and terminal valuation dates.

Valuation of investment property

The fair value of investment property is primarily determined by discounting the expected future cash flows of each property, generally over a term of 10 years, using a discount and terminal capitalization rate reflective of the characteristics, location and market of each property. The future cash flows of each property are based upon, among other things, rental income from current leases and assumptions about rental income from future leases reflecting current conditions, less future cash outflows in respect of such current and future leases.

In some cases, the fair values are determined based on recent real estate transactions with similar characteristics and location to those of Brookfield Infrastructure assets. Fair value is estimated by management of the Partnership with due consideration given to other relevant data points.

Fair values in business combinations

Brookfield Infrastructure accounts for business combinations using the acquisition method of accounting. This method requires the application of fair values for both the consideration given and the assets and liabilities acquired. The calculation of fair values is often predicated on estimates and judgments including future cash flows, revenue streams and value-in-use calculations (refer to note 4 of Brookfield Infrastructure's consolidated financial statements for details of business combinations). The determination of the fair values may remain provisional for up to 12 months from the date of acquisition due to the time required to obtain independent valuations of individual assets and to complete assessments of provisions. When the accounting for a business combination has not been completed as at the reporting date, this is disclosed in the financial statements, including observations on the estimates and judgments made as of the reporting date.

Impairment of goodwill and intangibles with indefinite lives

The impairment assessment of goodwill and intangibles with indefinite lives requires an estimation of the value-in-use or fair value less costs to sell of the cash-generating units to which goodwill has been allocated. Brookfield Infrastructure uses the following critical assumptions and estimates: the tax circumstances that gave rise to the goodwill, timing and amount of future cash flows expected from the cash-generating unit; discount rates; terminal capitalization rates; terminal valuation dates; useful lives and residual values.

Other estimates utilized in the preparation of the partnership's financial statements are: depreciation and amortization rates and useful lives; recoverable amount of goodwill and intangible assets; ability to utilize tax losses and other tax measurements.

Other critical judgments utilized in the preparation of the partnership's financial statements include the determination of functional currency, determination of operating segments, determination of effectiveness of financial hedges for accounting purposes, recoverability of deferred tax assets and assessment of tax uncertainties, and determination of control.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Brookfield Infrastructure applied, for the first time, certain Standards and amendments to Standards applicable to Brookfield Infrastructure that became effective January 1, 2013. The impact of adopting these Standards on the partnership's accounting policies and disclosures are as follows:

a) Recently adopted accounting standards and amendments

IFRS 10 Consolidated Financial Statements ("IFRS 10")

IFRS 10 replaces IAS 27 Consolidated and Separate Financial Statements and SIC 12 Consolidation—Special Purpose Entities. IFRS 10 introduces a single control model for consolidation, irrespective of the nature of the investee. An investor that exerts power over the investee, has exposure to variable returns and has the ability to use its power to affect the amount of its returns, controls the investee and accordingly, is required to consolidate the investee.

IFRS 10 was applied retrospectively and the application of this new Standard had no impact on Brookfield Infrastructure's accounting for and presentation of investees for the current or prior periods presented.

IFRS 11 Joint Arrangements ("IFRS 11") and IAS 28 Investment in Associates and Joint Ventures ("IAS 28")

IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC 13 Jointly-controlled Entities—Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities using proportionate consolidation. Instead, entities that meet the definition of a joint venture under IFRS 11 must be accounted for using the equity method. Accordingly, IAS 28 has been amended to include the application of the equity method to investments in joint ventures. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Those parties are joint operators. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

IFRS 11 was applied retrospectively and the application of this new Standard had no impact on Brookfield Infrastructure's accounting for and presentation of investees for the current and prior periods presented.

IFRS 12 Disclosure of Interests in Other Entities ("IFRS 12")

IFRS 12 integrates the disclosure requirements of interests in other entities to disclose information about significant judgments and assumptions the investor has made in determining whether it has control, joint control, or significant influence over another entity and the type of joint arrangement when the arrangement has been structured through a separate vehicle. Entities are also required to provide these disclosures when changes in facts and circumstances affect the entity's conclusion during the reporting period.

IFRS 12 was applied prospectively. The application of this new Standard led to additional disclosures with regards to the Brookfield Infrastructure's interests in other entities. These disclosures provide further details regarding Brookfield Infrastructure's non-wholly owned subsidiaries and have been included in note 2 and note 12 of the consolidated financial statements.

IFRS 13 Fair Value Measurement ("IFRS 13")

IFRS 13 establishes a single source of guidance for fair value measurements. The Standard defines fair value and establishes a framework for measuring fair value. The scope of IFRS 13 is broad; it applies to both financial instruments and non-financial items for which other IFRSs require or permit fair value measurements, except in specified circumstances. IFRS 13 was applied prospectively and has not materially impacted the manner in which Brookfield Infrastructure measures its financial and nonfinancial assets and liabilities. In general, the disclosure requirements for the fair value of financial instruments and non-financial items under IFRS 13 are more extensive than those required under previous Standards.

The application of this new Standard led to additional disclosures in the notes to the consolidated financial statements with regard to the valuation methods applied in determining the fair value of Brookfield Infrastructure's property plant and equipment (see note 13), investment property (see note 17) and financial instruments (see note 7).

IAS 1 Presentation of Items of Other Comprehensive Income—Amendments to IAS 1 ("IAS 1")

Brookfield Infrastructure adopted the amendments to IAS 1 on January 1, 2013 with retrospective application. The amendments to IAS 1 require items to be presented in other comprehensive income ("OCI") in two separate categories: (a) items that could be reclassified to profit or loss at a future point in time (e.g., impact of translation of foreign operations and net movement on cash flow hedges) and; (b) items that will never be reclassified to profit or loss (e.g., revaluation of property, plant and equipment). Income tax on items of other comprehensive income is required to be allocated on the same basis.

Brookfield Infrastructure has amended the Consolidated Statement of Comprehensive Income (Loss) for all periods presented to reflect the presentation changes required under these amendments. Since these changes constitute reclassifications within the Statements of Comprehensive Income, there is no net impact on comprehensive income.

IFRS 7 Financial Instruments: Disclosures—("IFRS 7")

The amendments to IFRS 7 contain new disclosure requirements for financial assets and liabilities that are offset in the statement of financial position or subject to master netting arrangements or similar arrangements.

The amendments to IFRS 7 have been applied prospectively. The application of these amendments has led to additional disclosures regarding the offsetting of financial instruments. These additional disclosures have been included in note 7 of the notes to the consolidated financial statements.

b) Standard issued not yet adopted

IFRS 9 Financial Instruments—("IFRS 9")

IFRS 9, Financial Instruments ("IFRS 9") was issued by the IASB on November 12, 2009 and will replace IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new Standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is tentatively effective for annual periods beginning on

or after January 1, 2018. Brookfield Infrastructure is currently evaluating the impact of IFRS 9 on its consolidated financial statements.

IFRIC 21, Levies—("IFRIC 21")

IFRIC 21, Levies ("IFRIC 21") provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37, Provisions, Contingent Liabilities and Contingent Assets, and those where the timing and amount of the levy is certain. IFRIC 21 identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation. A liability is recognized progressively if the obligating event occurs over a period of time or, if an obligation is triggered on reaching a minimum threshold, the liability is recognized when that minimum threshold is reached. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014. Management is currently evaluating the impact of IFRIC 21 on the consolidated financial statements.

IAS 32, Financial Instruments: Presentation ("IAS 32")

IAS 32, Financial Instruments: Presentation ("IAS 32") was amended to clarify certain aspects as a result of the application of offsetting requirements, namely focusing on the following four main areas: the interpretation of "currently has a legally enforceable right of set-off", the application of simultaneous realization and settlement, the offsetting of collateral amounts, and the unit of account for applying the offsetting requirements. IAS 32 is effective for annual periods beginning on or after January 1, 2014. Management is currently evaluating the impact of IAS 32 on the consolidated financial statements.

RECONCILIATION OF NON-IFRS FINANCIAL MEASURES

To measure performance, amongst other measures, we focus on FFO. We define FFO as net income excluding the impact of depreciation and amortization, deferred income taxes, breakage and transaction costs, non-cash valuation gains or losses and other items. FFO is a measure of operating performance that is not calculated in accordance with, and does not have any standardized meaning prescribed by IFRS. FFO is therefore unlikely to be comparable to similar measures presented by other issuers.

FFO has limitations as an analytical tool:

- FFO does not include depreciation and amortization expense; because we own capital assets with finite lives, depreciation and amortization expense recognizes the fact that we must maintain or replace our asset base in order to preserve our revenue generating capability;
- FFO does not include deferred income taxes, which may become payable if we own our assets for a long period of time; and
- FFO does not include breakage and transaction costs or non-cash valuation gains and losses.

Because of these limitations, FFO should not be considered as the sole measure of our performance and should not be considered in isolation from, or as a substitute for, analysis of our results as reported under IFRS. However, FFO is a key measure that we use to evaluate the performance of our operations and forms the basis for our Partnership's distribution policy.

When viewed with our IFRS results, we believe that FFO provides a more complete understanding of factors and trends affecting our underlying operations. FFO allows us to evaluate our businesses on the basis of cash return on invested capital by removing the effect of non-cash and other items. We add

back depreciation and amortization to remove the implication that our assets decline in value over time since we believe that the value of most of our assets will typically increase over time provided we make all necessary maintenance expenditures.

We add back deferred income taxes because we do not believe this item reflects the present value of the actual cash tax obligations we will be required to pay, particularly if our operations are held for a long period of time. We add back non-cash valuation gains or losses recorded in net income as these are non-cash in nature and indicate a point in time approximation of value on long-term items. We also add back breakage and transaction costs as they are capital in nature.

In addition, we focus on adjusted funds from operations or AFFO, which is defined as FFO less maintenance capital expenditures. Management uses AFFO as a measure of long-term sustainable cash flow.

The following table reconciles FFO and AFFO to the most directly comparable IFRS measure, which is net income. We urge you to review the IFRS financial measures within the MD&A and to not rely on any single financial measure to evaluate the Partnership.

	Year ended December 31		
(US$ MILLIONS)	**2013**	**2012**	**2011**
Net (loss) income attributable to partnership[1]	**$ (58)**	$ 106	$187
Add back or deduct the following:			
Depreciation and amortization	**400**	300	203
Impairment charge	**275**	16	—
Deferred income taxes	**65**	(37)	73
Gain on sale of associate	**(53)**	—	—
Mark-to-market on hedging items	**(7)**	50	26
Valuation losses (gains) and other	**60**	27	(97)
FFO	**682**	462	392
Maintenance capital	**(129)**	(107)	(89)
AFFO	**$ 553**	$ 355	$303

(1) Includes net (loss) income attributable to non-controlling interests—Redeemable Partnership units held by Brookfield, general partner and limited partners.

The difference between net income and FFO is primarily attributable to depreciation and amortization expenses and the impairment charge of $275 million taken on our North American gas transmission business during the year.

We also use Adjusted EBITDA as a measure of performance. We define Adjusted EBITDA as FFO excluding the impact of interest expense, cash taxes and other cash income (expenses).

Reconciliation of Operating Segments

Adjusted EBITDA, FFO, and AFFO are presented based on Brookfield Infrastructure's proportionate share of results in operations accounted for using consolidation and the equity method whereby the Partnership either controls or exercises significant influence over the investment respectively, in order to demonstrate the impact of key value drivers of each of these operating platforms on the Partnership's overall performance. As a result, segment depreciation and amortization, deferred income taxes, breakage and transaction costs, non-cash valuation gains and losses and other items are reconciling items that will differ from results presented in accordance with IFRS as these

reconciling items (1) include Brookfield Infrastructure's proportionate share of earnings from investments in associates attributable to each of the above-noted items, and (2) exclude the proportionate share of earnings (loss) of consolidated investments not held by Brookfield Infrastructure apportioned to each of the above-noted items.

The following tables present each segment's results in the format that management organizes its segments to make operating decisions and assess performance. Each segment is presented on a proportionate basis, taking into account Brookfield Infrastructure's ownership in operations accounted for using the consolidation and equity method whereby the Partnership either controls or exercises significant influence over the investment, respectively. These tables reconcile Brookfield Infrastructure's proportionate results to the Partnership's consolidated statements of operating results on a line by line basis by aggregating the components comprising the earnings from the Partnership's investments in associates and reflecting the portion of each line item attributable to non-controlling interests. See "Discussion of Segment Reconciling Items" on page 94 for a reconciliation of segment results to the Partnership's statement of operating results in accordance with IFRS.

For the year ended December 31, 2013 in US$ millions	Total attributable to Brookfield Infrastructure					Contribution from investments in associates	Attributable to non-controlling interest	Discontinued Operations	As per IFRS financials on F-7[1]
	Utilities	Transport	Energy	Other	Total				
Revenues	$ 831	$1,054	$ 323	$ 83	$ 2,291	$(933)	$ 551	$ (83)	$ 1,826
Costs attributed to revenues	(284)	(557)	(186)	(44)	(1,071)	491	(287)	44	(823)
General and administrative costs	—	—	—	(110)	(110)	—	—	—	(110)
Adjusted EBITDA	547	497	137	(71)	1,110	(442)	264	(39)	
Other income (expense)	5	(18)	2	6	(5)	17	(13)	18	17
Interest expense	(175)	(153)	(69)	(26)	(423)	156	(108)	13	(362)
FFO	377	326	70	(91)	682	(269)	143	(8)	
Depreciation and amortization	(147)	(183)	(70)	—	(400)	163	(92)	—	(329)
Impairment charge	—	—	(275)	—	(275)	275	—	—	—
Deferred taxes	(8)	7	19	(83)	(65)	(11)	22	55	1
Gain on sale of associates	35	—	—	18	53	—	—	—	53
Mark-to-market on hedging items	7	(9)	3	6	7	3	9	—	19
Valuation (losses) gains and other	(28)	(76)	(1)	45	(60)	56	(2)	(49)	(55)
Share of losses from associates	—	—	—	—	—	(217)	—	—	(217)
Income from discontinued operations net of tax	—	—	—	—	—	—	—	45	45
Net income attributable to non-controlling interest	—	—	—	—	—	—	(80)	(43)	(123)
Net income (loss) attributable to partnership[2]	$ 236	$ 65	$(254)	$(105)	$ (58)	$ —	$ —	$ —	$ (58)

(1) The above table provides each segment's results in the format that management organizes its segments to make operating decisions and assess performance. Each segment is presented on a proportionate basis, taking into account Brookfield Infrastructure's ownership in operations accounted for using the consolidation and equity methods under IFRS. The above table reconciles Brookfield Infrastructure's proportionate results to the Partnership's consolidated statements of operating results on a line by line basis by aggregating the components comprising the earnings from the Partnership's investments in associates and reflecting the portion of each line item attributable to non-controlling interests.

(2) Net income attributable to partnership includes net income attributable to non-controlling interests—Redeemable Partnership Units held by Brookfield, general partners and limited partners.

For the year ended December 31, 2012 in US$ millions	Total attributable to Brookfield Infrastructure					Contribution from investments in associates	Attributable to non-controlling interest	Discontinued Operations	As per IFRS financials on F-7[1]
	Utilities	Transport	Energy	Other	Total				
Revenues	$ 774	$ 738	$ 316	$143	$ 1,971	$(726)	$ 422	$(143)	$1,524
Costs attributed to revenues	(305)	(463)	(172)	(95)	(1,035)	403	(229)	95	(766)
General and administrative costs	—	—	—	(95)	(95)	—	—	—	(95)
Adjusted EBITDA	469	275	144	(47)	841	(323)	193	(48)	
Other income (expense)	6	(1)	2	7	14	3	(7)	(2)	8
Interest expense	(167)	(106)	(70)	(50)	(393)	138	(95)	28	(322)
FFO	308	168	76	(90)	462	(182)	91	(22)	
Depreciation and amortization	(123)	(118)	(59)	—	(300)	122	(52)	—	(230)
Impairment charge	—	(16)	—	—	(16)	16	—	—	—
Deferred taxes	11	(2)	31	(3)	37	(31)	14	22	42
Mark-to-market on hedging items	(10)	(2)	(17)	(21)	(50)	15	(14)	—	(49)
Valuation (losses) gains and other	(75)	3	(31)	76	(27)	59	14	(58)	(12)
Share of earnings from associates	—	—	—	—	—	1	—	—	1
Income from discontinued operations net of tax	—	—	—	—	—	—	—	190	190
Net income attributable to non-controlling interest	—	—	—	—	—	—	(53)	(132)	(185)
Net income (loss) attributable to partnership[2]	$ 111	$ 33	$ —	$(38)	$ 106	$ —	$ —	$ —	$ 106

For the year ended December 31, 2011 in US$ millions	Utilities	Transport	Energy	Other	Total	Contribution from investments in associates	Attributable to non-controlling interest	Discontinued Operations	As per IFRS financials on F-7[1]
Revenues	$ 644	$ 640	$ 311	$155	$1,750	$(694)	$ 214	$(155)	$1,115
Costs attributed to revenues	(226)	(460)	(168)	(95)	(949)	403	(110)	95	(561)
General and administrative costs	—	—	—	(61)	(61)	—	—	—	(61)
Adjusted EBITDA	418	180	143	(1)	740	(291)	104	(60)	
Other income (expense)	6	—	—	4	10	2	6	(1)	17
Interest expense	(149)	(82)	(74)	(53)	(358)	128	(51)	28	(253)
FFO	275	98	69	(50)	392	(161)	59	(33)	
Depreciation and amortization	(91)	(58)	(54)	—	(203)	96	(19)	—	(126)
Deferred taxes	(11)	(15)	16	(63)	(73)	(2)	(1)	64	(12)
Mark-to-market on hedging items	(12)	—	(3)	(11)	(26)	9	(18)	—	(35)
Valuation (losses) gains and other	2	(1)	(5)	101	97	(18)	12	(100)	(9)
Share of earnings from associates	—	—	—	—	—	76	—	—	76
Income from discontinued operations net of tax	—	—	—	—	—	—	—	289	289
Net income attributable to non-controlling interest	—	—	—	—	—	—	(33)	(220)	(253)
Net income (loss) attributable to partnership[2]	$ 163	$ 24	$ 23	$(23)	$ 187	$ —	$ —	$ —	$ 187

(1) The above tables provide each segment's results in the format that management organizes its segments to make operating decisions and assess performance. Each segment is presented on a proportionate basis, taking into account Brookfield Infrastructure's ownership in operations accounted for using the consolidation and equity method whereby the Partnership either controls or exercises significant influence over the investment respectively. The above table reconciles Brookfield Infrastructure's proportionate results to the Partnership's consolidated statements of operating results on a line by line basis by aggregating the components comprising the earnings from the Partnership's investments in associates and reflecting the portion of each line item attributable to non-controlling interests.

(2) Net income attributable to partnership includes net income attributable to non-controlling interests—Redeemable Partnership Units held by Brookfield, general partners and limited partners.

The following tables provide each segment's assets in the format that management organizes its segments to make operating decisions and assess performance. Each segment is presented on a proportionate basis, taking into account Brookfield Infrastructure's ownership in operations using consolidation and the equity method whereby the Partnership either controls or exercises significant influence over the investment respectively. These tables reconcile Brookfield Infrastructure's proportionate assets to total assets presented on the Partnership's consolidated statements of financial position by removing net liabilities contained within investments in associates and reflecting the assets attributable to non-controlling interests, and adjusting for working capital assets which are netted against working capital liabilities.

	Total attributable to Brookfield Infrastructure								
As at December 31, 2013 US$ millions	Utilities	Transport	Energy	Corporate & Other	Brookfield Infrastructure	Contribution from investments in associates	Attributable to non-controlling interest	Working capital adjustment and other	As per IFRS financials on F-6[1]
Total assets	$4,766	$4,789	$1,629	$(46)	$11,138	$(2,156)	$3,899	$2,801	$15,682

	Total attributable to Brookfield Infrastructure								
As at December 31, 2012 US$ millions	Utilities	Transport	Energy	Corporate & Other	Brookfield Infrastructure	Contribution from investments in associates	Attributable to non-controlling interest	Working capital adjustment and other	As per IFRS financials on F-6[1]
Total assets	$5,525	$4,412	$1,849	$895	$12,681	$(2,072)	$6,530	$2,579	$19,718

(1) The above table provides each segment's assets in the format that management organizes its segments to make operating decisions and assess performance. Each segment is presented on a proportionate basis, taking into account Brookfield Infrastructure's ownership in operations using consolidation and the equity method whereby the Partnership either controls or exercises significant influence over the investment respectively. The above table reconciles Brookfield Infrastructure's proportionate assets to total assets presented on the Partnership's consolidated statements of financial position by removing net liabilities contained within investments in associates and reflecting the assets attributable to non-controlling interests, and adjusting for working capital assets which are netted against working capital liabilities.

Discussion of Segment Reconciling Items

The following tables detail and provide discussion, where applicable, of material changes between reporting periods for each operating segment, the reconciliation of contributions from investments in associates and attribution of non-controlling interest in the determination of Adjusted EBITDA, FFO and Net income attributable to the Partnership in order to facilitate the understanding of the nature of and changes to reconciling items.

(US$ MILLIONS)	Year ended December 31		
Utilities	2013	2012	2011
Adjustments to items comprising Adjusted EBITDA[1]			
Contributions from Investment in Associates	$ 176	$ 146	$ 130
Attribution to non-controlling interest	(172)	(150)	(75)
Adjusted EBITDA	4	(4)	55
Adjustments to items comprising Adjusted FFO[2]			
Contributions from Investment in Associates	(40)	(42)	(38)
Attribution to non-controlling interest	86	84	33
FFO	50	38	50
Adjustments to items comprising Net income attributable to Partnership[3]			
Contributions from Investment in Associates	(136)	(104)	(92)
Attribution to non-controlling interest	86	66	42
Net Income Attributable to Partnership	$ —	$ —	$ —

(1) *Revenues, costs attributed to revenues, general and administrative costs.*

(2) *Other income, interest expense, cash taxes.*

(3) *Depreciation and amortization, deferred taxes, fair value adjustments, other expenses, share of earnings from associates, net income attributable to non-controlling interest.*

Contributions from Investments in Associates increased compared to the prior comparative periods, primarily as a result of the increase in ownership of our Chilean electricity transmission system in the fourth quarter of 2012, investments in our rate base and inflation indexation.

Attribution to non-controlling interest increased compared to the prior comparative periods, primarily as a result of the acquisitions of our Colombian and UK regulation distribution operations, which were completed in January 2012 and March 2013, respectively.

(US$ MILLIONS)	Year ended December 31		
Transport	**2013**	**2012**	**2011**
Adjustments to items comprising Adjusted EBITDA[1]			
Contributions from Investment in Associates	**$170**	$ 61	$ 41
Attribution to non-controlling interest	**(59)**	(34)	(29)
Adjusted EBITDA	**111**	27	12
Adjustments to items comprising Adjusted FFO[2]			
Contributions from Investment in Associates	**(74)**	(37)	(24)
Attribution to non-controlling interest	**25**	17	12
FFO	**62**	7	—
Adjustments to items comprising Net income attributable to Partnership[3]			
Contributions from Investment in Associates	**(97)**	(24)	(17)
Attribution to non-controlling interest	**35**	17	17
Net Income Attributable to Partnership	**$ —**	$ —	$ —

(1) *Revenues, costs attributed to revenues, general and administrative costs.*

(2) *Other income, interest expense, cash taxes.*

(3) *Depreciation and amortization, deferred taxes, fair value adjustments, other expenses, share of earnings from associates, net income attributable to non-controlling interest.*

Contributions from Investments in Associates increased over the prior year comparative periods as a result of the acquisition of the Brazilian toll roads in the fourth quarter of 2012 and additional investment in the third quarter of 2013.

Attribution to non-controlling interest increased over the prior year comparative periods as incremental investments in our Chilean toll road in the fourth quarter of 2012 led to a change in the basis of presentation of our Chilean toll roads from equity accounted to consolidation.

(US$ MILLIONS)	Year ended December 31		
Energy	**2013**	**2012**	**2011**
Adjustments to items comprising Adjusted EBITDA[1]			
Contributions from Investment in Associates	**$ 96**	$116	$120
Attribution to non-controlling interest	**(33)**	(9)	—
Adjusted EBITDA	**63**	107	120
Adjustments to items comprising Adjusted FFO[2]			
Contributions from Investment in Associates	**(59)**	(63)	(67)
Attribution to non-controlling interest	**10**	1	—
FFO	**14**	45	53
Adjustments to items comprising Net income attributable to Partnership[3]			
Contributions from Investment in Associates	**(36)**	(53)	(53)
Attribution to non-controlling interest	**22**	8	—
Net Income Attributable to Partnership	**$ —**	$ —	$ —

(1) Revenues, costs attributed to revenues, general and administrative costs.

(2) Other income, interest expense, cash taxes.

(3) Depreciation and amortization, deferred taxes, fair value adjustments, other expenses, share of earnings from associates, net income attributable to non-controlling interest.

Contributions from Investments in Associates declined compared to the prior comparative periods as weak market fundamentals continue to impact transportation revenues at our North American gas transmission business.

Attribution to non-controlling interest increased for the year ended December 31, 2013 compared to the prior year periods as we benefited from a full year of operations following our investment in our North American district energy business in the fourth quarter of 2012.

(US$ MILLIONS)	Year ended December 31		
Corporate & Other	**2013**	**2012**	**2011**
Adjustments to items comprising Adjusted EBITDA[1]			
Contributions from Investment in Associates	$—	$ —	$ —
Attribution to non-controlling interest	—	—	—
Discontinued operations	39	48	60
Adjusted EBITDA	39	48	60
Adjustments to items comprising Adjusted FFO[2]			
Contributions from Investment in Associates	—	1	(1)
Attribution to non-controlling interest	—	—	—
Discontinued operations	(31)	(26)	(27)
FFO	8	23	32
Adjustments to items comprising Net income attributable to Partnership[3]			
Contributions from Investment in Associates	—	(1)	1
Attribution to non-controlling interest	—	—	—
Discontinued operations	(8)	(22)	(33)
Net Income Attributable to Partnership	$—	$ —	$ —

(1) Revenues, costs attributed to revenues, general and administrative costs.

(2) Other income, interest expense, cash taxes.

(3) Depreciation and amortization, deferred taxes, fair value adjustments, other expenses, share of earnings from associates, net income attributable to non-controlling interest.

Contributions from our discontinued operations are comprised of the results of our Canadian and U.S. freehold timberland operations, as comparative periods included positive fair value adjustments recorded at these businesses.

(US$ MILLIONS)	Year ended December 31		
Total	2013	2012	2011
Adjustments to items comprising Adjusted EBITDA[1]			
Contributions from Investment in Associates	$ 442	$ 323	$ 291
Attribution to non-controlling interest	(264)	(193)	(104)
Discontinued operations	39	48	60
Adjusted EBITDA	217	178	247
Adjustments to items comprising Adjusted FFO[2]			
Contributions from Investment in Associates	(173)	(141)	(130)
Attribution to non-controlling interest	121	102	45
Discontinued operations	(31)	(26)	(27)
FFO	134	113	135
Adjustments to items comprising Net income attributable to Partnership[3]			
Contributions from Investment in Associates	(269)	(182)	(161)
Attribution to non-controlling interest	143	91	59
Discontinued operations	(8)	(22)	(33)
Net Income Attributable to Partnership	$ —	$ —	$ —

(1) Revenues, costs attributed to revenues, general and administrative costs.

(2) Other income, interest expense, cash taxes.

(3) Depreciation and amortization, deferred taxes, fair value adjustments, other expenses, share of earnings from associates, net income attributable to non-controlling interest.

ITEM 6. DIRECTORS AND SENIOR MANAGEMENT

6.A DIRECTORS AND SENIOR MANAGEMENT

Board of Directors of our Managing General Partner

As required by law, our limited partnership agreement provides for the management and control of our partnership by a general partner rather than a board of directors and officers. Our Managing General Partner serves as our partnership's general partner and has a board of directors. Our Managing General Partner has no executive officers. Our Managing General Partner has sole responsibility and authority for the central management and control of our partnership, which is exercised through its board of directors in Bermuda.

The following table presents certain information concerning the current board of directors of our Managing General Partner as of the date of this annual report on Form 20-F:

Name and Municipality of Residence[1]	Age	Position	Principal Occupation
Derek Pannell Bathurst, Canada	67	Chair	Director
Jeffrey Blidner Toronto, Canada	66	Director	Senior Managing Partner of Brookfield Asset Management
John Fees Lynchburg, Virginia	56	Director	Chairman of The Babcock & Wilcox Company

Name and Municipality of Residence[1]	Age	Position	Principal Occupation
David Hamill[2,3] ..... Ipswich, Qld, Australia	56	Director	Director
Arthur Jacobson, Jr.[2] ..... Mamaroneck, New York	51	Director	Managing Member, Martinart Partners, L.L.C., a restaurant
Don Mackenzie ..... Pembroke, Bermuda	53	Director	Chairman and Owner of New Venture Holdings
Rafael Miranda Robredo[2] ..... Madrid, Spain	64	Director	Director
Anne Schaumburg[3] ..... Short Hills, New Jersey	64	Director	Director
Danesh Varma[3] ..... Kingston-Upon-Thames, England	64	Director	Chief Financial Officer, Labrador Iron Mines Limited, a mining company

(1) The business address for each of the directors is 73 Front Street, Hamilton, HM 12, Bermuda.

(2) Member of the nominating and governance committee. Arthur Jacobson is the chair of the nominating and governance committee.

(3) Member of the audit committee. Anne Schaumburg is the chair of the audit committee. Danesh Varma is an audit committee financial expert.

Set forth below is biographical information for our Managing General Partner's current directors.

Derek Pannell. Derek has served as a director of our Managing General Partner since June 15, 2007. Until April 2010, he was a Managing Partner of Brookfield Asset Management and prior to this he was the Chief Executive Officer of Noranda Inc. and Falconbridge Limited from June 2002 to October 2006. He also served as the President and Chief Operating Officer for Noranda Inc. between September 2001 and June 2002. Derek is a metallurgical engineer with over 42 years of experience in the mining and metals industry. He is former Chair of the Mining Association of Canada and board member of the International Council on Mining and Metals. Derek was a board member of Teck Resources Inc. until April 1, 2010 and currently serves on the boards of Agrium Inc. and African Barrick Gold. Derek is a professional engineer registered in Quebec and Peru and is an Associate of the Royal School of Mines and a Fellow of the Canadian Academy of Engineers. Derek holds a Bachelor of Science degree from Imperial College in London, England.

Jeffrey Blidner. Jeffrey is a Senior Managing Partner of Brookfield Asset Management and is responsible for strategic planning and transaction execution. Jeffrey is also a director of a number of Brookfield companies in Europe and Canada. Prior to joining Brookfield in 2000, Jeffrey was a senior partner at a Canadian law firm. Jeffrey's practice focused on merchant banking transactions, public offerings, mergers and acquisitions, management buy-outs and private equity transactions. Jeffrey received his LLB from Osgoode Hall Law School and was called to the Bar in Ontario as a Gold Medalist.

John Fees. John joined as a director of our Managing General Partner on April 22, 2013. He is the Chairman of The Babcock & Wilcox Company, having assumed this role after completing the spin-off of The Babcock & Wilcox Company to McDermott International shareholders. John is a 30 year veteran of McDermott International, having started his career in 1979 in The Babcock & Wilcox Company. While CEO of McDermott International, John led the company and board through the process of the spin-off and established McDermott International and The Babcock & Wilcox Company as two independent, public companies. John holds a Masters of Engineering Administration from George Washington University and a Bachelor of Science, Industrial Engineering, from the University of Pittsburgh.

David Hamill. David has served as a director of our Managing General Partner since December 31, 2010. He is a professional director and brings significant management and strategic expertise to Brookfield Infrastructure. He was Treasurer of the State of Queensland in Australia from 1998 to 2001, Minister for Education from 1995 to 1996, and Minister for Transport and Minister Assisting the Premier on Economic and Trade Development from 1989 to 1995. David retired from the Queensland Parliament in February 2001. David holds a Bachelor of Arts (Honours) from the University of Queensland, a Master of Arts from Oxford University and a Doctorate of Philosophy from University of Queensland and is a fellow of the Chartered Institute of Transport and the Australian Institute of Company Directors.

Arthur Jacobson, Jr. Arthur has served as a director of our Managing General Partner since November 27, 2007. He is a former Managing Director of Spear, Leeds Kellogg Specialists LLC (a division of Goldman Sachs Group Inc.) from 2001 to 2004. He was a partner of Benjamin Jacobson and Sons, LLC from 1987 to 2001. He was also a specialist on the NYSE for 16 years, from 1988 to 2004. Prior to that he was an account executive at Drexel Burnham Lambert Inc. from 1985 to 1987. Arthur holds a degree in business administration from the University of Southern California.

Don Mackenzie. Don joined as a director of our Managing General Partner on April 22, 2013. He is the Chairman and Owner of New Venture Holdings, a well-established privately owned holding company with operating company and real estate investments in Bermuda and Canada. Prior to moving to Bermuda in 1990, Don worked in the software and sales sector. He acquired his first business in 1995, and New Venture Holdings was formed in 2000 to consolidate a number of operating investments under a holding company umbrella. Don has a Bachelor of Commerce from Queens University and an MBA from Schulich School of Business of York University.

Rafael Miranda Robredo. Rafael joined as a director of our Managing General Partner on April 22, 2013. He is the Chairman of the Endesa Foundation, Honorary Chairman of Eurelectric, the European Electricity Association, Chairman of the Social Council of Burgos and, until April 2013, a board member of Enersis, the company which manages all of Endesa's investments in Latin America. He joined Endesa, Spain's largest electric company in 1987 as managing director, and served as the company's CEO from 1997 to 2009, leading the business through a period of government deregulation of the electricity sector. Rafael has a Bachelor of Industrial Engineering from Comillas University, and a Master's degree in Management Science from the Industrial Organization E.O.I.

Anne Schaumburg. Anne has served as a director of our Managing General Partner since November 3, 2008. She has been a member of the board of directors of NRG Energy, Inc., a power generation company listed on NYSE, since 2005. From 1984 until her retirement in 2002, Anne was with the Global Energy Group of Credit Suisse First Boston, where she last served as Managing Director. From 1979 to 1984, she was with the Utilities Group at Dean Witter Financial Services Group, where she last served as Managing Director. From 1971 to 1978, Anne was at First Boston Corporation in the Public Utilities Group. Anne is a graduate of the City University of New York.

Danesh Varma. Danesh has served as a director of our Managing General Partner since June 15, 2007. He is the Chief Financial Officer, Feronia Inc., Minco plc., Xterra Inc. and Conquest Resources Limited. He joined Minco plc and Conquest Resources Limited in 2006, Xterra Inc. in 2008 and Feronia Inc. in 2011. From 1999 to 2005, Danesh was a director at Dundee B Corp. Ltd. Prior to that, Danesh held a number of senior positions in the banking, corporate finance and accounting fields. Danesh holds a degree from Delhi University and is a Chartered Accountant.

Additional Information About Directors and Officers

Until February 2011, CEO of the Service Provider, Mr. Sam Pollock was a director of Fraser Papers Inc. ("Fraser Papers") an integrated specialty paper company that produces a broad range of

specialty packaging and printing papers. On June 28, 2009, Fraser Papers and its subsidiaries filed for creditor protection under the *Companies Creditors Arrangement Act* ("CCAA") in Canada and Chapter 15 of the U.S. Bankruptcy Code. In February 2011, the Ontario and Delaware courts overseeing these proceedings issued orders enabling the implementation of an amended plan of arrangement and compromise previously approved by Fraser Papers' creditors, which was completed in May 2011.

Director of our Managing General Partner, Mr. Danesh Varma, has acted as a director of various corporations in several jurisdictions around the world. He was a director and officer of American Resource Corporation Limited when it became subject to a cease trade order by the Ontario Securities Commission in June 2004 for failure to file its audited annual financial statements for the year ended December 31, 2003 and the first quarter interim unaudited financial statements for the period ended March 31, 2004. The cease trade order was lifted in June 2008.

Our Management

Our Managing General Partner does not have any employees. Instead, members of Brookfield's senior management and other individuals from Brookfield's global affiliates are drawn upon to fulfill the Service Provider's obligations to provide us with management services under our Master Services Agreement. Brookfield currently has approximately 28,000 operating employees and over 600 investment professionals, worldwide. The following table presents certain information concerning the core senior management team that is principally responsible for our operations and their positions with the Service Provider as of the date of this annual report on Form 20-F:

Name	Age	Years of Experience in relevant industry or role	Years at Brookfield	Current Position with the Service Provider
Jeffrey Blidner	66	37	12	Chair
Sam Pollock	47	24	19	Chief Executive Officer
Bahir Manios	35	12	9	Chief Financial Officer

Each of the members of this team has substantial deal origination and execution expertise, having put together numerous consortiums, partnerships and joint ventures for large complex transactions. Members of this team have also been integral in building and developing Brookfield's utilities, transport, energy and timber operations. Set forth below is biographical information for Messrs. Pollock, and Manios, however, for biographical information regarding Mr. Blidner see Item 6.A "Directors and Senior Management—Board of Directors of our Managing General Partner":

Sam Pollock. Sam is a Senior Managing Partner of Brookfield Asset Management and Chief Executive Officer of the Service Provider. Since 2006, Sam has led Brookfield's expansion into the infrastructure sector and is responsible for the formulation and execution of the operating and investment strategy for Brookfield's infrastructure business. Sam joined Brookfield Asset Management in 1994 and, prior to his current role, was broadly responsible for Brookfield's investment initiatives acting as Brookfield Asset Management's Chief Investment Officer. Sam is a Professional Accountant and holds a business degree from Queen's University.

Bahir Manios. Bahir is a Managing Partner of Brookfield Asset Management and Chief Financial Officer of the Service Provider. In his capacity as Chief Financial Officer of the Service Provider, Bahir is responsible for the Infrastructure Group's financial reporting, risk management, corporate finance and overall funding activities of the organization. Bahir began his career at one of the big four accounting firms where he worked in the assurance and business advisory practice, and joined Brookfield in 2004. A graduate of the school of business and economics at Wilfrid Laurier University in 2001, Bahir is a member of the Chartered Professional Accountants of Canada.

See also information contained in this annual report on Form 20-F under Item 6.C "Board Practices," Item 3.D "Risk Factors—Risks Relating to our Relationship with Brookfield," Item 6.A "Directors and Senior Management" and Item 7.B "Related Party Transactions."

Our Master Services Agreement

The Service Recipients have entered into a Master Services Agreement pursuant to which the Service Provider has agreed to provide or arrange for other service providers to provide management and administration services to our partnership and the other Service Recipients. The operating entities are not a party to the Master Services Agreement.

The following is a summary of certain provisions of our Master Services Agreement and is qualified in its entirety by reference to all of the provisions of the agreement. Because this description is only a summary of the Master Services Agreement, it does not necessarily contain all of the information that you may find useful. We therefore urge you to review the Master Services Agreement in its entirety. Our Master Services Agreement is available electronically on the website of the SEC at www.sec.gov and is available to our unitholders as described under Item 10.C "Material Contracts" and Item 10.H "Documents on display."

Appointment of the Service Provider and Services Rendered

Under our Master Services Agreement, the Service Recipients have appointed the Service Provider, as the service provider, to provide the following services, or arrange for their provision by an appropriate service provider:

- causing or supervising the carrying out of all day-to-day management, secretarial, accounting, banking, treasury, administrative, liaison, representative, regulatory and reporting functions and obligations;
- establishing and maintaining or supervising the establishment and maintenance of books and records;
- identifying, evaluating and recommending to the Service Recipients acquisitions or dispositions from time-to-time and, where requested to do so, assisting in negotiating the terms of such acquisitions or dispositions;
- recommending and, where requested to do so, assisting in the raising of funds whether by way of debt, equity or otherwise, including the preparation, review or distribution of any prospectus or offering memorandum in respect thereof and assisting with communications support in connection therewith;
- recommending to the Service Recipients suitable candidates to serve on the boards of directors or their equivalents of the operating entities;
- making recommendations with respect to the exercise of any voting rights to which the Service Recipients are entitled in respect of the operating entities;
- making recommendations with respect to the payment of dividends or other distributions by the Service Recipients, including distributions by our partnership to our unitholders;
- monitoring and/or oversight of the applicable Service Recipient's accountants, legal counsel and other accounting, financial or legal advisors and technical, commercial, marketing and other independent experts, and managing litigation in which a Service Recipient is sued or commencing litigation after consulting with, and subject to the approval of, the relevant board of directors or its equivalent;

- attending to all matters necessary for any reorganization, bankruptcy proceedings, dissolution or winding up of a Service Recipient, subject to approval by the relevant board of directors or its equivalent;
- supervising the timely calculation and payment of taxes payable, and the filing of all tax returns due, by each Service Recipient;
- causing the Service Recipients' annual consolidated financial statements and quarterly interim financial statements to be: (i) prepared in accordance with generally accepted accounting principles or other applicable accounting principles for review and audit at least to such extent and with such frequency as may be required by law or regulation; and (ii) submitted to the relevant board of directors or its equivalent for its prior approval;
- making recommendations in relation to and effecting the entry into insurance of each Service Recipient's assets, together with other insurances against other risks, including directors and officers insurance as the relevant service provider and the relevant board of directors or its equivalent may from time to time agree;
- arranging for individuals to carry out the functions of principal executive, accounting and financial officers for our partnership only for purposes of applicable securities laws;
- providing individuals to act as senior officers of Service Recipients as agreed from time-to-time, subject to the approval of the relevant board of directors or its equivalent;
- advising the Service Recipients regarding the maintenance of compliance with applicable laws and other obligations; and
- providing all such other services as may from time-to-time be agreed with the Service Recipients that are reasonably related to the Service Recipient's day-to-day operations.

The Service Provider's activities are subject to the supervision of the board of directors or equivalent governing body of our Managing General Partner and of each of the other Service Recipients, as applicable. The relevant governing body remains responsible for all investment and divestment decisions made by the Service Recipient.

Any Service Provider may, from time to time, appoint an affiliate of Brookfield to act as a new Service provider under our Master Services Agreement, effective upon the execution of a joinder agreement by the new Service Provider.

Management Fee

Pursuant to the Master Services Agreement, on a quarterly basis, we pay a base management fee ("Base Management Fee"), to the Service Provider equal to 0.3125% (1.25% annually) of the market value of our partnership. For purposes of calculating the Base Management Fee, the market value of our partnership is equal to the aggregate of the closing value of all our outstanding units (assuming full conversion of Brookfield's limited partnership interests in Brookfield Infrastructure into units) and securities of the other Service Recipients that are not held by Brookfield Infrastructure, plus all outstanding third party debt with recourse to a Service Recipient, less all cash held by such entities.

The table below sets forth the management fees for the years ended December 31, 2013, 2012 and 2011, respectively.

	Year ended December 31		
MILLIONS	**2013**	2012	2011
Base Management Fee	**$101**	$86	$53

To the extent that under any other arrangement we are obligated to pay a base management fee (directly or indirectly through an equivalent arrangement) to the Service Provider (or any affiliate) on a portion of our capital that is comparable to the Base Management Fee, the Base Management Fee payable for each quarter in respect thereof will be reduced on a dollar for dollar basis by our proportionate share of the comparable base management fee (or equivalent amount) under such other arrangement for that quarter. The Base Management Fee will not be reduced by the amount of any incentive distribution payable by any Service Recipient or operating entity to the Service Provider (or any other affiliate) (for which there is a separate credit mechanism under the Holding LP's limited partnership agreement), or any other fees that are payable by any operating entity to Brookfield for financial advisory, operations and maintenance, development, operations management and other services. See Item 7.B "Related Party Transactions—Other Services" and Item 7.B "Related Party Transactions—Incentive Distributions."

Reimbursement of Expenses and Certain Taxes

We also reimburse the Service Provider for any out-of-pocket fees, costs and expenses incurred in the provision of the management and administration services. However, the Service Recipients are not required to reimburse the Service Provider for the salaries and other remuneration of its management, personnel or support staff who carry out any services or functions for such Service Recipients or overhead for such persons.

The relevant Service Recipient is required to pay the Service Provider all other out-of-pocket fees, costs and expenses incurred in connection with the provision of the services including those of any third party and to reimburse the Service Provider for any such fees, costs and expenses. Such out-of-pocket fees, costs and expenses include, among other things, (i) fees, costs and expenses relating to any debt or equity financing; (ii) out-of-pocket fees, costs and expenses incurred in connection with the general administration of any Service Recipient; (iii) taxes, licenses and other statutory fees or penalties levied against or in respect of a Service Recipient; (iv) amounts owed under indemnification, contribution or similar arrangements; (v) fees, costs and expenses relating to our financial reporting, regulatory filings and investor relations and the fees, costs and expenses of agents, advisors and other persons who provide services to or on behalf of a Service Recipient; and (vi) any other fees, costs and expenses incurred by the Service Provider that are reasonably necessary for the performance by the Service Provider of its duties and functions under the Master Services Agreement.

In addition, the Service Recipients are required to pay all fees, costs and expenses incurred in connection with the investigation, acquisition, holding or disposal of any acquisition that is made or that is proposed to be made by us. Where the acquisition or proposed acquisition involves a joint acquisition that is made alongside one or more other persons, the Service Provider will be required to allocate such fees, costs and expenses in proportion to the notional amount of the acquisition made (or that would have been made in the case of an unconsummated acquisition) among all joint investors. Such additional fees, expenses and costs represent out-of-pocket costs associated with investment activities that are undertaken pursuant to the Master Services Agreement.

The Service Recipients are also required to pay or reimburse the Service Provider for all sales, use, value added, withholding or other taxes or customs duties or other governmental charges levied or imposed by reason of the Master Services Agreement or any agreement it contemplates, other than income taxes, corporation taxes, capital taxes or other similar taxes payable by the Service Provider, which are personal to the Service Provider.

Termination

The Master Services Agreement has no fixed term. However, the Service Recipients may terminate the Master Services Agreement upon 30 days' prior written notice of termination from our Managing General Partner to the Service Provider if any of the following occurs:

- the Service Provider defaults in the performance or observance of any material term, condition or covenant contained in the agreement in a manner that results in material harm to the Service Recipients and the default continues unremedied for a period of 30 days after written notice of the breach is given to the Service Provider;
- the Service Provider engages in any act of fraud, misappropriation of funds or embezzlement against any Service Recipient that results in material harm to the Service Recipients;
- the Service Provider is grossly negligent in the performance of its duties under the agreement and such negligence results in material harm to the Service Recipients; or
- certain events relating to the bankruptcy or insolvency of the Service Provider.

The Service Recipients have no right to terminate for any other reason, including if the Service Provider or Brookfield experiences a change of control. Our Managing General Partner may only terminate the Master Services Agreement on behalf of our partnership with the prior unanimous approval of our Managing General Partner's independent directors.

Our Master Services Agreement expressly provides that the agreement may not be terminated by our Managing General Partner due solely to the poor performance or the underperformance of any of our operations.

The Service Provider may terminate the Master Services Agreement upon 30 days' prior written notice of termination to our Managing General Partner if any Service Recipient defaults in the performance or observance of any material term, condition or covenant contained in the agreement in a manner that results in material harm and the default continues unremedied for a period of 30 days after written notice of the breach is given to the Service Recipient. The Service Provider may also terminate the Master Services Agreement upon the occurrence of certain events relating to the bankruptcy or insolvency of our partnership.

If the Master Services Agreement is terminated, the Licensing Agreements, the Relationship Agreement and any of Brookfield's obligations under the Relationship Agreement would also terminate. See Item 7.B "Related Party Transactions—Relationship Agreement" and Item 3.D "Risk Factors—Risks Relating to Our Relationship with Brookfield."

Indemnification and Limitations on Liability

Under the Master Services Agreement, the Service Provider has not assumed and will not assume any responsibility other than to provide or arrange for the provision of the services called for thereunder in good faith and will not be responsible for any action that the Service Recipients take in following or declining to follow the advice or recommendations of the Service Provider. The maximum amount of the aggregate liability of the Service Provider or any of its affiliates, or of any director, officer, employee, contractor, agent, advisor or other representative of the Service Provider or any of its affiliates, will be equal to the Base Management Fee previously paid by the Service Recipients in the two most recent calendar years pursuant to the Master Services Agreement. The Service Recipients have also agreed to indemnify each of the Service Provider, Brookfield and their directors, officers, agents, members, partners, shareholders and employees to the fullest extent permitted by law from and against any claims, liabilities, losses, damages, costs or expenses (including legal fees) incurred by an indemnified person or threatened in connection with our respective businesses, investments and activities or in respect of or arising from the Master Services Agreement or the services provided by

the Service Provider, except to the extent that the claims, liabilities, losses, damages, costs or expenses are determined to have resulted from the indemnified person's bad faith, fraud or willful misconduct, or in the case of a criminal matter, action that the indemnified person knew to have been unlawful. In addition, under the Master Services Agreement, to the fullest extent permitted by law, the indemnified persons will not be liable to the Service Recipients except for conduct that involved bad faith, fraud, willful misconduct, gross negligence or in the case of a criminal matter, action that the indemnified person knew to have been unlawful.

Outside Activities

Our Master Services Agreement does not prohibit the Service Provider or its affiliates from pursuing other business activities or providing services to third parties that compete directly or indirectly with us. For a description of related aspects of the relationship between Brookfield and the Service Recipients, see Item 7.B "Related Party Transactions—Relationship Agreement."

6.B COMPENSATION

During the year ended December 31, 2013, our Managing General Partner paid each of its directors $60,000 per year for serving on its board of directors and various board committees. Our Managing General Partner during the year ended December 31, 2013 paid the chairperson of the board of directors $110,000 per year for serving as chairperson of its board of directors. Also during the year ended December 31, 2013 an additional amount of $20,000 was paid to the chairperson of the audit committee, making the audit committee chairperson's total remuneration for the 2013 fiscal year $80,000.

Our Managing General Partner does not have any employees. Our partnership has entered into a Master Services Agreement with the Service Provider pursuant to which the Service Provider provides or arranges for other service providers to provide day-to-day management and administrative services for our partnership and the other Service Recipients. The fees payable under the Master Service Agreement are set forth under Item 6.A "Directors and Senior Management—Our Master Services Agreement—Management Fee." In addition, Brookfield is entitled to receive incentive distributions from the Holding LP described under Item 7.B "Related Party Transactions—Incentive Distributions."

Pursuant to the Master Service Agreement, members of Brookfield's senior management and other individuals from Brookfield's global affiliates are drawn upon to fulfill obligations under the Master Service Agreement. However, these individuals, including the Brookfield employees identified in the table under Item 6.A "Directors and Senior Management—Our Management," are not compensated by our partnership or our Managing General Partner. Instead, they will continue to be compensated by Brookfield.

6.C BOARD PRACTICES

Board Structure, Practices and Committees

The structure, practices and committees of our Managing General Partner's board of directors, including matters relating to the size, independence and composition of the board of directors, the election and removal of directors, requirements relating to board action and the powers delegated to board committees, are governed by our Managing General Partner's By-laws. Our Managing General Partner's board of directors is responsible for exercising the management, control, power and authority of the Managing General Partner except as required by applicable law or the By-laws of the Managing General Partner. The following is a summary of certain provisions of those By-laws that affect our partnership's governance.

Size, Independence and Composition of the Board of Directors

Our Managing General Partner's board of directors is currently set at nine directors. The board may consist of between three and 11 directors or such other number of directors as may be determined from time-to-time by a resolution of our Managing General Partner's shareholders and subject to its By-laws. At least three directors and at least a majority of the directors holding office must be independent of our Managing General Partner and Brookfield, as determined by the full board of directors using the standards for independence established by the NYSE.

If the death, resignation or removal of an independent director results in the board of directors consisting of less than a majority of independent directors, the vacancy must be filled promptly. Pending the filling of such vacancy, the board of directors may temporarily consist of less than a majority of independent directors and those directors who do not meet the standards for independence may continue to hold office. In addition, our Managing General Partner's By-laws provide that not more than 50% of the directors (as a group) or the independent directors (as a group) may be residents of any one jurisdiction (other than Bermuda and any other jurisdiction designated by the board of directors from time to time).

Election and Removal of Directors

Our Managing General Partner's board of directors was appointed by its shareholders and each of its current directors will serve until the close of the next annual meeting of shareholders of our Managing General Partner or his or her death, resignation or removal from office, whichever occurs first. Vacancies on the board of directors may be filled and additional directors may be added by a resolution of our Managing General Partner's shareholders or a vote of the directors then in office. A director may be removed from office by a resolution duly passed by our Managing General Partner's shareholders or, if the director has been absent without leave from three consecutive meetings of the board of directors, by a written resolution requesting resignation signed by all other directors then holding office. A director will be automatically removed from the board of directors if he or she becomes bankrupt, insolvent or suspends payments to his or her creditors or becomes prohibited by law from acting as a director.

Action by the Board of Directors

Our Managing General Partner's board of directors may take action in a duly convened meeting at which a quorum is present or by a written resolution signed by all directors then holding office. Our Managing General Partners' board of directors holds a minimum of four meetings per year. When action is to be taken at a meeting of the board of directors, the affirmative vote of a majority of the votes cast is required for any action to be taken.

Transactions Requiring Approval by Independent Directors

Our Managing General Partner's independent directors have approved a conflicts protocol which addresses the approval and other requirements for transactions in which there is greater potential for a conflict of interest to arise. These transactions include:

- the dissolution of our partnership;
- any material amendment to the Master Services Agreement, the Relationship Agreement, our Limited Partnership Agreement or the Holding LP's limited partnership agreement;
- any material service agreement or other arrangement pursuant to which Brookfield will be paid a fee, or other consideration other than any agreement or arrangement contemplated by the Master Services Agreement;

- acquisitions by us from, and dispositions by us to, Brookfield;
- any other material transaction involving us and Brookfield; and
- termination of, or any determinations regarding indemnification under, the Master Services Agreement.

Our conflicts protocol requires the transactions described above to be approved by a majority of our Managing General Partner's independent directors. Pursuant to our conflicts protocol, independent directors may grant approvals for any of the transactions described above in the form of general guidelines, policies or procedures in which case no further special approval will be required in connection with a particular transaction or matter permitted thereby. See Item 7.B "Related Party Transactions—Conflicts of Interest and Fiduciary Duties."

Transactions in which a Director has an Interest

A director who directly or indirectly has an interest in a contract, transaction or arrangement with our Managing General Partner, our partnership or certain of our affiliates is required to disclose the nature of his or her interest to the full board of directors. Such disclosure may take the form of a general notice given to the board of directors to the effect that the director has an interest in a specified company or firm and is to be regarded as interested in any contract, transaction or arrangement which may after the date of the notice be made with that company or firm or its affiliates. A director may participate in any meeting called to discuss or any vote called to approve the transaction in which the director has an interest and any transaction approved by the board of directors will not be void or voidable solely because the director was present at or participates in the meeting in which the approval was given provided that the board of directors or a board committee authorizes the transaction in good faith after the director's interest has been disclosed or the transaction is fair to our Managing General Partner and our partnership at the time it is approved.

Service Contracts

There are no service contracts with directors that provide benefit upon termination of employment.

Audit Committee

Our Managing General Partner's board of directors is required to establish and maintain at all times an audit committee that operates pursuant to a written charter. The audit committee is required to consist solely of independent directors and each member must be financially literate and there will be at least one member designated as an audit committee financial expert. Not more than 50% of the audit committee members may be directors who are residents of any one jurisdiction (other than Bermuda and any other jurisdiction designated by the board of directors from time to time).

The audit committee is responsible for assisting and advising our Managing General Partner's board of directors with matters relating to:

- our accounting and financial reporting processes;
- the integrity and audits of our financial statements;
- our compliance with legal and regulatory requirements; and
- the qualifications, performance and independence of our independent accountants.

The audit committee is also responsible for engaging our independent accountants, reviewing the plans and results of each audit engagement with our independent accountants, approving professional services provided by our independent accountants, considering the range of audit and non-audit fees charged by our independent accountants and reviewing the adequacy of our internal accounting

controls. The audit committee charter is available on our website at www.brookfieldinfrastructure.com/aboutus/governance and is available upon written request from our Corporate Secretary, at 73 Front Street, Hamilton HM 12, Bermuda.

Nominating and Governance Committee

Our Managing General Partner's board of directors is required to establish and maintain at all times a nominating and governance committee that operates pursuant to a written charter. The nominating and governance committee is required to consist of a majority of independent directors and not more than 50% of the nominating and corporate governance committee members may be directors who are residents of any one jurisdiction (other than Bermuda and any other jurisdiction designated by the board of directors from time to time).

The nominating and governance committee is responsible for approving the appointment by the sitting directors of a person to the office of director and for recommending a slate of nominees for election as directors by our Managing General Partner's shareholders. The nominating and governance committee is also responsible for assisting and advising our Managing General Partner's board of directors with respect to matters relating to the general operation of the board of directors, our partnership's governance, the governance of our Managing General Partner and the performance of its board of directors and individual directors. Subsequent to dissolution of the compensation committee of the board of directors of the Managing General Partner during the year ended December 31, 2013, the nominating and governance committee is also responsible for reviewing and making recommendations to the board of directors of the Managing General Partner concerning the remuneration of directors and committee members and supervising any changes in the fees to be paid pursuant to the Master Services Agreement. The nominating and governance committee charter is available on our website at www.brookfieldinfrastructure.com/aboutus/governance and is available upon written request from our Corporate Secretary, at 73 Front Street, Hamilton HM 12, Bermuda.

Compensation Committee

During the year ended December 31, 2013, the compensation committee of the board of directors of the Managing General Partner was dissolved, and the nominating and governance committee assumed the functions and responsibilities of the compensation committee.

Indemnification and Limitations on Liability

Our Limited Partnership Agreement

Bermuda law permits the partnership agreement of a limited partnership, such as our partnership, to provide for the indemnification of a partner, the officers and directors of a partner and any other person against any and all claims and demands whatsoever, except to the extent that the indemnification may be held by the courts of Bermuda to be contrary to public policy or to the extent that Bermuda law prohibits indemnification against personal liability that may be imposed under specific provisions of Bermuda law. Bermuda law also permits a partnership to pay or reimburse an indemnified person's expenses in advance of a final disposition of a proceeding for which indemnification is sought. See Item 10.B "Memorandum and Articles of Association—Description of Our Units and Our Limited Partnership Agreement—Indemnification; Limitations on Liability" for a description of the indemnification arrangements in place under our Limited Partnership Agreement.

Our Managing General Partner's By-laws

Bermuda law permits the By-laws of an exempted company, such as our Managing General Partner, to provide for the indemnification of its officers, directors and shareholders and any other person designated by the company against any and all claims and demands whatsoever, except to the

extent that the indemnification may be held by the courts of Bermuda to be contrary to public policy or to the extent that Bermuda law prohibits indemnification against personal liability that may be imposed under specific provisions of Bermuda law. Bermuda company law also permits an exempted company to pay or reimburse an indemnified person's expenses in advance of a final disposition of a proceeding for which indemnification is sought.

Under our Managing General Partner's By-laws, our Managing General Partner is required to indemnify, to the fullest extent permitted by law, its affiliates, directors, officers, resident representative, shareholders and employees, any person who serves on a governing body of the Holding LP or any of its subsidiaries and certain others against any and all losses, claims, damages, liabilities, costs or expenses (including legal fees and expenses), judgments, fines, penalties, interest, settlements or other amounts arising from any and all claims, demands, actions, suits or proceedings, incurred by an indemnified person in connection with our partnership's investments and activities or in respect of or arising from their holding such positions, except to the extent that the claims, liabilities, losses, damages, costs or expenses are determined to have resulted from the indemnified person's bad faith, fraud or willful misconduct, or in the case of a criminal matter, action that the indemnified person knew to have been unlawful. In addition, under our Managing General Partner's By-laws, (i) the liability of such persons has been limited to the fullest extent permitted by law and except to the extent that their conduct involves bad faith, fraud or willful misconduct, or in the case of a criminal matter, action that the indemnified person knew to have been unlawful; and (ii) any matter that is approved by the independent directors will not constitute a breach of any duties stated or implied by law or equity, including fiduciary duties. Our Managing General Partner's By-laws require it to advance funds to pay the expenses of an indemnified person in connection with a matter in which indemnification may be sought until it is determined that the indemnified person is not entitled to indemnification.

Insurance

Our partnership has obtained insurance coverage under which the directors of our Managing General Partner are insured, subject to the limits of the policy, against certain losses arising from claims made against such directors by reason of any acts or omissions covered under the policy in their respective capacities as directors of our Managing General Partner, including certain liabilities under securities laws.

Canadian Insider Reporting

Our partnership is not subject to Canadian insider reporting requirements due to its status as a "SEC Foreign Issuer" under Canadian securities laws. However, our partnership does not rely on the exemption that is available to it from the insider reporting requirements of Canadian securities laws.

6.D EMPLOYEES

Our partnership does not employ any of the individuals who carry out the management and other non-operational activities of our partnership. The personnel that carry out these activities are employees of Brookfield, and their services are provided to our partnership or for our benefit under our Master Services Agreement. For a discussion of the individuals from Brookfield's management team that are expected to be involved in our infrastructure business, see Item 6.A "Directors and Senior Management—Our Management."

6.E SHARE OWNERSHIP

Each of our directors and officers of our Managing General Partner own less than one percent of our units.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

7.A MAJOR SHAREHOLDERS

The following table presents information regarding the beneficial ownership of our units by each entity that we know beneficially owns more than 5% of our units as at December 31, 2013.

	Units Outstanding	
Name and Address	Units Owned[1]	Percentage[2]
Brookfield Asset Management Inc.	58.8 million[3]	28.1%[3]
Partners Limited	61.0 million[4]	29.2%[4]
GCIC Ltd	8.8 million[5]	5.9%

(1) Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. Units relating to securities currently exercisable or exercisable within 60 days of the date of this table are deemed outstanding for computing the percentage of the person holding such securities but are not deemed outstanding for computing the percentage of any other person.

(2) Except as set forth in footnotes (3) and (4) below, the percentages shown are based on 150,252,174 units outstanding as of December 31, 2013.

(3) Brookfield Asset Management may be deemed to be the beneficial owner of 58,788,346 of our units that it holds through wholly-owned subsidiaries, constituting approximately 28.1% of the issued and outstanding units, assuming that all of the Redeemable Partnership Units are exchanged for our units pursuant to the Redemption-Exchange Mechanism described in Item 10.B "Memorandum and Articles of Association—Description of the Holding LP's Limited Partnership Agreement—Redemption-Exchange Mechanism." This amount includes 48,930 of our units beneficially held by Brookfield Asset Management.

(4) Partners Limited owns all of Brookfield Asset Management's Class B Limited Voting Shares and approximately 50% of Partners Value Fund Inc.'s (formerly BAM Investments Corp.) common shares. Partners Limited may be deemed to be the beneficial owner of 61,032,396 of our units, constituting approximately 29.2% of the issued and outstanding units, assuming that all of the Redeemable Partnership Units are exchanged for our units pursuant to the Redemption-Exchange Mechanism described in Item 10.B "Memorandum and Articles of Association—Description of the Holding LP's Limited Partnership Agreement—Redemption-Exchange Mechanism." This amount includes 2,218,649 of our units beneficially held by Partners Value Fund Inc. and 48,930 of our units beneficially held by Brookfield Asset Management. Partners Limited may be deemed to have the power (together with each of Brookfield Asset Management and Partners Value Fund Inc.) to vote or direct the vote of the units beneficially owned by it or to dispose of such units other than 25,401 of our units with respect to which it has sole voting and investment power.

(5) Based on a Schedule 13F filed by GCIC Ltd with the SEC showing that it held 8,837,929 units on December 31, 2013.

On February 20, 2009, Brookfield Asset Management, Brookfield Financial Corp., BAM Investments Corp. and Partners Limited jointly filed an amendment to their Schedule 13D with the SEC reflecting shared beneficial ownership of 17,400,517, or 45.5%, of our units. On May 20, 2011, Brookfield Asset Management, Inc., BAM Investments Corp. and Partners Limited jointly filed an amendment to their Schedule 13D with the SEC reflecting shared beneficial ownership of 45,684,516, or 29.2%, of our units.

On January 19, 2010, TD Asset Management Inc. filed a Schedule 13G with the SEC reflecting beneficial ownership of 5,057,100, or 8.01%, of our units. On January 12, 2011, TD Asset Management Inc. filed a Schedule 13G with the SEC reflecting beneficial ownership of 4,790,825, or 4.24%, of our units. On November 8, 2011, TD Asset Management Inc. filed a Schedule 13G with the SEC reflecting beneficial ownership of 7,266,993, or 5.49%, of our units. On March 23, 2012, TD Asset Management Inc. filed an amendment to its Schedule 13G with the SEC reflecting beneficial ownership of 7,918,919, or 5.98%, of our units. On August 10, 2012, TD Asset Management Inc. filed an amendment to its Schedule 13G with the SEC reflecting beneficial ownership of 6,690,142, or 4.71%, of our units.

On February 16, 2010, FMR LLC and Mr. Edward C. Johnson 3d jointly filed a Schedule 13G with the SEC reflecting beneficial ownership of 2,064,000, or 9.179%, of our units. On April 12, 2010,

the foregoing reporting persons filed an amendment to their Schedule 13G with the SEC reflecting beneficial ownership of 2,475,136, or 3.919%, of our units. On February 14, 2012, the foregoing reporting persons filed a Schedule 13G with the SEC reflecting beneficial ownership of 7,292,206, or 5.51%, of our units. On February 14, 2013, the foregoing reporting persons filed an amendment to their Schedule 13G with the SEC reflecting beneficial ownership of 5,823,108, or 4.06% of our units.

On February 14, 2013, Morgan Stanley filed a Schedule 13F with the SEC reflecting beneficial ownership of 13,744,881, or 9.6%, of our units as of December 31, 2012. On February 13, 2014, Morgan Stanley filed a Schedule 13F with the SEC reflecting beneficial ownership of 351,102, or 0.2%, of our units as of December 31, 2013.

Our major unitholders have the same voting rights as all other holders of our units.

As of March 27, 2014, 184,069 of our outstanding units were held by 1,050 holders of record in the United States, not including The Depository Trust Company ("DTC"). As of March 27, 2014, DTC was the holder of record of 143,632,883 units.

See also the information contained in this annual report on Form 20-F under Item 3.D "Risk Factors—Risks Relating to our Relationship with Brookfield," Item 6.C "Board Practices," Item 6.A "Directors and Senior Management" and Item 7.B "Related Party Transactions."

7.B RELATED PARTY TRANSACTIONS

We are an affiliate of Brookfield. We have entered into a number of agreements and arrangements with Brookfield in order to enable us to be established as a separate entity and pursue our vision of being a leading owner and operator of high quality infrastructure assets. While we believe that this ongoing relationship with Brookfield provides us with a strong competitive advantage as well as access to opportunities that would otherwise not be available to us, we operate very differently from an independent, stand-alone entity. We describe below these relationships as well as potential conflicts of interest (and the methods for resolving them) and other material considerations arising from our relationship with Brookfield.

See also the information contained in this annual report on Form 20-F under Item 3.D "Risk Factors—Risks Relating to our Relationship with Brookfield," Item 6.C "Board Practices," Item 6.A "Directors and Senior Management" and Item 7.A "Major Shareholders."

Relationship Agreement

Our partnership, the Holding LP, the Holding Entities, the Service Provider and Brookfield have entered into an agreement, referred to as the Relationship Agreement, that governs aspects of the relationship among them. Pursuant to the Relationship Agreement, Brookfield Asset Management has agreed that we serve as the primary (though not exclusive) vehicle through which Brookfield makes future infrastructure related acquisitions that are suitable for our strategy and objectives. Our acquisition strategy focuses on large scale transactions, for which we believe there is less competition and where Brookfield has sufficient influence or control so that our operations-oriented approach can be deployed to create value. Due to similar asset characteristics and capital requirements we believe that the infrastructure industry will evolve like the real estate industry in which assets are commonly owned through consortiums and partnerships of institutional equity investors and owner/operators such as ourselves. Accordingly, an integral part of our strategy is to participate with institutional investors in Brookfield sponsored or co-sponsored consortiums for single asset acquisitions and as a partner in or alongside Brookfield sponsored or co-sponsored partnerships that target acquisitions that suit our profile. Brookfield has a strong track record of leading such consortiums and partnerships and actively managing underlying assets to improve performance. Brookfield agreed that it will not sponsor such

arrangements that are suitable for us in the infrastructure sector unless we are given an opportunity to participate.

Brookfield's commitment to us and our ability to take advantage of opportunities is subject to a number of inherent limitations such as our financial capacity, the suitability of the acquisition in terms of the underlying asset characteristics and its fit with our strategy, limitations arising from the tax and regulatory regimes that govern our affairs and certain other restrictions. See Item 3.D "Risk Factors—Risks Relating to Our Relationship with Brookfield." Under the terms of the Relationship Agreement, our partnership, the Holding LP and the Holding Entities acknowledge and agree that, subject to providing us the opportunity to participate on the basis described above, Brookfield (including its directors, officers, agents, members, partners, shareholders and employees) is able to pursue other business activities and provide services to third parties that compete directly or indirectly with us. In addition, Brookfield has established or advised, and may continue to establish or advise, other entities that rely on the diligence, skill and business contacts of Brookfield's professionals and the information and acquisition opportunities they generate during the normal course of their activities. Our partnership, the Holding LP and the Holding Entities acknowledge and agree that some of these entities may have objectives that overlap with our objectives or may acquire infrastructure assets or businesses that could be considered appropriate acquisitions for us, and that Brookfield may have greater financial incentives to assist those other entities over us. Due to the foregoing, we expect to compete from time-to-time with Brookfield or other third parties for access to the benefits that we expect to realize from Brookfield's involvement in our business.

Since Brookfield has large, well established operations in real estate, timberlands and renewable power that are separate from us, Brookfield will not be obligated to provide us with any opportunities in these sectors. In addition, since Brookfield has granted an affiliate the right to act as the exclusive vehicle for Brookfield's timberland acquisitions in Eastern Canada and the Northeastern U.S., we will not be entitled to participate in timberland acquisitions in those geographic regions. Brookfield has also appointed an affiliate as its primary vehicle through which Brookfield will acquire renewable power assets on a global basis. In the event of the termination of the Master Services Agreement, the Relationship Agreement would also terminate, including Brookfield's commitments to provide us with acquisition opportunities, as described above.

Pursuant to the Relationship Agreement, Brookfield Asset Management has also agreed that any voting rights with respect to any operating entity that are held by entities over which it has control will be:

- voted in favor of the election of a director (or its equivalent) approved by the entity through which our interest in the relevant entity is held;
- withheld from voting for (or voted against, if applicable) the election of a director (or its equivalent) not approved by the entity through which our interest in the relevant entity is held; and
- voted in accordance with the direction of the entity through which our interest in the relevant entity is held with respect to the approval or rejection of the following matters relating to the operating entity, as applicable: (i) any sale of all or substantially all of its assets, (ii) any merger, amalgamation, consolidation, business combination or other material corporate transaction, except in connection with any internal reorganization that does not result in a change of control, (iii) any plan or proposal for a complete or partial liquidation or dissolution, or any reorganization or any case, proceeding or action seeking relief under any existing laws or future laws relating to bankruptcy or insolvency, (iv) any issuance of shares, units or other securities, including debt securities, or (v) any commitment or agreement to do any of the foregoing.

For these purposes, the relevant entity may maintain, from time-to-time, an approved slate of nominees or provide direction with respect to the approval or rejection of any matter in the form of general guidelines, policies or procedures in which case no further approval or direction will be required. Any such general guidelines, policies or procedures may be modified by the relevant entity in its discretion.

Under the Relationship Agreement, our partnership, the Holding LP and the Holding Entities have agreed that none of Brookfield or the Service Provider, nor any director, officer, agent, member, partner, shareholder or employee of Brookfield or the Service Provider, will be liable to us for any claims, liabilities, losses, damages, costs or expenses (including legal fees) arising in connection with the business, investments and activities in respect of or arising from the Relationship Agreement. The maximum amount of the aggregate liability of Brookfield, or of any director, officer, employee, contractor, agent, advisor or other representative of Brookfield, will be equal to the amounts previously paid in the two most recent calendar years by the Service Recipients pursuant to the Master Services Agreement.

Voting Agreements

Our partnership and Brookfield have entered into voting agreements ("Voting Agreements") that permit our partnership or our partnership's designated affiliates to direct all eligible votes in the election of directors of the following entities:

- Brookfield Ports (UK) Limited, which controls our UK port operation;
- Brookfield Global Funds GP Limited, which controls our Australian regulated terminal operation;
- BAIF CSC Manager (Delaware) LLC, which controls our New England electricity transmission operation;
- Empresa de Energia de Boyacá SA ("EBSA") and BCIF Holdings Colombia I S.A.S., which controls our Colombian distribution business;
- 1870448 Ontario Inc., which controls our North American gas storage operation;
- Brookfield Americas Infrastructure Holdings I Limited, which controls our Chilean toll roads;
- District Energy Holdings, LLC, which controls our U.S. district energy operation; and
- Enwave Energy Corporation which controls our Canadian district energy operation.

Pursuant to the Voting Agreements, Brookfield has agreed that any voting rights with respect to the above noted entities will be voted in favor of the election of directors, or managers, as applicable, approved by our partnership or our partnership's designated affiliates, as applicable. For these purposes, our partnership or our partnership's designated affiliates, as applicable, may maintain, from time-to-time, an approved slate of nominees or provide direction with respect to the approval or rejection of any matter in the form of general guidelines, policies or procedures in which case no further approval or direction will be required. Any such general guidelines, policies or procedures may be modified by our partnership or our partnership's designated affiliates, as applicable, in their discretion.

Pursuant to the Voting Agreement relating to CSC and EBSA, the counterparty has also agreed that any voting rights with respect to the relevant controlling entity will be voted in accordance with the direction of our partnership with respect to the approval or rejection of the following matters relating to the controlling entity: (i) any sale of all or substantially all of its assets, (ii) any merger, amalgamation, consolidation, business combination or other material corporate transaction, except in connection with any internal reorganization that does not result in a change of control, (iii) any plan or

proposal for a complete or partial liquidation or dissolution, or any reorganization or any case, proceeding or action seeking relief under any existing laws or future laws relating to bankruptcy or insolvency, (iv) in the case of EBSA, any amendment to the EBSA by-laws or (v) any commitment or agreement to do any of the foregoing.

Each Voting Agreement terminates (i) at such time that we cease to own any interest in the relevant entity, (ii) at such time that our Managing General Partner (or its successors or permitted assigns) involuntarily ceases to be the general partner of our partnership, or (iii) at such time that our partnership (or its successors or permitted assigns) involuntarily ceases to be the general partner of the Holding LP In addition, we are permitted to terminate the Voting Agreements upon 30-days' notice. The termination of a Voting Agreement with respect to one or more entity will not affect the validity or enforceability of the Voting Agreements with respect to any other entity.

The Voting Agreements also contain restrictions on transfers of the shares that Brookfield has agreed to vote in favor of the election of directors approved by our partnership or our partnership's designated affiliates, as applicable.

Services Provided under Our Master Services Agreement

The Service Recipients have entered into the Master Services Agreement pursuant to which the Service Provider has agreed to provide or arrange for other service providers to provide management and administration services to our partnership and the other Service Recipients. For example, Samuel Pollock, in his capacity as the Chief Executive Officer of the Service Provider, and Bahir Manios, in his capacity as the Chief Financial Officer of the Service Provider, are the persons who perform the functions of our partnership's principal executive officer and principal financial officer, respectively. In exchange, the Service Provider is entitled to a Base Management Fee. For a description of our Master Services Agreement, see Item 6.A "Directors and Senior Management—Our Master Services Agreement."

Other Services

Brookfield may provide to the operating entities services which are outside the scope of the Master Services Agreement under arrangements that are on market terms and conditions and pursuant to which Brookfield will receive fees. The services provided under these arrangements include financial advisory, operations and maintenance, development, operations management and other services. Pursuant to our conflict of interest guidelines, those arrangements may require prior approval by a majority of the independent directors, which may be granted in the form of general guidelines, policies or procedures. See "—Conflicts of Interest and Fiduciary Duties."

Preferred Shares

Brookfield has provided an aggregate of $20 million of working capital to certain of our Holding Entities through a subscription for preferred shares of such Holding Entities. The preferred shares are entitled to receive a cumulative preferential dividend equal to 6% of their redemption value as and when declared by the board of directors of the applicable Holding Entity and are redeemable at the option of the Holding Entity, subject to certain limitations, at any time after the tenth anniversary of their issuance. Except for the preferred share of our primary US Holding Entity, which is entitled to one vote, the preferred shares are not entitled to vote, except as required by law.

Redemption-Exchange Mechanism

One or more wholly-owned subsidiaries of Brookfield Asset Management that hold Redeemable Partnership Units (as hereinafter defined) have the right to require the Holding LP to redeem all or a portion of the Redeemable Partnership Units, subject to our partnership's right of first refusal, for cash

in an amount equal to the market value of one of our units multiplied by the number of units to be redeemed (subject to certain adjustments). See Item 10.B "Memorandum and Articles of Association—Description of the Holding LP's Limited Partnership Agreement—Redemption-Exchange Mechanism." Taken together, the effect of the redemption right and the right of first refusal is that one or more wholly-owned subsidiaries of Brookfield Asset Management will receive our units, or the value of such units, at the election of our partnership. Should our partnership determine not to exercise its right of first refusal, cash required to fund a redemption of limited partnership interests of the Holding LP held by wholly-owned subsidiaries of Brookfield Asset Management will likely be financed by a public offering of our units.

Registration Rights Agreement

Our partnership has entered into a registration rights agreement with Brookfield pursuant to which our partnership has agreed that, upon the request of Brookfield, our partnership will file one or more registration statements to register for sale under the *United States Securities Act of 1933*, as amended, any of our units held by Brookfield (including our units acquired pursuant to the Redemption-Exchange Mechanism). In the registration rights agreement we have agreed to pay expenses in connection with such registration and sales and have indemnified Brookfield for material misstatements or omissions in the registration statement.

Incentive Distributions

Infrastructure Special LP is entitled to receive incentive distributions from the Holding LP as a result of its ownership of the Special Limited Partner Units. The incentive distributions are to be calculated in increments based on the amount by which quarterly distributions on the limited partnership units of the Holding LP exceed specified target levels as set forth in the Holding LP's limited partnership agreement. See Item 10.B "Memorandum and Articles of Association—Description of the Holding LP's Limited Partnership Agreement—Distributions."

The Infrastructure Special LP may, at its sole discretion, elect to reinvest incentive distributions in exchange for Redeemable Partnership Units.

To the extent that any Holding Entity or any operating entity pays to Brookfield any comparable performance or incentive distribution, the amount of any future incentive distributions will be reduced in an equitable manner to avoid duplication of distributions.

For example, in conjunction with the consortium arrangements in respect of our South American electricity transmission operations, we pay to Brookfield our pro-rata share of base management fees paid by the consortium. Pursuant to the Master Services Agreement, the base management fees paid pursuant to the consortium arrangements are creditable against the management fee payable under the Master Services Agreement. See Item 6.A "Directors and Senior Management—Our Master Services Agreement."

General Partner Distributions

Pursuant to our Limited Partnership Agreement, our Managing General Partner is entitled to receive a general partner distribution equal to 0.01% of the total distributions of our partnership. See Item 10.B "Memorandum and Articles of Association—Description of Our Units and Our Limited Partnership Agreement."

Special Limited Partner Distributions

Pursuant to the limited partnership agreement of the Holding LP, Infrastructure Special LP is also entitled to receive a special limited partner distribution from the Holding LP equal to a share of the

total distributions of the Holding LP in proportion to Infrastructure Special LP's special limited partnership interest in the Holding LP which is equal to approximately 0.5% of the total distributions of the Holding LP. See Item 10.B "Memorandum and Articles of Association—Description of the Holding LP's Limited Partnership Agreement—Distributions." In addition, it is entitled to receive the incentive distributions described above under "—Incentive Distribution."

Distribution Reinvestment Plan

The Holding LP has a distribution reinvestment plan. Brookfield has advised our partnership that it may from time-to-time reinvest distributions it receives from the Holding LP in the Holding LP's distribution reinvestment plan. In addition, our partnership adopted a distribution reinvestment plan which became effective on June 29, 2010. The following is a summary description of the principal terms of our partnership's distribution reinvestment plan.

Pursuant to the distribution reinvestment plan, holders of our units may elect to have distributions paid on our units held by them automatically reinvested in additional units to be held for the account of the unitholder in accordance with the terms of the distribution reinvestment plan, provided that there are not any laws or governmental regulations in the unitholder's jurisdiction that may limit or prohibit participation. Distributions to be reinvested in our units under the distribution reinvestment plan will be reduced by the amount of any applicable withholding tax.

Distributions due to plan participants will be paid to the plan agent, for the benefit of the plan participants and, if a plan participant has elected to have his or her distributions automatically reinvested, applied, on behalf of such plan participant, to the purchase of additional units. Such purchases will be made from our partnership on the distribution date at a price per unit calculated by reference to the volume weighted average of the trading price for our units on the NYSE for the five trading days immediately preceding the date the relevant distribution is paid by our partnership ("Market Price").

As soon as reasonably practicable after each distribution payment date, a statement of account will be mailed to each participant setting out the amount of the relevant cash distribution reinvested, the applicable Market Price, the number of units purchased under the distribution reinvestment plan on the distribution payment date and the total number of units, computed to four decimal places, held for the account of the participant under the distribution reinvestment plan (or, in the case of DTC participants, DTC will receive such statement on behalf of beneficial owners participating in the distribution reinvestment plan). While our partnership will not issue fractional units, a plan participant's entitlement to units purchased under the distribution reinvestment plan may include a fraction of a unit and such fractional units shall accumulate. A cash adjustment for any fractional units will be paid by the plan agent upon the withdrawal from or termination by a plan participant of his or her participation in the distribution reinvestment plan or upon termination of the distribution reinvestment plan at price per unit calculated based upon the closing price of our units on the NYSE on the trading day immediately preceding such withdrawal or termination. A registered holder may, at any time, obtain unit certificates for any number of whole units held for the participant's account under the distribution reinvestment plan by notifying the plan agent. Certificates for units acquired under the distribution reinvestment plan will not be issued to participants unless specifically requested. Prior to pledging, selling or otherwise transferring units held for a participant's account (except for sales of units through the plan agent), a registered holder must request that his or her units be electronically transferred to his or her brokerage account or a unit certificate be issued. The automatic reinvestment of distributions under the distribution reinvestment plan will not relieve participants of any income tax obligations applicable to such distributions. No brokerage commissions will be payable in connection with the purchase of our units under the distribution reinvestment plan and all administrative costs will be borne by our partnership.

Unitholders will be able to terminate their participation in the distribution reinvestment plan by providing, or by causing to be provided, notice to the plan agent. Such notice, if actually received by the plan agent no later than five business days prior to a record date, will have effect in respect of the distribution to be made as of such date. Thereafter, distributions to such unitholders will be in cash. In addition, unitholders may request that all or part of their units be sold. When units are sold through the plan agent, a holder will receive the proceeds less a handling charge and any brokerage trading fees. Our partnership will be able to amend, modify, suspend or terminate our distribution reinvestment plan, at any time, but such actions will have no retroactive effect that would prejudice a participant's interest. The plan agent will notify participants in writing of any amendments or modifications to our distribution reinvestment plan that in our partnership's opinion may materially prejudice participants.

Our partnership does not intend to reinvest distributions it receives from the Holding LP in the Holding LP's distribution reinvestment plan except to the extent that holders of our units elect to reinvest distributions pursuant to our distribution reinvestment plan. Brookfield has advised our partnership that it may from time-to-time reinvest distributions it receives from the Holding LP pursuant to the Holding LP's distribution reinvestment plan. The units of the Holding LP to be issued to Brookfield under the distribution reinvestment plan will become subject to the Redemption-Exchange Mechanism and may therefore result in Brookfield acquiring additional units of our partnership. See Item 10.B "Memorandum and Articles of Association—Description of the Holding LP's Limited Partnership Agreement—Redemption-Exchange Mechanism."

Indemnification Arrangements

Subject to certain limitations, Brookfield and its directors, officers, agents, members, partners, shareholders and employees generally benefit from indemnification provisions and limitations on liability that are included in our Limited Partnership Agreement, our Managing General Partner's By-laws, the Holding LP's limited partnership agreement, our Master Services Agreement and other arrangements with Brookfield. See Item 6.A "Directors and Senior Management—Our Master Services Agreement," Item 10.B "Memorandum and Articles of Association—Description of Our Units and Our Limited Partnership Agreement—Indemnification; Limitations of Liability" and Item 10.B "Memorandum and Articles of Association—Description of the Holding LP's Limited Partnership Agreement—Indemnification; Limitations of Liability."

Licensing Agreements

Our partnership and the Holding LP have each entered into a Licensing Agreement with Brookfield pursuant to which Brookfield has granted a non-exclusive, royalty-free license to use the name "Brookfield" and the Brookfield logo. Other than under this limited license, we do not have a legal right to the "Brookfield" name and the Brookfield logo in the United States and Canada.

We will be permitted to terminate the Licensing Agreements upon 30 days' prior written notice if Brookfield defaults in the performance of any material term, condition or agreement contained in the agreement and the default continues for a period of 30 days after written notice of termination of the breach is given to Brookfield. Brookfield may terminate the Licensing Agreements effective immediately upon termination of our Master Services Agreement or with respect to any licensee upon 30 days' prior written notice of termination if any of the following occurs:

- the licensee defaults in the performance of any material term, condition or agreement contained in the agreement and the default continues for a period of 30 days after written notice of termination of the breach is given to the licensee;
- the licensee assigns, sublicenses, pledges, mortgages or otherwise encumbers the intellectual property rights granted to it pursuant to the Licensing Agreement;

- certain events relating to a bankruptcy or insolvency of the licensee; or
- the licensee ceases to be an affiliate of Brookfield.

A termination of a Licensing Agreement with respect to one or more licensee will not affect the validity or enforceability of the agreement with respect to any other licensees.

Conflicts of Interest and Fiduciary Duties

Our organizational and ownership structure and strategy involve a number of relationships that may give rise to conflicts of interest between our partnership and our unitholders, on the one hand, and Brookfield, on the other hand. In particular, conflicts of interest could arise, among other reasons, because:

- in originating and recommending acquisition opportunities, Brookfield has significant discretion to determine the suitability of opportunities for us and to allocate such opportunities to us or to itself or third parties;
- because of the scale of typical infrastructure acquisitions and because our strategy includes completing acquisitions through consortium or partnership arrangements with pension funds and other financial sponsors, we will likely make co-investments with Brookfield and Brookfield sponsored funds or Brookfield sponsored or co-sponsored consortiums and partnerships, which typically will require that Brookfield owe fiduciary duties to the other partners or consortium members that it does not owe to us;
- there may be circumstances where Brookfield will determine that an acquisition opportunity is not suitable for us because of limits arising due to regulatory or tax considerations or limits on our financial capacity or because of the immaturity of the target assets or the fit with our acquisition strategy and Brookfield is entitled to pursue the acquisition on its own behalf rather than offering us the opportunity to make the acquisition and, as a result, Brookfield may initially or ultimately make the acquisition;
- where Brookfield has made an acquisition, it may transfer it to us at a later date after the assets have been developed or we have obtained sufficient financing;
- our relationship with Brookfield involves a number of arrangements pursuant to which Brookfield provides various services and access to financing arrangements and acquisition opportunities, and circumstances may arise in which these arrangements will need to be amended or new arrangements will need to be entered into;
- our arrangements with Brookfield were negotiated in the context of the spin-off, which may have resulted in those arrangements containing terms that are less favorable than those which otherwise might have been obtained from unrelated parties;
- under the Holding LP's limited partnership agreement and the agreements governing the operating entities, Brookfield is generally entitled to share in the returns generated by our operations, which could create an incentive for it to assume greater risks when making decisions than they otherwise would in the absence of such arrangements;
- Brookfield is permitted to pursue other business activities and provide services to third parties that compete directly with our business and activities without providing us with an opportunity to participate, which could result in the allocation of Brookfield's resources, personnel and acquisition opportunities to others who compete with us;
- Brookfield does not owe our partnership or our unitholders any fiduciary duties, which may limit our recourse against it; and

- the liability of Brookfield is limited under our arrangements with them, and we have agreed to indemnify Brookfield against claims, liabilities, losses, damages, costs or expenses which they may face in connection with those arrangements, which may lead them to assume greater risks when making decisions than they otherwise would if such decisions were being made solely for their own account, or may give rise to legal claims for indemnification that are adverse to the interests of our unitholders.

With respect to transactions in which there is greater potential for a conflict of interest to arise, our Managing General Partner may be required to seek the prior approval of a majority of the independent directors pursuant to conflict of interest guidelines that have been approved by a majority of the independent directors. These transactions include (i) the dissolution of our partnership; (ii) any material amendment to the Master Services Agreement, the Relationship Agreement, our Limited Partnership Agreement or the Holding LP's limited partnership agreement; (iii) any material service agreement or other arrangement pursuant to which Brookfield will be paid a fee, or other consideration other than any agreement or arrangement contemplated by the Master Services Agreement; (iv) acquisitions by us from, and dispositions by us to, Brookfield; (v) any other transaction involving Brookfield; and (vi) termination of, or any determinations regarding indemnification under, the Master Services Agreement. Pursuant to our conflicts protocol, independent directors may grant prior approvals for any of these transactions in the form of general guidelines, policies or procedures in which case no further special approval will be required in connection with a particular transaction or matter permitted thereby. In certain circumstances, these transactions may be related party transactions for the purposes of and subject to certain requirements of *Multilateral Instrument 61-101—Protection of Minority Security Holders in Special Transactions* ("MI 61-101") which in some situations requires minority shareholder approval and/or valuation for transactions with related parties. An exemption from such requirements is available when the fair market value of the transaction is not more than 25% of the market capitalization of the issuer. Our partnership has been granted exemptive relief from the requirements of MI 61-101 that, subject to certain conditions, would permit it to be exempt from the minority approval and valuation requirements for transactions that would have a value of less than 25% of our partnership's market capitalization if Brookfield's indirect equity interest in our partnership was included in the calculation of our partnership's market capitalization. As a result, the 25% threshold above which the minority approval and valuation requirements would apply would be increased to include the approximately 28.1% indirect interest in our partnership held by Brookfield.

We maintain a conflicts protocol to assist in the resolution of these potential or actual conflicts which states that conflicts be resolved based on the principles of transparency, independent validation and approvals. The policy recognizes the benefit to us of our relationship with Brookfield and our intent to pursue a strategy that seeks to maximize the benefits from this relationship. The policy also recognizes that the principal areas of potential application of the policy on an ongoing basis will be in connection with our acquisitions and our participation in Brookfield led consortia and partnership arrangements, together with any management or service arrangements entered into in connection therewith or the ongoing operations of the underlying operating entities.

In general, the policy provides that acquisitions that are carried out jointly by us and Brookfield, or in the context of a Brookfield led or co-led consortium or partnership be carried out on the basis that the consideration paid by us be no more, on a per share or proportionate basis, than the consideration paid by Brookfield or other participants, as applicable. The policy also provides that any fees or carried interest payable in respect of our proportionate investment, or in respect of an acquisition made solely by us, must be credited in the manner contemplated by our Master Services Agreement and the Holding LP's limited partnership agreement, where applicable, or that such fees or carried interest must either have been negotiated with another arm's length participant or otherwise demonstrated to be on market terms. The policy further provides that if the acquisition involves the purchase by us of an asset from Brookfield, or the participation in a transaction involving the purchase

by us and Brookfield of different assets, that a fairness opinion or, in some circumstances, a valuation or appraisal by a qualified expert be obtained. These requirements provided for in the conflicts protocol are in addition to any disclosure, approval and valuation requirements that may arise under applicable law.

Our Limited Partnership Agreement contains various provisions that modify the fiduciary duties that might otherwise be owed to our partnership and our unitholders, including when conflicts of interest arise. Specifically, our limited partnership agreement states that no breach of our Limited Partnership Agreement or a breach of any duty, including fiduciary duties, may be found for any matter that has been approved by a majority of the independent directors of our Managing General Partner. In addition, when resolving conflicts of interest, our limited partnership agreement does not impose any limitations on the discretion of the independent directors or the factors which they may consider in resolving any such conflicts. The independent directors of our Managing General Partner can therefore take into account the interests of third parties, including Brookfield, when resolving conflicts of interest. Additionally, any fiduciary duty that is imposed under any applicable law or agreement is modified, waived or limited to the extent required to permit our Managing General Partner to undertake any affirmative conduct or to make any decisions, so long as such action is reasonably believed to be in, or not inconsistent with, the best interests of our partnership.

Our Master Services Agreement and our other arrangements with Brookfield do not impose on Brookfield any duty (statutory or otherwise) to act in the best interests of the Service Recipients, nor do they impose other duties that are fiduciary in nature. As a result, our Managing General Partner, a wholly-owned subsidiary of Brookfield Asset Management, in its capacity as our general partner, has sole authority to enforce the terms of such agreements and to consent to any waiver, modification or amendment of their provisions, subject to approval by a majority of our independent directors in accordance with our conflicts protocol.

In addition, the Bermuda Limited Partnership Act, under which our partnership and the Holding LP were established, does not impose statutory fiduciary duties on a general partner of a limited partnership in the same manner that certain corporate statutes, such as the Canada Business Corporations Act, impose fiduciary duties on directors of a corporation. In general, under applicable Bermudian legislation, a general partner has certain limited duties to its limited partners, such as the duty to render accounts, account for private profits and not compete with the partnership in business. In addition, Bermudian common law recognizes that a general partner owes a duty of utmost good faith to its limited partners. These duties are, in most respects, similar to duties imposed on a general partner of a limited partnership under U.S. and Canadian law. However, to the extent that our Managing General Partner owes any such fiduciary duties to our partnership and our unitholders, these duties have been modified pursuant to our Limited Partnership Agreement as a matter of contract law. We have been advised by counsel that such modifications are not prohibited under Bermudian law, subject to typical qualifications as to enforceability of contractual provisions, such as the application of general equitable principles. This is similar to Delaware law which expressly permits modifications to the fiduciary duties owed to partners, other than an implied contractual covenant of good faith and fair dealing.

In addition, our Limited Partnership Agreement provides that our Managing General Partner and its affiliates do not have any obligation under our Limited Partnership Agreement, or as a result of any duties stated or implied by law or equity, including fiduciary duties, to present business or investment opportunities to our partnership, the Holding LP, any Holding Entity or any other holding entity established by us. They also allow affiliates of our Managing General Partner to engage in activities that may compete with us or our activities. Additionally, any failure by our Managing General Partner to consent to any merger, consolidation or combination will not result in a breach of our Limited Partnership Agreement or any other provision of law. Our Limited Partnership Agreement prohibits

our limited partners from advancing claims that otherwise might raise issues as to compliance with fiduciary duties or applicable law.

These modifications to the fiduciary duties are detrimental to our unitholders because they restrict the remedies available for actions that might otherwise constitute a breach of fiduciary duty and permit conflicts of interest to be resolved in a manner that is not in the best interests of our partnership or the best interests of our unitholders. We believe it is necessary to modify the fiduciary duties that might otherwise be owed to us and our unitholders, as described above, due to our organizational and ownership structure and the potential conflicts of interest created thereby. Without modifying those duties, the ability of our Managing General Partner to attract and retain experienced and capable directors and to take actions that we believe will be necessary for the carrying out of our business would be unduly limited due to their concern about potential liability. See Item 3.D "Risk Factors—Risks Relating to Our Relationship with Brookfield—Our Master Services Agreement and our other arrangements with Brookfield do not impose on Brookfield any fiduciary duties to act in the best interests of our unitholders".

7.C INTEREST OF EXPERTS AND COUNSEL

Not applicable.

ITEM 8. FINANCIAL INFORMATION

8.A CONSOLIDATED STATEMENTS AND OTHER FINANCIAL INFORMATION

Please see Item 18 below for additional information required to be disclosed under this Item.

8.B SIGNIFICANT CHANGES

Please see Item 3 "Key Information," Item 4 "Information on the Company," Item 5 "Operating and Financial Review and Prospects" for additional information.

On March 28, 2014, we effected a restructuring pursuant to which the Holding LP's limited partnership agreement was amended to make our partnership the managing general partner of the Holding LP and to make the Infrastructure Special LP, the former general partner of the Holding LP, a special limited partner of the Holding LP. This change was made in order to simplify our governance structure and to more clearly delineate our partnership's governance rights in respect of the Holding LP. As a result, the voting agreement between our partnership and Brookfield, which required Brookfield to exercise certain of its voting rights in respect of the Holding LP's former general partner as directed by our partnership, was terminated and related changes were made to our Limited Partnership Agreement and the Master Services Agreement. Because Brookfield is a party to these agreements, all of the amendments were approved by a special committee of independent directors of the Managing General Partner and the former general partner of the Holding LP. The economic interests of our partnership were not affected by these changes. See Item 10.B "Memorandum and Articles of Association—Description of Our Units and Our Limited Partnership" and Item 10.B "Memorandum and Articles of Association—Description of the Holding LP's Limited Partnership Agreement".

ITEM 9. THE OFFER AND LISTING

9.A PRICING HISTORY

The following table sets forth the annual high and low prices for our units on the NYSE for the past five years:

	High	Low
Year Ended December 31, 2009	$18.64	$ 7.15
Year Ended December 31, 2010	$23.34	$14.95
Year Ended December 31, 2011	$27.86	$21.08
Year Ended December 31, 2012	$36.70	$27.98
Year Ended December 31, 2013	$41.27	$34.19

The following table sets forth the quarterly high and low prices for our units on the NYSE for the two most recent full financial years:

	High	Low
January 1, 2012 to March 31, 2012	$31.63	$27.98
April 1, 2012 to June 30, 2012	$33.57	$29.66
July 1, 2012 to September 30, 2012	$36.70	$32.49
October 1, 2012 to December 31, 2012	$35.45	$32.95
January 1, 2013 to March 31, 2013	$40.40	$35.85
April 1, 2013 to June 30, 2013	$39.72	$34.19
July 1, 2013 to September 30, 2013	$38.24	$34.35
October 1, 2013 to December 31, 2013	$41.27	$36.42

The following table sets forth the monthly high and low prices for our units on the NYSE for the most recent six months:

	High	Low
September 1, 2013 to September 30, 2013	$38.24	$35.30
October 1, 2013 to October 31, 2013	$39.92	$36.71
November 1, 2013 to November 30, 2013	$41.27	$38.25
December 1, 2013 to December 31, 2013	$39.22	$36.42
January 1, 2014 to January 31, 2014	$38.92	$36.44
February 1, 2014 to February 28, 2014	$37.92	$35.72

The following table sets forth the annual high and low prices for our units on the TSX for the periods indicated since the date of listing on September 10, 2009, in Canadian dollars:

	High	Low
September 10, 2009 to December 31, 2009	$19.50	$15.50
January 1, 2010 to December 31, 2010	$23.31	$15.94
January 1, 2011 to December 31, 2011	$28.35	$19.68
January 1, 2012 to December 31, 2012	$36.27	$28.13
January 1, 2013 to December 31, 2013	$43.08	$35.33

The following table sets forth the quarterly high and low prices for our units on the TSX for the two most recent full financial years, in Canadian dollars:

	High	Low
January 1, 2012 to March 31, 2012	$31.51	$28.13
April 1, 2012 to June 30, 2012	$34.33	$29.78
July 1, 2012 to September 30, 2012	$36.27	$33.23
October 1, 2012 to December 31, 2012	$34.90	$32.86
January 1, 2013 to March 31, 2013	$41.25	$35.33
April 1, 2013 to June 30, 2013	$40.80	$35.50
July 1, 2013 to September 30, 2013	$39.44	$36.00
October 1, 2013 to December 31, 2013	$43.08	$38.07

The following table sets forth the monthly high and low prices for our units on the TSX for the most recent six months, in Canadian dollars:

	High	Low
September 1, 2013 to September 30, 2013	$39.44	$37.00
October 1, 2013 to October 31, 2013	$41.74	$38.07
November 1, 2013 to November 30, 2013	$43.08	$40.45
December 1, 2013 to December 31, 2013	$41.78	$38.57
January 1, 2014 to January 31, 2014	$42.45	$40.69
February 1, 2014 to February 28, 2014	$41.70	$39.50

Our units do not have a par value.

9.B PLAN OF DISTRIBUTION

Not applicable.

9.C MARKET

Our units are listed on the NYSE under the symbol "BIP" and on the TSX under the symbol "BIP.UN".

9.D SELLING SHAREHOLDERS

Not applicable.

9.E DILUTION

Not applicable.

9.F EXPENSES OF THE ISSUE

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

10.A SHARE CAPITAL

Not applicable.

10.B MEMORANDUM AND ARTICLES OF ASSOCIATION

DESCRIPTION OF OUR UNITS AND OUR LIMITED PARTNERSHIP AGREEMENT

The following is a description of the material terms of our units and our Limited Partnership Agreement, as amended, and is qualified in its entirety by reference to all of the provisions of our Limited Partnership Agreement. Because this description is only a summary of the terms of our units and our Limited Partnership Agreement, it does not contain all of the information that you may find useful. For more complete information, you should read our Limited Partnership Agreement which is available electronically on the website of the Securities and Exchange Commission at www.sec.gov and our Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") profile at www.sedar.com and will be made available to our holders as described under Item 10.C "Material Contracts" and Item 10.H "Documents on display."

See also the information contained in this annual report on Form 20-F under Item 3.D "Risk Factors—Risk Relating to Our Relationship with Brookfield," Item 6.C "Board Practices," Item 6.A "Directors and Senior Management" and Item 7.B "Related Party Transactions."

Formation and Duration

Our partnership is a Bermuda exempted limited partnership registered under the Bermuda Limited Partnership Act and the Bermuda Exempted Partnerships Act. Our partnership has a perpetual existence and will continue as a limited liability partnership unless our partnership is terminated or dissolved in accordance with our Limited Partnership Agreement. Our partnership interests consist of our units, which represent limited partnership interests in our partnership, and any additional partnership interests representing limited partnership interests that we may issue in the future as described below under "—Issuance of Additional Partnership Interests." In this description, references to "holders of our partnership interests" and our "unitholders" are to our limited partners and references to our limited partners include holders of our units.

Nature and Purpose

Under section 2.2 of our Limited Partnership Agreement, the purpose of our partnership is to: acquire and hold interests in the Holding LP and, subject to the approval of our Managing General Partner, interests in any other entity; engage in any activity related to the capitalization and financing of our partnership's interests in such entities; serve as the general partner of the Holding LP; and engage in any other activity that is incidental to or in furtherance of the foregoing and that is approved by our Managing General Partner and that lawfully may be conducted by a limited partnership organized under the Bermuda Limited Partnership Act, the Exempted Partnerships Act, and our Limited Partnership Agreement.

Our Units

Our units are limited partnership interests in our partnership. Holders of our units are not entitled to the withdrawal or return of capital contributions in respect of our units, except to the extent, if any, that distributions are made to such holders pursuant to our Limited Partnership Agreement or upon the liquidation of our partnership as described below under "—Liquidation and Distribution of Proceeds" or as otherwise required by applicable law. Except to the extent expressly provided in our Limited Partnership Agreement, a holder of our units does not have priority over any other holder of

our units, either as to the return of capital contributions or as to profits, losses or distributions. Holders of our units will not be granted any preemptive or other similar right to acquire additional interests in our partnership. In addition, holders of our units do not have any right to have their units redeemed by our partnership.

Issuance of Additional Partnership Interests

Our Managing General Partner has broad rights to cause our partnership to issue additional partnership interests and may cause our partnership to issue additional partnership interests (including new classes of partnership interests and options, rights, warrants and appreciation rights relating to such interests) for any partnership purpose, at any time and on such terms and conditions as it may determine without the approval of any limited partners. Any additional partnership interests may be issued in one or more classes, or one or more series of classes, with such designations, preferences, rights, powers and duties (which may be senior to existing classes and series of partnership interests) as may be determined by our Managing General Partner in its sole discretion, all without approval of our limited partners.

Investments in the Holding LP

If and to the extent that our partnership raises funds by way of the issuance of equity or debt securities, or otherwise, pursuant to a public offering, private placement or otherwise, an amount equal to the proceeds will be invested in the Holding LP, unless otherwise agreed by our partnership and the Holding LP.

Capital Contributions

Brookfield and our Managing General Partner each contributed $1 to the capital of our partnership in order to form our partnership. Thereafter, Brookfield contributed to our partnership limited partnership interests of the Holding LP in exchange for Redeemable Partnership Units and our units, the latter of which was distributed by Brookfield Asset Management in the spin-off.

Distributions

Distributions to partners of our partnership will be made only as determined by our Managing General Partner in its sole discretion. However, our Managing General Partner will not be permitted to cause our partnership to make a distribution if it does not have sufficient cash on hand to make the distribution, the distribution would render it insolvent or if, in the opinion of our Managing General Partner, the distribution would leave it with insufficient funds to meet any future contingent obligations.

Any distributions from our partnership will be made to the limited partners as to 99.99% and to our Managing General Partner as to 0.01%. Each limited partner will receive a pro rata share of distributions made to all limited partners in accordance with the proportion of all outstanding units held by that limited partner. See Item 8.A "Consolidated Statements and Other Financial Information."

Allocations of Income and Losses

Net income and net loss for U.S. federal income tax purposes will be allocated for each taxable year or other relevant period among our partners using a monthly, quarterly or other permissible convention pro rata on a per unit basis, except to the extent otherwise required by law or pursuant to tax elections made by our partnership. The source and character of items of income and loss so allocated to a partner of our partnership will be the same source and character as the income earned or loss incurred by our partnership.

The income for Canadian federal income tax purposes of our partnership for a given fiscal year of our partnership will be allocated to each partner in an amount calculated by multiplying such income by a fraction, the numerator of which is the sum of the distributions received by such partner with respect to such fiscal year and the denominator of which is the aggregate amount of the distributions made by our partnership to partners with respect to such fiscal year. Generally, the source and character of items of income so allocated to a partner with respect to a fiscal year of our partnership will be the same source and character as the distributions received by such partner with respect to such fiscal year. To such end, any person who was a partner at any time during such fiscal year but who has transferred all of their units before the last day of that fiscal year may be deemed to be a partner on the last day of such fiscal year for the purposes of subsection 96(1) of the Tax Act. Our Managing General Partner may adjust allocations of items that would otherwise be made pursuant to the terms of our Limited Partnership Agreement to the extent necessary to avoid an adverse effect on our partnership's limited partners, subject to the approval of a committee of the board of directors of our Managing General Partner made up of independent directors.

If, with respect to a given fiscal year, no distribution is made by our partnership or our partnership has a loss for Canadian federal income tax purposes, one quarter of the income, or loss, as the case may be, for Canadian federal income tax purposes of our partnership for such fiscal year, will be allocated to the partners of record at the end of each calendar quarter ending in such fiscal year pro rata to their respective percentage interests in our partnership, which in the case of our Managing General Partner shall mean 0.01%, and in the case of all limited partners of our partnership shall mean in the aggregate 99.99%, which aggregate percentage interest shall be allocated among the limited partners in the proportion that the number of limited partnership units held at each such date by a limited partner is of the total number of limited partnership units issued and outstanding at each such date. Generally, the source and character of such income or losses so allocated to a partner at the end of each calendar quarter will be the same source and character as the income or loss earned or incurred by our partnership in such calendar quarter.

Limited Liability

Assuming that a limited partner does not participate in the control or management of our partnership or conduct the affairs of, sign or execute documents for or otherwise bind our partnership within the meaning of the Bermuda Limited Partnership Act and otherwise acts in conformity with the provisions of our limited partnership agreement, such partner's liability under the Bermuda Limited Partnership Act and our limited partnership agreement will be limited to the amount of capital such partner is obligated to contribute to our partnership for its limited partner interest plus its share of any undistributed profits and assets, except as described below.

If it were determined, however, that a limited partner was participating in the control or management of our partnership or conducting the affairs of, signing or executing documents for or otherwise binding our partnership (or purporting to do any of the foregoing) within the meaning of the Bermuda Limited Partnership Act or the Bermuda Exempted Partnerships Act, such limited partner would be liable as if it were a general partner of our partnership in respect of all debts of our partnership incurred while that limited partner was so acting or purporting to act. Neither our limited partnership agreement nor the Bermuda Limited Partnership Act specifically provides for legal recourse against our Managing General Partner if a limited partner were to lose limited liability through any fault of our Managing General Partner. While this does not mean that a limited partner could not seek legal recourse, we are not aware of any precedent for such a claim in Bermuda case law.

No Management or Control

Our partnership's limited partners, in their capacities as such, may not take part in the management or control of the activities and affairs of our partnership and do not have any right or

authority to act for or to bind our partnership or to take part or interfere in the conduct or management of our partnership. Limited partners are not entitled to vote on matters relating to our partnership, although holders of units are entitled to consent to certain matters as described under "—Amendment of Our Limited Partnership Agreement," "—Opinion of Counsel and Limited Partner Approval," "—Merger, Sale or Other Disposition of Assets," and "—Withdrawal of Our Managing General Partner" which may be effected only with the consent of the holders of the percentages of our outstanding units specified below. Each unit shall entitle the holder thereof to one vote for the purposes of any approvals of holders of units.

Meetings

Our Managing General Partner may call special meetings of partners at a time and place outside of Canada determined by our Managing General Partner on a date not less than 10 days nor more than 60 days after the mailing of notice of the meeting. The limited partners do not have the ability to call a special meeting. Only holders of record on the date set by our Managing General Partner (which may not be less than 10 days nor more than 60 days, before the meeting) are entitled to notice of any meeting.

Written consents may be solicited only by or on behalf of our Managing General Partner. Any such consent solicitation may specify that any written consents must be returned to our partnership within the time period, which may not be less than 20 days, specified by our Managing General Partner.

For purposes of determining holders of partnership interests entitled to provide consents to any action described above, our Managing General Partner may set a record date, which may be not less than 10 nor more than 60 days before the date by which record holders are requested in writing by our Managing General Partner to provide such consents. Only those holders of partnership interests on the record date established by our Managing General Partner will be entitled to provide consents with respect to matters as to which a consent right applies.

Amendment of Our Limited Partnership Agreement

Amendments to our Limited Partnership Agreement may be proposed only by or with the consent of our Managing General Partner. To adopt a proposed amendment, other than the amendments that do not require limited partner approval discussed below, our Managing General Partner must seek approval of a majority of our outstanding units required to approve the amendment or call a meeting of the limited partners to consider and vote upon the proposed amendment.

Prohibited Amendments

No amendment may be made that would:

- enlarge the obligations of any limited partner without its consent, except that any amendment that would have a material adverse effect on the rights or preferences of any class of partnership interests in relation to other classes of partnership interests may be approved by at least a majority of the type or class of partnership interests so affected; or
- enlarge the obligations of, restrict in any way any action by or rights of, or reduce in any way the amounts distributable, reimbursable or otherwise payable by our partnership to our Managing General Partner or any of its affiliates without the consent of our Managing General Partner, which may be given or withheld in its sole discretion.

The provision of our Limited Partnership Agreement preventing the amendments having the effects described directly above can be amended upon the approval of the holders of at least 90% of the outstanding units.

No Limited Partner Approval

Subject to applicable law, our Managing General Partner may generally make amendments to our limited partnership agreement without the approval of any limited partner to reflect:

- a change in the name of our partnership, the location of our partnership's registered office, or our partnership's registered agent;
- the admission, substitution or withdrawal of partners in accordance with our Limited Partnership Agreement;
- a change that our Managing General Partner determines is necessary or appropriate for our partnership to qualify or to continue our partnership's qualification as a limited partnership or a partnership in which the limited partners have limited liability under the laws of any jurisdiction or to ensure that our partnership will not be treated as an association taxable as a corporation or otherwise taxed as an entity for tax purposes;
- an amendment that our Managing General Partner determines to be necessary or appropriate to address certain changes in tax regulations, legislation or interpretation;
- an amendment that is necessary, in the opinion of our counsel, to prevent our partnership or our Managing General Partner or its directors, officers, agents or trustees, from having a material risk of being in any manner being subjected to the provisions of the Investment Company Act or similar legislation in other jurisdictions;
- an amendment that our Managing General Partner determines in its sole discretion to be necessary or appropriate for the creation, authorization or issuance of any class or series of partnership interests or options, rights, warrants or appreciation rights relating to partnership securities;
- any amendment expressly permitted in our Limited Partnership Agreement to be made by our Managing General Partner acting alone;
- an amendment effected, necessitated or contemplated by an agreement of merger, consolidation or other combination agreement that has been approved under the terms of our Limited Partnership Agreement;
- any amendment that in the sole discretion of our Managing General Partner is necessary or appropriate to reflect and account for the formation by our partnership of, or its investment in, any corporation, partnership, joint venture, limited liability company or other entity, as otherwise permitted by our Limited Partnership Agreement;
- a change in our partnership's fiscal year and related changes; or
- any other amendments substantially similar to any of the matters described directly above.

In addition, our Managing General Partner may make amendments to our Limited Partnership Agreement without the approval of any limited partner if those amendments, in the discretion of our Managing General Partner:

- do not adversely affect our partnership's limited partners considered as a whole (including any particular class of partnership interests as compared to other classes of partnership interests) in any material respect;
- are necessary or appropriate to satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, ruling or regulation of any governmental agency or judicial authority;

- are necessary or appropriate to facilitate the trading of our units or to comply with any rule, regulation, guideline or requirement of any securities exchange on which our units are or will be listed for trading;
- are necessary or appropriate for any action taken by our Managing General Partner relating to splits or combinations of units under the provisions of our Limited Partnership Agreement; or
- are required to effect the intent expressed in the provisions of our Limited Partnership Agreement or are otherwise contemplated by our Limited Partnership Agreement.

Opinion of Counsel and Limited Partner Approval

Our Managing General Partner will not be required to obtain an opinion of counsel that an amendment will not result in a loss of limited liability to the limited partners if one of the amendments described above under "—No Limited Partner Approval" should occur. No other amendments to our limited partnership agreement (other than an amendment pursuant to a merger, sale or other disposition of assets effected in accordance with the provisions described under "—Merger, Sale or Other Disposition of Assets") will become effective without the approval of holders of at least 90% of our units, unless our partnership obtains an opinion of counsel to the effect that the amendment will not cause our partnership to be treated as an association taxable as a corporation or otherwise taxable as an entity for tax purposes (provided that for U.S. tax purposes our Managing General Partner has not made the election described below under "—Election to be Treated as a Corporation") or affect the limited liability of any of our partnership's limited partners under the Bermuda Limited Partnership Act or the Bermuda Exempted Partnerships Act.

In addition to the above restrictions, any amendment that would have a material adverse effect on the rights or preferences of any type or class of partnership interests in relation to other classes of partnership interests will also require the approval of the holders of at least a majority of the outstanding partnership interests of the class so affected.

In addition, any amendment that reduces the voting percentage required to take any action must be approved by the affirmative vote of limited partners whose aggregate outstanding voting units constitute not less than the voting requirement sought to be reduced.

Merger, Sale or Other Disposition of Assets

Any merger, consolidation or other combination of our partnership requires the prior approval of our Managing General Partner who has no duty or obligation to provide any such approval. Our limited partnership agreement generally prohibits our Managing General Partner, without the prior approval of the holders of a majority of our units, from causing our partnership to, among other things, sell, exchange or otherwise dispose of all or substantially all of our partnership's assets in a single transaction or a series of related transactions, including by way of merger, consolidation or other combination, or approving on our partnership's behalf the sale, exchange or other disposition of all or substantially all of the assets of our partnership's subsidiaries. However, our Managing General Partner in its sole discretion may mortgage, pledge, hypothecate or grant a security interest in all or substantially all of our partnership's assets (including for the benefit of persons other than our partnership or our partnership's subsidiaries) without that approval. Our Managing General Partner may also sell all or substantially all of our partnership's assets under any forced sale of any or all of our partnership's assets pursuant to the foreclosure or other realization upon those encumbrances without that approval.

If conditions specified in our Limited Partnership Agreement are satisfied, our Managing General Partner may convert or merge our partnership into, or convey some or all of our partnership's assets to, a newly formed entity if the sole purpose of that merger or conveyance is to effect a mere change in

our partnership's legal form into another limited liability entity. Holders of partnership interests are not entitled to dissenters' rights of appraisal under our Limited Partnership Agreement or the Bermuda Limited Partnership Act or the Bermuda Exempted Partnerships Act in the event of a merger or consolidation, a sale of substantially all of our assets or any other transaction or event.

Election to be Treated as a Corporation

If our Managing General Partner determines that it is no longer in our partnership's best interests to continue as a partnership for U.S. federal income tax purposes, our Managing General Partner may elect to treat our partnership as an association or as a publicly traded partnership taxable as a corporation for U.S. federal (and applicable state) income tax purposes.

Termination and Dissolution

Our partnership will terminate upon the earlier to occur of (i) the date on which all of our partnership's assets have been disposed of or otherwise realized by our partnership and the proceeds of such disposals or realizations have been distributed to partners, (ii) the service of notice by our Managing General Partner, with the special approval of a majority of its independent directors, that in its opinion the coming into force of any law, regulation or binding authority has or will render illegal or impracticable the continuation of our partnership, and (iii) at the election of our Managing General Partner, if our partnership, as determined by our Managing General Partner, is required to register as an "investment company" under the Investment Company Act or similar legislation in other jurisdictions.

Our partnership will be dissolved upon the withdrawal of our Managing General Partner as the general partner of our partnership (unless Brookfield becomes the general partner as described in the following sentence or the withdrawal is effected in compliance with the provisions of our Limited Partnership Agreement that are described below under "—Withdrawal of Our Managing General Partner") or the entry by a court of competent jurisdiction of a decree of judicial dissolution of our partnership or an order to wind up or liquidate our Managing General Partner. Our partnership will be reconstituted and continue without dissolution if within 30 days of the date of dissolution (and so long as a notice of dissolution has not been filed with the Bermuda Monetary Authority), Brookfield executes a transfer deed pursuant to which it becomes the general partner and assumes the rights and undertakes the obligations of the general partner and our partnership receives an opinion of counsel that the admission of Brookfield as general partner will not result in the loss of the limited liability of any limited partner.

Liquidation and Distribution of Proceeds

Upon our dissolution, unless our partnership is continued as a new limited partnership, the liquidator authorized to wind up our partnership's affairs will, acting with all of the powers of our Managing General Partner that the liquidator deems necessary or appropriate in its judgment, liquidate our partnership's assets and apply the proceeds of the liquidation first, to discharge our partnership's liabilities as provided in our Limited Partnership Agreement and by law and thereafter to the partners pro rata according to the percentages of their respective partnership interests as of a record date selected by the liquidator. The liquidator may defer liquidation of our partnership's assets for a reasonable period of time or distribute assets to partners in kind if it determines that an immediate sale or distribution of all or some of our partnership's assets would be impractical or would cause undue loss to the partners.

Withdrawal of Our Managing General Partner

Our Managing General Partner may withdraw as Managing General Partner without first obtaining approval of our unitholders by giving 90 days' advance notice, and that withdrawal will not constitute a violation of our Limited Partnership Agreement.

Upon the withdrawal of our Managing General Partner, the holders of a majority of the voting power of our outstanding units may select a successor to that withdrawing Managing General Partner. If a successor is not elected, or is elected but an opinion of counsel regarding limited liability, tax matters and the Investment Company Act (and similar legislation in other jurisdictions) cannot be obtained, our partnership will be dissolved, wound up and liquidated. See "—Termination and Dissolution" above.

In the event of withdrawal of a general partner where that withdrawal violates our Limited Partnership Agreement, a successor general partner will have the option to purchase the general partnership interest of the departing general partner for a cash payment equal to its fair market value. Under all other circumstances where a general partner withdraws, the departing general partner will have the option to require the successor general partner to purchase the general partnership interest of the departing general partner for a cash payment equal to its fair market value. In each case, this fair market value will be determined by agreement between the departing general partner and the successor general partner. If no agreement is reached within 30 days of the general partner's departure, an independent investment banking firm or other independent expert selected by the departing general partner and the successor general partner will determine the fair market value. If the departing general partner and the successor general partner cannot agree upon an expert within 45 days of the general partner's departure, then an expert chosen by agreement of the experts selected by each of them will determine the fair market value.

If the option described above is not exercised by either the departing general partner or the successor general partner, the departing general partner's general partnership interests will automatically convert into units pursuant to a valuation of those interests as determined by an investment banking firm or other independent expert selected in the manner described in the preceding paragraph.

Transfer of the General Partnership Interest

Our Managing General Partner may transfer all or any part of its general partnership interests without first obtaining approval of any unitholder. As a condition of this transfer, the transferee must assume the rights and duties of our Managing General Partner to whose interest that transferee has succeeded, agree to be bound by the provisions of our Limited Partnership Agreement and furnish an opinion of counsel regarding limited liability, tax matters, and the Investment Company Act (and similar legislation in other jurisdictions). Any transfer of the general partnership interest is subject to prior notice to and approval of the relevant Bermuda regulatory authorities. At any time, the members of our Managing General Partner may sell or transfer all or part of their shares in our Managing General Partner without the approval of the unitholders.

Partnership Name

If our Managing General Partner ceases to be the general partner of our partnership and our new general partner is not an affiliate of Brookfield, our partnership will be required by our Limited Partnership Agreement to change the name of our partnership to a name that does not include "Brookfield" and which could not be capable of confusion in any way with such name. Our Limited Partnership Agreement explicitly provides that this obligation shall be enforceable and waivable by our Managing General Partner notwithstanding that it may have ceased to be the general partner of our partnership.

Transactions with Interested Parties

Our Managing General Partner, the Service Provider and their respective partners, members, shareholders, directors, officers, employees and shareholders, which we refer to as "interested parties," may become limited partners or beneficially interested in limited partners and may hold, dispose of or otherwise deal with our units with the same rights they would have if our Managing General Partner was not a party to our Limited Partnership Agreement. An interested party will not be liable to account either to other interested parties or to our partnership, our partnership's partners or any other persons for any profits or benefits made or derived by or in connection with any such transaction.

Our Limited Partnership Agreement permits an interested party to sell investments to, purchase assets from, vest assets in and enter into any contract, arrangement or transaction with our partnership, the Holding LP, any of the Holding Entities, any operating entity or any other holding vehicle established by our partnership and may be interested in any such contract, transaction or arrangement and shall not be liable to account either to our partnership, the Holding LP, any of the Holding Entities, any operating entity or any other holding vehicle established by our partnership or any other person in respect of any such contract, transaction or arrangement, or any benefits or profits made or derived therefrom, by virtue only of the relationship between the parties concerned, subject to any approval requirements that are contained in our conflicts protocol. See Item 7.B "Related Party Transactions—Conflicts of Interest and Fiduciary Duties."

Outside Activities of Our Managing General Partner; Conflicts of Interest

Under our Limited Partnership Agreement, our Managing General Partner is required to maintain as its sole activity the role of general partner of our partnership. Our Managing General Partner is not permitted to engage in any activity or incur or guarantee any debts or liabilities except in connection with or incidental to its performance as general partner or incurring, guaranteeing, acquiring, owning or disposing of debt or equity securities of the Holding LP, a Holding Entity or any other holding vehicle established by our partnership.

Our Limited Partnership Agreement provides that each person who is entitled to be indemnified by our partnership (other than our Managing General Partner), as described below under "—Indemnification; Limitation on Liability," has the right to engage in businesses of every type and description and other activities for profit, and to engage in and possess interests in business ventures of any and every type or description, irrespective of whether (i) such activities are similar to our affairs or activities or (ii) such affairs and activities directly compete with, or disfavor or exclude, our Managing General Partner, our partnership, the Holding LP, any Holding Entity, any operating entity or any other holding vehicle established by our partnership. Such business interests, activities and engagements will be deemed not to constitute a breach of our Limited Partnership Agreement or any duties stated or implied by law or equity, including fiduciary duties, owed to any of our Managing General Partner, our partnership, the Holding LP, any Holding Entity, any operating entity and any other holding vehicle established by our partnership (or any of their respective investors), and shall be deemed not to be a breach of our Managing General Partner's fiduciary duties or any other obligation of any type whatsoever of our Managing General Partner. None of our Managing General Partner, our partnership, the Holding LP, any Holding Entity, any operating entity, any other holding vehicle established by our partnership or any other person shall have any rights by virtue of our Limited Partnership Agreement or the partnership relationship established thereby or otherwise in any business ventures of any person who is entitled to be indemnified by our partnership as described below under "—Indemnification; Limitation on Liability."

Our Managing General Partner and the other indemnified persons described in the preceding paragraph do not have any obligation under our Limited Partnership Agreement or as a result of any duties stated or implied by law or equity, including fiduciary duties, to present business or investment

opportunities to our partnership, the Holding LP, any Holding Entity, any operating entity or any other holding vehicle established by our partnership. These provisions will not affect any obligation of an indemnified person to present business or investment opportunities to our partnership, the Holding LP, any Holding Entity, any operating entity or any other holding vehicle established by our partnership pursuant to a separate written agreement between such persons.

Any conflicts of interest and potential conflicts of interest that are approved by a majority of our Managing General Partner's independent directors from time-to-time will be deemed approved by all partners. Pursuant to our conflicts protocol, independent directors may grant approvals for any of the transactions described above in the form of general guidelines, policies or procedures in which case no further special approval will be required in connection with a particular transaction or matter permitted thereby. See Item 7.B "Related Party Transactions—Conflicts of Interest and Fiduciary Duties."

Indemnification; Limitations on Liability

Under our Limited Partnership Agreement, our partnership is required to indemnify to the fullest extent permitted by law our Managing General Partner, the Service Provider and any of their respective affiliates (and their respective officers, directors, agents, shareholders, partners, members and employees), any person who serves on a governing body of the Holding LP, a Holding Entity, operating entity or any other holding vehicle established by our partnership and any other person designated by our Managing General Partner as an indemnified person, in each case, against all losses, claims, damages, liabilities, costs or expenses (including legal fees and expenses), judgments, fines, penalties, interest, settlements or other amounts arising from any and all claims, demands, actions, suits or proceedings, incurred by an indemnified person in connection with our investments and activities or by reason of their holding such positions, except to the extent that the claims, liabilities, losses, damages, costs or expenses are determined to have resulted from the indemnified person's bad faith, fraud or willful misconduct, or in the case of a criminal matter, action that the indemnified person knew to have been unlawful. In addition, under our Limited Partnership Agreement, (i) the liability of such persons has been limited to the fullest extent permitted by law, except to the extent that their conduct involves bad faith, fraud or willful misconduct, or in the case of a criminal matter, action that the indemnified person knew to have been unlawful and (ii) any matter that is approved by the independent directors of our Managing General Partner will not constitute a breach of our Limited Partnership Agreement or any duties stated or implied by law or equity, including fiduciary duties. Our Limited Partnership Agreement requires us to advance funds to pay the expenses of an indemnified person in connection with a matter in which indemnification may be sought until it is determined that the indemnified person is not entitled to indemnification.

Accounts, Reports and Other Information

Our partnership prepares its financial statements in accordance with IFRS. Our partnership's financial statements must be made publicly available together with a statement of the accounting policies used in their preparation, such information as may be required by applicable laws and regulations and such information as our Managing General Partner deems appropriate. Our partnership's annual financial statements must be audited by an independent accountant firm of international standing and made publicly available within such period of time as is required to comply with applicable laws and regulations, including any rules of any applicable securities exchange. Our partnership's quarterly financial statements may be unaudited and are made available publicly as and within the time period required by applicable laws and regulations.

Our Managing General Partner is also required to use commercially reasonable efforts to prepare and send to the limited partners of our partnership on an annual basis, additional information regarding our partnership, including Schedule K-1 (or equivalent) and information related to the passive foreign investment company status of any non-U.S. corporation that we control and, where

reasonably possible, any other non-U.S. corporation in which we hold an interest. Our Managing General Partner will, where reasonably possible, prepare and send information required by the non-U.S. limited partners of our partnership for U.S. federal income tax reporting purposes, including information related to investments in "U.S. real property interests," as that term is defined in Section 897 of the U.S. Internal Revenue Code. Our Managing General Partner will also, where reasonably possible and applicable, prepare and send information required by limited partners of our partnership for Canadian federal income tax purposes.

Governing Law; Submission to Jurisdiction

Our Limited Partnership Agreement is governed by and will be construed in accordance with the laws of Bermuda. Under our Limited Partnership Agreement, each of our partnership's partners (other than governmental entities prohibited from submitting to the jurisdiction of a particular jurisdiction) will submit to the non-exclusive jurisdiction of any court in Bermuda in any dispute, suit, action or proceeding arising out of or relating to our Limited Partnership Agreement. Each partner waives, to the fullest extent permitted by law, any immunity from jurisdiction of any such court or from any legal process therein and further waives, to the fullest extent permitted by law, any claim of inconvenient forum, improper venue or that any such court does not have jurisdiction over the partner. Any final judgment against a partner in any proceedings brought in a court in Bermuda will be conclusive and binding upon the partner and may be enforced in the courts of any other jurisdiction of which the partner is or may be subject, by suit upon such judgment. The foregoing submission to jurisdiction and waivers will survive the dissolution, liquidation, winding up and termination of our partnership.

Transfers of Units

We are not required to recognize any transfer of our units until certificates, if any, evidencing such units are surrendered for registration of transfer. Each person to whom a unit is transferred (including any nominee holder or an agent or representative acquiring such unit for the account of another person) will be admitted to our partnership as a partner with respect to the unit so transferred subject to and in accordance with the terms of our Limited Partnership Agreement. Any transfer of a unit will not entitle the transferee to share in the profits and losses of our partnership, to receive distributions, to receive allocations of income, gain, loss, deduction or credit or any similar item or to any other rights to which the transferor was entitled until the transferee becomes a partner and a party to our Limited Partnership Agreement.

By accepting a unit for transfer in accordance with our Limited Partnership Agreement, each transferee will be deemed to have:

- executed our Limited Partnership Agreement and become bound by the terms thereof;
- granted an irrevocable power of attorney to our Managing General Partner and any officer thereof to act as such partner's agent and attorney-in-fact to execute, swear to, acknowledge, deliver, file and record in the appropriate public offices all (i) all agreements, certificates, documents and other instruments relating to the existence or qualification of our partnership as an exempted limited partnership (or a partnership in which the limited partners have limited liability) in Bermuda and in all jurisdictions in which our partnership may conduct activities and affairs or own property; any amendment, change, modification or restatement of our Limited Partnership Agreement, subject to the requirements of our Limited Partnership Agreement; the dissolution and liquidation of our partnership; the admission, withdrawal or removal of any partner of our partnership or any capital contribution of any partner of our partnership; the determination of the rights, preferences and privileges of any class or series of units or other partnership interests of our partnership, and to a merger or consolidation of our partnership; and (ii) subject to the requirements of our Limited Partnership Agreement, all ballots, consents,

approvals, waivers, certificates, documents and other instruments necessary or appropriate, in the sole discretion of our Managing General Partner or the liquidator of our partnership, to make, evidence, give, confirm or ratify any voting consent, approval, agreement or other action that is made or given by our partnership's partners or is consistent with the terms of our Limited Partnership Agreement or to effectuate the terms or intent of our Limited Partnership Agreement; and

- made the consents and waivers contained in our Limited Partnership Agreement, including with respect to the approval of the transactions and agreements entered into in connection with our formation and the spin-off.

The transfer of any unit and the admission of any new partner to our partnership will not constitute any amendment to our Limited Partnership Agreement.

Transfer Agent and Registrar

Computershare Trust Company, N.A. in New York, New York, U.S.A. has been appointed to act as transfer agent and registrar for the purpose of registering our limited partnership interests and transfers of our limited partnership interests as provided in our Limited Partnership Agreement. Our partnership will indemnify the transfer agent, its agents and each of their shareholders, directors, officers and employees against all claims and losses that may arise out of acts performed or omitted for its activities in that capacity, except for any liability due to any gross negligence or intentional misconduct of the indemnified person or entity.

Description of the Holding LP's Limited Partnership Agreement

The following is a description of the material terms of the Holding LP's limited partnership agreement and is qualified in its entirety by reference to all of the provisions of such agreement. Holders of units in our partnership are not partners of the Holding LP and do not have any rights under its limited partnership agreement. However, our partnership is the managing general partner of the Holding LP and is responsible for the management and control of the Holding LP.

Because this description is only a summary of the terms of the agreement, it does not necessarily contain all of the information that you may find useful. For more complete information, you should read the Holding LP's limited partnership agreement which is available electronically on the website of the Securities and Exchange Commission at www.sec.gov and on our SEDAR profile at www.sedar.com and will be made available to our unitholders as described under Item 10.C "Material Contracts" and Item 10.H "Documents on display."

Formation and Duration

The Holding LP is a Bermuda exempted limited partnership registered under the Bermuda Limited Partnership Act and the Bermuda Exempted Partnerships Act. The Holding LP has a perpetual existence and will continue as a limited liability partnership unless the partnership is terminated or dissolved in accordance with its limited partnership agreement.

Nature and Purpose

Under its limited partnership agreement, the purpose of the Holding LP is to: acquire and hold interests in the Holding Entities and, subject to the approval of our partnership in its capacity as general partner of the Holding LP, any other entity; engage in any activity related to the capitalization and financing of the Holding LP's interests in such entities; and engage in any other activity that is incidental to or in furtherance of the foregoing and that is approved by our partnership in its capacity

as general partner of the Holding LP and that lawfully may be conducted by a limited partnership organized under the Bermuda Limited Partnership Act and our Limited Partnership Agreement.

Units

In connection with the spin-off, the Holding LP issued two classes of units. The first class of units, referred to as the Class A limited partnership units, was issued to Brookfield and subsequently transferred to our partnership. The second class of units, referred to as the Redeemable Partnership Units, were issued to wholly-owned subsidiaries of Brookfield Asset Management. Redeemable Partnership Units are limited partnership units and are described further below under the headings "—Distributions", "—No Management or Control" and "—Redemption-Exchange Mechanism."

On March 28, 2014, we effected a restructuring, pursuant to which: (i) all of the Class A limited partnership units of the Holding LP were reclassified as Managing General Partner Units in the Holding LP; and (ii) all of the general partnership interests in the Holding LP were reclassified as Special Limited Partnership Interests in the Holding LP.

As of the date of this annual report on Form 20-F, the Holding LP has three classes of units: Special Limited Partner Units, Redeemable Partnership Units and Managing General Partner Units. Holders of units are not entitled to the withdrawal or return of capital contributions in respect of their units, except to the extent, if any, that distributions are made to such holders pursuant to the Holding LP's limited partnership agreement or upon the liquidation of the Holding LP or as otherwise required by applicable law. Except to the extent expressly provided in the Holding LP's limited partnership agreement, a holder of units does not have priority over any other holder of units, either as to the return of capital contributions or as to profits, losses or distributions.

Issuance of Additional Partnership Interests

The Holding LP may issue additional partnership interests (including new classes of partnership interests and options, rights, warrants and appreciation rights relating to such interests) for any partnership purpose, at any time and on such terms and conditions as its general partner may determine. Any additional partnership interests may be issued in one or more classes, or one or more series of classes, with such designations, preferences, rights, powers and duties (which may be senior to existing classes and series of partnership interests) as our partnership in its capacity as general partner of the Holding LP may determine in its sole discretion.

Redemption-Exchange Mechanism

At any time, one or more wholly-owned subsidiaries of Brookfield Asset Management that hold Redeemable Partnership Units will have the right to require the Holding LP to redeem for cash all or a portion of the Redeemable Partnership Units held by such subsidiary, subject to our partnership's right of first refusal, as described below. Any such redeeming subsidiary may exercise its right of redemption by delivering a notice of redemption to the Holding LP and our partnership. After presentation for redemption, such redeeming subsidiary will receive, subject to our partnership's right of first refusal, as described below, for each unit that is presented, cash in an amount equal to the market value of one of our units multiplied by the number of units to be redeemed (as determined by reference to the five day volume weighted average of the trading price of our units and subject to certain customary adjustments). Upon its receipt of the redemption notice, our partnership will have a right of first refusal entitling it, at its sole discretion, to elect to acquire all (but not less than all) units described in such notice and presented to the Holding LP for redemption in exchange for units on a one for one basis (subject to certain customary adjustments). Upon a redemption for cash, the holder's right to receive distributions with respect to the Holding LP's units so redeemed will cease.

Brookfield's aggregate limited partnership interest in our partnership would be approximately 28.1% if it exercised its redemption right in full and our partnership exercised its right of first refusal on the Holding LP's units redeemed (including the approximately 48,930 issued and outstanding units that Brookfield currently also owns). Brookfield's total percentage interest in our partnership would be increased if it participates in the Holding LP's distribution reinvestment plan.

Distributions

Distributions by the Holding LP will be made in the sole discretion of our partnership in its capacity as general partner of the Holding LP. However, our partnership will not be permitted to cause the Holding LP to make a distribution if the Holding LP does not have sufficient cash on hand to make the distribution, the distribution would render the Holding LP insolvent or if, in the opinion of its general partner, the distribution would leave the Holding LP with insufficient funds to meet any future contingent obligations.

Except as set forth below, prior to the dissolution of the Holding LP, distributions of available cash (if any) in any given quarter will be made by the Holding LP as follows, referred to as the Regular Distribution Waterfall:

- first, 100% of any available cash to our partnership until our partnership has been distributed an amount equal to our partnership's expenses and outlays for the quarter properly incurred;
- second, 100% of any available cash then remaining to the owners of the Holding LP's partnership interests, pro rata to their percentage interests, until each holder of a partnership unit of the Holding LP has received distributions during such quarter in an amount equal to $0.305, referred to as the First Distribution Threshold;
- third, 85% of any available cash then remaining to the owners of the Holding LP's partnership interests, pro rata to their percentage interests, and 15% to the holder of Special Limited Partner Units, until each holder of a partnership unit of the Holding LP has received distributions during such quarter in an amount equal to $0.33, referred to as the Second Distribution Threshold; and
- thereafter, 75% of any available cash then remaining to the owners of the Holding LP's partnership interests, pro rata to their percentage interests, and 25% to the holder of Special Limited Partner Units.

Set forth below is an example of how the incentive distributions described above are calculated on a quarterly and annualized basis. The figures used below are for illustrative purposes only and are not indicative of Brookfield Infrastructure's expectations.

		Quarterly		Annually	
Incentive Distribution Calculation	**Units (m)**	**Per Unit ($)**	**Total ($m)**	**Per Unit ($)**	**Total ($m)**
Illustrative distribution		$0.480		$1.920	
First distribution threshold		$0.305		1.220	
Total units of Holding LP	210				
Total first distribution			$ 64		$ 256
Distribution in excess of first distribution threshold		$0.025		$0.100	
Total units of Holding LP	210				
Second distribution to partners			$ 5		$ 20
15% incentive distribution to the holder of Special Limited Partner Units			1		4
Total second distribution			$ 6		$ 24
Distribution in excess of second distribution threshold		$0.150		$0.600	
Total units Holding LP	210				
Third distribution to partners			$ 32		$ 128
25% incentive distribution to the holder of Special Limited Partner Units			10		40
Total third distribution			$ 42		$ 168
Total distributions to partners (including incentive distributions)			$ 112		$ 448
Total incentive distributions to the holder of Special Limited Partner Units			$ 11		$ 44

The table below sets forth the incentive distributions for the years ended December 31, 2013, 2012 and 2011 paid to Infrastructure Special LP (prior to its re-classification on March 28, 2014 as the Special Limited Partner).

	Year ended December 31		
MILLIONS	**2013**	**2012**	**2011**
Incentive Distributions	**$ 31**	$ 16	$ 4

If, prior to the dissolution of the Holding LP, available cash is deemed by its general partner, in its sole discretion, to be (i) attributable to sales or other dispositions of the Holding LP's assets and (ii) representative of unrecovered capital, then such available cash shall be distributed to the partners of the Holding LP in proportion to the unreturned capital attributable to the Holding LP's partnership interests held by the partners until such time as the unreturned capital attributable to each such partnership interest is equal to zero. Thereafter, distributions of available cash made by the Holding LP (to the extent made prior to dissolution) will be made in accordance with the Regular Distribution Waterfall.

Upon the occurrence of an event resulting in the dissolution of the Holding LP, all cash and property of the Holding LP in excess of that required to discharge the Holding LP's liabilities will be distributed as follows: (i) to the extent such cash and/or property is attributable to a realization event occurring prior to the event of dissolution, such cash and/or property will be distributed in accordance

with the Regular Distribution Waterfall and/or the distribution waterfall applicable to unrecovered capital; and (ii) all other cash and/or property will be distributed in the manner set forth below.

- first, 100% to our partnership until our partnership has received an amount equal to the excess of (i) the amount of our partnership's outlays and expenses incurred during the term of the Holding LP, over (ii) the aggregate amount of distributions received by our partnership pursuant to the first tier of the Regular Distribution Waterfall during the term of the Holding LP;
- second, 100% to the partners of the Holding LP, in proportion to their respective amounts of unrecovered capital in the Holding LP;
- third, 100% to the owners of the Holding LP's partnership interests, pro rata to their percentage interests, until each holder of a Holding LP partnership unit has received an amount equal to the excess of (i) the First Distribution Threshold for each quarter during the term of the Holding LP (subject to adjustment upon the subsequent issuance of additional partnership interests in the Holding LP), over (ii) the aggregate amount of distributions made in respect of the Holding LP's partnership units pursuant to the second tier of the Regular Distribution Waterfall during the term of the Holding LP (subject to adjustment upon the subsequent issuance of additional partnership interests in the Holding LP);
- fourth, 85% to the owners of the Holding LP's partnership interests, pro rata to their percentage interests, and 15% to its Special Limited Partner, until each holder of a partnership unit of the Holding LP has received an amount equal to the excess of (i) the Second Distribution Threshold less the First Distribution Threshold for each quarter during the term of the Holding LP (subject to adjustment upon the subsequent issuance of additional partnership interests in the Holding LP), over (ii) the aggregate amount of distributions made in respect of the partnership units of the Holding LP pursuant to the third tier of the Regular Distribution Waterfall during the term of the Holding LP (subject to adjustment upon the subsequent issuance of additional partnership interests in the Holding LP); and
- thereafter, 75% to the owners of the Holding LP's partnership interests, pro rata to their percentage interests, and 25% to its Special Limited Partner.

Each partner's percentage interest is determined by the relative portion of all outstanding partnership interests held by that partner from time to time and is adjusted upon and to reflect the issuance of additional partnership interests of the Holding LP. In addition, the unreturned capital attributable to each of the partnership interests, as well as certain of the distribution thresholds set forth above, may be adjusted pursuant to the terms of the limited partnership agreement of the Holding LP so as to ensure the uniformity of the economic rights and entitlements of (i) the previously outstanding partnership interests of the Holding LP, and (ii) the subsequently issued partnership interests of the Holding LP.

The limited partnership agreement of the Holding LP provides that, to the extent that any Holding Entity or any operating entity pays to Brookfield any comparable performance or incentive distribution, the amount of any incentive distributions paid to the Special Limited Partner in accordance with the distribution entitlements described above will be reduced in an equitable manner to avoid duplication of distributions.

The Special Limited Partner may elect, at its sole discretion, to reinvest incentive distributions in Redeemable Partnership Units.

No Management or Control

The Holding LP's limited partners, in their capacities as such, may not take part in the management or control of the activities and affairs of the Holding LP and do not have any right or

authority to act for or to bind the Holding LP or to take part or interfere in the conduct or management of the Holding LP.

Limited partners are not entitled to vote on matters relating to the Holding LP, although holders of units are entitled to consent to certain matters as described under "—Amendment of the Holding LP's Limited Partnership Agreement," "—Opinion of Counsel and Limited Partner Approval," "—Merger, Sale or Other Disposition of Assets," and "—Withdrawal of the General Partner" which may be effected only with the consent of the holders of the percentages of outstanding units specified below. For the purposes of any approval required from holders of the Holding LP's units, if holders of Redeemable Partnership Units are entitled to vote, they will be entitled to one vote per unit held subject to a maximum number of votes equal to 49% of the total number of units of the Holding LP then issued and outstanding. Each unit shall entitle the holder thereof to one vote for the purposes of any approvals of holders of units.

Meetings

Special meetings of the limited partners of the Holding LP may be called by its general partner at a time and place outside of Canada determined by it on a date not less than 10 days nor more than 60 days after the mailing of notice of the meeting. Special meetings of the limited partners may also be called by limited partners owning 50% or more of the voting power of the outstanding partnership interests of the class or classes for which a meeting is proposed. For this purpose, the partnership interests outstanding do not include partnership interests owned by its general partner or Brookfield. Only holders of partnership interests of the Holding LP of record on the date set by its general partner (which may not be less than 10 days nor more than 60 days, before the meeting) are entitled to notice of any meeting.

Amendment of the Holding LP's Limited Partnership Agreement

Amendments to the Holding LP's limited partnership agreement may be proposed only by or with the consent of its general partner. To adopt a proposed amendment, other than the amendments that do not require limited partner approval discussed below, the general partner must seek approval of a majority of the Holding LP's outstanding units required to approve the amendment or call a meeting of the limited partners to consider and vote upon the proposed amendment.

Prohibited Amendments

No amendment may be made that would:

- enlarge the obligations of any limited partner of the Holding LP without its consent, except that any amendment that would have a material adverse effect on the rights or preferences of any class of partnership interests in relation to other classes of partnership interests may be approved by at least a majority of the type or class of partnership interests so affected; or
- enlarge the obligations of, restrict in any way any action by or rights of, or reduce in any way the amounts distributable, reimbursable or otherwise payable by the Holding LP to its general partner or any of its affiliates without the consent of the general partner which may be given or withheld in its sole discretion.

The provision of the Holding LP's limited partnership agreement preventing the amendments having the effects described directly above can be amended upon the approval of the holders of at least 90% of the outstanding units.

No Limited Partner Approval

Subject to applicable law, the general partner may generally make amendments to the Holding LP's limited partnership agreement without the approval of any limited partner to reflect:

- a change in the name of the partnership, the location of the partnership's registered office or the partnership's registered agent;
- the admission, substitution, withdrawal or removal of partners in accordance with the limited partnership agreement;
- a change that its general partner determines is necessary or appropriate for the partnership to qualify or to continue its qualification as a limited partnership or a partnership in which the limited partners have limited liability under the laws of any jurisdiction or to ensure that the Holding LP will not be treated as an association taxable as a corporation or otherwise taxed as an entity for tax purposes;
- an amendment that its general partner determines to be necessary or appropriate to address certain changes in tax regulations, legislation or interpretation;
- an amendment that is necessary, in the opinion of counsel, to prevent the Holding LP or its general partner or its directors, officers, agents or trustees, from having a material risk of being in any manner subjected to the provisions of the Investment Company Act or similar legislation in other jurisdictions;
- an amendment that its general partner determines in its sole discretion to be necessary or appropriate for the creation, authorization or issuance of any class or series of partnership interests or options, rights, warrants or appreciation rights relating to partnership securities;
- any amendment expressly permitted in the Holding LP's limited partnership agreement to be made by its general partner acting alone;
- an amendment effected, necessitated or contemplated by an agreement of merger, consolidation or other combination agreement that has been approved under the terms of the Holding LP's limited partnership agreement;
- any amendment that in the sole discretion of the general partner is necessary or appropriate to reflect and account for the formation by the partnership of, or its investment in, any corporation, partnership, joint venture, limited liability company or other entity, as otherwise permitted by the Holding LP's limited partnership agreement;
- a change in its fiscal year and related changes;
- any amendment concerning the computation or allocation of specific items of income, gain, expense or loss among the partners that, in the sole discretion of its general partner, is necessary or appropriate to (i) comply with the requirements of applicable law, (ii) reflect the partners' interests in the Holding LP, or (iii) consistently reflect the distributions made by the Holding LP to the partners pursuant to the terms of the limited partnership agreement of the Holding LP;
- any amendment that in the sole discretion of the general partner, is necessary or appropriate to address any statute, rule, regulation, notice or announcement that affects or could affect the U.S. federal tax treatment of any allocation or distribution related to any interest of the general partner in the profits of Holding LP; and
- any other amendments substantially similar to any of the matters described directly above.

In addition, amendments to the Holding LP's limited partnership agreement may be made by its general partner without the approval of any limited partner if those amendments, in the discretion of the general partner:

- do not adversely affect the Holding LP's limited partners considered as a whole (including any particular class of partnership interests as compared to other classes of partnership interests) in any material respect;
- are necessary or appropriate to satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, ruling or regulation of any governmental agency or judicial authority;
- are necessary or appropriate to comply with any rule, regulation, guideline or requirement of any securities exchange on which the limited partner interests are or will be listed for trading;
- are necessary or appropriate for any action taken by its general partner relating to splits or combinations of units under the provisions of the Holding LP's limited partnership agreement; or
- are required to effect the intent expressed in the provisions of the Holding LP's limited partnership agreement or are otherwise contemplated by the Holding LP's limited partnership agreement.

Opinion of Counsel and Limited Partner Approval

The general partner of the Holding LP will not be required to obtain an opinion of counsel that an amendment will not result in a loss of limited liability to the limited partners if one of the amendments described above under "—No Limited Partner Approval" should occur. No other amendments to the Holding LP's limited partnership agreement (other than an amendment pursuant to a merger, sale or other disposition of assets effected in accordance with the Holding LP's limited partnership agreement) will become effective without the approval of holders of at least 90% of the Holding LP's units, unless it obtains an opinion of counsel to the effect that the amendment will not cause the Holding LP to be treated as an association taxable as a corporation or otherwise taxable as an entity for tax purposes (provided that for U.S. tax purposes its general partner has not made the election described below under "—Election to be Treated as a Corporation"), or affect the limited liability under the Bermuda Limited Partnership Act of any of the Holding LP's limited partners.

In addition to the above restrictions, any amendment that would have a material adverse effect on the rights or preferences of any type or class of partnership interests in relation to other classes of partnership interests will also require the approval of the holders of at least a majority of the outstanding partnership interests of the class so affected.

In addition, any amendment that reduces the voting percentage required to take any action must be approved by the affirmative vote of limited partners whose aggregate outstanding voting units constitute not less than the voting requirement sought to be reduced.

Election to be Treated as a Corporation

If, in the determination of its general partner, it is no longer in the Holding LP's best interests to continue as a partnership for U.S. federal income tax purposes, the general partner may elect to treat the Holding LP as an association or as a publicly traded partnership taxable as a corporation for U.S. federal (and applicable state) income tax purposes.

Dissolution

The Holding LP shall dissolve and its affairs shall be wound up, upon the earlier of (i) the service of notice by its general partner, with the approval of a majority of the members of the independent directors of our Managing General Partner, that, in the opinion of the general partner, the coming into force of any law, regulation or binding authority renders illegal or impracticable the continuation of the Holding LP; (ii) the election of its general partner if the Holding LP, as determined by its general partner, is required to register as an "investment company" under the Investment Company Act or similar legislation in other jurisdictions; (iii) the date that its general partner withdraws from the partnership (unless Brookfield becomes the general partner of the Holding LP as described below under "—Withdrawal of the General Partner"); (iv) the date on which any court of competent jurisdiction enters a decree of judicial dissolution of the Holding LP or an order to wind up or liquidate its general partner without the appointment of a successor; and (v) the date on which its general partner decides to dispose of, or otherwise realize proceeds in respect of, all or substantially all of the Holding LP's assets in a single transaction or series of transactions.

The Holding LP shall not dissolve if within 30 days of the date of dissolution (and provided that a notice of dissolution with respect to the Holding LP has not been filed with the Bermuda Monetary Authority), a successor general partner executes a transfer deed pursuant to which the successor general partner assumes the rights and undertakes the obligations of the original general partner, but only if the Holding LP receives an opinion of counsel that the admission of a new general partner will not result in the loss of limited liability of any limited partner of the Holding LP.

Withdrawal of the General Partner

Our partnership may withdraw as general partner without first obtaining approval of unitholders by giving 90 days advance notice, and that withdrawal will not constitute a violation of the limited partnership agreement.

Upon the withdrawal of our partnership, the holders of a majority of the voting power of Special Limited Partner Units may select a successor to our partnership to act as general partner. If a successor is not elected, or is elected but an opinion of counsel regarding limited liability, tax matters and the Investment Company Act (and similar legislation in other jurisdictions) cannot be obtained, the Holding LP will be dissolved, wound up and liquidated. See "—Dissolution" above.

Our partnership may not be removed as general partner by the partners of Holding LP.

In the event of withdrawal of our partnership as the general partner where that withdrawal violates the Holding LP's limited partnership agreement, a successor general partner will have the option to purchase the general partnership interest of the our partnership for a cash payment equal to its fair market value. Under all other circumstances where our partnership withdraws, our partnership will have the option to require the successor general partner to purchase the general partnership interest of our partnership for a cash payment equal to its fair market value. In each case, this fair market value will be determined by agreement between our partnership and the successor general partner. If no agreement is reached within 30 days of our partnership's departure, an independent investment banking firm or other independent expert selected by our partnership and the successor general partner will determine the fair market value. If our partnership and the successor general partner cannot agree upon an expert within 45 days of our partnership's departure, then an expert chosen by agreement of the experts selected by each of them will determine the fair market value.

If the option described above is not exercised by either the departing general partner or the successor general partner, the departing general partner's general partnership interests will automatically convert into either Special Limited Partner Units or Redeemable Partnership Units

pursuant to a valuation of those interests as determined by an investment banking firm or other independent expert selected in the manner described in the preceding paragraph.

Transfer of the General Partnership Interest

Our partnership may transfer all or any part of its general partnership interests without first obtaining approval of any unitholder. As a condition of this transfer, the transferee must assume the rights and duties of the general partner to whose interest that transferee has succeeded, agree to be bound by the provisions of the Holding LP's limited partnership agreement and furnish an opinion of counsel regarding limited liability, tax matters and the Investment Company Act (and similar legislation in other jurisdictions). Any transfer of the general partnership interest is subject to prior notice to and approval of the relevant Bermuda regulatory authority.

Transactions with Interested Parties

The general partner of the Holding LP and its respective partners, members, shareholders, directors, officers, employees and shareholders, which we refer to as "interested parties", may become limited partners or beneficially interested in limited partners and may hold, dispose of or otherwise deal with units of the Holding LP with the same rights they would have if the general partner of the Holding LP were not a party to the limited partnership agreement of the Holding LP. An interested party will not be liable to account either to other interested parties or to the Holding LP, its partners or any other persons for any profits or benefits made or derived by or in connection with any such transaction.

The limited partnership agreement of the Holding LP permits an interested party to sell investments to, purchase assets from, vest assets in and enter into any contract, arrangement or transaction with the Holding LP, any of the Holding Entities, any operating entity or any other holding vehicle established by the Holding LP and may be interested in any such contract, transaction or arrangement and shall not be liable to account either to the Holding LP, any of the Holding Entities, any operating entity or any other holding vehicle established by the Holding LP or any other person in respect of any such contract, transaction or arrangement, or any benefits or profits made or derived therefrom, by virtue only of the relationship between the parties concerned, subject to our conflicts protocol.

Outside Activities of the General Partner

In accordance with our limited partnership agreement, our partnership is authorized to: acquire and hold interests in the Holding LP and, subject to the approval of our Managing General Partner, interests in any other entity; engage in any activity related to the capitalization and financing of our partnership's interests in such entities; serve as the managing general partner of the Holding LP; and engage in any other activity that is incidental to or in furtherance of the foregoing and that is approved by our Managing General Partner and that lawfully may be conducted by a limited partnership organized under the Bermuda Limited Partnership Act, the Bermuda Exempted Partnerships Act, and our limited partnership agreement.

The Holding LP's limited partnership agreement provides that each person who is entitled to be indemnified by the partnership, as described below under "—Indemnification; Limitations on Liability" will have the right to engage in businesses of every type and description and other activities for profit, and to engage in and possess interests in business ventures of any and every type or description, irrespective of whether (i) such businesses and activities are similar to our activities, or (ii) such businesses and activities directly compete with, or disfavor or exclude, the Holding LP, its general partner, any Holding Entity, operating entity, or any other holding vehicle established by the Holding LP. Such business interests, activities and engagements will be deemed not to constitute a

breach of the limited partnership agreement or any duties stated or implied by law or equity, including fiduciary duties, owed to any of the Holding LP, its general partner, any Holding Entity, operating entity, and any other holding vehicle established by the Holding LP (or any of their respective investors), and shall be deemed not to be a breach of its general partner's fiduciary duties or any other obligation of any type whatsoever of the general partner. None of the Holding LP, its general partner, any Holding Entity, operating entity, any other holding vehicle established by the Holding LP or any other person shall have any rights by virtue of the Holding LP's limited partnership agreement or the partnership relationship established thereby or otherwise in any business ventures of any person who is entitled to be indemnified by the Holding LP as described below under "—Indemnification; Limitations on Liability."

Our partnership and the other indemnified persons described in the preceding paragraph will not have any obligation under the Holding LP's limited partnership agreement or as a result of any duties stated or implied by law or equity, including fiduciary duties, to present business or investment opportunities to the Holding LP, any Holding Entity, operating entity, or any other holding vehicle established by the Holding LP. These provisions will not affect any obligation of such indemnified person to present business or investment opportunities to the Holding LP, any Holding Entity, operating entity or any other holding vehicle established by the Holding LP pursuant to a separate written agreement between such persons.

Account Reports

The Holding LP prepares its financial statements in accordance with IFRS. See also the information contained in this annual report on Form 20-F under Item 10.B "Memorandum and Articles of Association—Description of Our Units and Our Limited Partnership Agreement—Accounts, Reports and Other Information".

The general partner of the Holding LP is also required to use commercially reasonable efforts to prepare and send to the Holding LP's limited partners on an annual basis, additional information regarding the Holding LP, including Schedule K-1 (or equivalent) and information related to the passive foreign investment company status of any non-U.S. corporation that we control and, where reasonably possible, any other non-U.S. corporation in which we hold an interest. The general partner of the Holding LP will also, where reasonably possible, prepare and send information required by the Holding LP's non-U.S. limited partners for U.S. federal income tax reporting purposes, including information related to investments in "U.S. real property interests," as that term is defined in Section 897 of the U.S. Internal Revenue Code. The general partner will also, where reasonably possible and applicable, prepare and send information required by the Holding LP's limited partners for Canadian federal income tax purposes.

Indemnification; Limitations on Liability

Under the Holding LP's limited partnership agreement, it is required to indemnify to the fullest extent permitted by law its general partner, and any of its respective affiliates (and their respective officers, directors, agents, shareholders, partners, members and employees), any person who serves on a governing body of the Holding LP, a Holding Entity, operating entity or any other holding vehicle established by our partnership and any other person designated by its general partner as an indemnified person, in each case, against all losses, claims, damages, liabilities, costs or expenses (including legal fees and expenses), judgments, fines, penalties, interest, settlements or other amounts arising from any and all claims, demands, actions, suits or proceedings, incurred by an indemnified person in connection with its business, investments and activities or by reason of their holding such positions, except to the extent that the claims, liabilities, losses, damages, costs or expenses are determined to have resulted from the indemnified person's bad faith, fraud or willful misconduct, or in the case of a criminal matter, action that the indemnified person knew to have been unlawful.

In addition, under the Holding LP's limited partnership agreement, (i) the liability of such persons has been limited to the fullest extent permitted by law, except to the extent that their conduct involves bad faith, fraud or willful misconduct, or in the case of a criminal matter, action that the indemnified person knew to have been unlawful and (ii) any matter that is approved by the independent directors will not constitute a breach of any duties stated or implied by law or equity, including fiduciary duties. The Holding LP's limited partnership agreement requires it to advance funds to pay the expenses of an indemnified person in connection with a matter in which indemnification may be sought until it is determined that the indemnified person is not entitled to indemnification.

Governing Law

The Holding LP's limited partnership agreement is governed by and will be construed in accordance with the laws of Bermuda.

10.C MATERIAL CONTRACTS

The following are the only material contracts, other than contracts entered into in the ordinary course of business, to which we have been a party within the past two years:

1. Amended and Restated Master Services Agreement by and among the Service Recipients, Brookfield Asset Management Inc., the Service Provider and others described under Item 6.A. "Directors and Senior Management—Our Master Services Agreement";
2. Second Amended and Restated Limited Partnership Agreement of our partnership described under Item 10.B. "Description of our units and our Limited Partnership Agreement";
3. Third Amended and Restated Limited Partnership Agreement of the Holding LP described under Item 10.B. "Description of the Holding LP's limited partnership agreement"; and
4. Amended and Restated Relationship Agreement by and among our partnership, the Holding LP, the Holding Entities, the Service Provider and Brookfield Asset Management Inc. described under Item 7.B. "Related Party Transactions—Relationship Agreement".

10.D EXCHANGE CONTROLS

There are currently no governmental laws, decrees, regulations or other legislation of Bermuda or the United States which restrict the import or export of capital or the remittance of dividends, interest or other payments to non-residents of Bermuda or the United States holding the Company's securities, except as otherwise described in this annual report on Form 20-F under Item 10.E "Taxation."

10.E TAXATION

The following summary discusses certain material United States, Canadian, Australian and Bermudian tax considerations related to the holding and disposition of our units as of the date hereof. Holders of our units are advised to consult their own tax advisors concerning the consequences under the tax laws of the country of which they are resident or in which they are otherwise subject to tax of making an investment in our units.

CERTAIN MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS

This summary discusses certain material United States federal income tax considerations to unitholders relating to the receipt, holding, and disposition of our units as of the date hereof. This summary is based on provisions of the U.S. Internal Revenue Code, on the regulations promulgated thereunder ("Treasury Regulations"), and on published administrative rulings, judicial decisions, and other applicable authorities, all as in effect on the date hereof and all of which are subject to change at

any time, possibly with retroactive effect. This summary is necessarily general and may not apply to all categories of investors, some of whom may be subject to special rules, including, without limitation, persons that own (directly or indirectly, applying certain attribution rules) 5% or more of our units, dealers in securities or currencies, financial institutions or financial services entities, mutual funds, life insurance companies, persons that hold our units as part of a straddle, hedge, constructive sale or conversion transaction with other investments, persons whose units are loaned to a short seller to cover a short sale of units, persons whose functional currency is not the U.S. dollar, persons who have elected mark-to-market accounting, persons who hold our units through a partnership or other entity treated as a pass-through entity for U.S. federal income tax purposes, persons for whom our units are not a capital asset, persons who are liable for the alternative minimum tax, and certain U.S. expatriates or former long-term residents of the United States. Tax-exempt organizations are addressed separately below. The actual tax consequences of the ownership and disposition of our units will vary depending on your individual circumstances.

For purposes of this discussion, a "U.S. Holder" is a beneficial owner of one or more of our units that is for U.S. federal tax purposes: (i) an individual citizen or resident of the United States; (ii) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia; (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust (a) that is subject to the primary supervision of a court within the United States and all substantial decisions of which one or more U.S. persons have the authority to control or (b) that has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

A "Non-U.S. Holder" is a beneficial owner of one or more of our units, other than a U.S. Holder or an entity classified as a partnership or other fiscally transparent entity for U.S. federal tax purposes.

If a partnership holds our units, the tax treatment of a partner of such partnership generally will depend upon the status of the partner and the activities of the partnership. Partners of partnerships that hold our units should consult their own tax advisers.

This discussion does not constitute tax advice and is not intended to be a substitute for tax planning. You should consult your own tax adviser concerning the U.S. federal, state and local income tax consequences particular to your ownership and disposition of our units, as well as any tax consequences under the laws of any other taxing jurisdiction.

Partnership Status of Our Partnership and the Holding LP

Each of our partnership and the Holding LP has made a protective election to be classified as a partnership for U.S. federal tax purposes. An entity that is treated as a partnership for U.S. federal tax purposes incurs no U.S. federal income tax liability. Instead, each partner is required to take into account its allocable share of items of income, gain, loss, deduction, or credit of the partnership in computing its U.S. federal income tax liability, regardless of whether cash distributions are made. Distributions of cash by a partnership to a partner generally are not taxable unless the amount of cash distributed to a partner is in excess of the partner's adjusted basis in its partnership interest.

An entity that would otherwise be classified as a partnership for U.S. federal income tax purposes may nonetheless be taxable as a corporation if it is a "publicly traded partnership", unless an exception applies. Our partnership will be publicly traded. However, an exception, referred to as the "Qualifying Income Exception", exists with respect to a publicly traded partnership if (i) at least 90% of such partnership's gross income for every taxable year consists of "qualifying income" and (ii) the partnership would not be required to register under the Investment Company Act if it were a U.S. corporation. Qualifying income includes certain interest income, dividends, real property rents, gains from the sale or other disposition of real property, and any gain from the sale or disposition of a

capital asset or other property held for the production of income that otherwise constitutes qualifying income.

Our Managing General Partner intends to manage the affairs of our partnership and the Holding LP so that our partnership will meet the Qualifying Income Exception in each taxable year. Accordingly, our Managing General Partner believes that our partnership will be treated as a partnership and not as a corporation for U.S. federal income tax purposes.

If our partnership fails to meet the Qualifying Income Exception, other than a failure which is determined by the IRS to be inadvertent and which is cured within a reasonable time after discovery, or if our partnership is required to register under the Investment Company Act, our partnership will be treated as if it had transferred all of its assets, subject to liabilities, to a newly formed corporation, on the first day of the year in which our partnership fails to meet the Qualifying Income Exception, in return for stock in such corporation, and then distributed the stock to our unitholders in liquidation. This deemed contribution and liquidation likely would result in the recognition of gain (but not loss) to U.S. Holders, except that U.S. Holders generally would not recognize the portion of such gain attributable to stock or securities of non-U.S. corporations held by us. If, at the time of such contribution, our partnership were to have liabilities in excess of the tax basis of its assets, U.S. Holders generally would recognize gain in respect of such excess liabilities upon the deemed transfer. Thereafter, our partnership would be treated as a corporation for U.S. federal income tax purposes.

If our partnership were treated as a corporation in any taxable year, either as a result of a failure to meet the Qualifying Income Exception or otherwise, our partnership's items of income, gain, loss, deduction, or credit would be reflected only on our partnership's tax return rather than being passed through to our unitholders, and our partnership would be subject to U.S. corporate income tax and potentially branch profits tax with respect to its income, if any, effectively connected with a U.S. trade or business. Moreover, under certain circumstances, our partnership might be classified as a PFIC, for U.S. federal income tax purposes, and a U.S. Holder would be subject to the rules applicable to PFICs discussed below. See "—Consequences to U.S. Holders—Passive Foreign Investment Companies". Subject to the PFIC rules, distributions made to U.S. Holders would be treated as taxable dividend income to the extent of our partnership's current or accumulated earnings and profits. Any distribution in excess of current and accumulated earnings and profits would first be treated as a tax-free return of capital to the extent of a U.S. Holder's adjusted tax basis in its units. Thereafter, to the extent such distribution were to exceed a U.S. Holder's adjusted tax basis in its units, the distribution would be treated as gain from the sale or exchange of such units. The amount of a distribution treated as a dividend could be eligible for reduced rates of taxation, provided certain conditions are met. In addition, dividends, interest and certain other passive income received by our partnership with respect to U.S. investments generally would be subject to U.S. withholding tax at a rate of 30% (although certain Non-U.S. Holders nevertheless might be entitled to certain treaty benefits in respect of their allocable share of such income) and U.S. Holders would not be allowed a tax credit with respect to any such tax withheld. In addition, the "portfolio interest" exemption would not apply to certain interest income of our partnership (although certain Non-U.S. Holders nevertheless might be entitled to certain treaty benefits in respect of their allocable share of such income). In addition to the foregoing consequences, if our partnership were treated as a corporation for U.S. federal income tax purposes, and, as of the time of conversion from partnership status to corporate status, the value of our partnership's U.S. assets were to equal or exceed 60% of the value of our partnership's total assets, some or all of the net income recognized by our partnership subsequent to such conversion would be subject to U.S. corporate income tax. Our Managing General Partner believes that our partnership's U.S. assets currently do not equal or exceed such thresholds, but no assurance can be provided that such thresholds will not be exceeded in the future.

Based on the foregoing consequences, the treatment of our partnership as a corporation could materially reduce a holder's after-tax return and therefore could result in a substantial reduction of the

value of our units. If the Holding LP were to be treated as a corporation for U.S. federal income tax purposes, consequences similar to those described above would apply.

The remainder of this summary assumes that our partnership and the Holding LP will be treated as partnerships for U.S. federal tax purposes. Our partnership expects that a substantial portion of the items of income, gain, deduction, loss, or credit realized by our partnership will be realized in the first instance by the Holding LP and allocated to our partnership for reallocation to our unitholders. Unless otherwise specified, references in this section to realization of our partnership's items of income, gain, loss, deduction, or credit include a realization of such items by the Holding LP and the allocation of such items to our partnership.

Proposed Legislation

Over the past several years, a number of legislative proposals have been considered by the U.S. Congress which could have had adverse tax consequences for our partnership and its unitholders. Most recently, Representative Camp, Chairman of the Ways and Means Committee of the U.S. House of Representatives, released a discussion draft of proposed legislation that would, among other things, prevent our partnership from qualifying for treatment as a partnership for U.S. federal tax purposes for taxable years beginning after 2016. If Chairman Camp's proposal were to be enacted into law, or any other change in the tax laws or their interpretation were to prevent our partnership from qualifying for treatment as a partnership for U.S. federal tax purposes under the publicly traded partnership rules, then our partnership could be classified as a corporation for U.S. federal tax purposes. Such classification could have adverse tax consequences to our unitholders, as described above under "—Partnership Status of Our Partnership and the Holding LP".

It remains unclear whether any legislation similar to the proposed legislation described above will be enacted by the U.S. Congress and, if enacted, whether such legislation would affect an investment in our partnership. You should consult your own tax adviser as to the potential effect of any proposed or future legislation on an investment in our partnership.

The remainder of this discussion is based on current law without regard to the proposed legislation described above.

Consequences to U.S. Holders

Holding of Our Units

Income and Loss. If you are a U.S. Holder, you will be required to take into account, as described below, your allocable share of our partnership's items of income, gain, loss, deduction, and credit for each of our partnership's taxable years ending with or within your taxable year. Each item generally will have the same character and source as though you had realized the item directly. You must report such items without regard to whether any distribution has been or will be received from our partnership. Our partnership intends to make cash distributions to all unitholders on a quarterly basis in amounts generally expected to be sufficient to permit U.S. Holders to fund their estimated U.S. tax obligations (including U.S. federal, state, and local income taxes) with respect to their allocable shares of our partnership's net income or gain. However, based upon your particular tax situation and simplifying assumptions that our partnership will make in determining the amount of such distributions, and depending upon whether you elect to reinvest such distributions pursuant to the distribution reinvestment plan, your tax liability might exceed cash distributions made to you, in which case any tax liabilities arising from your ownership of our units would need to be satisfied from your own funds.

With respect to U.S. Holders who are individuals, certain dividends paid by a corporation (including certain qualified foreign corporations) to our partnership and that are allocable to such U.S. Holders may qualify for reduced rates of taxation. A qualified foreign corporation includes a

foreign corporation that is eligible for the benefits of specified income tax treaties with the United States. In addition, a foreign corporation is treated as a qualified corporation with respect to its shares that are readily tradable on an established securities market in the United States. Among other exceptions, U.S. Holders who are individuals will not be eligible for reduced rates of taxation on any dividends if the payer is a PFIC for the taxable year in which such dividends are paid or for the preceding taxable year. Dividends received by non-corporate U.S. Holders may be subject to an additional Medicare tax on unearned income of 3.8% (see "—Medicare Tax" below). U.S. Holders that are corporations may be entitled to a "dividends received deduction" in respect of dividends paid by U.S. corporations in which our partnership (through the Holding LP) owns stock. You should consult your own tax adviser regarding the application of the foregoing rules in light of your particular circumstances.

For U.S. federal income tax purposes, your allocable share of our partnership's items of income, gain, loss, deduction, or credit will be governed by our Limited Partnership Agreement if such allocations have "substantial economic effect" or are determined to be in accordance with your interest in our partnership. Similarly, our partnership's allocable share of items of income, gain, loss, deduction, or credit of the Holding LP will be governed by the limited partnership agreement of the Holding LP if such allocations have "substantial economic effect" or are determined to be in accordance with our partnership's interest in the Holding LP. Our Managing General Partner believes that, for U.S. federal income tax purposes, such allocations should be given effect, and our Managing General Partner intends to prepare and file tax returns based on such allocations. If the IRS were to successfully challenge the allocations made pursuant to either our limited partnership agreement or the Limited Partnership Agreement of the Holding LP, then the resulting allocations for U.S. federal income tax purposes might be less favorable than the allocations set forth in such agreements.

Basis. You will have an initial tax basis in your units equal to the sum of (i) the amount of cash paid for our units (or, if you received your units pursuant to the spin-off, the amount of dividend income you recognized pursuant to the spin-off) and (ii) your share of our partnership's liabilities, if any. That basis will be increased by your share of our partnership's income and by increases in your share of our partnership's liabilities, if any. That basis will be decreased, but not below zero, by distributions you receive from our partnership, by your share of our partnership's losses, and by any decrease in your share of our partnership's liabilities. Under applicable U.S. federal income tax rules, a partner in a partnership has a single, or "unitary", tax basis in his or her partnership interest. As a result, any amount you pay to acquire additional units (including through the distribution reinvestment plan) will be averaged with the adjusted tax basis of units owned by you prior to the acquisition of such additional units.

For purposes of the foregoing rules, the rules discussed immediately below, and the rules applicable to a sale or exchange of our units, our partnership's liabilities generally will include our partnership's share of any liabilities of the Holding LP.

Limits on Deductions for Losses and Expenses. Your deduction of your allocable share of our partnership's losses will be limited to your tax basis in our units and, if you are an individual or a corporate holder that is subject to the "at risk" rules, to the amount for which you are considered to be "at risk" with respect to our partnership's activities, if that is less than your tax basis. In general, you will be at risk to the extent of your tax basis in our units, reduced by (i) the portion of that basis attributable to your share of our partnership's liabilities for which you will not be personally liable (excluding certain qualified non-recourse financing) and (ii) any amount of money you borrow to acquire or hold our units, if the lender of those borrowed funds owns an interest in our partnership, is related to you, or can look only to your units for repayment. Your at-risk amount generally will increase by your allocable share of our partnership's income and gain and decrease by cash distributions you receive from our partnership and your allocable share of losses and deductions. You must recapture losses deducted in previous years to the extent that distributions cause your at-risk

amount to be less than zero at the end of any taxable year. Losses disallowed or recaptured as a result of these limitations will carry forward and will be allowable to the extent that your tax basis or at-risk amount, whichever is the limiting factor, subsequently increases. Upon the taxable disposition of our units, any gain recognized by you can be offset by losses that were previously suspended by the at-risk limitation, but may not be offset by losses suspended by the basis limitation. Any excess loss above the gain previously suspended by the at-risk or basis limitations may no longer be used. You should consult your own tax adviser as to the effects of the at-risk rules.

Limitations on Deductibility of Organizational Expenses and Syndication Fees. In general, neither our partnership nor any U.S. Holder may deduct organizational or syndication expenses. Similar rules apply to organizational or syndication expenses incurred by the Holding LP. Syndication fees (which would include any sales or placement fees or commissions) must be capitalized and cannot be amortized or otherwise deducted.

Limitations on Interest Deductions. Your share of our partnership's interest expense is likely to be treated as "investment interest" expense. For a non-corporate U.S. Holder, the deductibility of "investment interest" expense generally is limited to the amount of such holder's "net investment income". Your share of our partnership's dividend and interest income will be treated as investment income, although "qualified dividend income" subject to reduced rates of tax in the hands of an individual will only be treated as investment income if such individual elects to treat such dividend as ordinary income not subject to reduced rates of tax. In addition, state and local tax laws may disallow deductions for your share of our partnership's interest expense.

Net investment income includes gross income from property held for investment and amounts treated as portfolio income under the passive loss rules, less deductible expenses, other than interest, directly connected with the production of investment income, but generally does not include gains attributable to the disposition of property held for investment.

Deductibility of Partnership Investment Expenditures by Individual Partners and by Trusts and Estates. Subject to certain exceptions, all miscellaneous itemized deductions of an individual taxpayer, and certain of such deductions of an estate or trust, are deductible only to the extent that such deductions exceed 2% of the taxpayer's adjusted gross income. In addition, the otherwise allowable itemized deductions of individuals whose gross income exceeds an applicable threshold amount are subject to reduction by an amount equal to the lesser of (i) 3% of the excess of the individual's adjusted gross income over the threshold amount and (ii) 80% of the amount of the individual's itemized deductions. The operating expenses of our partnership, including our partnership's allocable share of the base management fee or any other management fees, may be treated as miscellaneous itemized deductions subject to the foregoing rule. Accordingly, if you are a non-corporate U.S. Holder, you should consult your own tax adviser regarding the application of these limitations.

Treatment of Distributions

Distributions of cash by our partnership generally will not be taxable to you to the extent of your adjusted tax basis (described above) in our units. Any cash distributions in excess of your adjusted tax basis generally will be considered to be gain from the sale or exchange of our units (described below). Such gain generally will be treated as capital gain and will be long-term capital gain if your holding period for our units exceeds one year. A reduction in your allocable share of our liabilities, and certain distributions of marketable securities by our partnership, if any, will be treated similar to cash distributions for U.S. federal income tax purposes.

Sale or Exchange of Our Units

You will recognize gain or loss on the sale or taxable exchange of our units equal to the difference, if any, between the amount realized and your tax basis in our units sold or exchanged. Your amount realized will be measured by the sum of the cash or the fair market value of other property received plus your share of our partnership's liabilities, if any.

Gain or loss recognized by you upon the sale or exchange of our units generally will be taxable as capital gain or loss and will be long-term capital gain or loss if our units were held for more than one year as of the date of such sale or exchange. Assuming you have not elected to treat your share of our partnership's investment in any PFIC as a "qualified electing fund", gain attributable to such investment in a PFIC would be taxable in the manner described below in "—Passive Foreign Investment Companies". In addition, certain gain attributable to "unrealized receivables" or "inventory items" could be characterized as ordinary income rather than capital gain. For example, if our partnership were to hold debt acquired at a market discount, accrued market discount on such debt would be treated as "unrealized receivables". The deductibility of capital losses is subject to limitations.

Each U.S. Holder who acquires our units at different times and intends to sell all or a portion of our units within a year of the most recent purchase should consult its own tax adviser regarding the application of certain "split holding period" rules to such sale and the treatment of any gain or loss as long-term or short-term capital gain or loss.

Medicare Tax

U.S. Holders that are individuals, estates, or trusts may be required to pay a 3.8% Medicare tax on the lesser of (i) the excess of such U.S. Holders' "modified adjusted gross income" (or "adjusted gross income" in the case of estates and trusts) over certain thresholds and (ii) such U.S. Holders' "net investment income" (or "undistributed net investment income" in the case of estates and trusts). Net investment income generally includes your allocable share of our partnership's income, as well as gain realized by you from a sale of our units. Under recently promulgated Treasury Regulations, special rules relating to the 3.8% Medicare tax may apply to dividends and gain, if any, derived by such U.S. Holders with respect to our partnership's interest in a PFIC. See "—Passive Foreign Investment Companies" below. You should consult your own tax adviser regarding the implications of the 3.8% Medicare tax for your ownership and disposition of our units.

Foreign Tax Credit Limitations

If you are a U.S. Holder, you generally will be entitled to a foreign tax credit with respect to your allocable share of creditable foreign taxes paid on our partnership's income and gains. Complex rules may, depending on your particular circumstances, limit the availability or use of foreign tax credits. Gain from the sale of our partnership's investments may be treated as U.S.-source gain. Consequently, you may not be able to use the foreign tax credit arising from any foreign taxes imposed on such gain unless the credit can be applied (subject to applicable limitations) against U.S. tax due on other income treated as derived from foreign sources. Certain losses that our partnership incurs may be treated as foreign-source losses, which could reduce the amount of foreign tax credits otherwise available.

Section 754 Election

Our partnership and the Holding LP have each made the election permitted by Section 754 of the U.S. Internal Revenue Code ("Section 754 Election"). The Section 754 Election cannot be revoked without the consent of the IRS. The Section 754 Election generally requires our partnership to adjust the tax basis in its assets, or inside basis, attributable to a transferee of our units under Section 743(b) of the U.S. Internal Revenue Code to reflect the purchase price paid by the transferee for our units. This election does not apply to a person who purchases units directly from us. For purposes of this

discussion, a transferee's inside basis in our partnership's assets will be considered to have two components: (i) the transferee's share of our partnership's tax basis in our partnership's assets, or common basis, and (ii) the adjustment under Section 743(b) of the U.S. Internal Revenue Code to that basis. The foregoing rules would also apply to the Holding LP.

Generally, a Section 754 Election would be advantageous to a transferee U.S. Holder if such holder's tax basis in its units were higher than such units' share of the aggregate tax basis of our partnership's assets immediately prior to the transfer. In that case, as a result of the Section 754 Election, the transferee U.S. Holder would have a higher tax basis in its share of our partnership's assets for purposes of calculating, among other items, such holder's share of any gain or loss on a sale of our partnership's assets. Conversely, a Section 754 Election would be disadvantageous to a transferee U.S. Holder if such holder's tax basis in its units were lower than such units' share of the aggregate tax basis of our partnership's assets immediately prior to the transfer. Thus, the fair market value of our units may be affected either favorably or adversely by the election.

Whether or not the Section 754 Election is made, if our units are transferred at a time when our partnership has a "substantial built-in loss" in its assets, our partnership will be obligated to reduce the tax basis in the portion of such assets attributable to such units.

The calculations involved in the Section 754 Election are complex, and our Managing General Partner advises that it will make such calculations on the basis of assumptions as to the value of our partnership assets and other matters. Each U.S. Holder should consult its own tax adviser as to the effects of the Section 754 Election.

Uniformity of Our Units

Because we cannot match transferors and transferees of our units, we must maintain uniformity of the economic and tax characteristics of our units to a purchaser of our units. In the absence of uniformity, we may be unable to comply fully with a number of U.S. federal income tax requirements. A lack of uniformity can result from a literal application of certain Treasury Regulations to our partnership's Section 743(b) adjustments, a determination that our partnership's Section 704(c) allocations are unreasonable, or other reasons. Section 704(c) allocations would be intended to reduce or eliminate the disparity between tax basis and the value of our partnership's assets in certain circumstances, including on the issuance of additional units. In order to maintain the fungibility of all of our units at all times, we will seek to achieve the uniformity of U.S. tax treatment for all purchasers of our units which are acquired at the same time and price (irrespective of the identity of the particular seller of our units or the time when our units are issued by our partnership), through the application of certain tax accounting principles that our Managing General Partner believes are reasonable for our partnership. However, the IRS may disagree with us and may successfully challenge our application of such tax accounting principles. Any non-uniformity could have a negative impact on the value of our units.

Foreign Currency Gain or Loss

Our partnership's functional currency is the U.S. dollar, and our partnership's income or loss is calculated in U.S. dollars. It is likely that our partnership will recognize "foreign currency" gain or loss with respect to transactions involving non-U.S. dollar currencies. In general, foreign currency gain or loss is treated as ordinary income or loss. You should consult your own tax adviser regarding the tax treatment of foreign currency gain or loss.

Passive Foreign Investment Companies

U.S. Holders may be subject to special rules applicable to indirect investments in foreign corporations, including an investment through our partnership in a PFIC. A PFIC is defined as any

foreign corporation with respect to which (after applying certain look-through rules) either (i) 75% or more of its gross income for a taxable year is "passive income" or (ii) 50% or more of its assets in any taxable year (generally based on the quarterly average of the value of its assets) produce or are held for the production of "passive income". There are no minimum stock ownership requirements for PFICs. If you hold an interest in a foreign corporation for any taxable year during which the corporation is classified as a PFIC with respect to you, then the corporation will continue to be classified as a PFIC with respect to you for any subsequent taxable year during which you continue to hold an interest in the corporation, even if the corporation's income or assets would not cause it to be a PFIC in such subsequent taxable year, unless an exception applies.

Subject to certain elections described below, any gain on the disposition of stock of a PFIC owned by you indirectly through our partnership, as well as income realized on certain "excess distributions" by such PFIC, would be treated as though realized ratably over the shorter of your holding period of our units or our partnership's holding period for the PFIC. Such gain or income generally would be taxable as ordinary income, and dividends paid by the PFIC would not be eligible for the preferential tax rates for dividends paid to non-corporate U.S. Holders. In addition, an interest charge would apply, based on the tax deemed deferred from prior years. To the extent reasonably practicable, we intend to make distributions of the earnings of each entity we are able to identify as a PFIC not less frequently than annually so as to minimize the likelihood that you will have excess distributions with respect to any such entity. However, because we cannot assure that will be the case, and because any gains on a sale of any such entity would remain subject to the PFIC tax regime, we urge you to consider making the elections described below.

If you were to elect to treat your share of our partnership's interest in a PFIC as a "qualified electing fund" ("QEF Election"), for the first year you were treated as holding such interest, then in lieu of the tax consequences described in the paragraph immediately above, you would be required to include in income each year a portion of the ordinary earnings and net capital gains of the PFIC, even if not distributed to our partnership or to you. A QEF Election must be made by you on an entity-by-entity basis. To make a QEF Election, you must, among other things, (i) obtain a PFIC annual information statement (through an intermediary statement supplied by our partnership) and (ii) prepare and submit IRS Form 8621 with your annual income tax return. To the extent reasonably practicable, we intend to timely provide you with information related to the PFIC status of each entity we are able to identify as a PFIC, including information necessary to make a QEF Election with respect to each such entity. Any such election should be made for the first year our partnership holds an interest in such entity or for the first year in which you hold our units, if later.

Once you have made a QEF Election for an entity, such election applies to any additional shares of interest in such entity acquired directly or indirectly, including through additional units acquired after the QEF Election is made (such as units acquired under the distribution reinvestment plan). If you were to make a QEF Election after the first year that you were treated as holding an interest in a PFIC, the adverse tax consequences relating to PFIC stock would continue to apply with respect to the pre-QEF Election period, unless you were to make a "purging election". The purging election would create a deemed sale of your previously held share of our partnership's interests in a PFIC. The gain recognized by the purging election would be subject to the special tax and interest charge rules, which treat the gain as an excess distribution, as described above. As a result of the purging election, you would have a new basis and holding period in your share of our partnership's interests in the PFIC. U.S. Holders should consult their own tax advisers as to the manner in which such direct inclusions could affect their allocable share of our partnership's income and their tax basis in our units and the advisability of making a QEF Election or a purging election.

Recently promulgated Treasury Regulations contain special rules for applying the 3.8% Medicare tax (as described above under "—Medicare Tax") to non-corporate U.S. Holders making QEF Elections. Although the special rules apply to taxable years beginning on or after January 1, 2014, you

are permitted to rely on the special rules for taxable years beginning on or after January 1, 2013. Under the special rules, if you are a non-corporate U.S. Holder that has made a QEF Election with respect to our partnership's interest in a PFIC, then you are permitted to make a special election to treat your share of the ordinary earnings and net capital gains of the PFIC as net investment income for purposes of the 3.8% Medicare tax. If you do not make this special election, then your share of PFIC distributions generally will be treated as net investment income for purposes of the 3.8% Medicare tax (to the extent such distributions are made out of the earnings and profits of the PFIC, are not treated as dividends under the QEF rules, and are attributable to ordinary earnings and net capital gains included in income under the QEF rules in taxable years beginning on or after January 1, 2013). In addition, if you do not make the special election, you may be required to calculate your basis in our units for purposes of the 3.8% Medicare tax in a manner that differs from the calculation of your basis in our units for U.S. federal income tax purposes generally. You should consult your own tax adviser regarding the implications of the special election, as well as the other implications of the 3.8% Medicare tax and the recently promulgated Treasury Regulations for your ownership and disposition of our units.

In the case of a PFIC that is a publicly traded foreign company, and in lieu of making a QEF Election, an election may be made to "mark to market" the stock of such publicly traded foreign company on an annual basis. Pursuant to such an election, you would include in each year as ordinary income the excess, if any, of the fair market value of such stock over its adjusted basis at the end of the taxable year. However, none of the current Holding Entities or operating entities are expected to be publicly traded, although our partnership may in the future acquire interests in PFICs which are publicly traded foreign companies. Thus the mark-to-market election is not expected to be available to any U.S. Holder in respect of its indirect ownership interest in any of the current Holding Entities or operating entities.

Based on our organizational structure, as well as our expected income and assets, our Managing General Partner currently believes that a U.S. Holder is unlikely to be regarded as owning an interest in a PFIC solely by reason of owning our units for the taxable year ending December 31, 2014. However, our Managing General Partner believes that some of our operating entities may have been PFICs in prior taxable years. In addition, we may decide to hold an existing or future operating entity through a Holding Entity that would be a PFIC in order to ensure that our partnership satisfies the Qualifying Income Exception. See "—Investment Structure", below. Accordingly, there can be no assurance that a current or future investment will not qualify as a PFIC.

Recently enacted U.S. legislation requires each U.S. person who directly or indirectly owns an interest in a PFIC to file an annual report with the IRS, and failure to file such report could result in the imposition of penalties on such U.S. person and in the extension of the statute of limitations with respect to federal income tax returns filed by such U.S. person. You should consult your own tax adviser regarding the PFIC rules, including the potential effect of this legislation on your filing requirements and the advisability of making a QEF Election, a special election under the recently promulgated Treasury Regulations relating to the 3.8% Medicare tax, or, if applicable, a mark-to-market election, with respect to any PFIC in which you are treated as owning an interest through our partnership.

Investment Structure

To ensure that our partnership meets the Qualifying Income Exception for publicly traded partnerships (discussed above) and complies with certain requirements in our Limited Partnership Agreement, our partnership may structure certain investments through an entity classified as a corporation for U.S. federal income tax purposes. Such investments will be structured as determined in the sole discretion of our Managing General Partner generally to be efficient for our unitholders. However, because our unitholders will be located in numerous taxing jurisdictions, no assurance can be

given that any such investment structure will benefit all our unitholders to the same extent, and such an investment structure might even result in additional tax burdens on some unitholders. As discussed above, if any such entity were a non-U.S. corporation, it might be considered a PFIC. If any such entity were a U.S. corporation, it would be subject to U.S. federal net income tax on its income, including any gain recognized on the disposition of its investments. In addition, if the investment were to involve U.S. real property, gain recognized on the disposition of the investment by a corporation generally would be subject to corporate-level tax, whether the corporation were a U.S. or a non-U.S. corporation.

U.S. Withholding Taxes

Although each U.S. Holder is required to provide us with an IRS Form W-9, we nevertheless may be unable to accurately or timely determine the tax status of our investors for purposes of determining whether U.S. withholding applies to payments made by our partnership to some or all of our unitholders. In such a case, payments made by our partnership to U.S. Holders might be subject to U.S. "backup" withholding at the applicable rate or other U.S. withholding taxes. You would be able to treat as a credit your allocable share of any U.S. withholding taxes paid in the taxable year in which such withholding taxes were paid and, as a result, you might be entitled to a refund of such taxes from the IRS. In the event you transfer or otherwise dispose of some or all of your units, special rules might apply for purposes of determining whether you or the transferee of such units were subject to U.S. withholding taxes in respect of income allocable to, or distributions made on account of, such units or entitled to refunds of any such taxes withheld. See below "Administrative Matters—Certain Effects of a Transfer of Units". You should consult your own tax adviser regarding the treatment of U.S. withholding taxes.

Transferor/Transferee Allocations

Our partnership may allocate items of income, gain, loss, and deduction using a monthly or other convention, whereby any such items recognized in a given month by our partnership are allocated to our unitholders as of a specified date of such month. As a result, if you transfer your units, you might be allocated income, gain, loss, and deduction realized by our partnership after the date of the transfer. Similarly, if you acquire additional units, you might be allocated income, gain, loss, and deduction realized by our partnership prior to your ownership of such units.

Although Section 706 of the U.S. Internal Revenue Code generally governs allocations of items of partnership income and deductions between transferors and transferees of partnership interests, it is not clear that our partnership's allocation method complies with the requirements. If our partnership's convention were not permitted, the IRS might contend that our partnership's taxable income or losses must be reallocated among our unitholders. If such a contention were sustained, your tax liabilities might be adjusted to your detriment. Our Managing General Partner is authorized to revise our partnership's method of allocation between transferors and transferees (as well as among investors whose interests otherwise vary during a taxable period).

U.S. Federal Estate Tax Consequences

If our units are included in the gross estate of a U.S. citizen or resident for U.S. federal estate tax purposes, then a U.S. federal estate tax might be payable in connection with the death of such person. Individual U.S. Holders should consult their own tax advisers concerning the potential U.S. federal estate tax consequences with respect to our units.

Certain Reporting Requirements

A U.S. Holder who invests more than $100,000 in our partnership may be required to file IRS Form 8865 reporting the investment with such U.S. Holder's U.S. federal income tax return for the

year that includes the date of the investment. You may be subject to substantial penalties if you fail to comply with this and other information reporting requirements with respect to an investment in our units. You should consult your own tax adviser regarding such reporting requirements.

U.S. Taxation of Tax-Exempt U.S. Holders of Our Units

Income recognized by a U.S. tax-exempt organization is exempt from U.S. federal income tax except to the extent of the organization's UBTI. UBTI is defined generally as any gross income derived by a tax-exempt organization from an unrelated trade or business that it regularly carries on, less the deductions directly connected with that trade or business. In addition, income arising from a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) that holds operating assets or is otherwise engaged in a trade or business generally will constitute UBTI. Notwithstanding the foregoing, UBTI generally does not include any dividend income, interest income, certain other categories of passive income, or capital gains realized by a tax-exempt organization, so long as such income is not "debt-financed", as discussed below. Our Managing General Partner believes that our partnership should not be regarded as engaged in a trade or business, and anticipates that any operating assets held by our partnership will be held through entities that are treated as corporations for U.S. federal income tax purposes.

The exclusion from UBTI does not apply to income from "debt-financed property", which is treated as UBTI to the extent of the percentage of such income that the average acquisition indebtedness with respect to the property bears to the average tax basis of the property for the taxable year. If an entity treated as a partnership for U.S. federal income tax purposes incurs acquisition indebtedness, a tax-exempt partner in such partnership will be deemed to have acquisition indebtedness equal to its allocable portion of such acquisition indebtedness. If any such indebtedness were used by our partnership or by the Holding LP to acquire property, such property generally would constitute debt-financed property, and any income from or gain from the disposition of such debt-financed property allocated to a tax-exempt organization generally would constitute UBTI to such tax-exempt organization. In addition, even if such indebtedness were not used either by our partnership or by the Holding LP to acquire property but were instead used to fund distributions to our unitholders, if a tax-exempt organization subject to taxation in the United States were to use such proceeds to make an investment outside our partnership, the IRS might assert that such investment constitutes debt-financed property to such unitholder with the consequences noted above. Our partnership and the Holding LP currently do not have any outstanding indebtedness used to acquire property, and our Managing General Partner does not believe that our partnership or the Holding LP will generate UBTI attributable to debt-financed property in the future. However, neither our partnership nor the Holding LP is prohibited from incurring indebtedness, and no assurance can be provided that neither our partnership nor the Holding LP will generate UBTI attributable to debt-financed property in the future. Tax-exempt U.S. Holders should consult their own tax advisers regarding the tax consequences of an investment in our units.

Consequences to Non-U.S. Holders

Our Managing General Partner intends to use commercially reasonable efforts to structure the activities of our partnership and the Holding LP, respectively, to avoid the realization by our partnership and the Holding LP, respectively, of income treated as effectively connected with a U.S. trade or business, including effectively connected income attributable to the sale of a "United States real property interest", as defined in the U.S. Internal Revenue Code. Specifically, our partnership intends not to make an investment, whether directly or through an entity which would be treated as a partnership for U.S. federal income tax purposes, if our Managing General Partner believes at the time of such investment that such investment would generate income treated as effectively connected with a U.S. trade or business. If, as anticipated, our partnership is not treated as

engaged in a U.S. trade or business or as deriving income which is treated as effectively connected with a U.S. trade or business, and provided that a Non-U.S. Holder is not itself engaged in a U.S. trade or business, then such Non-U.S. Holder generally will not be subject to U.S. tax return filing requirements solely as a result of owning our units and generally will not be subject to U.S. federal income tax on its allocable share of our partnership's interest and dividends from non-U.S. sources or gain from the sale or other disposition of securities or real property located outside of the United States.

However, there can be no assurance that the law will not change or that the IRS will not deem our partnership to be engaged in a U.S. trade or business. If, contrary to our Managing General Partner's expectations, our partnership is treated as engaged in a U.S. trade or business, then a Non-U.S. Holder generally would be required to file a U.S. federal income tax return, even if no effectively connected income were allocable to it. If our partnership were to have income treated as effectively connected with a U.S. trade or business, then a Non-U.S. Holder would be required to report that income and would be subject to U.S. federal income tax at the regular graduated rates. In addition, our partnership might be required to withhold U.S. federal income tax on such Non-U.S. Holder's distributive share of such income. A corporate Non-U.S. Holder might also be subject to branch profits tax at a rate of 30%, or at a lower treaty rate, if applicable. Finally, if our partnership were treated as engaged in a U.S. trade or business, a portion of any gain realized by a Non-U.S. Holder upon the sale or exchange of its units could be treated as income effectively connected with a U.S. trade or business and therefore subject to U.S. federal income tax at the regular graduated rates.

In general, even if our partnership is not engaged in a U.S. trade or business, and assuming you are not otherwise engaged in a U.S. trade or business, you will nonetheless be subject to a withholding tax of 30% on the gross amount of certain U.S.-source income which is not effectively connected with a U.S. trade or business. Income subjected to such a flat tax rate is income of a fixed or determinable annual or periodic nature, including dividends and certain interest income. Such withholding tax may be reduced or eliminated with respect to certain types of income under an applicable income tax treaty between the United States and your country of residence or under the "portfolio interest" rules or other provisions of the U.S. Internal Revenue Code, provided that you provide proper certification as to your eligibility for such treatment. Notwithstanding the foregoing, and although each Non-U.S. Holder is required to provide us with an IRS Form W-8, we nevertheless may be unable to accurately or timely determine the tax status of our investors for purposes of establishing whether reduced rates of withholding apply to some or all of our investors. In such a case, your allocable share of distributions of U.S.-source dividend and interest income will be subject to U.S. withholding tax at a rate of 30%. Further, if you would not be subject to U.S. tax based on your tax status or otherwise were eligible for a reduced rate of U.S. withholding, you might need to take additional steps to receive a credit or refund of any excess withholding tax paid on your account, which could include the filing of a non-resident U.S. income tax return with the IRS. Among other limitations applicable to claiming treaty benefits, if you reside in a treaty jurisdiction which does not treat our partnership as a pass-through entity, you might not be eligible to receive a refund or credit of excess U.S. withholding taxes paid on your account. In the event you transfer or otherwise dispose of some or all of your units, special rules may apply for purposes of determining whether you or the transferee of such units are subject to U.S. withholding taxes in respect of income allocable to, or distributions made on account of, such units or entitled to refunds of any such taxes withheld. See "—Administrative Matters—Certain Effects of a Transfer of Units". You should consult your own tax adviser regarding the treatment of U.S. withholding taxes.

Special rules may apply in the case of a Non-U.S. Holder subject to special rules, including, without limitation, any Non-U.S. Holder (i) that has an office or fixed place of business in the United States; (ii) that is present in the United States for 183 days or more in a taxable year; or (iii) that is (a) a former citizen or long-term resident of the United States, (b) a foreign insurance company that is treated as holding a partnership interest in our partnership in connection with its U.S. business, (c) a PFIC, or (d) a corporation that accumulates earnings to avoid U.S. federal income tax. You should consult your own tax adviser regarding the application of these special rules.

Taxes in Other Jurisdictions

In addition to U.S. federal income tax consequences, an investment in our partnership could subject you to U.S. state and local taxes in the U.S. state or locality in which you are a resident for tax purposes. You could also be subject to tax return filing obligations and income, franchise, or other taxes, including withholding taxes, in non-U.S. jurisdictions in which we invest. We will attempt, to the extent reasonably practicable, to structure our operations and investments so as to avoid income tax filing obligations by U.S. Holders in non-U.S. jurisdictions. However, there may be circumstances in which we are unable to do so. Income or gain from investments held by our partnership may be subject to withholding or other taxes in jurisdictions outside the United States, except to the extent an income tax treaty applies. If you wish to claim the benefit of an applicable income tax treaty, you might be required to submit information to tax authorities in such jurisdictions. You should consult your own tax adviser regarding the U.S. state, local, and non-U.S. tax consequences of an investment in our partnership.

Administrative Matters

Tax Matters Partner

Our Managing General Partner will act as our partnership's "tax matters partner". As the tax matters partner, our Managing General Partner will have the authority, subject to certain restrictions, to act on behalf of our partnership in connection with any administrative or judicial review of our partnership's items of income, gain, loss, deduction, or credit.

Information Returns

We have agreed to use commercially reasonable efforts to furnish to you, within 90 days after the close of each calendar year, U.S. tax information (including IRS Schedule K-1) which describes on a U.S. dollar basis your share of our partnership's income, gain, loss and deduction for our preceding taxable year. However, providing this U.S. tax information to our unitholders will be subject to delay in the event of, among other reasons, the late receipt of any necessary tax information from lower-tier entities. It is therefore possible that, in any taxable year, you will need to apply for an extension of time to file your tax returns. In preparing this U.S. tax information, we will use various accounting and reporting conventions, some of which have been mentioned in the previous discussion, to determine your share of income, gain, loss and deduction. The IRS may successfully contend that certain of these reporting conventions are impermissible, which could result in an adjustment to your income or loss.

Our partnership may be audited by the IRS. Adjustments resulting from an IRS audit could require you to adjust a prior year's tax liability and result in an audit of your own tax return. Any audit of your tax return could result in adjustments not related to our partnership's tax returns, as well as those related to our partnership's tax returns.

Tax Shelter Regulations and Related Reporting Requirements

If we were to engage in a "reportable transaction", we (and possibly our unitholders) would be required to make a detailed disclosure of the transaction to the IRS in accordance with regulations

governing tax shelters and other potentially tax-motivated transactions. A transaction may be a reportable transaction based upon any of several factors, including the fact that it is a type of tax avoidance transaction publicly identified by the IRS as a "listed transaction" or "transaction of interest", or that it produces certain kinds of losses in excess of $2 million (or, in the case of certain foreign currency transactions, losses in excess of $50,000). An investment in our partnership may be considered a "reportable transaction" if, for example, our partnership were to recognize certain significant losses in the future. In certain circumstances, a unitholder who disposes of an interest in a transaction resulting in the recognition by such holder of significant losses in excess of certain threshold amounts may be obligated to disclose its participation in such transaction. Certain of these rules are unclear, and the scope of reportable transactions can change retroactively. Therefore, it is possible that the rules may apply to transactions other than significant loss transactions.

Moreover, if we were to participate in a reportable transaction with a significant purpose to avoid or evade tax, or in any listed transaction, you might be subject to significant accuracy-related penalties with a broad scope, for those persons otherwise entitled to deduct interest on federal tax deficiencies, non-deductibility of interest on any resulting tax liability, and in the case of a listed transaction, an extended statute of limitations. We do not intend to participate in any reportable transaction with a significant purpose to avoid or evade tax, nor do we intend to participate in any listed transactions. However, no assurance can be provided that the IRS will not assert that we have participated in such a transaction.

You should consult your own tax adviser concerning any possible disclosure obligation under the regulations governing tax shelters with respect to the disposition of our units.

Taxable Year

Our partnership uses the calendar year as its taxable year for U.S. federal income tax purposes. Under certain circumstances which we currently believe are unlikely to apply, a taxable year other than the calendar year may be required for such purposes.

Constructive Termination

Subject to the electing large partnership rules described below, our partnership will be considered to have been terminated for U.S. federal income tax purposes if there is a sale or exchange of 50% or more of our units within a 12-month period.

A constructive termination of our partnership would result in the close of its taxable year for all unitholders. If a unitholder reports on a taxable year other than a fiscal year ending on our partnership's year-end, and the unitholder is otherwise subject to U.S. federal income tax, the closing of our partnership's taxable year may result in more than 12 months of our partnership's taxable income or loss being includable in such unitholder's taxable income for the year of the termination. We would be required to make new tax elections after a termination, including a new Section 754 Election. A constructive termination could also result in penalties and other adverse tax consequences if we were unable to determine that the termination had occurred. Moreover, a constructive termination might either accelerate the application of, or subject our partnership to, any tax legislation enacted before the termination.

Elective Procedures for Large Partnerships

The U.S. Internal Revenue Code allows large partnerships to elect streamlined procedures for income tax reporting. This election would reduce the number of items that must be separately stated on the IRS Schedules K-1 that are issued to our unitholders, and such IRS Schedules K-1 would have to be provided to holders on or before the first March 15 following the close of each taxable year. In addition, this election would prevent our partnership from suffering a "technical termination" (which

would close our partnership's taxable year and require that we make a new Section 754 Election) if, within a 12-month period, there were a sale or exchange of 50% or more of our partnership's total units. Despite the foregoing benefits, there are also costs and administrative burdens associated with such an election. Consequently, as of this time, our partnership has not elected to be subject to the reporting procedures applicable to large partnerships.

Withholding and Backup Withholding

For each calendar year, we will report to you and to the IRS the amount of distributions that we pay, and the amount of tax (if any) that we withhold on these distributions. The proper application to our partnership of the rules for withholding under Sections 1441 through 1446 of the U.S. Internal Revenue Code (applicable to certain dividends, interest, and amounts treated as effectively connected with a U.S. trade or business, among other items) is unclear. Because the documentation we receive may not properly reflect the identities of unitholders at any particular time (in light of possible sales of our units), we may over-withhold or under-withhold with respect to a particular unitholder. For example, we may impose withholding, remit such amount to the IRS and thus reduce the amount of a distribution paid to a Non-U.S. Holder. It may be the case, however, that the corresponding amount of our income was not properly allocable to such holder, and the appropriate amount of withholding should have been less than the actual amount withheld. Such Non-U.S. Holder would be entitled to a credit against the holder's U.S. federal income tax liability for all withholding, including any such excess withholding. However, if the withheld amount were to exceed the holder's U.S. federal income tax liability, the holder would need to apply for a refund to obtain the benefit of such excess withholding. Similarly, we may fail to withhold on a distribution, and it may be the case that the corresponding income was properly allocable to a Non-U.S. Holder and that withholding should have been imposed. In such case, we intend to pay the under-withheld amount to the IRS, and we may treat such under-withholding as an expense that will be borne indirectly by all unitholders on a pro rata basis (since we may be unable to allocate any such excess withholding tax cost to the relevant Non-U.S. Holder).

Under the backup withholding rules, you may be subject to backup withholding tax with respect to distributions paid unless: (i) you are an exempt recipient and demonstrate this fact when required; or (ii) provide a taxpayer identification number, certify as to no loss of exemption from backup withholding tax, and otherwise comply with the applicable requirements of the backup withholding tax rules. A U.S. Holder that is exempt should certify such status on a properly completed IRS Form W-9. A Non-U.S. Holder may qualify as an exempt recipient by submitting a properly completed IRS Form W-8. Backup withholding is not an additional tax. The amount of any backup withholding from a payment to you will be allowed as a credit against your U.S. federal income tax liability and may entitle you to a refund from the IRS, provided you supply the required information to the IRS in a timely manner.

If you do not timely provide our partnership, or the applicable nominee, broker, clearing agent, or other intermediary, with IRS Form W-9 or IRS Form W-8, as applicable, or such form is not properly completed, then our partnership may become subject to U.S. backup withholding taxes in excess of what would have been imposed had our partnership or the applicable intermediary received properly completed forms from all unitholders. For administrative reasons, and in order to maintain the fungibility of our units, such excess U.S. backup withholding taxes, and if necessary similar items, may be treated by our partnership as an expense that will be borne indirectly by all unitholders on a pro rata basis (e.g., since it may be impractical for us to allocate any such excess withholding tax cost to the unitholders that failed to timely provide the proper U.S. tax forms).

Foreign Account Tax Compliance

FATCA provisions impose a 30% withholding tax on "withholdable payments" made to a "foreign financial institution" or a "non-financial foreign entity", unless such financial institution or entity

satisfies certain information reporting or other requirements. Withholdable payments include certain U.S.-source income (such as interest, dividends, and other passive income) and gross proceeds from the sale or disposition of property that can produce U.S.-source interest or dividends. The withholding tax applies to withholdable payments made on or after July 1, 2014 (or January 1, 2017 in the case of gross proceeds). Our Managing General Partner intends to ensure that our partnership complies with FATCA, including by entering into an agreement with the IRS if necessary, so as to ensure that the 30% withholding tax does not apply to any withholdable payments received by our partnership, the Holding LP, the Holding Entities, or the operating entities. The 30% withholding tax may also apply to your allocable share of distributions attributable to withholdable payments, unless you properly certify your FATCA status on IRS Form W-8 or IRS Form W-9 (as applicable) and satisfy any additional requirements under FATCA.

In compliance with FATCA, information regarding certain unitholders' ownership of our units may be reported to the IRS or to a non-U.S. governmental authority. FATCA remains subject to modification by an applicable intergovernmental agreement between the United States and another country, such as the agreement in effect between the United States and Bermuda for cooperation to facilitate the implementation of FATCA, or by future Treasury Regulations or guidance. You should consult your own tax adviser regarding the consequences under FATCA of an investment in our units.

Information Reporting with Respect to Foreign Financial Assets

Under Treasury Regulations, U.S. individuals that own "specified foreign financial assets" with an aggregate fair market value exceeding either $50,000 on the last day of the taxable year or $75,000 at any time during the taxable year generally are required to file an information report with respect to such assets with their tax returns. Significant penalties may apply to persons who fail to comply with these rules. Specified foreign financial assets include not only financial accounts maintained in foreign financial institutions, but also, unless held in accounts maintained by a financial institution, any stock or security issued by a non-U.S. person, any financial instrument or contract held for investment that has an issuer or counterparty other than a U.S. person, and any interest in a foreign entity. Upon the issuance of future Treasury Regulations, these information reporting requirements may apply to certain U.S. entities that own specified foreign financial assets. The failure to report information required under the current regulations could result in substantial penalties and in the extension of the statute of limitations with respect to federal income tax returns filed by you. You should consult your own tax adviser regarding the possible implications of these Treasury Regulations for an investment in our units.

Certain Effects of a Transfer of Units

Our partnership may allocate items of income, gain, loss, deduction, and credit using a monthly or other convention, whereby any such items recognized in a given month by our partnership are allocated to our unitholders as of a specified date of such month. Any U.S. withholding taxes applicable to dividends received by the Holding LP (and, in turn, our partnership) generally will be withheld by our partnership only when such dividends are paid. Because our partnership generally intends to distribute amounts received in respect of dividends shortly after receipt of such amounts, it is generally expected that any U.S. withholding taxes withheld by our partnership on such amounts will correspond to our unitholders who were allocated income and who received the distributions in respect of such amounts. The Holding LP may invest in debt obligations or other securities for which the accrual of interest or income thereon is not matched by a contemporaneous receipt of cash. Any such accrued interest or other income would be allocated pursuant to such monthly or other convention. Consequently, our unitholders may recognize income in excess of cash distributions received from our partnership, and any income so included by a unitholder would increase the basis such unitholder has in our units and would offset any gain (or increase the amount of loss) realized by such unitholder on a subsequent disposition of its units. In addition, U.S. withholding taxes generally would be withheld by our

partnership only on the payment of cash in respect of such accrued interest or other income, and, therefore, it is possible that some unitholders would be allocated income which might be distributed to a subsequent unitholder, and such subsequent unitholder would be subject to withholding at the time of distribution. As a result, the subsequent unitholder, and not the unitholder who was allocated income, would be entitled to claim any available credit with respect to such withholding.

The Holding LP has invested and will continue to invest in certain Holding Entities and operating entities organized in non-U.S. jurisdictions, and income and gain from such investments may be subject to withholding and other taxes in such jurisdictions. If any such non-U.S. taxes were imposed on income allocable to a U.S. Holder, and such holder were thereafter to dispose of its units prior to the date distributions were made in respect of such income, under applicable provisions of the U.S. Internal Revenue Code and Treasury Regulations, the unitholder to whom such income was allocated (and not the unitholder to whom distributions were ultimately made) would, subject to other applicable limitations, be the party permitted to claim a credit for such non-U.S. taxes for U.S. federal income tax purposes. Thus a unitholder may be affected either favorably or adversely by the foregoing rules. Complex rules may, depending on a unitholder's particular circumstances, limit the availability or use of foreign tax credits, and you are urged to consult your own tax adviser regarding all aspects of foreign tax credits.

Nominee Reporting

Persons who hold an interest in our partnership as a nominee for another person may be required to furnish to us:

(i) the name, address and taxpayer identification number of the beneficial owner and the nominee;

(ii) whether the beneficial owner is (a) a person that is not a U.S. person, (b) a foreign government, an international organization, or any wholly-owned agency or instrumentality of either of the foregoing, or (c) a tax-exempt entity;

(iii) the amount and description of units held, acquired, or transferred for the beneficial owner; and

(iv) specific information including the dates of acquisitions and transfers, means of acquisitions and transfers, and acquisition cost for purchases, as well as the amount of net proceeds from sales.

Brokers and financial institutions may be required to furnish additional information, including whether they are U.S. persons and specific information on units they acquire, hold, or transfer for their own account. A penalty of $100 per failure, up to a maximum of $1,500,000 per calendar year, generally is imposed by the U.S. Internal Revenue Code for the failure to report such information to us. The nominee is required to supply the beneficial owner of our units with the information furnished to us.

New Legislation or Administrative or Judicial Action

The U.S. federal income tax treatment of our unitholders depends, in some instances, on determinations of fact and interpretations of complex provisions of U.S. federal income tax law for which no clear precedent or authority may be available. You should be aware that the U.S. federal income tax rules, particularly those applicable to partnerships, are constantly under review (including currently) by the Congressional tax-writing committees and other persons involved in the legislative process, the IRS, the U.S. Treasury Department and the courts, frequently resulting in revised interpretations of established concepts, statutory changes, revisions to regulations and other modifications and interpretations, any of which could adversely affect the value of our units and be

effective on a retroactive basis. For example, changes to the U.S. federal tax laws and interpretations thereof could make it more difficult or impossible for our partnership to be treated as a partnership that is not taxable as a corporation for U.S. federal income tax purposes, affect the tax considerations of owning our units, change the character or treatment of portions of our partnership's income, and adversely affect an investment in our units. Such changes could also affect or cause our partnership to change the way it conducts its activities, affect the tax considerations of an investment in our partnership, and otherwise change the character or treatment of portions of our partnership's income (including changes that recharacterize certain allocations as potentially non-deductible fees).

Our partnership's organizational documents and agreements permit our Managing General Partner to modify our Limited Partnership Agreement from time to time, without the consent of our unitholders, to elect to treat our partnership as a corporation for U.S. federal tax purposes, or to address certain changes in U.S. federal income tax regulations, legislation or interpretation. In some circumstances, such revisions could have a material adverse impact on some or all of our unitholders.

THE FOREGOING DISCUSSION IS NOT INTENDED AS A SUBSTITUTE FOR CAREFUL TAX PLANNING. THE TAX MATTERS RELATING TO OUR PARTNERSHIP AND UNITHOLDERS ARE COMPLEX AND ARE SUBJECT TO VARYING INTERPRETATIONS. MOREOVER, THE EFFECT OF EXISTING INCOME TAX LAWS, THE MEANING AND IMPACT OF WHICH IS UNCERTAIN, AND OF PROPOSED CHANGES IN INCOME TAX LAWS WILL VARY WITH THE PARTICULAR CIRCUMSTANCES OF EACH UNITHOLDER, AND IN REVIEWING THIS ANNUAL REPORT ON FORM 20-F THESE MATTERS SHOULD BE CONSIDERED. EACH UNITHOLDER SHOULD CONSULT ITS OWN TAX ADVISER WITH RESPECT TO THE U.S. FEDERAL, STATE, LOCAL, AND OTHER TAX CONSEQUENCES OF ANY INVESTMENT IN OUR UNITS.

CERTAIN MATERIAL CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is an accurate summary of the principal Canadian federal income tax consequences under the Tax Act of the holding and disposition of units in our partnership generally applicable to a holder who, for the purposes of the Tax Act and at all relevant times, holds our units as capital property, deals at arm's length and is not affiliated with our partnership, the Holding LP, Brookfield Infrastructure Partners Limited, our Managing General Partner and their respective affiliates ("Holder"). Generally, our units will be considered to be capital property to a Holder, provided that the Holder does not use or hold our units in the course of carrying on a business of trading or dealing in securities, and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is not applicable to a Holder: (i) that is a "financial institution" (as defined in the Tax Act) for the purposes of the "mark-to-market" property rules; (ii) that is a "specified financial institution" (as defined in the Tax Act); (iii) who makes or has made a functional currency reporting election pursuant to section 261 of the Tax Act; (iv) an interest in which would be a "tax shelter investment" (as defined in the Tax Act) or who acquires our units as a "tax shelter investment" (and this summary assumes that no such persons hold our units); (v) that has, directly or indirectly, a "significant interest" (as defined in subsection 34.2(1) of the Tax Act) in our partnership; or (vi) to whom any affiliate of our partnership is a "foreign affiliate" (as defined in the Tax Act). Any such Holders should consult their own tax advisors with respect to an investment in our units.

This summary is based on the current provisions of the Tax Act, all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof ("Tax Proposals") and the current published administrative and assessing policies and practices of the CRA. This summary assumes that all Tax Proposals will be enacted in the form proposed but no assurance can be given that the Tax Proposals will be enacted in the form proposed or at all.

This summary does not otherwise take into account or anticipate any changes in law, whether by judicial, administrative or legislative decision or action, or changes in the CRA's administrative and assessing policies and practices, nor does it take into account provincial, territorial or foreign income tax legislation or considerations, which may differ significantly from those described herein. Holders should consult their own tax advisors in respect of the provincial, territorial or foreign income tax consequences to them of holding and disposing of our units.

This summary assumes that neither our partnership nor the Holding LP will be considered to carry on business in Canada. Our Managing General Partner intends to organize and conduct the affairs of each of these entities, to the extent possible, so that neither of these entities should be considered to carry on business in Canada for purposes of the Tax Act. However, no assurance can be given in this regard. If our partnership or the Holding LP carry on business in Canada, the tax implications to our partnership or the Holding LP and to Holders may be materially and adversely different than as set out herein. This summary also assumes that neither our partnership nor the Holding LP is a "tax shelter" (as defined in the Tax Act) or a "tax shelter investment". However, no assurance can be given in this regard.

This summary also assumes that neither our partnership nor the Holding LP will be a "SIFT partnership" at any relevant time for the purposes of the SIFT Rules on the basis that neither our partnership nor the Holding LP will be a "Canadian resident partnership" at any relevant time. However, there can be no assurance that the SIFT Rules will not be revised or amended such that the SIFT Rules will apply.

This summary does not address the deductibility of interest on money borrowed to acquire our units.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder, and no representation with respect to the Canadian federal income tax consequences to any particular Holder is made. Consequently, Holders are advised to consult their own tax advisors with respect to their particular circumstances. See also Item 3.D "Risk Factors—Risks Related to Taxation—Canada".

For purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of our units must be expressed in Canadian dollars including any distributions, adjusted cost base and proceeds of disposition. For purposes of the Tax Act, amounts denominated in a currency other than the Canadian dollar generally must be converted into Canadian dollars using the rate of exchange quoted by the Bank of Canada at noon on the date such amounts arose, or such other rate of exchange as is acceptable to the CRA.

Holders Resident in Canada

The following portion of the summary is generally applicable to a Holder who, for purposes of the Tax Act and at all relevant times, is or is deemed to be resident in Canada ("Canadian Holder").

Computation of Income or Loss

Each Canadian Holder is required to include (or, subject to the "at-risk rules" discussed below, entitled to deduct) in computing his or her income for a particular taxation year, the Canadian Holder's pro rata share of the income (or loss) of our partnership for its fiscal year ending in, or coincidentally with, the Canadian Holder's taxation year end, whether or not any of that income is distributed to the Canadian Holder in the taxation year and regardless of whether our units were held throughout such year.

Our partnership will not itself be a taxable entity and is not expected to be required to file an income tax return in Canada for any taxation year. However, the income (or loss) of our partnership

for a fiscal period for purposes of the Tax Act will be computed as if it were a separate person resident in Canada and the partners will be allocated a share of that income (or loss) in accordance with our partnership's Limited Partnership Agreement. The income (or loss) of our partnership will include our partnership's share of the income (or loss) of the Holding LP for a fiscal year determined in accordance with the Holding LP's limited partnership agreement. For this purpose, our partnership's fiscal year end and that of the Holding LP will be December 31.

The income for tax purposes of our partnership for a given fiscal year of our partnership will be allocated to each Canadian Holder in an amount calculated by multiplying such income that is allocable to unitholders by a fraction, the numerator of which is the sum of the distributions received by such Canadian Holder with respect to such fiscal year and the denominator of which is the aggregate amount of the distributions made by our partnership to all unitholders with respect to such fiscal year.

If, with respect to a given fiscal year, no distribution is made by our partnership to unitholders or our partnership has a loss for tax purposes, one quarter of the income, or loss, as the case may be, for tax purposes of our partnership for such fiscal year that is allocable to unitholders, will be allocated to the unitholders of record at the end of each calendar quarter ending in such fiscal year in the proportion that the number of units of our partnership held at each such date by a unitholder is of the total number of units of our partnership that are issued and outstanding at each such date.

The income of our partnership as determined for purposes of the Tax Act may differ from its income as determined for accounting purposes and may not be matched by cash distributions. In addition, for purposes of the Tax Act, all income (or losses) of our partnership and the Holding LP must be calculated in Canadian currency. Where our partnership (or the Holding LP) holds investments denominated in U.S. dollars or other foreign currencies, gains and losses may be realized by our partnership as a consequence of fluctuations in the relative values of the Canadian and foreign currencies.

In computing the income (or loss) of our partnership, deductions may be claimed in respect of reasonable administrative costs, interest and other expenses incurred by our partnership for the purpose of earning income, subject to the relevant provisions of the Tax Act. Our partnership may also deduct from its income for the year a portion of the reasonable expenses, if any, incurred by our partnership to issue units. The portion of such issue expenses deductible by our partnership in a taxation year is 20% of such issue expenses, pro-rated where our partnership's taxation year is less than 365 days. Our partnership and the Holding LP may be required to withhold and remit Canadian federal withholding tax on any management or administration fees or charges paid or credited to a non-resident person, to the extent that such management or administration fees or charges are deductible in computing our partnership's or the Holding LP's income from a source in Canada.

In general, a Canadian Holder's share of any income (or loss) from our partnership from a particular source will be treated as if it were income (or loss) of the Canadian Holder from that source, and any provisions of the Tax Act applicable to that type of income (or loss) will apply to the Canadian Holder. Our partnership will invest in limited partnership units of the Holding LP. In computing our partnership's income (or loss) under the Tax Act, the Holding LP will itself be deemed to be a separate person resident in Canada which computes its income (or loss) and allocates to its partners their respective share of such income (or loss). Accordingly, the source and character of amounts included in (or deducted from) the income of Canadian Holders on account of income (or loss) earned by the Holding LP generally will be determined by reference to the source and character of such amounts when earned by the Holding LP.

The characterization by the CRA of gains realized by our partnership or the Holding LP on the disposition of investments as either capital gains or income gains will depend largely on factual considerations, and no conclusions are expressed herein.

A Canadian Holder's share of taxable dividends received or considered to be received by our partnership in a fiscal year from a corporation resident in Canada will be treated as a dividend received by the Canadian Holder and will be subject to the normal rules in the Tax Act applicable to such dividends, including the enhanced gross-up and dividend tax credit for "eligible dividends" (as defined in the Tax Act) when the dividend received by the Holding LP is designated as an "eligible dividend".

Foreign taxes paid by our partnership or the Holding LP and taxes withheld at source on amounts paid or credited to our partnership or the Holding LP (other than for the account of a particular partner) will be allocated pursuant to the governing partnership agreement. Each Canadian Holder's share of the "business-income tax" and "non-business-income tax" paid to the government of a foreign country for a year will be creditable against such Canadian Holder's Canadian federal income tax liability to the extent permitted by the detailed foreign tax credit rules contained in the Tax Act. Although the foreign tax credit provisions are designed to avoid double taxation, the maximum credit is limited. Because of this, and because of timing differences in recognition of expenses and income and other factors, the foreign tax credit provisions may not provide a full foreign tax credit for the "business-income tax" and "non-business-income tax" paid by our partnership or the Holding LP to the government of a foreign country. Under the Foreign Tax Credit Generator Rules, the foreign "business-income tax" or "non-business-income tax" allocated to a Canadian Holder for the purpose of determining such Canadian Holder's foreign tax credit for any taxation year may be limited in certain circumstances, including where a Canadian Holder's share of the income of our partnership or the Holding LP under the income tax laws of any country (other than Canada) under whose laws the income of our partnership or the Holding LP is subject to income taxation ("Relevant Foreign Tax Law") is less than the Canadian Holder's share of such income for purposes of the Tax Act. For this purpose, a Canadian Holder is not considered to have a lesser direct or indirect share of the income of our partnership or the Holding LP under the Relevant Foreign Tax Law than for the purposes of the Tax Act solely because, among other reasons, of a difference between the Relevant Foreign Tax Law and the Tax Act in the manner of computing the income of our partnership or the Holding LP or in the manner of allocating the income of our partnership or the Holding LP because of the admission or withdrawal of a partner. No assurance can be given that the Foreign Tax Credit Generator Rules will not apply to any Canadian Holder. If the Foreign Tax Credit Generator Rules apply, the allocation to a Canadian Holder of foreign "business-income tax" or "non-business-income tax" paid by our partnership or the Holding LP, and therefore such Canadian Holder's foreign tax credits, will be limited.

Our partnership and the Holding LP will be deemed to be a non-resident person in respect of certain amounts paid or credited or deemed to be paid or credited to them by a person resident or deemed to be resident in Canada, including dividends or interest. Dividends or interest (other than interest exempt from Canadian federal withholding tax) paid or deemed to be paid by a person resident or deemed to be resident in Canada to the Holding LP will be subject to withholding tax under Part XIII of the Tax Act at the rate of 25%. However, the CRA's administrative practice in similar circumstances is to permit the rate of Canadian federal withholding tax applicable to such payments to be computed by looking through the partnership and taking into account the residency of the partners (including partners who are resident in Canada) and any reduced rates of Canadian federal withholding tax that any non-resident partners may be entitled to under an applicable income tax treaty or convention, provided that the residency status and entitlement to the treaty benefits can be established. In determining the rate of Canadian federal withholding tax applicable to amounts paid by the Holding Entities to the Holding LP, our Managing General Partner expects the Holding Entities to look-through the Holding LP and our partnership to the residency of the partners of our partnership (including partners who are residents of Canada) and to take into account any reduced rates of Canadian federal withholding tax that non-resident partners may be entitled to under an applicable income tax treaty or convention in order to determine the appropriate amount of Canadian federal withholding tax to withhold from dividends or interest paid to the Holding LP. However, there can be no assurance that

the CRA will apply its administrative practice in this context. Under the Treaty, in certain circumstances a Canadian-resident payer is required to look-through fiscally transparent partnerships, such as our partnership and the Holding LP, to the residency and Treaty entitlements of their partners and to take into account the reduced rates of Canadian federal withholding tax that such partners may be entitled to under the Treaty.

If our partnership incurs losses for tax purposes, each Canadian Holder will be entitled to deduct in the computation of income for tax purposes the Canadian Holder's pro rata share of any net losses for tax purposes of our partnership for its fiscal year to the extent that the Canadian Holder's investment is "at-risk" within the meaning of the Tax Act. The Tax Act contains "at-risk rules" which may, in certain circumstances, restrict the deduction of a limited partner's share of any losses of a limited partnership. Our Managing General Partner does not anticipate that our partnership or the Holding LP will incur losses but no assurance can be given in this regard. Accordingly, Canadian Holders should consult their own tax advisors for specific advice with respect to the potential application of the "at-risk rules".

Section 94.1 of the Tax Act contains rules relating to investments by a taxpayer in Non-Canadian Entities that could, in certain circumstances, cause income to be imputed to Canadian Holders, either directly or by way of allocation of such income imputed to our partnership or the Holding LP. These rules would apply if it is reasonable to conclude, having regard to all the circumstances, that one of the main reasons for the Canadian Holder, our partnership or the Holding LP acquiring, holding or having an investment in a Non-Canadian Entity is to derive a benefit from portfolio investments in certain assets from which the Non-Canadian Entity may reasonably be considered to derive its value in such a manner that taxes under the Tax Act on income, profits and gains from such assets for any year are significantly less than they would have been if such income, profits and gains had been earned directly. In determining whether this is the case, section 94.1 of the Tax Act provides that consideration must be given to, among other factors, the extent to which the income, profits and gains for any fiscal period are distributed in that or the immediately following fiscal period. No assurance can be given that section 94.1 of the Tax Act will not apply to a Canadian Holder, our partnership or the Holding LP. If these rules apply to a Canadian Holder, our partnership or the Holding LP, income, determined by reference to a prescribed rate of interest plus two percent applied to the "designated cost" (as defined in section 94.1 of the Tax Act) of the interest in the Non-Canadian Entity, will be imputed directly to the Holder or to our partnership or the Holding LP and allocated to the Canadian Holder in accordance with the rules in section 94.1 of the Tax Act. The rules in section 94.1 of the Tax Act are complex and Canadian Holders should consult their own tax advisors regarding the application of these rules to them in their particular circumstances.

Certain of the Non-Canadian Subsidiaries in which the Holding LP directly invests are expected to be CFAs of the Holding LP. Dividends paid to the Holding LP by a CFA of the Holding LP will be included in computing the income of the Holding LP. To the extent that any CFA of the Holding LP or any Indirect CFA earns income that is characterized as FAPI in a particular taxation year of the CFA or Indirect CFA, the FAPI allocable to the Holding LP under the rules in the Tax Act must be included in computing the income of the Holding LP for Canadian federal income tax purposes for the fiscal period of the Holding LP in which the taxation year of that CFA or Indirect CFA ends, whether or not the Holding LP actually receives a distribution of that FAPI. Our partnership will include its share of such FAPI of the Holding LP in computing its income for Canadian federal income tax purposes and Canadian Holders will be required to include their proportionate share of such FAPI allocated from our partnership in computing their income for Canadian federal income tax purposes. As a result, Canadian Holders may be required to include amounts in their income even though they have not and may not receive an actual cash distribution of such amounts. If an amount of FAPI is included in computing the income of the Holding LP for Canadian federal income tax purposes, an amount may be deductible in respect of the "foreign accrual tax" applicable to the FAPI. Any amount of FAPI included

in income net of the amount of any deduction in respect of "foreign accrual tax" will increase the adjusted cost base to the Holding LP of its shares of the particular CFA in respect of which the FAPI was included. At such time as the Holding LP receives a dividend of this type of income that was previously included in the Holding LP's income as FAPI, such dividend will effectively not be included in computing the income of the Holding LP and there will be a corresponding reduction in the adjusted cost base to the Holding LP of the particular CFA shares. Under the Foreign Tax Credit Generator Rules, the "foreign accrual tax" applicable to a particular amount of FAPI included in the Holding LP's income in respect of a particular "foreign affiliate" of the Holding LP may be limited in certain specified circumstances, including where the direct or indirect share of the income of any member of the Holding LP (which is deemed for this purpose to include a Canadian Holder) that is a person resident in Canada or a "foreign affiliate" of such a person is, under a Relevant Foreign Tax Law, less than such member's share of such income for purposes of the Tax Act. No assurance can be given that the Foreign Tax Credit Generator Rules will not apply to the Holding LP. For this purpose, a Canadian Holder is not considered to have a lesser direct or indirect share of the income of the Holding LP under the Relevant Foreign Tax Law than for purposes of the Tax Act solely because, among other reasons, of a difference between the Relevant Foreign Tax Law and the Tax Act in the manner of computing the income of the Holding LP or in the manner of allocating the income of the Holding LP because of the admission or withdrawal of a partner. If the Foreign Tax Credit Generator Rules apply, the "foreign accrual tax" applicable to a particular amount of FAPI included in the Holding LP's income in respect of a particular "foreign affiliate" of the Holding LP will be limited.

Disposition of Units

The disposition by a Canadian Holder of a unit will result in the realization of a capital gain (or capital loss) by such Canadian Holder in the amount, if any, by which the proceeds of disposition of the unit, less any reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base of such unit. In general, the adjusted cost base of a Canadian Holder's units will be equal to: (i) the actual cost of the units (excluding any portion thereof financed with limited recourse indebtedness); plus (ii) the pro rata share of the income of our partnership allocated to the Canadian Holder for fiscal years of our partnership ending before the relevant time; less (iii) the aggregate of the pro rata share of losses of our partnership allocated to the Canadian Holder (other than losses which cannot be deducted because they exceed the Canadian Holder's "at-risk" amount) for fiscal years of our partnership ending before the relevant time; and less (iv) the Canadian Holder's distributions received from our partnership made before the relevant time. The adjusted cost base of each of the units will be subject to the averaging provisions contained in the Tax Act.

Where a Canadian Holder disposes of all of its units, it will no longer be a partner of our partnership. If, however, a Canadian Holder is entitled to receive a distribution from our partnership after the disposition of all such units, then the Canadian Holder will be deemed to dispose of the units at the later of: (i) the end of the fiscal year of our partnership during which the disposition occurred; and (ii) the date of the last distribution made by our partnership to which the Canadian Holder was entitled. The pro rata share of the income (or loss) for tax purposes of our partnership for a particular fiscal year which is allocated to a Canadian Holder who has ceased to be a partner will generally be added (or deducted) in the computation of the adjusted cost base of the Canadian Holder's units immediately prior to the time of the disposition. These rules are complex and Canadian Holders should consult their own tax advisors for advice with respect to the specific tax consequences to them of disposing of units.

A Canadian Holder will realize a deemed capital gain if, and to the extent that, the adjusted cost base of the Canadian Holder's units is negative at the end of any fiscal year of our partnership. In such a case, the adjusted cost base of the Canadian Holder's Units will be nil at the beginning of the next fiscal year of our partnership.

Taxation of Capital Gains and Capital Losses

In general, one-half of a capital gain realized by a Canadian Holder must be included in computing such Canadian Holder's income as a taxable capital gain. One-half of a capital loss is deducted as an allowable capital loss against taxable capital gains realized in the year and any remainder may be deducted against net taxable capital gains in any of the three years preceding the year or any year following the year to the extent and under the circumstances described in the Tax Act. Special rules in the Tax Act may apply to disallow the one-half treatment on all or a portion of a capital gain realized on a disposition of our units to a tax-exempt person or a non-resident person. Canadian Holders contemplating such a disposition should consult their own tax advisors in this regard.

A Canadian Holder that is throughout the relevant taxation year a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax of 6⅔% on its "aggregate investment income" (as defined in the Tax Act) for the year, which is defined to include taxable capital gains.

Eligibility for Investment

Provided that our units are listed on a "designated stock exchange", which currently includes the TSX and the NYSE, our units will be "qualified investments" under the Tax Act for a trust governed by an RRSP, deferred profit sharing plan, RRIF, registered education savings plan, registered disability savings plan, and a TFSA. However, there can be no assurance that tax laws relating to "qualified investments" will not be changed. Taxes may be imposed in respect of the acquisition or holding of non-qualified investments by such registered plans and certain other taxpayers and with respect to the acquisition or holding of "prohibited investments" by a TFSA or an RRSP or RRIF.

Notwithstanding the foregoing, a holder of a TFSA or an annuitant under an RRSP or RRIF, as the case may be, will be subject to a penalty tax if our units held in a TFSA, RRSP or RRIF are a "prohibited investment" for the TFSA, RRSP or RRIF, as the case may be. Generally, our units will not be a "prohibited investment" if the holder of the TFSA or the annuitant under the RRSP or RRIF, as applicable deals at arm's-length with our partnership for purposes of the Tax Act and does not have a "significant interest" in our partnership. Unitholders who intend to hold our units in a TFSA, RRSP or RRIF should consult with their own tax advisors regarding the application of the foregoing "prohibited investment" rules having regard to their particular circumstances.

Alternative Minimum Tax

Canadian Holders that are individuals or trusts may be subject to the alternative minimum tax rules. Such Canadian Holders should consult their own tax advisors.

Holders Not Resident in Canada

The following portion of the summary is generally applicable to a Holder who, for purposes of the Tax Act and at all relevant times, is not, and is not deemed to be, resident in Canada and who does not use or hold and is not deemed to use or hold its units in connection with a business carried on in Canada ("Non-Canadian Holder").

The following portion of the summary assumes that (i) our units are not and will not at any relevant time constitute "taxable Canadian property" of any Non-Canadian Holder and (ii) our partnership and the Holding LP will not dispose of property that is "taxable Canadian property". "Taxable Canadian property" includes, but is not limited to, property that is used or held in a business carried on in Canada and shares of corporations that are not listed on a "designated stock exchange" if more than 50% of the fair market value of the shares is derived from certain Canadian properties during the 60-month period immediately preceding the particular time. In general, our units will not

constitute "taxable Canadian property" of any Non-Canadian Holder at a particular time, unless (a) at any time during the 60-month period immediately preceding the particular time, more than 50% of the fair market value of our units was derived, directly or indirectly (excluding through a corporation, partnership or trust, the shares or interests in which were not themselves "taxable Canadian property") from one or any combination of (i) real or immovable property situated in Canada, (ii) "Canadian resource property", (iii) "timber resource property", and (iv) options in respect of, or interests in, or for civil law rights in, such property, whether or not such property exists, or (b) our units are otherwise deemed to be "taxable Canadian property". Since our partnership's assets will consist principally of units of the Holding LP, our units would generally be "taxable Canadian property" at a particular time if the units of the Holding LP held by our partnership derived, directly or indirectly (excluding through a corporation, partnership or trust, the shares or interests in which were not themselves "taxable Canadian property") more than 50% of their fair market value from properties described in (i) to (iv) above, at any time in the 60-month period preceding the particular time. Our Managing General Partner does not expect our units to be "taxable Canadian property" of any Non-Canadian Holder and does not expect our partnership or the Holding LP to dispose of "taxable Canadian property". However, no assurance can be given in these regards. See Item 3.D "Risk Factors—Risks Related to Taxation—Canada".

Special rules, which are not discussed in this summary, may apply to a Non-Canadian Holder that is an insurer carrying on business in Canada and elsewhere.

Taxation of Income or Loss

A Non-Canadian Holder will not be subject to Canadian federal income tax under Part I of the Tax Act on its share of income from a business carried on by our partnership (or the Holding LP) outside Canada or the non-business income earned by our partnership (or the Holding LP) from sources in Canada. However, a Non-Canadian Holder may be subject to Canadian federal withholding tax under Part XIII of the Tax Act, as described below. Our Managing General Partner intends to organize and conduct the affairs of our partnership and the Holding LP, to the extent possible, such that Non-Canadian Holders should not be considered to be carrying on business in Canada solely by virtue of holding our units. However, no assurance can be given in this regard.

Our partnership and the Holding LP will be deemed to be a non-resident person in respect of certain amounts paid or credited or deemed to be paid or credited to them by a person resident or deemed to be resident in Canada, including dividends or interest. Dividends or interest (other than interest exempt from Canadian federal withholding tax) paid or deemed to be paid by a person resident or deemed to be resident in Canada to the Holding LP will be subject to withholding tax under Part XIII of the Tax Act at the rate of 25%. However, the CRA's administrative practice in similar circumstances is to permit the rate of Canadian federal withholding tax applicable to such payments to be computed by looking through the partnership and taking into account the residency of the partners (including partners who are resident in Canada) and any reduced rates of Canadian federal withholding tax that any non-resident partners may be entitled to under an applicable income tax treaty or convention, provided that the residency status and entitlement to the treaty benefits can be established. In determining the rate of Canadian federal withholding tax applicable to amounts paid by the Holding Entities to the Holding LP, our Managing General Partner expects the Holding Entities to look-through the Holding LP and our partnership to the residency of the partners of our partnership (including partners who are resident in Canada) and to take into account any reduced rates of Canadian federal withholding tax that non-resident partners may be entitled to under an applicable income tax treaty or convention in order to determine the appropriate amount of Canadian federal withholding tax to withhold from dividends or interest paid to the Holding LP. However, there can be no assurance that the CRA would apply its administrative practice in this context. Under the Treaty, in certain circumstances a Canadian-resident payer is required to look-through fiscally transparent partnerships

such as our partnership and the Holding LP to the residency and Treaty entitlements of their partners and take into account the reduced rates of Canadian federal withholding tax that such partners may be entitled to under the Treaty.

AUSTRALIAN TAX CONSIDERATIONS

Set out below are general Australian income tax implications for Australian tax resident holders of units (Australian Holders).

This is not tax advice an Australian Holder can rely on. The individual circumstances of each Australian Holder will affect the taxation implications of each Australian Holder's interest in our partnership. Australian Holders should seek appropriate independent professional advice that considers the taxation implications in respect of their own specific circumstances.

The discussion is primarily intended for Australian Holders who hold their interest in our partnership on capital account. Different outcomes will potentially arise for Australian Holders who are investing on revenue account. Those Australian Holders should seek professional taxation advice in relation to their interest in our partnership.

The summary of the Australian income tax implications set out below is based on established judicial and administrative interpretations of the *Income Tax Assessment Act 1997* (Cth) ("ITAA 1997"), the *Income Tax Assessment Act 1936* (Cth) ("ITAA 1936") and the *Taxation Administration Act 1953* (Cth) ("Administration Act") as at the date of this annual report.

Summary

The key Australian income tax implications for Australian Holders of units are set out below:

Our partnership should be classified as a "corporate limited partnership" for Australian income tax purposes as:

- it satisfies the definition of "corporate limited partnership"; and
- it is not either a "venture capital limited partnership", an "early stage venture capital limited partnership", an "Australian venture capital fund of funds" or a "venture capital management partnership"; and
- it is not a "foreign hybrid limited partnership".

On the basis that our partnership is a corporate limited partnership it should be treated as a company for Australian tax purposes.

Our partnership is a non-resident of Australia for tax purposes and therefore, should not be subject to income tax in Australia except for any income sourced in Australia, or in respect of certain capital gains that relate to "taxable Australian property" as detailed in the ITAA 1997.

Distributions made by our partnership to Australian Holders should be characterized as dividends for Australian income tax purposes and included in Australian Holders' assessable unfranked dividend income.

Australian Holders should not be subject to income tax on an accruals basis under the Controlled Foreign Company ("CFC") or proposed Foreign Accumulation Fund ("FAF") rules. This conclusion is dependent on the quantum and nature of the interests held in our partnership.

The disposal of units by Australian Holders should give rise to a capital gains tax ("CGT") event for the Australian Holders. Broadly, Australian Holders that hold their units on capital account should realize a capital gain (or loss) equal to the difference between any capital proceeds received and the cost base (or reduced cost base) of the units.

Characterization of the Partnership

Definition of "limited partnership"

A limited partnership is defined in section 995-1 of the ITAA 1997 and means:

a. an association of persons (other than a company) carrying on business as partners or in receipt of ordinary income or statutory income jointly, where the liability of at least one of those persons is limited; or

b. an association of persons (other than one referred to in paragraph (a)) with legal personality separate from those persons that was formed solely for the purpose of becoming a "venture capital limited partnership" ("VCLP"), an "early stage venture capital limited partnership" ("ESVCLP"), an "Australian venture capital fund of funds" ("AFOF") or a "venture capital management partnership" ("VCMP") and to carry on activities that are carried on by a body of that kind.

There is no requirement as to where or under which law the liability is limited. For tax purposes, the liability is limited if it is effectively limited under the laws applying to the partnership (as per the partnership agreement). Our partnership should be a limited partnership for Australian tax purposes.

Definition of "corporate limited partnership"

Under subsection 94D(1)(a) of the ITAA 1936, a partnership will be a corporate limited partnership in relation to the year of income of the partnership if the year of income is the 1995-96 year of income or a later year of income.

Our partnership should be a corporate limited partnership under subsection 94D(1) of the above definition. Subsection 94D(2) of the ITAA 1936 specifically excludes from a corporate limited partnership a VCLP, ESVCLP, or AFOF. A requirement for each of these definitions is that the partnership be registered either in Australia or a country prescribed by relevant regulations or be an Australian resident. Our partnership is registered in Bermuda and is not a resident of Australia. Bermuda is not a country prescribed by relevant regulations. Therefore our partnership will not be a VCLP, ESVCLP or AFOF. A VCLP is defined by reference to the *Venture Capital Act 2002.* Our partnership, as a Bermudian Exempted Limited Partnership, will not be excluded from the definition of a corporate limited partnership as subsection 9-1(1) of the Venture Capital Act requires of a VCLP that:

(a) the partnership was established by or under a law in force in, or in any part of:

I. Australia; or

II. a foreign country in respect of which a double tax agreement (as defined in Part X of the ITAA 1936) is in force; and

(b) all of the partners who are general partners are residents of a country referred to in paragraph (a).

Definition of "foreign hybrid limited partnership"

Pursuant to sub-section 94D(5) of the ITAA 1936, an exception to our partnership being a corporate limited partnership applies if it is a "foreign hybrid limited partnership" ("FHLP"), as defined in section 830-10 of the ITAA 1997. A limited partnership will be a FHLP if:

a. it was formed in a foreign country (i.e. other than Australia); and

b. foreign income tax is imposed under the law of the foreign country on the partners, not the limited partnership, in respect of the income or profits of the partnership for the income year; and

c. at no time during the income year is the limited partnership, for the purposes of a law of any foreign country that imposes foreign income tax on entities because they are residents of the foreign country, a resident of that country; and

d. disregarding subsection 94D(5) of the ITAA 1936, at no time during the income year is it an Australian resident; and

e. disregarding that subsection, in relation to the same income year of another taxpayer:

   I. the limited partnership is a CFC at the end of a statutory accounting period that ends in the income year; and

   II. at the end of the statutory accounting period, the taxpayer is an attributable taxpayer in relation to the CFC with an attribution percentage greater than nil.

Paragraph (a) should be met on the basis that our partnership was formed in Bermuda. Paragraph (b) would not be met on the basis that Bermuda does not impose any tax on income, profits, dividends or wealth. Therefore, there is no foreign tax imposed under the laws of Bermuda on the partners of our partnership and this paragraph will not be satisfied. This position is confirmed by the Australia Taxation Office ("ATO") in ATO ID 2006/149. On the basis that paragraph (b) is not met, our partnership should not be a FHLP.

Conclusion

Our partnership should be classified as a corporate limited partnership for Australian income tax purposes in accordance with section 94D of the ITAA 1997. The consequences of that include that our partnership is treated as a company for the purposes of applying Australian domestic income tax law (sections 94J and 94K of the ITAA 1936). Accordingly, Australian Holders' units in our partnership should be treated as shares in a company.

Proposed Foreign Accumulation Fund rules

Broadly, the proposed FAF rules, if enacted, should apply to an Australian resident who has an interest in a FAF, providing a tax deferral benefit for the income year. A FAF is a foreign resident that is not a CFC, whose investment returns are subject to a low level of risk and which does not distribute substantially all of the profits and gains of the fund.

The level of risk of return of an investment held by an entity will be low if the return is 'sufficiently certain'. A return is sufficiently certain, where at the time the investment is made it is reasonably expected that the foreign entity will receive returns from the investments it makes and at least some of the return is fixed or determinable with reasonable accuracy.

Returns on an investment in our partnership will not be fixed or accurately determinable as the distributions are at the discretion of our Managing General Partner. Our Managing General Partner is not required to make distributions and provides no assurance that distributions will be made as intended. The distributions paid by our partnership will be dependent on the performance of its investments. Accordingly, the proposed FAF rules should not apply to the income accruing to Australian Holders in our partnership.

Partnership distributions to Australian Holders

Australian Holders will potentially receive distributions from our partnership. Distributions will be treated as dividends on the basis that our partnership is a corporate limited partnership for Australian tax purposes. The distributions should be treated as unfranked dividends to Australian Holders.

Our partnership will not provide information to enable Australian Holders to determine whether a return of capital has been made for Australian tax purposes. Therefore, Australian Holders should treat all distributions as unfranked dividends.

The taxation treatment of a partnership dividend received by Australian Holders will vary depending on the type of Australian Holder. Australian Holders should seek further independent advice in relation to the nature of future distributions received from our partnership.

Set out below is a summary of how different types of Australian Holders should treat a distribution received from our partnership.

Australian tax resident individuals

Distributions received by Australian tax resident individuals should in most cases be included in their Australian assessable income. Australian Holders should be entitled to an Australian foreign income tax offset which reduces the Australian tax payable on assessable dividends by the amount of any foreign income tax withheld by our partnership.

Australian Holders should seek independent advice in relation to their entitlement to Australian foreign income tax offsets to the extent foreign tax is withheld.

Australian tax resident companies

The taxation treatment of a dividend received by an Australian tax resident company is the same as that described above for an Australian tax resident individual.

Australian tax resident trusts

The comments below relate to Australian tax resident beneficiaries who are not under a legal disability where those beneficiaries are presently entitled to income of an Australian resident trust. If the beneficiary is under a legal disability, we recommend those beneficiaries seek independent professional taxation advice.

Distributions in the form of dividend income should either be included in the trustee's, or the beneficiary's, assessable income, as the case may be. The tax treatment of the dividend then depends on the tax status of the Australian resident trust and the legal identity of the beneficiary as an individual, a company or a trust (refer to comments above).

Australian tax resident superannuation funds

Dividends paid to an Australian tax resident superannuation fund should be included in the fund's Australian assessable income. Superannuation funds should be entitled to an Australian foreign income tax offset against the Australian tax payable on assessable dividends for any foreign income tax withheld by our partnership on future distributions.

Australian Holders should seek further independent advice in relation to their entitlement to Australian foreign income tax offsets to the extent foreign tax is withheld on our partnership distributions.

Documentation for Australian Holders

Australian Holders with income tax years that end on 30 June will not receive any documentation from our partnership that will correlate directly to a 30 June income tax year end. Australian Holders will need to rely on distribution payment statements to support their Australian income tax disclosures.

Australian CGT implications for Australian Holders

Cost base of the Partnership Units

The cost base of the units for Australian Holders who bought their units in our partnership directly should equal the money paid for those units plus any incidental costs of acquisition and disposal of the units (e.g. broker's fees, borrowing expenses).

Where an Australian Holder received the units as consideration for entering into the Merger Transaction, the cost base or reduced cost base of the units acquired is made up of a number of elements including the money paid or market value of property given to acquire the units. That amount should be the market value of the Prime Infrastructure securities exchanged for the units under the Merger Transaction plus the incidental costs of acquisition and disposal of the Prime Infrastructure securities (if any).

On the basis that our partnership and the Prime Infrastructure securityholders were acting at arm's length, the market value of the Prime Infrastructure securities disposed of under the Merger Transaction should be the same as the market value of the units received in exchange.

The acquisition date for the units for CGT purposes should be the date the units were allotted to the Prime Infrastructure securityholders (8 December 2010 Australian Eastern Standard Time).

The market value of the units may be determined by reference to the NYSE/TSX VWAP of these units on 8 December 2010 (A$20.651 per unit).

Disposal of units

In the event Australian Holders dispose of units, a capital gain should arise where the sale proceeds received exceed an Australian Holders' cost base in the units. A capital loss should arise where the Australian Holders' reduced cost base exceeds the sale proceeds. The time that the CGT event occurs is when the contract is entered into or, if there is no contract, when the change of ownership occurs.

Partnership distributions should be treated as unfranked dividends and no CGT cost base reduction should be calculated as a result of the distributions.

Where the proceeds received are in foreign currency (e.g. US$ or C$), these should be converted into A$ at the daily average exchange rate for the day of the sale (the date the sale contract is entered into). The ATO publish daily average exchange rates on their website (www.ato.gov.au). This may be a different amount than the A$ cash an Australian Holder ultimately receives.

Accordingly, there may a foreign exchange gain or loss if there are any fluctuations in the exchange rate between the date of the sale contract and the date payment is received by the Australian Holders. To the extent payment is received within 12 months of the date of disposal (the date the sale contract is entered into) of the units any such foreign exchange realization gains or losses will be capital in nature and subject to the CGT provisions (i.e. included in the overall gain or loss on the disposal of the units).

If payment is received more than 12 months after the contract date, the foreign exchange gain or loss provisions of the ITAA 1997 apply. Australian Holders should seek specific advice in this circumstance.

Discount of capital gain

Provided the units that gave rise to the capital gain were held for at least 12 months prior to the occurrence of the CGT event, any net capital gain realized by an Australian Holder on those units (e.g. if a sale were to occur) may qualify for discount capital gains tax treatment.

The discount is taken into account after applying any available capital losses against the capital gain eligible for the discount.

This treatment broadly only applies in respect of units held by Australian Holders that are individuals, trustees of trusts, and trustees of superannuation funds. No such discount is available for corporate Australian Holders.

Where the CGT discount is available, individual Australian Holders (either holding their units directly or indirectly through a trust) may reduce their net capital gain by 50%. For trustees (responsible entities) of superannuation funds, the net capital gain may be reduced by 33⅓%.

BERMUDA TAX CONSIDERATIONS

In Bermuda there are no taxes on profits, income or dividends, nor is there any capital gains tax, estate duty or death duty. Profits can be accumulated and it is not obligatory to pay dividends. As "exempted undertakings", exempted partnerships and overseas partnerships are entitled to apply for (and will ordinarily receive) an assurance pursuant to the *Exempted Undertakings Tax Protection Act 1966* that, in the event that legislation introducing taxes computed on profits or income, or computed on any capital asset, gain or appreciation, is enacted, such taxes shall not be applicable to the partnership or any of its operations until March 31, 2035. Such an assurance may include the assurance that any tax in the nature of estate duty or inheritance tax shall not be applicable to the units, debentures or other obligations of the partnership.

Exempted partnerships and overseas partnerships fall within the definition of "international businesses" for the purposes of the *Stamp Duties (International Businesses Relief) Act 1990*, which means that instruments executed by or in relation to an exempted partnership or an overseas partnership are exempt from stamp duties (such duties were formerly applicable under the Stamp Duties Act 1976). Thus, stamp duties are not payable upon, for example, an instrument which effects the transfer or assignment of a unit in an exempted partnership or an overseas partnership, or the sale or mortgage of partnership assets; nor are they payable upon the partnership capital.

10.F DIVIDENDS AND PAYING AGENTS

Not applicable.

10.G STATEMENT BY EXPERTS

Not applicable.

10.H DOCUMENTS ON DISPLAY

Any statement in this annual report on Form 20-F about any of our contracts or other documents is not necessarily complete. If the contract or document is filed as an exhibit to the annual report on Form 20-F the contract or document is deemed to modify the description contained in this annual report on Form 20-F. You must review the exhibits themselves for a complete description of the contract or document.

Brookfield Asset Management and our partnership are both subject to the information filing requirements of the Exchange Act, and accordingly are required to file periodic reports and other information with the SEC. As a foreign private issuer under the SEC's regulations, we file annual

reports on Form 20-F and other reports on Form 6-K. The information disclosed in our reports may be less extensive than that required to be disclosed in annual and quarterly reports on Forms 10-K and 10-Q required to be filed with the SEC by U.S. issuers.

Moreover, as a foreign private issuer, we are not subject to the proxy requirements under Section 14 of the Exchange Act, and our directors and principal shareholders are not subject to the insider short swing profit reporting and recovery rules under Section 16 of the Exchange Act. Our and Brookfield Asset Management's SEC filings are available at the SEC's website at www.sec.gov. You may also read and copy any document we or Brookfield Asset Management files with the SEC at the public reference facilities maintained by the SEC at SEC Headquarters, Public Reference Section, 100 F Street, N.E., Washington D.C. 20549. You may obtain information on the operation of the SEC's public reference facilities by calling the SEC at 1-800-SEC-0330.

In addition, Brookfield Asset Management and our partnership are required to file documents required by Canadian securities laws electronically with Canadian securities regulatory authorities and these filings are available on our or Brookfield Asset Management's SEDAR profile at www.sedar.com. Written requests for such documents should be directed to our Corporate Secretary at 73 Front Street, Hamilton HM 12, Bermuda.

10.I SUBSIDIARY INFORMATION

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT NON-PRODUCT RELATED MARKET RISK

See the information contained in this annual report on Form 20-F under Item 5 "Operating and Financial Review and Prospects—Other Market Risks" and Item 5 "Operating and Financial Review and Prospects—Foreign Currency Hedging Strategy."

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

Not applicable.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

None.

ITEM 15. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

As of December 31, 2013, an evaluation of the effectiveness of our "disclosure controls and procedures" (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) was carried out under the supervision and with the participation of persons performing the functions of principal executive and principal financial officers for us and the Service Provider. Based upon that evaluation, the persons performing the functions of principal executive and principal financial officers for us have concluded that, as of December 31, 2013, our disclosure controls and procedures were effective: (i) to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms; and (ii) to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including the persons performing the functions of principal executive and principal financial officers for us, to allow timely decisions regarding required disclosure.

It should be noted that while our management, including persons performing the functions of principal executive and principal financial officers for us, believe our disclosure controls and procedures provide a reasonable level of assurance that such controls and procedures are effective, they do not expect that our disclosure controls and procedures or internal controls will prevent all error and all fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) under the Exchange Act. Under the supervision and with the participation of our management, including persons performing the functions of principal executive and principal financial officers for us, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2013, based on the criteria set forth in *Internal Control—Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on evaluation under the Framework in Internal Control—Integrated Framework, our management concluded that our internal control over financial reporting was effective as of December 31, 2013. Excluded from our evaluation were controls over financial reporting at our U.S. district energy operation, in which control was acquired on December 2, 2013. The financial statements of this entity constitute less than 1% of both net and total assets, and less than 1% of both revenues and net income of the consolidated financial statements of the Partnership as of and for the year ended December 31, 2013.

Internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Report of Independent Registered Public Accounting Firm

The effectiveness of our internal control over financial reporting as of December 31, 2013 has been audited by Deloitte LLP, Chartered Professional Accountants, Chartered Accountants, who have also audited the financial statements of our partnership, as stated in their reports which are included herein.

Changes in Internal Control

There was no change in our internal control over financial reporting during the year ended December 31, 2013, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERTS

Our Managing General Partner's board of directors has determined that Danesh Varma possesses specific accounting and financial management expertise, that he is the audit committee financial expert as defined by the U.S. Securities and Exchange Commission, and that he is independent within the meaning of the rules of the NYSE. The board of directors of our Managing General Partner has also determined that other members of the audit committee have sufficient experience and ability in finance and compliance matters to enable them to adequately discharge their responsibilities.

ITEM 16B. CODE OF ETHICS

On December 4, 2007, our Managing General Partner adopted a Code of Conduct and Ethics ("Code") that applies to the members of the board of directors of our Managing General Partner, our partnership and any officers or employees of our Managing General Partner. The Code was updated in 2013 and we have posted a copy of the current Code on our website at www.brookfieldinfrastructure.com/aboutus/governance.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Our Managing General Partner has retained Deloitte LLP to act as our partnership's independent registered public accountants.

The table below summarizes the fees for professional services rendered by Deloitte LLP:

	For the Year Ended December 31,			
	2013		2012	
FEES	USD ('000)	%	USD ('000)	%
Audit fees[1]	**$4,574**	**95%**	$4,035	94%
Tax fees	**—**	**—**	15	—
Audit-related fees[2]	**266**	**5%**	264	6%
Total	**$4,840**	**100%**	$4,314	100%

(1) Audit fees relate to annual fees for our partnership and the Holding LP.

(2) Audit-related fees relate primarily to services pertaining to the filing of our base shelf prospectus, Form F-3 and other securities-related matters.

The audit committee of our Managing General Partner pre-approves all audit and audit-related services provided to our partnership and the Holding LP by Deloitte LLP.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEE

None.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASER

Our partnership may from time-to-time, subject to applicable law, purchase our units for cancellation in the open market, provided that any necessary approval has been obtained. Brookfield has also advised our partnership that it may from time-to-time, subject to applicable law, purchase our units in the market without making an offer to all unitholders.

On October 1, 2013, our partnership announced that the TSX accepted a notice filed by our partnership of its intention to renew its normal course issuer bid. Our partnership believes that at times our units may trade in a price range that does not fully reflect their value. As a result, from time to time, acquiring our units for cancellation represents an attractive use of available funds. Under the normal course issuer bid, the board of directors of our Managing General Partner authorized our partnership to repurchase up to the equivalent of $40 million of our units. Under the rules of the TSX, our partnership may purchase an aggregate of up to 1,051,863 units. Under the normal course issuer bid, our partnership may purchase up to 29,359 units on the TSX during any trading day. The price to be paid for our units under the normal course issuer bid will be the market price at the time of purchase. The actual number of units to be purchased and the timing of such purchases will be determined by our partnership, and all purchases will be made through the facilities of the TSX or the NYSE. Repurchases were authorized to commence on October 4, 2013 and will terminate on October 3, 2014 or earlier should our partnership complete its repurchases prior to such date. Repurchases shall occur subject to prevailing market conditions and will be funded from available cash. Repurchases will also be subject to compliance with applicable United States federal securities laws, including Rule 10b-18 under the Exchange Act, as well as applicable Canadian securities laws. All of our units acquired by our partnership under the normal course issuer bid will be cancelled.

In the year ended December 31, 2013, none of our units were repurchased and cancelled under the normal course issuer bid.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not Applicable.

ITEM 16G. CORPORATE GOVERNANCE

Our corporate governance practices are not materially different from those required of domestic limited partnerships under the NYSE listing standards.

ITEM 16H. MINE SAFETY DISCLOSURES

Pursuant to Section 1503(a) of the *Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010,* issuers that are operators, or that have a subsidiary that is an operator, of a coal or other mine in the United States are required to disclose in their periodic reports filed with the SEC information regarding specified health and safety violations, orders and citations, related assessments and legal actions, and mining-related fatalities under the regulation of the Federal Mine Safety and Health Administration ("MSHA") under the *Federal Mine Safety and Health Act of 1977,* as amended ("Mine Act"). During the fiscal year ended December 31, 2013, our partnership did not have any mines in the United States subject to regulation by MSHA under the Mine Act.

PART III

ITEM 17. FINANCIAL STATEMENTS

Not applicable.

ITEM 18. FINANCIAL STATEMENTS

See the list of financial statements on page F-1 which are filed as part of this annual report on Form 20-F.

ITEM 19. EXHIBITS

Number	Description
1.1	Certificate of registration of Brookfield Infrastructure Partners L.P., registered as of May 29, 2007—incorporated by reference to Exhibit 1.1 to our partnership's Registration Statement on Form 20-F filed July 31, 2007. (With regard to applicable cross-references in this report, our partnership's registration statement was filed with the SEC under File No. 1-33632).
1.2	Second Amended and Restated Limited Partnership Agreement of Brookfield Infrastructure Partners L.P., dated March 28, 2014.*
4.1	Third Amended and Restated Limited Partnership Agreement of Brookfield Infrastructure L.P., dated March 28, 2014.*
4.2	Amended and Restated Master Services Agreement, dated March 28, 2014, by and among Brookfield Asset Management Inc., Brookfield Infrastructure Partners L.P., Brookfield Infrastructure L.P., and others.*
4.3	Amended and Restated Relationship Agreement, dated March 28, 2014, by and among Brookfield Asset Management Inc., Brookfield Infrastructure Partners L.P., Brookfield Infrastructure L.P., and others.*
4.4	Registration Rights Agreement, dated December 4, 2007, between Brookfield Infrastructure Partners L.P. and Brookfield Asset Management Inc.—incorporated by reference to Exhibit 4.4 to our partnership's Registration Statement on Form 20-F/A filed December 13, 2007.
8.1	Significant Subsidiaries (as defined in §210.1-02 (w) of Regulation S-X) of Brookfield Infrastructure Partners L.P. (Incorporated by reference to Item 4, "Information on the Company").
12.1	Certification of Samuel Pollock, Chief Executive Officer, Brookfield Infrastructure Group L.P., pursuant to Section 302 of the *Sarbanes-Oxley Act of 2002.**
12.2	Certification of Bahir Manios, Chief Financial Officer, Brookfield Infrastructure Group L.P., pursuant to Section 302 of the *Sarbanes-Oxley Act of 2002.**
13.1	Certification of Samuel Pollock, Chief Executive Officer, Brookfield Infrastructure Group L.P., pursuant to 18 U.S.C. Section 1350, as adopted to Section 906 of the *Sarbanes-Oxley Act of 2002.**
13.2	Certification of Bahir Manios, Chief Financial Officer, Brookfield Infrastructure Group L.P., pursuant to 18 U.S.C. Section 1350, as adopted to Section 906 of the *Sarbanes-Oxley Act of 2002.**
15.1	Consent of Deloitte LLP, independent registered chartered accountants, relating to the incorporation of the consolidated financial statements of Brookfield Infrastructure Partners L.P. into this Annual Report on Form 20-F.*

* *Filed electronically herewith.*

SIGNATURE

The registrant hereby certifies that it meets all of the requirements for filing an annual report on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Dated: March 28, 2014

BROOKFIELD INFRASTRUCTURE PARTNERS L.P. by its general partner, Brookfield Infrastructure Partners Limited

By: /s/ DON MACKENZIE

Name: Don Mackenzie
Title: *Director*

BROOKFIELD INFRASTRUCTURE PARTNERS L.P.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Partners of Brookfield Infrastructure Partners L.P.

We have audited the accompanying consolidated financial statements of Brookfield Infrastructure Partners L.P. and subsidiaries (the "Partnership"), which comprise the consolidated statements of financial position as at December 31, 2013 and December 31, 2012, and the consolidated statements of operating results, consolidated statements of comprehensive income, consolidated statements of partnership capital and consolidated statements of cash flows for each of the years in the three-year period ended December 31, 2013, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Partnership as at December 31, 2013 and December 31, 2012 and its financial performance and their cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Other Matter

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Partnership's internal control over financial reporting as of December 31, 2013, based on the criteria established in *Internal Control—Integrated Framework (1992)*

issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 28, 2014 expressed an unqualified opinion on the Partnership's internal control over financial reporting.

/s/ Deloitte LLP

Toronto, Canada
March 28, 2014

Chartered Professional Accountants, Chartered Accountants
Licensed Public Accountants

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Partners of Brookfield Infrastructure Partners L.P.

Dear Sirs/Mesdames:

We have audited the internal control over financial reporting of Brookfield Infrastructure Partners L.P. and subsidiaries (the "Partnership") as of December 31, 2013, based on the criteria established in *Internal Control—Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. As described in Management's Annual Report on Internal Control Over Financial Reporting, management excluded from its assessment the internal control over financial reporting at its U.S. district energy operation, in which control was acquired on December 2, 2013. The financial statements of this entity constitute less than 1% of both net and total assets and less than 1% of both revenues and net income of the consolidated financial statements of the Partnership as of and for the year ended December 31, 2013. Accordingly, our audit did not include the internal control over financial reporting at the U.S. district energy operation. The Partnership's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Partnership's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Partnership maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on the criteria established in *Internal Control—Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended December 31, 2013 of the Partnership and our report dated March 28, 2014 expressed an unqualified opinion on those financial statements.

/s/ Deloitte LLP

Toronto, Canada
March 28, 2014

Chartered Professional Accountants, Chartered Accountants
Licensed Public Accountants

BROOKFIELD INFRASTRUCTURE PARTNERS L.P.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

US$ MILLIONS	Notes	As of December 31, 2013	As of December 31, 2012
Assets			
Cash and cash equivalents	8	$ 538	$ 263
Financial assets	9	362	3
Accounts receivable and other	10	346	372
Inventory	11	22	108
Current assets		1,268	746
Property, plant and equipment	13	7,763	7,970
Intangible assets	14	4,006	4,497
Standing timber	15	—	2,997
Investments in associates	12	2,039	2,179
Investment properties	17	164	213
Goodwill	16	48	636
Financial assets (non-current)	9	178	113
Other assets	10	92	225
Deferred income tax asset	27	124	142
Total assets		$15,682	$19,718
Liabilities and Partnership Capital			
Liabilities			
Accounts payable and other	18	491	582
Non-recourse borrowings	20	71	663
Financial liabilities	19	36	46
Current liabilities		598	1,291
Corporate borrowings	21	377	946
Non-recourse borrowings (non-current)	20	5,719	6,330
Financial liabilities (non-current)	19	511	839
Other liabilities (non-current)	18	557	520
Deferred income tax liability	27	1,295	1,964
Preferred shares	22	20	20
Total liabilities		9,077	11,910
Partnership capital			
Limited partners'		3,751	3,632
General partner		27	27
Non-controlling interest — Redeemable Partnership Units held by Brookfield		1,408	1,365
Non-controlling interest — in operating subsidiaries	26	1,419	2,784
Total partnership capital		6,605	7,808
Total liabilities and partnership capital		$15,682	$19,718

The accompanying notes are an integral part of the financial statements.

BROOKFIELD INFRASTRUCTURE PARTNERS L.P.

CONSOLIDATED STATEMENTS OF OPERATING RESULTS

US$ MILLIONS (except per unit information)	Notes	For the Year Ended December 31, 2013	2012	2011
Revenues	23	**$1,826**	$1,524	$1,115
Direct operating costs		**(823)**	(766)	(561)
General and administrative expenses		**(110)**	(95)	(61)
Depreciation and amortization expense	13,14	**(329)**	(230)	(126)
		564	433	367
Interest expense	24	**(362)**	(322)	(253)
Share of (losses) earnings from investments in associates	12	**(217)**	1	76
Mark-to-market on hedging items	7	**19**	(49)	(35)
Gain on sale of associates	12	**53**	—	—
Other (expenses) income		**(35)**	8	10
Income before income tax		**22**	71	165
Income tax (expense) recovery				
Current	27	**(3)**	(12)	(2)
Deferred	27	**1**	42	(12)
Net income from continuing operations		**20**	101	151
Income from discontinued operations, net of income tax	6	**45**	190	289
Net income		**$ 65**	$ 291	$ 440
Attributable to:				
Non-controlling interest — in operating subsidiaries	26	**123**	185	253
Non-controlling interest — Redeemable Partnership Units held by Brookfield		**(26)**	26	51
General partner		**31**	16	5
Limited partners		**(63)**	64	131
Basic and diluted (loss) earnings per unit attributable to:				
Limited partners	28	**$(0.43)**	$ 0.47	$ 1.13

The accompanying notes are an integral part of the financial statements.

BROOKFIELD INFRASTRUCTURE PARTNERS L.P.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

US$ MILLIONS	Notes	For the Year Ended December 31, 2013	2012	2011
Net income		**$ 65**	$ 291	$ 440
Other comprehensive income:				
Items that will not be reclassified subsequently to profit or loss:				
Revaluations of property, plant and equipment	13	**658**	556	310
Unrealized actuarial losses		**(5)**	(9)	(5)
Taxes on the above items	27	**(185)**	(161)	(94)
Equity accounted investments	12	**137**	142	121
		605	528	332
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation		**(423)**	99	(37)
Cash flow hedge	7	**(13)**	(29)	(94)
Net investment hedge	7	**(12)**	(9)	(30)
Available-for-sale securities	7	**14**	—	—
Taxes on the above items	27	**7**	—	23
Equity accounted investments	12	**23**	(4)	—
		(404)	57	(138)
Total other comprehensive income		**201**	585	194
Comprehensive income		**$ 266**	$ 876	$ 634
Attributable to:				
Non-controlling interest — in operating subsidiaries		**$ 161**	$ 252	$ 233
Non-controlling interest — Redeemable Partnership Units held by Brookfield	28, 29	**20**	173	110
General partner	28, 29	**32**	19	7
Limited partners	28, 29	**53**	432	284

The accompanying notes are an integral part of the financial statements.

BROOKFIELD INFRASTRUCTURE PARTNERS L.P.
CONSOLIDATED STATEMENTS OF PARTNERSHIP CAPITAL

US$ MILLIONS	Limited Partners'					General Partner				Non-Controlling Interest—Redeemable Partnership Units held by Brookfield						
	Limited partners' capital	Retained earnings	Ownership Changes	Accumulated other comprehensive income[1]	Limited partners'	General partner capital	Retained earnings	Accumulated other comprehensive income[1]	General partner	Redeemable units held by Brookfield	Retained earnings	Ownership Changes	Accumulated other comprehensive income[1]	Non-Controlling Interest—Redeemable Partnership Units held by Brookfield	Non-controlling interest—in operating subsidiaries	Total partners' capital
Balance as at January 1, 2013	$2,955	$ 48	$—	$629	$3,632	$19	$ 3	$5	$ 27	$1,084	$ 9	$—	$272	$1,365	$ 2,784	$ 7,808
Net (loss) income	—	(63)	—	—	(63)	—	31	—	31	—	(26)	—	—	(26)	123	65
Other comprehensive (loss) income	—	—	—	116	116	—	—	1	1	—	—	—	46	46	38	201
Comprehensive (loss) income	—	(63)	—	116	53	—	31	1	32	—	(26)	—	46	20	161	266
Unit issuance	244	—	—	—	244	—	—	—	—	94	—	—	—	94	—	338
Partnership distributions	—	(255)	—	—	(255)	—	(32)	—	(32)	—	(101)	—	—	(101)	—	(388)
Acquisition of interests	—	—	—	—	—	—	—	—	—	—	—	—	—	—	64	64
Dispositions of interests (notes 5,6)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(1,437)	(1,437)
Subsidiary distributions to non-controlling interest	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(156)	(156)
Changes in ownership (note 5)	—	—	77	—	77	—	—	—	—	—	—	30	—	30	3	110
Other items (note 12)	—	57	—	(57)	—	—	—	—	—	—	23	—	(23)	—	—	—
Balance as at December 31, 2013	$3,199	$(213)	$77	$688	$3,751	$19	$ 2	$6	$ 27	$1,178	$ (95)	$30	$295	$1,408	$ 1,419	$ 6,605

(1) Refer to note 29 for an analysis of accumulated other comprehensive income by item

US$ MILLIONS	Limited Partners'				General Partner				Non-Controlling Interest—Redeemable Partnership Units held by Brookfield					
	Limited partners' capital	Retained earnings	Accumulated other comprehensive income[1]	Limited partners'	General partner capital	Retained earnings	Accumulated other comprehensive income[1]	General partner	Redeemable units held by Brookfield	Retained earnings	Accumulated other comprehensive income[1]	Non-Controlling Interest—Redeemable Partnership Units held by Brookfield	Non-controlling interest—in operating subsidiaries	Total partners' capital
Balance as at January 1, 2012	$2,597	$ 191	$261	$3,049	$19	$ 3	$2	$ 24	$ 942	$ 66	$125	$1,133	$1,683	$5,889
Net income	—	64	—	64	—	16	—	16	—	26	—	26	185	291
Other comprehensive income	—	—	368	368	—	—	3	3	—	—	147	147	67	585
Comprehensive income	—	64	368	432	—	16	3	19	—	26	147	173	252	876
Unit issuance	358	—	—	358	—	—	—	—	142	—	—	142	—	500
Partnership distributions	—	(206)	—	(206)	—	(16)	—	(16)	—	(82)	—	(82)	—	(304)
Acquisition of interests (note 4)	—	—	—	—	—	—	—	—	—	—	—	—	943	943
Subsidiary distributions to non-controlling interest	—	—	—	—	—	—	—	—	—	—	—	—	(94)	(94)
Other items	—	(1)	—	(1)	—	—	—	—	—	(1)	—	(1)	—	(2)
Balance as at December 31, 2012	$2,955	$ 48	$629	$3,632	$19	$ 3	$5	$ 27	$1,084	$ 9	$272	$1,365	$2,784	$7,808

(1) Refer to note 29 for an analysis of accumulated other comprehensive income by item

US$ MILLIONS	Limited Partners'				General Partner				Non-Controlling Interest—Redeemable Partnership Units held by Brookfield					
	Limited partners' capital	Retained earnings	Accumulated other comprehensive income[1]	Limited partners'	General partner capital	Retained earnings	Accumulated other comprehensive income[1]	General partner	Redeemable units held by Brookfield	Retained earnings	Accumulated other comprehensive income[1]	Non-Controlling Interest—Redeemable Partnership Units held by Brookfield	Non-controlling interest—in operating subsidiaries	Total partners' capital
Balance as at January 1, 2011	$2,136	$ 217	$108	$2,461	$19	$ 4	$ —	$23	$745	$ 76	$ 66	$ 887	$1,552	$4,923
Net income	—	131	—	131	—	5	—	5	—	51	—	51	253	440
Other comprehensive income (loss)	—	—	153	153	—	—	2	2	—	—	59	59	(20)	194
Comprehensive income	—	131	153	284	—	5	2	7	—	51	59	110	233	634
Unit issuance	461	—	—	461	—	—	—	—	197	—	—	197	—	658
Partnership distributions	—	(156)	—	(156)	—	(6)	—	(6)	—	(60)	—	(60)	—	(222)
Acquisition of interests	—	—	—	—	—	—	—	—	—	—	—	—	40	40
Subsidiary distributions to non-controlling interest	—	—	—	—	—	—	—	—	—	—	—	—	(142)	(142)
Other items	—	(1)	—	(1)	—	—	—	—	—	(1)	—	(1)	—	(2)
Balance as at December 31, 2011	$2,597	$ 191	$261	$3,049	$19	$ 3	$ 2	$24	$942	$ 66	$125	$1,133	$1,683	$5,889

(1) Refer to note 29 for an analysis of accumulated other comprehensive income by item

The accompanying notes are an integral part of the financial statements.

BROOKFIELD INFRASTRUCTURE PARTNERS L.P.
CONSOLIDATED STATEMENTS OF CASH FLOWS

US$ MILLIONS	Notes	For the Year Ended December 31, 2013	2012	2011
Operating Activities				
Net income		**$ 65**	$ 291	$ 440
Adjusted for the following items:				
Earnings from investments in associates, net of distributions received	12	**307**	62	(45)
Fair value adjustments		**10**	(200)	(356)
Depreciation and amortization expense	13,14	**329**	232	127
Mark-to-market on hedging items		**(19)**	49	35
Gain on sale of associate	12	**(53)**	—	—
Provisions and other items		**62**	15	4
Deferred tax recovery	27	**12**	30	154
Changes in non-cash working capital, net	38	**(19)**	156	(19)
Cash from operating activities		**694**	635	340
Investing Activities				
Acquisition of subsidiaries, net of cash acquired	6	**(56)**	(726)	(12)
Disposal of subsidiaries, net of cash disposed of	6	**622**	317	5
Additions of investments in associates	12	**(518)**	(728)	(215)
Disposal of investments in associates	12	**457**	—	26
Purchase of long lived assets	13,14	**(425)**	(654)	(508)
Disposal of long lived assets	13,14	**5**	17	1
Purchase of financial assets		**(331)**	—	—
Sale of financial assets		**110**	—	—
Net settlement of foreign exchange hedging items		**(26)**	10	(60)
Cash used by investing activities		**(162)**	(1,764)	(763)
Financing Activities				
Distributions to general partner	30	**(32)**	(16)	(4)
Distributions to other unitholders	30	**(356)**	(288)	(218)
Subsidiary distributions to non-controlling interest		**(156)**	(94)	(142)
Proceeds from corporate credit facility	20	**445**	2,367	704
Repayment of corporate credit facility	20	**(991)**	(1,821)	(722)
Corporate debt issuance	20	**—**	408	—
Proceeds from subsidiary borrowings	20	**2,648**	1,181	612
Repayment of subsidiary borrowings	20	**(2,128)**	(999)	(477)
Partnership units issued, net of issuance costs	28	**338**	500	658
Cash from financing activities		**(232)**	1,238	411
Cash and cash equivalents				
Change during the year		**$ 300**	$ 109	$ (12)
Impact of foreign exchange on cash		**(25)**	1	11
Balance, beginning of year		**263**	153	154
Balance, end of year		**$ 538**	$ 263	$ 153

The accompanying notes are an integral part of the financial statements.

NOTE 1. ORGANIZATION AND DESCRIPTION OF THE BUSINESS

Brookfield Infrastructure Partners L.P. (the "partnership") owns and operates utility, transport and energy businesses in North and South America, Australasia, and Europe. The partnership was formed as a limited partnership established under the laws of Bermuda, pursuant to a limited partnership agreement dated May 17, 2007, as amended and restated. The partnership is a subsidiary of Brookfield Asset Management Inc. ("Brookfield"). The partnership's limited partnership units are listed on the New York Stock Exchange and the Toronto Stock Exchange under the symbols "BIP" and "BIP.UN", respectively. The registered office is 73 Front Street, Hamilton, HM12, Bermuda.

NOTE 2. SUBSIDIARIES

The following provides information about the partnership's wholly-owned subsidiaries as of December 31, 2013 and 2012:

Defined Name	Name of entity	Country of incorporation	Ownership interest (%) 2013	2012
Utilities				
Ontario electricity transmission operation	Great Lakes Power L.P.	Canada	**100**	100
Transport				
Australian railroad operation	Brookfield Rail Holdings No. 1 Pty Ltd	Australia	**100**	100
Energy				
Australian energy distribution operation	Tasmania Gas Networks	Australia	**100**	100
European energy distribution operation	International Energy Group	United Kingdom	**100**	100

The following table presents details of non-wholly owned subsidiaries of the partnership:

Defined Name	Name of entity	Country of incorporation	Ownership Interest (%) 2013	2012	Voting interest (%) 2013	2012
Utilities						
U.K. regulated distribution operation	Brookfield Utilities UK Holdings Limited[1]	U.K.	**80**	100	**80**	100
Australian regulated terminal operation	DBCT Management Pty Ltd	Australia	**71**	71	**100**	100
New England electricity transmission operation	Cross-Sound Cable Company LLC	U.S.	**23**	23	**100**	100
Colombian regulated distribution operation	Empresa de Energia de Boyaca S.A.	Colombia	**17**	17	**100**	100

Defined Name	Name of entity	Country of incorporation	Ownership Interest (%) 2013	Ownership Interest (%) 2012	Voting interest (%) 2013	Voting interest (%) 2012
Transport						
U.K. port operation	Brookfield Port Acquisitions (U.K.) Limited[5]	United Kingdom	**59**	59	**100**	100
Chilean toll roads	Sociedad Concesionaria Vespucio Norte Express S.A.[5]	Chile	**51**	51	**89**	89
Energy						
North American gas storage operation	Warwick Gas Storage L.P.[5]	Canada	**17**	22	**70**	90
Canadian district energy operation	Enwave Energy Corporation[5]	Canada	**25**	25	**100**	100
U.S. district energy operation	Enwave USA[2],[5]	U.S.	**40**	—	**100**	—
Timber						
U.S. freehold timberlands	Longview Timber Holdings Corp[3]	U.S.	—	30	—	90
Canadian freehold timberlands	Island Timberlands Limited Partnership[4]	Canada	—	25	—	100
Corporate & Other						
Holding LP	Brookfield Infrastructure L.P.	Bermuda	**72**	72	**100**	100

(1) In November 2012, a wholly-owned subsidiary of Brookfield Infrastructure entered into an arrangement whereby a 20% economic interest in its UK regulated distribution operation was granted to an institutional investor for £145 million subject to the UK regulated distribution operation attaining long-term financing under certain pre-defined contractual terms. In the event that the UK regulated distribution operation did not obtain long-term financing at the contractually specified terms within two years of the arrangement, the institutional investor had the right to request repayment of £145 million plus 3% interest. Consequently, the proceeds were recorded as a financial liability. In March 2013, the UK regulated distribution operation satisfied the requirements within the contractual terms of the arrangement, which resulted in the derecognition of the financial liability as the £145 million initially received under the arrangement was recognized as proceeds on the disposal of a partial interest of a subsidiary (see note 5 for further details).

(2) In December 2013, Brookfield Infrastructure acquired a 40% interest in Enwave USA through a Brookfield sponsored infrastructure fund for $43 million.

(3) Brookfield Infrastructure sold its 30% interest in its U.S. freehold timberlands to a third party for proceeds of $467 million. This transaction closed in the third quarter of 2013. See Note 6 for further details.

(4) During the second quarter of 2013, Brookfield Infrastructure disposed of its 25% interest in its Canadian freehold timberlands to a third party for proceeds of $173 million. See Note 6 for further details.

(5) For the above noted subsidiaries, the partnership has entered into voting arrangements to provide the partnership with the ability to direct the relevant activities of the investee. The partnership controls these investees given that the partnership is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The partnership exercises judgment to determine the level of variability that will achieve control over an investee, particularly in circumstances where the partnership's voting interest differs from its ownership interest in an investee. The following were considered to determine control: the degree of power (if any) held by other investors, the determination of whether any general partner removal rights are substantive and the purpose and design of the investee.

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements were authorized for issue by the Board of Directors on March 28, 2014.

(b) Basis of Preparation

The consolidated financial statements are prepared on a going concern basis. Standards and guidelines not yet effective for the current accounting period are described in note 3(t).

(i) Subsidiaries

These consolidated financial statements include the accounts of the partnership and subsidiaries over which the partnership has control. Subsidiaries are consolidated from the date of acquisition, being the date on which the partnership obtains control, and continue to be consolidated until the date when control is lost. The partnership (investor) controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The partnership controls an investee when all the following have been satisfied: it has power over the investee, exposure, or rights, to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the investor's returns. Together, the partnership and its subsidiaries are referred to as "Brookfield Infrastructure" in these financial statements.

Non-controlling interests may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition by acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in partnership capital in addition to changes in ownership interests. Total comprehensive income is attributed to non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Holding LP has issued Redeemable Partnership Units held by Brookfield, which may, at the request of the holder, require the Holding LP to redeem the units for cash consideration equal to the market price of the partnership's limited partnership units. This right is subject to the partnership's right of first refusal which entitled it, at its sole discretion, to elect to acquire any unit so presented to Holding LP in exchange for one of the partnership's units (subject to certain customary adjustments).

All intercompany balances, transactions, revenues and expenses are eliminated in full.

(ii) Associates

Associates are entities over which the partnership has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not constitute control. The partnership accounts for investments over which it has significant influence

using the equity method, and are recorded as Investments in associates on the Consolidated Statements of Financial Position.

Interests in investments accounted for using the equity method are initially recorded at cost. If the cost of the associate is lower than the proportionate share of the investment's underlying fair value, the partnership records a gain on the difference between the cost and the underlying fair values of the identifiable net assets of the associate. If the cost of the associate is greater than the partnership's proportionate share of the underlying fair value, goodwill and other adjustments arising from the purchase price allocation relating to the associate is included in the carrying amount of the investment. Subsequent to initial recognition, the carrying value of the partnership's interest in an investee is adjusted for the partnership's share of comprehensive income or loss and distributions to the investee.

Profits or losses resulting from transactions with an associate are recognized in the consolidated financial statements based on the interest of unrelated investors in the associate.

(c) Foreign Currency Translation

The U.S dollar is the functional and presentation currency of Brookfield Infrastructure. Each of Brookfield Infrastructure's subsidiaries, associates and jointly controlled entities determines its own functional currency and items included in the financial statements of each subsidiary and associate are measured using that functional currency.

Assets and liabilities of foreign operations having a functional currency other than the U.S. dollar are translated at the rate of exchange prevailing at the reporting date and revenues and expenses at average rates during the period. Gains or losses on translation are included as a component of equity. On disposal of a foreign operation resulting in the loss of control, the component of other comprehensive income due to accumulated foreign currency translation relating to that foreign operation is reclassified to net income. Gains or losses on foreign currency denominated balances and transactions that are designated as hedges of net investments in these operations are reported in the same manner. On partial disposal of a foreign operation in which control is retained, the proportionate share of the component of other comprehensive income or loss relating to that foreign operation is reclassified to non-controlling interests in that foreign operation.

Foreign currency denominated monetary assets and liabilities are translated using the rate of exchange prevailing at the reporting date and non-monetary assets and liabilities measured at fair value are translated at the rate of exchange prevailing at the date when the fair value was determined. Revenues and expenses are measured at average rates during the period. Gains or losses on translation of these items are included in net income. Gains and losses on transactions which hedge these items are also included in net income or loss. Foreign currency denominated non-monetary assets and liabilities, measured at historic cost, are translated at the rate of exchange at the transaction date.

(d) Business Combinations

Business acquisitions in which control is acquired are accounted for using the acquisition method, other than those between and among entities under common control. The consideration of each acquisition is measured at the aggregate of the fair values (at the acquisition date) of assets transferred by the acquirer, liabilities incurred or assumed, and equity instruments issued by Brookfield Infrastructure in exchange for control of the acquiree. Acquisition related costs are recognized in the Consolidated Statement of Operating Results as incurred and included in other expenses.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in fair values are adjusted against the cost of the acquisition where they qualify as measurement period adjustments. All other subsequent changes in the fair value of contingent consideration classified as liabilities will be recognized in the Consolidated Statements of Operating Results, whereas changes in the fair values of contingent consideration classified within partnership capital are not subsequently re-measured.

Where a business combination is achieved in stages, Brookfield Infrastructure's previously held interests in the acquired entity are remeasured to fair value at the acquisition date, that is, the date Brookfield Infrastructure attains control and the resulting gain or loss, if any, is recognized in the Consolidated Statements of Operating Results. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to the Consolidated Statements of Operating Results, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, Brookfield Infrastructure reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

The measurement period is the period from the date of acquisition to the date Brookfield Infrastructure obtains complete information about facts and circumstances that existed as of the acquisition date. The measurement period is subject to a maximum of one year subsequent to the acquisition date.

If, after reassessment, Brookfield Infrastructure's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognized immediately in income or loss as a bargain purchase gain.

Contingent liabilities acquired in a business combination are initially measured at fair value at the date of acquisition. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognized in accordance with IAS 37, *Provisions, Contingent Liabilities and Contingent Assets* ("IAS 37") and the amount initially recognized less cumulative amortization recognized in accordance with IAS 18, *Revenue Recognition* ("IAS 18").

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and short-term investments with original maturities of three months or less.

(f) Accounts Receivable

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less any allowance for uncollectability.

(g) Property, Plant and Equipment

Brookfield Infrastructure uses the revaluation method of accounting for all classes of property, plant and equipment. Certain assets which are under development for future use as property, plant and equipment are also accounted for using the revaluation method. Property, plant and equipment is initially measured at cost and subsequently carried at its revalued amount, being the fair value at the date of the revaluation less any subsequent accumulated depreciation and any accumulated impairment losses. Revaluations are made on an annual basis or more frequently if facts and circumstances warrant to ensure that the carrying amount does not differ significantly from fair value. Where the carrying amount of an asset is increased as a result of a revaluation, the increase is recognized in other comprehensive income or loss and accumulated in equity within the revaluation surplus reserve, unless the increase reverses a previously recognized impairment recorded through net income, in which case that portion of the increase is recognized in net income. Where the carrying amount of an asset is decreased, the decrease is recognized in other comprehensive income to the extent of any balance existing in revaluation surplus in respect of the asset, with the remainder of the decrease recognized in net income. Revaluation gains are included in other comprehensive income, but are not subsequently recycled into profit or loss.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Consolidated Statements of Operating Results. However, any balance accumulated in revaluation surplus is subsequently recorded in retained earnings when an asset is derecognized and not transferred to profit or loss.

Depreciation of an asset commences when it is available for use. Property, plant and equipment are depreciated on a straight line basis over the estimated useful lives of each component of the assets as follows:

Buildings	Up to 50 years
Transmission stations, towers and related fixtures	Up to 40 years
Leasehold improvements	Up to 49 years
Plant and equipment	Up to 39 years
Network systems	Up to 40 years
Track premium	41 years
District energy system	50 years
Gas storage assets	20 years

Depreciation on property, plant and equipment is calculated on a straight-line basis so as to write-off the net cost of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each annual reporting period, with the effect of any changes recognized on a prospective basis.

(h) Standing Timber

Standing timber is measured at fair value after deducting estimated selling costs and recorded as standing timber on the Consolidated Statements of Financial Position. Estimated selling costs include commissions, levies, delivery costs, transfer taxes and duties. The fair value of standing timber is calculated as the present value of anticipated future cash flows for standing timber before tax. The calculation is based on existing, sustainable felling plans and assessments regarding growth, timber prices and felling and silviculture costs. The discount rate is based upon a market participant's optimal weighted average cost of capital before tax for the geographic location of the standing timber. Changes in fair value are recorded in net income during the period of change. Brookfield Infrastructure determines fair value on an annual basis, fair value is estimated and determined by management of the Partnership with due consideration given to other relevant data points.

Land under standing timber is accounted for using the revaluation method and included in property, plant and equipment.

Harvested timber is included in inventory and is measured at the lower of fair value less estimated costs to sell at the time of harvest and net realizable values.

(i) Investment Property

Brookfield Infrastructure uses the fair value method to account for real estate classified as investment property. A property is determined to be an investment property when it is principally held to earn rental income or for capital appreciation, or both. Investment property is initially measured at cost including transaction costs. Subsequent to initial recognition, investment properties are carried at fair value. Gains or losses arising from changes in fair value are included in profit or loss.

Land of Brookfield Infrastructure's U.S. and Canadian freehold timberlands, which has been determined to have a highest and best use as defined in IFRS 13, *Fair Value Measurement*, and which is no longer used for the harvest and growth of timber is classified as investment property.

Fair values are primarily determined by discounting the expected future cash flows of each property, generally over a term of 10 years, using a discount and terminal capitalization rate reflective of the characteristics, location and market of each property. The future cash flows of each property are based upon, among other things, rental income from current leases and assumptions about rental income from future leases reflecting current conditions, less future cash outflows in respect of such current and future leases. Fair value is estimated by management of the Partnership with due consideration given to other relevant data points.

(j) Asset Impairment

At each reporting date Brookfield Infrastructure assesses whether for assets, other than those measured at fair value with changes in values recorded in net income, there is any indication that such assets are impaired. This assessment includes a review of internal and external factors which includes, but is not limited to, changes in the technological, political, economic or legal environment in which the entity operates in, structural changes in the industry, changes in the level of demand, physical damage and obsolescence due to technological changes. An impairment is recognized if the recoverable amount, determined as the higher of the estimated fair value less costs of disposal or the discounted future cash flows generated from use and eventual disposal from an asset or cash generating unit is less than their carrying value. The projections of future cash flows take into account the relevant operating plans and

management's best estimate of the most probable set of conditions anticipated to prevail. Where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the lesser of the revised estimate of recoverable amount and the carrying amount that would have been recorded had no impairment loss been recognized previously.

(k) Intangible Assets

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date. Brookfield Infrastructure's intangible assets are comprised primarily of conservancy rights, service concession arrangements and customer order backlogs.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization (unless indefinite lived) and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Public service concessions that provide Brookfield Infrastructure the right to charge users for a service in which the service and fee is regulated by the grantor are accounted for as an intangible asset under IFRIC 12, Service Concession Arrangements.

Concession arrangements were acquired as part of the acquisition of the Australian regulated terminal operation and Chilean toll roads and were recognized at their fair values. The intangible asset at the Australian regulated terminal operation relates to use of a specific coal port terminal for a contractual length of time and is amortized over the life of the contractual arrangement (90 years remaining). The intangible assets at the Chilean toll road relates to the right to operate a road and charge users a specified tariff for a contractual length of time and is amortized over the life of the contractual arrangement (20 years remaining).

The conservancy right was acquired as part of the acquisition of the U.K. port operation and was recorded at its fair value. As a right in perpetuity issued by the Statutory Harbour Authority in the U.K., the conservancy right is classified as having an indefinite life and is subject to an annual impairment review.

The customer order backlog was acquired as part of the acquisition of the U.K. regulated distribution operation and was recorded at its fair value. The customer order backlog represents the present value of future earnings derived from the build out of contracted connections as at the acquisition date of the U.K. regulated distribution operation. The customer order backlog is amortized over the life of its estimated useful life of 50 years.

Intangible assets acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization of the Australian regulated terminal operation concession arrangement and U.K. regulated distribution customer order backlog intangible assets are recognized on a straight-line basis over the intangible assets' estimated useful lives. Amortization of the Chilean toll road reflects the pattern of consumption of the intangible asset over the estimated useful life of the concession arrangement. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

(l) Goodwill

Goodwill represents the excess of the price paid for the acquisition of an entity over the fair value of the net tangible and intangible assets and liabilities acquired. Goodwill is allocated to the cash generating unit or units to which it relates. Brookfield Infrastructure identifies cash generating units as identifiable groups of assets that are largely independent of the cash inflows from other assets or groups of assets.

Goodwill is evaluated for impairment annually or more often if events or circumstances indicate there may be impairment. Impairment is determined for goodwill by assessing if the carrying value of a cash generating unit, including the allocated goodwill, exceeds its recoverable amount determined as the greater of the estimated fair value less costs of disposal or the value in use. Impairment losses recognized in respect of a cash generating unit are first allocated to the carrying value of goodwill and any excess is allocated to the carrying amount of assets in the cash generating unit. Any goodwill impairment is charged to profit or loss in the period in which the impairment is identified. Impairment losses on goodwill are not subsequently reversed.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gain or loss on disposal of the operation.

(m) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to Brookfield Infrastructure and the revenue and costs incurred or to be incurred can be reliably measured.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of estimated customer returns, trade allowances, rebates and other similar allowances.

When the partnership receives a transfer of cash or property, plant and equipment from a customer, it assesses whether the constructed or acquired item of property, plant and equipment meets the definition of an asset in accordance with IFRIC 18, Transfer of Assets from Customers. If the definition of an asset is met, the partnership recognizes the item of property, plant and equipment at its cost and recognizes revenue or deferred revenue, as applicable, for the same amount based on the appropriate revenue recognition policy.

Brookfield Infrastructure recognizes revenue when the specific criteria have also been met for each of Brookfield Infrastructure's activities as described below. Cash received by Brookfield Infrastructure from customers is recorded as deferred revenue until revenue recognition criteria are met.

Utilities

Revenue from utilities infrastructure is derived from the distribution and transmission of energy as well as from Brookfield Infrastructure's Australian regulated terminal operation. Distribution and transmission revenue is recognized when services are rendered based upon usage or volume during that

period. Terminal infrastructure charges are charged at set rates per tonne of coal based on each customer's annual contracted tonnage and is then recognized on a pro-rata basis each month. Brookfield Infrastructure's Australian regulated terminal operation also recognizes handling charges based on tonnes of coal shipped through the terminal.

Transport

Revenue from transport infrastructure consists primarily of freight and transportation services revenue. Revenue is recognized when services are provided and rendered based primarily on usage or volume throughput during the period.

Energy

Revenue from energy infrastructure consists primarily of energy distribution and storage as well as district energy services. Revenue is recognized when services are provided and rendered based primarily on usage or volume throughput during the period.

(n) Financial Instruments and Hedge Accounting

The following summarizes Brookfield Infrastructure's classification and measurement of financial assets and liabilities:

	Classification	Measurement
Financial assets		
Cash and cash equivalents	Loans and receivables	Amortized cost
Accounts receivable and other	Loans and receivables	Amortized cost
Restricted cash and deposits	Loans and receivables	Amortized cost
Marketable securities	Available-for-sale	Fair value
Financial assets		
Derivative assets	FVTPL[1]	Fair value
Other financial assets	Loans and receivables/ Available-for-sale	Amortized cost/ Fair value
Financial liabilities		
Corporate borrowings	Other liabilities	Amortized cost
Non-recourse borrowings	Other liabilities	Amortized cost[2]
Accounts payable and other	Other liabilities	Amortized cost
Preferred shares	Other liabilities	Amortized cost
Financial liabilities	FVTPL	Fair value

(1) Fair value through profit or loss ("FVTPL").

(2) Except for derivatives embedded in the related financial instruments that are classified as FVTPL and measured at fair value

The partnership maintains a portfolio of marketable securities comprised of liquid equity and debt infrastructure securities. The marketable securities are classified as available-for-sale and are subsequently measured at fair value at each reporting date with the change in fair value recorded in other comprehensive income. When a decline in the fair value of an available-for-sale financial asset has been recognized in other comprehensive income and there is objective evidence that the asset is

impaired, the cumulative loss that had been recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

Brookfield Infrastructure selectively utilizes derivative financial instruments primarily to manage financial risks, including interest rate and foreign exchange risks. Derivative financial instruments are recorded at fair value. Hedge accounting is applied when the derivative is designated as a hedge of a specific exposure and there is assurance that it will continue to be highly effective as a hedge based on an expectation of offsetting cash flows or fair value. Hedge accounting is discontinued prospectively when the derivative no longer qualifies as a hedge or the hedging relationship is terminated. Once discontinued, the cumulative change in fair value of a derivative that was previously recorded in other comprehensive income by the application of hedge accounting is recognized in profit or loss over the remaining term of the original hedging relationship as amounts related to the hedged item are recognized in profit and loss. The assets or liabilities relating to unrealized mark-to-market gains and losses on derivative financial instruments are recorded in Financial Assets and Financial Liabilities, respectively.

(i) Items Classified as Hedges

Realized and unrealized gains and losses on foreign exchange contracts, designated as hedges of currency risks relating to a net investment in a subsidiary with a functional currency other than the U.S. dollar are included in equity and are included in net income in the period in which the subsidiary is disposed of or to the extent partially disposed and control is not retained. Derivative financial instruments that are designated as hedges to offset corresponding changes in the fair value of assets and liabilities and cash flows are measured at estimated fair value with changes in fair value recorded in profit or loss or as a component of equity as applicable.

Unrealized gains and losses on interest rate contracts designated as hedges of future variable interest payments are included in equity as a cash flow hedge when the interest rate risk relates to an anticipated variable interest payment. The periodic exchanges of payments on interest rate swap contracts designated as hedges of debt are recorded on an accrual basis as an adjustment to interest expense. The periodic exchanges of payments on interest rate contracts designated as hedges of future interest payments are amortized into profit or loss over the term of the corresponding interest payments.

(ii) Items Not Classified as Hedges

Derivative financial instruments that are not designated as hedges are carried at estimated fair value, and gains and losses arising from changes in fair value are recognized in net income in the period the changes occur. Realized and unrealized gains on other derivatives not designated as hedges are recorded in other expenses.

Other financial assets are classified as loans and receivables or available-for-sale securities based on their nature and use within the Partnership's business and are recorded initially at fair value. Other financial assets classified as available-for-sale are subsequently measured at fair value at each reporting date with the change in fair value recorded in other comprehensive income. Other financial assets classified as loans and receivables are subsequently measured at amortized cost using the effective interest method, less any impairment. Assets classified as loans and receivables are impaired when there exists objective evidence that the financial asset is impaired.

(o) Income Taxes

Income tax expense represents the sum of the tax accrued in the period and deferred tax.

(i) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be paid to tax authorities, net of recoveries based on the tax rates and laws enacted or substantively enacted at the reporting date. Current income tax relating to items recognized directly in partnership capital are also recognized directly in partnership capital and other comprehensive income.

(ii) Deferred tax

Deferred income tax liabilities are provided for using the liability method on temporary differences between the tax bases used in the computation of taxable income and carrying amounts of assets and liabilities in the consolidated financial statements. Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that deductions, tax credits and tax losses can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable income nor the accounting income. The carrying amount of deferred income tax assets are reviewed at each reporting date and reduced to the extent it is no longer probable that the income tax asset will be recovered.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where Brookfield Infrastructure is able to control the reversal of the temporary difference and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable income against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which Brookfield Infrastructure expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority within a single taxable entity or Brookfield Infrastructure intends to settle its current tax assets and liabilities on a net basis in the case where there exist different taxable entities in the same taxation authority and when there is a legally enforceable right to set off current tax assets against current tax liabilities.

(p) Assets Held for Sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition

is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification subject to limited exceptions.

When Brookfield Infrastructure is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether Brookfield Infrastructure will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

Non-current assets classified as held for sale and the assets of a disposal group are presented separately from other assets in the Consolidated Statements of Financial Position and are classified as current. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the Consolidated Statements of Financial Position.

Once classified as held for sale, property, plant and equipment and intangible assets, are not depreciated or amortized, respectively.

(q) Provisions

Provisions are recognized when Brookfield Infrastructure has a present obligation (legal or constructive) as a result of a past event, it is probable that Brookfield Infrastructure will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(r) Critical Accounting Judgments and Key Sources of Estimation Uncertainty

The preparation of financial statements requires management to make critical judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses that are not readily apparent from other sources, during the reporting period. These estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments made by management and utilized in the normal course of preparing Brookfield Infrastructure's consolidated financial statements are outlined below.

(i) Common control transactions

IFRS 3 (2008) does not include specific measurement guidance for transfers of businesses or subsidiaries between entities under common control. Accordingly, Brookfield Infrastructure has developed a policy to account for such transactions taking into consideration other guidance in the IFRS framework and pronouncements of other standard-setting bodies. Brookfield Infrastructure's policy is to record assets and liabilities recognized as a result of transactions between entities under common control at the carrying value on the transferor's financial statements, and to have the Consolidated Statements of Financial Position, Consolidated Statements of Operating Results, Consolidated Statements of Comprehensive Income and Statements of Cash Flows reflect the results of combining entities for all periods presented for which the entities were under the transferor's common control, irrespective of when the combination takes place.

(ii) Classification of assets and liabilities as held for sale

Judgment is applied in determining whether the results of operations associated with the assets should be recorded in discontinued operations on the Consolidated Statements of Operating Results. Brookfield Infrastructure will reclassify the results of operations associated with certain assets to discontinued operations where the assets represent a component of the partnership whose operations and cash flows can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the partnership.

(iii) Financial instruments

Brookfield Infrastructure's accounting policies relating to derivative financial instruments are described in note 3(n). The critical judgments inherent in these policies relate to applying the criteria to the assessment of the effectiveness of hedging relationships. Estimates and assumptions used in determining the fair value of financial instruments are equity and commodity prices; future interest rates; the credit worthiness of the company relative to its counterparties; the credit risk of the company's counterparties relative to the company; estimated future cash flows; and discount rates.

(iv) Revaluation of property, plant and equipment

Property, plant and equipment is revalued on a regular basis. The critical estimates and assumptions underlying the valuation of property, plant and equipment are set out in note 13.

(v) Valuation of standing timber

Changes in fair value are recorded in profit and loss during the period of change. Brookfield Infrastructure determines fair value on an annual basis. Certain assets recorded at fair value were estimated and determined by management of the Partnership with due consideration given to other relevant data points. Key estimates and assumptions in determining the fair value of standing timber are: the timing of forecasted revenues and timber prices; estimated selling costs; sustainable felling plans; growth assumptions; silviculture costs; discount rates; terminal capitalization rates and terminal valuation dates.

(vi) Valuation of investment property

The fair value of investment property is primarily determined by discounting the expected future cash flows of each property, generally over a term of 10 years, using a discount and terminal capitalization rate reflective of the characteristics, location and market of each property. The future cash flows of each property are based upon, among other things, rental income from current leases and assumptions about rental income from future leases reflecting current conditions, less future cash outflows in respect of such current and future leases.

In some cases, the fair values are determined based on recent real estate transactions with similar characteristics and location to those of Brookfield Infrastructure. Fair value is estimated by management of the Partnership with due consideration given to other relevant data points.

(vii) Fair values in business combinations

Brookfield Infrastructure accounts for business combinations using the acquisition method of accounting. This method requires the application of fair values for both the consideration given and the assets and liabilities acquired. The calculation of fair values is often predicated on estimates and judgments including future cash flows, revenue streams and value-in-use calculations (refer to note 4 for details of business combinations). The determination of the fair values may remain provisional for up to 12 months from the date of acquisition due to the time required to obtain independent valuations of individual assets and to complete assessments of provisions. When the accounting for a business combination has not been completed as at the reporting date, this is disclosed in the financial statements, including observations on the estimates and judgments made as of the reporting date.

(viii)Impairment of goodwill and intangibles with indefinite lives

The impairment assessment of goodwill and intangible assets with indefinite lives requires an estimation of the value-in-use or fair value less costs of disposal of the cash-generating units to which goodwill or the intangible asset has been allocated. Brookfield Infrastructure uses the following critical assumptions and estimates: the tax circumstances that gave rise to the goodwill, timing and amount of future cash flows expected from the cash-generating unit; discount rates; terminal capitalization rates; terminal valuation dates; useful lives and residual values.

Other estimates utilized in the preparation of the partnership's financial statements are: depreciation and amortization rates and useful lives; recoverable amount of goodwill and intangible assets; ability to utilize tax losses and other tax measurements.

Other critical judgments utilized in the preparation of the partnership's financial statements include the determination of functional currency, determination of operating segments, determination of effectiveness of financial hedges for accounting purposes, recoverability of deferred tax assets and assessment of tax uncertainties, and determination of control.

(s) Recently Adopted Accounting Policies

Brookfield Infrastructure applied, for the first time, certain Standards and amendments to Standards applicable to Brookfield Infrastructure that became effective January 1, 2013. The impact of adopting these Standards on the partnership's accounting policies and disclosures are as follows:

IFRS 10 Consolidated Financial Statements ("IFRS 10")

IFRS 10 replaces IAS 27 Consolidated and Separate Financial Statements and SIC 12 Consolidation—Special Purpose Entities. IFRS 10 introduces a single control model for consolidation, irrespective of the nature of the investee. An investor that exerts power over the investee, has exposure to variable returns and has the ability to use its power to affect the amount of its returns, controls the investee and accordingly, is required to consolidate the investee.

IFRS 10 was applied retrospectively and the application of this new Standard had no impact on Brookfield Infrastructure's accounting for and presentation of investees for the current or prior periods presented.

IFRS 11 Joint Arrangements ("IFRS 11") and IAS 28 Investment in Associates and Joint Ventures ("IAS 28")

IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC 13 Jointly-controlled Entities — Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities using proportionate consolidation. Instead, entities that meet the definition of a joint venture under IFRS 11 must be accounted for using the equity method. Accordingly, IAS 28 has been amended to include the application of the equity method to investments in joint ventures. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Those parties are joint operators. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

IFRS 11 was applied retrospectively and the application of this new Standard had no impact on Brookfield Infrastructure's accounting for and presentation of investees for the current and prior periods presented.

IFRS 12 Disclosure of Interests in Other Entities ("IFRS 12")

IFRS 12 integrates the disclosure requirements of interests in other entities to disclose information about significant judgments and assumptions the investor has made in determining whether it has control, joint control, or significant influence over another entity and the type of joint arrangement when the arrangement has been structured through a separate vehicle. Entities are also required to provide these disclosures when changes in facts and circumstances affect the entity's conclusion during the reporting period.

IFRS 12 was applied prospectively. The application of this new Standard led to additional disclosures with regards to the Brookfield Infrastructure's interests in other entities. These disclosures provide further details regarding Brookfield Infrastructure's non-wholly owned subsidiaries and have been included in note 26 and note 12.

IFRS 13 Fair Value Measurement ("IFRS 13")

IFRS 13 establishes a single source of guidance for fair value measurements. The Standard defines fair value and establishes a framework for measuring fair value. The scope of IFRS 13 is broad; it applies to both financial instruments and non-financial items for which other IFRSs require or permit fair value measurements, except in specified circumstances. IFRS 13 was applied prospectively and has not materially impacted the manner in which Brookfield Infrastructure measures its financial and non-financial assets and liabilities. In general, the disclosure requirements for the fair value of financial instruments and non-financial items under IFRS 13 are more extensive than those required under previous Standards.

The application of this new Standard led to additional disclosures with regard to the valuation methods applied in determining the fair value of Brookfield Infrastructure's property, plant and equipment (see note 13), investment property (see note 17) and financial instruments (see note 7).

IAS 1 Presentation of Items of Other Comprehensive Income — Amendments to IAS 1 ("IAS 1")

Brookfield Infrastructure adopted the amendments to IAS 1 on January 1, 2013 with retrospective application. The amendments to IAS 1 require items to be presented in other comprehensive income ("OCI") in two separate categories: (a) items that could be reclassified to profit or loss at a future point in time (e.g., impact of translation of foreign operations and net movement on cash flow hedges) and; (b) items that will never be reclassified to profit or loss (e.g., revaluation of property, plant and equipment). Income tax on items of other comprehensive income is required to be allocated on the same basis.

Brookfield Infrastructure has amended the Consolidated Statements of Comprehensive Income (Loss) for all periods presented to reflect the presentation changes required under these amendments. Since these changes constitute reclassifications within the Consolidated Statements of Comprehensive Income, there is no net impact on comprehensive income.

IFRS 7 Financial Instruments: Disclosures—("IFRS 7")

The amendments to IFRS 7 contain new disclosure requirements for financial assets and liabilities that are offset in the statement of financial position or subject to master netting arrangements or similar arrangements.

The amendments to IFRS 7 have been applied prospectively. The application of these amendments has led to additional disclosures regarding the offsetting of financial instruments. These additional disclosures have been included in note 7.

(t) Future Changes in Accounting Policies

Standards issued, but not yet adopted

IFRS 9, *Financial Instruments* ("IFRS 9") was issued by the IASB on November 12, 2009 and will replace IAS 39, *Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new Standard also requires a single impairment method to be used, replacing the

multiple impairment methods in IAS 39. IFRS 9 is tentatively effective for annual periods beginning on or after January 1, 2018. Brookfield Infrastructure is currently evaluating the impact of IFRS 9 on its consolidated financial statements.

IFRIC 21, *Levies* ("IFRIC 21") provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37, Provisions, Contingent Liabilities and Contingent Assets, and those where the timing and amount of the levy is certain. IFRIC 21 identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation. A liability is recognized progressively if the obligating event occurs over a period of time or, if an obligation is triggered on reaching a minimum threshold, the liability is recognized when that minimum threshold is reached. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014. Management is currently evaluating the impact of IFRIC 21 on the consolidated financial statements.

IAS 32, *Financial Instruments: Presentation* ("IAS 32") was amended to clarify certain aspects as a result of the application of offsetting requirements, namely focusing on the following four main areas: the interpretation of "currently has a legally enforceable right of set-off", the application of simultaneous realization and settlement, the offsetting of collateral amounts, and the unit of account for applying the offsetting requirements. IAS 32 is effective for annual periods beginning on or after January 1, 2014. Management is currently evaluating the impact of IAS 32 on the consolidated financial statements.

NOTE 4. ACQUISITIONS OF BUSINESSES

(a) Acquisition of U.K. Regulated Distribution operation

On November 13, 2012, Brookfield Infrastructure acquired a 100% interest in Inexus Group Limited, its U.K. regulated distribution operation, for consideration of $468 million. As part of this transaction, Brookfield Infrastructure also injected an additional $57 million into its existing UK regulated distribution operation to settle interest rate swaps in advance of the £600 million acquisition financing executed by the combined company. Since Brookfield Infrastructure has the right to elect the majority of the Board of Directors thereby providing Brookfield Infrastructure with control, the partnership consolidates the entity. Acquisition costs of $1 million were expensed at the acquisition date and recorded as other expenses on the Consolidated Statements of Operating Results.

The following summarizes the major classes of consideration transferred and the assets acquired and liabilities assumed at the acquisition date:

Consideration transferred

US$ MILLIONS	
Cash	$468
Net consideration	$468

Fair value of assets and liabilities acquired as at November 13, 2012:

US$ MILLIONS	
Cash	$ 5
Accounts receivable and other	14
Intangible assets	97
Deferred income tax asset	106
Property, plant and equipment	1,410
Accounts payable and other	(70)
Non-recourse borrowings	(545)
Financial liabilities	(323)
Deferred income tax liability	(253)
Net assets acquired	$ 441

The excess of the contribution transferred by the partnership over its share of the fair value of the operations' net assets was recognized on the Consolidated Statements of Financial Position as follows:

US$ MILLIONS	
Consideration paid	$ 468
Fair value of net assets acquired before non-controlling interest	(441)
Goodwill arising on acquisition	$ 27

The goodwill recorded on acquisition represents the value of the anticipated growth in the number of new sales connections adding to the regulated asset base. None of the goodwill recognized is expected to be deductible for income tax purposes.

Brookfield Infrastructure's results from operations for the twelve months ended December 31, 2012 include $20 million of revenue and $7 million of net loss from the U.K. regulated distribution operation.

(b) Acquisition of Chilean Toll Roads

On December 16, 2011, Brookfield Infrastructure invested $159 million for a 25% interest in Sociedad Concesionario Vespucio Norte Express S.A. ("AVN"), a Chilean toll road, through a Brookfield sponsored partnership. At that time, the investment was classified as an investment in an associate and accounted for using the equity method.

On October 1, 2012, Brookfield Infrastructure acquired an additional 26% interest in AVN for $170 million, bringing Brookfield Infrastructure's total ownership interest to 51%. Concurrently, Brookfield Infrastructure entered into a voting agreement with an affiliate of Brookfield, providing Brookfield Infrastructure the right to elect the majority of the Board of Directors of the entity thereby providing Brookfield Infrastructure with control. Accordingly, Brookfield Infrastructure consolidates the entity. Acquisition costs of $1 million were expensed at the acquisition date and recorded as other expenses in the Consolidated Statements of Operating Results.

Brookfield Infrastructure accounted for this transaction as a deemed disposition of its 25% interest in AVN for consideration equal to the fair market value of the equity interest with a concurrent acquisition of 51% of AVN. The deemed disposition was accounted for as follows:

US$ MILLIONS	
Fair value of net assets in AVN as of date of obtaining control	$163
Less: carrying value of investment in AVN immediately before obtaining control	(171)
Loss on deemed disposition of equity interest ("remeasurement loss")	(8)
Amounts recognized in OCI in relation to AVN	16
Fair value gains and other items arising from AVN acquisition	$ 8

The following summarizes the major classes of consideration transferred and the assets acquired and liabilities assumed at the acquisition date:

Consideration transferred

US$ MILLIONS	
Cash	$170
Fair value of net assets in AVN as of date of obtaining control	163
Net consideration	$333

Fair value of assets and liabilities acquired as at October 1, 2012:

US$ MILLIONS	
Cash	$ 69
Accounts receivable and other[1]	53
Intangible assets	1,443
Accounts payable and other	(32)
Non-recourse borrowings	(772)
Deferred income tax liability	(108)
Non-controlling interest[2]	(320)
Net assets acquired	$ 333

(1) The gross contractual amount of the acquired identifiable accounts receivable and other is $38 million. The estimated contractual cash flows not expected to be collected at the acquisition date is $10 million.

(2) Non-controlling interest represents the interest not acquired by Brookfield Infrastructure and was measured as the proportionate share of the fair value of assets and liabilities at the acquisition date.

No goodwill arose on acquisition as the consideration transferred by Brookfield Infrastructure equaled its share of the fair value of the Chilean toll roads.

See note 3(r), "Critical Accounting Judgments and Key Sources of Estimation Uncertainty", for further discussion of significant assumptions used in measuring these fair values.

Brookfield Infrastructure's results from operations for the twelve months ended December 31, 2012 include $27 million of revenue and $9 million of net income from the Chilean toll roads.

(c) Acquisition of North American District Energy operation

On October 31, 2012, Brookfield Infrastructure acquired a 25% interest in Enwave Energy Corporation, its North American district energy operation, for consideration of $74 million through a Brookfield sponsored infrastructure fund. Concurrently, Brookfield Infrastructure entered into a voting agreement with an affiliate of Brookfield, providing Brookfield Infrastructure the right to elect the majority of the Board of Directors of the entity thereby providing Brookfield Infrastructure with control. Accordingly, Brookfield Infrastructure consolidates the entity. Acquisition costs of less than $1 million were expensed at the acquisition date and recorded as other expense on the Consolidated Statements of Operating Results.

The following summarizes the major classes of consideration transferred and the assets acquired and liabilities assumed at the acquisition date:

Consideration transferred

US$ MILLIONS	
Cash	$74
Net consideration	$74

Fair value of assets and liabilities acquired as at October 31, 2012:

US$ MILLIONS	
Accounts receivable and other	$ 9
Property, plant and equipment	560
Accounts payable and other	(15)
Non-recourse borrowings[1]	(187)
Deferred income tax liability	(77)
Net assets acquired before non-controlling interest	290
Non-controlling interest[2]	(216)
Net assets acquired	$ 74

(1) Non-recourse borrowings which has $100 million of holding company debt drawn on the acquisition date.

(2) Non-controlling interest represents the interest not acquired by Brookfield Infrastructure and was measured as the proportionate share of the fair value of assets and liabilities at the acquisition date.

No goodwill arose on acquisition as the consideration transferred by Brookfield Infrastructure equaled its share of the fair value of the North American district energy operation.

Brookfield Infrastructure's results from operations for the twelve months ended December 31, 2012 include $13 million of revenue and $nil of net income from the North American district energy operation.

(d) Acquisition of Colombian Regulated Distribution Operation

On January 27, 2012, Brookfield Infrastructure acquired a 17% interest in Empresa de Energia de Boyaca S.A., its Colombian distribution operation, for consideration of $55 million through a Brookfield sponsored infrastructure fund, as a platform to build a broad based electricity business in Colombia. Concurrently, Brookfield Infrastructure entered into a voting agreement with an affiliate of Brookfield, providing Brookfield Infrastructure with the right to elect the Board of Directors of the entity thereby providing Brookfield Infrastructure with control. Accordingly, Brookfield Infrastructure consolidates the entity. Acquisition costs of $4 million were expensed at the acquisition date and recorded as other expense on the Consolidated Statements of Operating Results.

The following summarizes the major classes of consideration transferred and the assets acquired and liabilities assumed at the acquisition date:

Consideration transferred

US$ MILLIONS	
Cash	$55
Net consideration	$55

Fair value of assets and liabilities acquired as at January 27, 2012:

US$ MILLIONS	
Cash	$ 44
Property, plant and equipment	633
Accounts payable and other	(15)
Financial liabilities	(40)
Non-recourse borrowings[1]	(172)
Deferred income tax liability	(152)
Net assets acquired before non-controlling interest	298
Non-controlling interest[2]	(261)
Net assets acquired	$ 37

(1) Non-recourse borrowings includes $139 million of holding company debt drawn on the acquisition date.

(2) Non-controlling interest represents the interest not acquired by Brookfield Infrastructure and was measured at fair value at the acquisition date. Brookfield Infrastructure determined fair value utilizing the income method based on calculating the estimated future discounted cash flows of the Colombian regulated distribution operation. Key valuation assumptions include a discount rate of 13% and a terminal valuation of approximately 20 years.

The excess of the consideration transferred by Brookfield over its share of the fair value of the Colombian regulated distribution operations' net assets was recognized on the Consolidated Statements of Financial Position as follows:

US$ MILLIONS	
Consideration paid	$ 55
Consideration paid by non-controlling interest	$ 261
Total consideration paid	316
Fair value of net assets acquired before non-controlling interest	(298)
Goodwill arising on acquisition	$ 18

The goodwill recorded on acquisition represents the expected growth arising from its position as an incumbent in a fragmented electricity distribution industry in a region with emerging coal, steel and cement industries. None of the goodwill recognized is expected to be deductible for income tax purposes.

Brookfield Infrastructure's results from operations for the twelve months ended December 31, 2012, include $188 million of revenue, and $5 million of net income from the Colombian regulated distribution operation.

NOTE 5. PARTIAL DISPOSITION OF UK REGULATED DISTRIBUTION OPERATION

In November 2012, a wholly-owned subsidiary of Brookfield Infrastructure entered into an arrangement whereby a 20% economic interest in its UK regulated distribution operation was sold to an institutional investor for £145 million subject to the UK regulated distribution operation attaining long-term financing under certain pre-defined contractual terms. In the event that the UK regulated distribution operation did not obtain long-term financing at the contractually specified terms within two years of the arrangement, the institutional investor had the right to request repayment of £145 million plus 3% interest. Consequently, the proceeds were recorded as a financial liability.

In March 2013, the UK regulated distribution operation satisfied the requirements within the contractual terms of the arrangement, which resulted in the derecognition of the financial liability as the £145 million initially received under the arrangement was recognized as proceeds on the disposal of a partial interest of a subsidiary.

The partial disposition of Brookfield Infrastructure's 20% interest in the UK regulated distribution operation resulted in an adjustment to the carrying amounts of controlling and non-controlling interests to reflect the change in interest in the subsidiary. The difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration received was recognized directly in equity.

The partial disposition was accounted for as follows:

US$ MILLIONS	
Fair value of consideration received (£145 million)	$ 221
Less: carrying value of 20% interest in UK regulated distribution operation allocated to non-controlling interest—in operating subsidiaries	(115)
Gain on changes in ownership interest recognized in equity[1]	$ 106

(1) The gain on changes in ownership interest recognized in equity is recorded as ownership changes within the Consolidated Statements of Partnership Capital and attributed on a ratable basis to the partners of Brookfield Infrastructure based on their respective ownership interests existing at the date of the partial disposal. Amounts in accumulated other comprehensive income at the date of the partial disposition that were attributable to the UK regulated distribution operation were ratably allocated to accumulated other comprehensive income attributable to non-controlling interest—in operating subsidiaries

NOTE 6. DISCONTINUED OPERATIONS

The revenues and expenses related to the U.S. and Canadian freehold timberlands, Brookfield Infrastructure's timber segment, have been presented on the Consolidated Statements of Operating Results as discontinued operations as a result of the following transactions:

i) During the second quarter of 2013, Brookfield Infrastructure disposed of its 25% interest in its Canadian freehold timberlands to a third party for proceeds of $173 million;

ii) Brookfield Infrastructure sold its 30% interest in its U.S. freehold timberlands to a third party for proceeds of $467 million. This transaction closed in the third quarter of 2013;

The timber segment was reported as part of continuing operations until the second quarter of 2013 and has since been classified as discontinued operations for both the current and comparative periods.

Operating results of discontinued operations for the years ended December 31, 2013, 2012 and 2011 are as follows:

US$ MILLIONS	For the Year Ended December 31 2013	2012	2011
Revenues	$ 305	$ 480	$ 521
Direct operating costs	(174)	(328)	(338)
Depreciation and amortization expense	—	(2)	(1)
	131	150	182
Interest expense	(44)	(85)	(82)
Fair value adjustments	(10)	203	341
Other expenses	(2)	—	(8)
Income before income tax	75	268	433
Attributable current and deferred taxes	(14)	(78)	(144)
	61	190	289
Gain on disposal of timber segment	57	—	—
Attributable current and deferred taxes	(73)	—	—
	(16)	—	—
Income from discontinued operations	$ 45	$ 190	$ 289

Income (loss) attributable to unitholders for the years ended December 31, 2013, 2012 and 2011 is as follows:

US$ MILLIONS	For the year ended December 31 2013	2012	2011
Income (loss) from continuing operations attributable to:			
Non-controlling interest—in operating subsidiaries	$ 80	$ 53	$ 33
Non-controlling interest—Redeemable Partnership units held by Brookfield	(27)	9	32
General partner	31	16	5
Limited partners	(64)	23	81
Income (loss) from discontinued operations attributable to:			
Non-controlling interest—in operating subsidiaries	$ 43	$ 132	$ 220
Non-controlling interest—Redeemable Partnership units held by Brookfield	1	17	19
General partner	—	—	—
Limited partners	1	41	50
Basic and diluted earnings (loss) per unit attributable to:			
Limited partners from continuing operations	(0.46)	0.17	0.71
Limited partners from discontinued operations	0.03	0.30	0.42
Basic and diluted earnings (loss) per unit attributable to Limited partners	$(0.43)	$0.47	$1.13

Comprehensive income (loss) attributable to unitholders for the years ended December 31, 2013, 2012 and 2011 is as follows:

US$ MILLIONS	For the year ended December 31 2013	2012	2011
Comprehensive income from continuing operations attributable to:			
Non-controlling interest—in operating subsidiaries	**$111**	$118	$ 5
Non-controlling interest—Redeemable Partnership units held by Brookfield	**19**	207	173
General partner	**32**	19	7
Limited partners	**50**	501	420
Comprehensive income (loss) from discontinued operations attributable to:			
Non-controlling interest—in operating subsidiaries	**$ 50**	$134	$ 228
Non-controlling interest—Redeemable Partnership units held by Brookfield	**1**	(34)	(63)
General partner	**—**	—	—
Limited partners	**3**	(69)	(136)

Other comprehensive income (loss) relating to the disposal group for the years ended December 31, 2013, 2012 and 2011 is as follows:

US$ MILLIONS	For the year ended December 31 2013	2012	2011
Revaluation of property, plant and equipment	**$(4)**	$(3)	$(5)
Cash flow hedges	**5**	1	1
Taxes on the above items	**(1)**	(2)	(1)
Total	**$—**	$(4)	$(5)

The net cash flows attributable to the operating, investing and financing activities of discontinued operations for the years ended December 31, 2013, 2012 and 2011 are as follows:

	For the year ended December 31 2013	2012	2011
Operating cash flows	**$ 67**	$ 56	$ 108
Investing cash flows	**(49)**	(7)	—
Financing cash flows	**(49)**	(52)	(122)
Net cash flows	**$(31)**	$ (3)	$ (14)

NOTE 7. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values are determined by reference to quoted bid or ask prices, as appropriate. Where bid and ask prices are unavailable, the closing price of the most recent transaction of that instrument is used. In the absence of an active market, fair values are determined based on prevailing market rates (bid and ask prices, as appropriate) for instruments with similar characteristics and risk profiles or internal or external valuation models, such as option pricing models and discounted cash flow analyses, using observable market inputs.

Fair values determined using valuation models require the use of assumptions concerning the amount and timing of estimated future cash flows and discount rates. In determining those assumptions, Brookfield Infrastructure looks primarily to external readily observable market inputs such as interest rate yield curves, currency rates, and price and rate volatilities as applicable. The fair value of interest rate swap contracts which form part of financing arrangements is calculated by way of discounted cash flows using market interest rates and applicable credit spreads.

Classification of Financial Instruments

Financial instruments classified as fair value through profit or loss are carried at fair value on the Consolidated Statements of Financial Position. Changes in the fair values of financial instruments classified as fair value through profit or loss are recognized in profit and loss. Mark-to-market adjustments on hedging items for those in an effective hedging relationship and changes in the fair value of available-for-sale securities are recognized in other comprehensive income. These items have been segregated from Other (expenses) income to reflect the significance of these changes in the current period. Mark-to-market losses on financial instruments carried at fair value of $49 million and $35 million for the years ended December 31, 2012 and 2011, respectively, have been reclassified from other (expenses) income to mark-to-market on hedging items on the Consolidated Statements of Operating Results to conform with current period presentation.

Carrying Value and Fair Value of Financial Instruments

The following table provides the allocation of financial instruments and their associated financial instrument classifications as at December 31, 2013:

US$ MILLIONS Financial Instrument Classification MEASUREMENT BASIS	FVTPL (Fair Value)	Available for sale securities (Fair Value through OCI)	Loans and Receivables/ Other Liabilities (Amortized Cost)	Total
Financial assets				
Cash and cash equivalents	$ —	$ —	$ 538	$ 538
Accounts receivable and other	—	—	346	346
Financial assets (current and non-current)[1]	241	—	66	307
Marketable securities	—	230	—	230
Restricted cash	—	—	3	3
Total	$241	$230	$ 953	$1,424
Financial liabilities				
Corporate borrowings	$ —	$ —	$ 377	$ 377
Non-recourse borrowings (current and non-current)	—	—	5,790	5,790
Accounts payable and other	—	—	491	491
Preferred shares	—	—	20	20
Financial liabilities (current and non-current)[1]	547	—	—	547
Total	$547	$ —	$6,678	$7,225

(1) Derivative instruments which are elected for hedge accounting totaling $196 million are included in Financial assets and $195 million of derivative instruments are included in Financial liabilities.

The following table provides the allocation of financial instruments and their associated financial instrument classifications as at December 31, 2012:

US$ MILLIONS Financial Instrument Classification MEASUREMENT BASIS	FVTPL (Fair Value)	Available for sale securities (Fair Value through OCI)	Loans and Receivables/ Other Liabilities (Amortized Cost)	Total
Financial assets				
Cash and cash equivalents	$ —	$ —	$ 263	$ 263
Accounts receivable and other	—	—	372	372
Financial assets (current and non-current)[1]	99	—	—	99
Restricted cash	—	—	17	17
Total	$ 99	—	$ 652	$ 751
Financial liabilities				
Corporate borrowings	$ —	$ —	$ 946	$ 946
Non-recourse borrowings (current and non-current)	—	—	6,993	6,993
Accounts payable and other	—	—	582	582
Preferred shares	—	—	20	20
Financial liabilities (current and non-current)[1]	650	—	235	885
Total	$650	—	$8,776	$9,426

(1) Derivative instruments which are elected for hedge accounting totaling $1 million are included in Financial assets and $234 million of derivative instruments are included in Financial liabilities.

The following table provides the carrying values and fair values of financial instruments as at December 31, 2013 and December 31, 2012:

US$ MILLIONS	Dec. 31, 2013 Carrying Value	Dec. 31, 2013 Fair Value	Dec. 31, 2012 Carrying Value	Dec. 31, 2012 Fair Value
Financial assets				
Cash and cash equivalents	**$ 538**	**$ 538**	$ 263	$ 263
Accounts receivable and other	**346**	**346**	372	372
Financial assets (current and non-current)	**307**	**307**	99	99
Marketable securities	**230**	**230**	—	—
Restricted cash	**3**	**3**	17	17
Total	**$1,424**	**$1,424**	$ 751	$ 751
Financial liabilities				
Corporate borrowings[1]	**$ 377**	**$ 381**	$ 946	$ 946
Non-recourse borrowings[2]	**5,790**	**6,184**	6,993	7,292
Accounts payable and other (current and non-current)	**491**	**491**	582	582
Preferred shares	**20**	**20**	20	20
Financial liabilities (current and non-current)	**547**	**547**	885	855
	$7,225	**$7,623**	$9,426	$9,695

(1) Corporate borrowings is classified under level 1 of the fair value hierarchy; quoted prices in an active market are available

(2) Non-recourse borrowings are classified under level 2 of the fair value hierarchy with the exception of the U.K. port operation and Chilean toll road which are classified under level 1. For level 2 fair values, future cash flows are estimated based on observable forward interest rates at the end of the reporting period.

Hedging Activities

Brookfield Infrastructure uses derivatives and non-derivative financial instruments to manage or maintain exposures to interest and currency risks. For certain derivatives which are used to manage exposures, Brookfield Infrastructure determines whether hedge accounting can be applied. When hedge accounting can be applied, a hedge relationship can be designated as a fair value hedge, cash flow hedge or a hedge of foreign currency exposure of a net investment in a foreign operation with a functional currency other than the U.S. dollar. To qualify for hedge accounting the derivative must be highly effective in accomplishing the objective of offsetting changes in the fair value or cash flows attributable to the hedged risk both at inception and over the life of the hedge. If it is determined that the derivative is not highly effective as a hedge, hedge accounting is discontinued prospectively.

Cash Flow Hedges

Brookfield Infrastructure uses interest rate swaps to hedge the variability in cash flows related to a variable rate asset or liability and highly probably forecast issuances of debt. The settlement dates typically coincide with the dates on which the interest is payable on the underlying debt, and the amount accumulated in equity is reclassified to profit or loss over the period that the floating rate interest payments on debt affect profit or loss. For the year ended December 31, 2013, pre-tax net unrealized losses of $13 million (2012: losses of $29 million, 2011: losses of $94 million) were recorded in other comprehensive income for the effective portion of the cash flow hedges. As at December 31, 2013, there was a net unrealized derivative liability balance of $31 million relating to derivative contracts designated as cash flow hedges (2012: $146 million, 2011: $118 million). During the year, a gain of less than $1 million (2012: losses of less than $1 million, 2011: losses of less than $1 million) was recognized in the Consolidated Statements of Operating results as it pertains to the pre-tax net unrealized losses noted above.

Net Investment Hedges

Brookfield Infrastructure uses foreign exchange contracts and foreign currency denominated debt instruments to manage its foreign currency exposures arising from net investments in foreign operations having a functional currency other than the U.S. dollar. For the year ended December 31, 2013, unrealized pre-tax net gains of $14 million (2012: losses of $19 million, 2011: gains of $30 million) were recorded in other comprehensive income for the effective portion of hedges of net investments in foreign operations. Further, Brookfield Infrastructure recognized a $26 million loss (2012: $10 million gain, 2011: loss of $60 million) in other comprehensive income relating to the net settlement of foreign exchange contracts in the period. As at December 31, 2013, there was a net unrealized derivative asset balance of $8 million relating to derivative contracts designated as net investment hedges (2012: net unrealized derivative liability balance of $6 million).

Fair Value Hierarchical Levels—Financial Instruments

Fair value hierarchical levels are directly determined by the amount of subjectivity associated with the valuation inputs of these assets and liabilities, and are as follows:

Level 1 — Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 — Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and for the duration of the instrument's anticipated life. Fair valued assets and liabilities that are included in this category are primarily certain derivative contracts and other financial assets carried at fair value in an inactive market.

Level 3 — Inputs reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs to determining the estimate. Fair valued assets and liabilities that are included in this category are interest rate swap contracts, derivative contracts, certain equity securities carried at fair value which are not traded in an active market and the non-controlling interest's share of net assets of limited life funds.

Fair value of the partnership's financial assets and financial liabilities are measured at fair value on a recurring basis. The following table summarizes the valuation techniques and significant inputs for Brookfield Infrastructure's financial assets and financial liabilities:

US$ MILLIONS	Fair value hierarchy	Dec. 31, 2013	Dec. 31, 2012
Marketable securities	Level 1[1]	**$ 230**	$ —
Foreign currency forward contracts	Level 2[2]		
Financial asset		**30**	—
Financial liability		**(36)**	(8)
Net financial (liability)		**$ (6)**	$ (8)
Interest rate swaps	Level 2[2]		
Financial asset		**$ 175**	96
Financial liability		**(103)**	(229)
Net financial asset (liability)		**$ 72**	$(133)

(1) Valuation technique: Quoted bid prices in an active market.

(2) Valuation technique: Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects our credit risk of various counterparties.

Assets and liabilities measured at fair value on a recurring basis include $471 million (2012: $111 million) of financial assets and $547 million (2012: $885 million) of financial liabilities which are measured at fair value using valuation inputs based on management's best estimates.

During the year, no transfers were made between level 1 and 2 or level 2 and 3. The following table categorizes financial assets and liabilities, which are carried at fair value, based upon the level of input.

	Dec. 31, 2013			Dec. 31, 2012		
US$ MILLIONS	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Cash equivalents	$ —	$ —	$ —	$ —	$ 12	$ —
Marketable securities	230	—	—	—	—	—
Financial assets (current and non-current)	—	241	—	—	99	—
Financial liabilities						
Financial liabilities (current and non-current)	$ —	$547	$ —	$ —	$885	$ —

Offsetting of Financial Assets and Liabilities

Financial assets and liabilities are offset with the net amount reported in the Consolidated Statements of Financial Position where the partnership currently has a legally enforceable right to offset and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

The following table presents the recognized financial instruments that are offset, which are those financial assets and liabilities subject to offsetting, enforceable master netting agreement and similar agreements, as at December 31, 2013 and 2012. The Net column shows the impact on the partnership's Consolidated Statements of Financial Position if all set-off rights were exercised.

	Amounts Offset			Amounts Not Offset	
US$ MILLIONS	Gross assets	Gross liabilities	Net amounts	Financial instruments	Net
December 31, 2013					
Trade receivable (payable)	$6	$(1)	$5	$ 308	$ 313
Financial assets	—	—	—	241	241
Financial Liabilities	—	—	—	(547)	(547)
December 31, 2012					
Trade receivable (payable)	$8	$(1)	$7	$ 365	$ 372
Financial assets	—	—	—	99	99
Financial Liabilities	—	—	—	(885)	(885)

NOTE 8. CASH AND CASH EQUIVALENTS

US$ MILLIONS	2013	2012
Cash	$538	$251
Cash equivalents	—	12
Total cash and cash equivalents	**$538**	$263

NOTE 9. FINANCIAL ASSETS

US$ MILLIONS	2013	2012
Current:		
Foreign currency forward contracts	$ 30	$ —
Marketable securities	230	—
Other	102	3
Total current	**$362**	$ 3
Non-current:		
Restricted cash[1]	$ 3	$ 17
Cross currency interest rate swaps	175	96
Total non-current	**$178**	$113

(1) Restricted cash can only be used as a reserve for servicing debt under certain financing arrangements. These restricted cash balances have not been included in the year end cash balances for the purposes of the Consolidated Statements of Cash Flows.

NOTE 10. ACCOUNTS RECEIVABLE AND OTHER

US$ MILLIONS	2013	2012
Current:		
Accounts receivable	$313	$343
Prepayments & other assets	33	29
Total current	**$346**	$372
Non-current:		
Deferred financing costs[1]	$ 2	$ 3
Other assets	90	222
Total non-current	$ 92	$225

(1) Deferred financing costs are amortized to interest expense over the term of the borrowing.

NOTE 11. INVENTORY

US$ MILLIONS	2013	2012
Current:		
Raw materials and consumables[1]	**$22**	$108
Carrying amount of inventories	**$22**	$108

(1) Raw materials and consumables includes felled trees.

The amount of write down of inventories recognized as an expense in 2013 is $nil (2012: $nil, 2011: $nil).

NOTE 12. INVESTMENTS IN ASSOCIATES

The following table presents the ownership interest and carrying values of Brookfield Infrastructure's investments in associates:

	Ownership Interest		Voting Interest		Carrying Value	
US$ MILLIONS	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
Brazilian toll road[1]	31%	15%	31%	15%	**$ 773**	$ 346
South American transmission operation	28%	28%	28%	28%	**717**	669
Australasian energy distribution[2]	—%	42%	—%	42%	**—**	384
Other[3]	11%-50%	11%-50%	11%-50%	11%-50%	**549**	780
Total					**$ 2,039**	$ 2,179

The following table represents the change in the balance of investments in associates:

US$ MILLIONS	2013	2012
Balance at beginning of year	**$2,179**	$1,400
Share of income for the year	**(217)**	1
Share of reserves for the year—OCI	**160**	138
Foreign currency translation	**(81)**	58
Distributions	**(90)**	(63)
Additions	**518**	816
Disposal[2][4]	**(430)**	(171)
Balance at end of year	**$2,039**	$2,179

(1) On December 3, 2012, Brookfield Infrastructure, through an entity formed between a Brookfield sponsored fund and Abertis Infraestructuras, S.A. ("Abertis"), acquired a 15% interest in a Brazilian toll road asset. In the third quarter of 2013, Brookfield Infrastructure increased its interest in the investment to approximately 31%. Brookfield Infrastructure has significant influence through Brookfield's position in the entity. Accordingly, Brookfield Infrastructure equity accounts for the entity.

(2) *In the fourth quarter of 2013, Brookfield Infrastructure sold its 42% interest in its Australasian energy distribution business to a third party for net proceeds of USD $415 million, resulting in a gain on disposition of $35 million recognized on the Consolidated Statement of Operating Results within the gain on sale of associates line item. As a result of the disposition, accumulated revaluation surplus of $80 million post-tax was reclassified from other comprehensive income directly to retained earnings and noted as an other item on the Consolidated Statements of Partnership Capital.*

(3) *Other includes Brookfield Infrastructure's Social Infrastructure asset, North American gas transmission operation, European port operation and the Texas electricity transmission project*

(4) *Brookfield Infrastructure invested $159 million in a Chilean toll road asset in December 2011 through a Brookfield sponsored partnership. On October 1, 2012, Brookfield Infrastructure acquired an additional 26% interest in AVN for $170 million, through a Brookfield sponsored partnership, bringing Brookfield Infrastructure's total ownership interest to 51%. Concurrently, Brookfield Infrastructure entered into a voting agreement with an affiliate of Brookfield, providing Brookfield Infrastructure with the right to elect the majority of the Board of Directors of the entity thereby providing Brookfield Infrastructure with control. Accordingly, Brookfield Infrastructure consolidates the entity.*

Impairment of North American natural gas transmission operation

Our North American natural gas transmission operation is a provider of natural gas transmission and storage services to the Chicago and Northern Indiana markets.

In 2013, the North American natural gas transmission operation continued to be affected by weak market fundamentals in the U.S. natural gas market. Throughout 2013, the U.S. natural gas market experienced compressed basis spreads due to the build out of pipeline infrastructure as well as a decrease in gas prices driven by a fundamental shift in supply dynamics in the U.S. These factors in conjunction with regulatory approvals occurring in the later part of the year granted for the further build out or reversal of certain pipelines triggered an impairment of the operations' property, plant and equipment.

The revaluation of property, plant and equipment within the associate resulted in an impairment charge attributable to the partnership of $275 million. The impairment was recorded in net income for the year ended December 31, 2013 and, as the charge represents a write-down of property, plant and equipment within an associate, was recognized within the share of (losses) earnings from investments in associates line item on the Consolidated Statements of Operating Results. The impairment charge of the North American natural gas transmission operation is reported within the energy operating segment.

Below is a summary of the significant valuation assumptions utilized in measuring the fair value of the property, plant and equipment of the North American natural gas transmission operation for the years ended December 31, 2013 and 2012 (level 3 on the fair value hierarchy). The values assigned to the key assumptions represented management's assessment of future trends in the environment in which the North American natural gas transmission assets operate and were based on historical data from both external and internal sources.

Valuation technique	Significant valuation assumptions	2013	2012
Discounted cash flow	Discount rate	**10%**	9%
	Terminal value multiple	**11.6x**	11.8x
	Terminal valuation date	**10 years**	10 years

The current basis spread environment is a primary driver of market sensitive revenue for the North American natural gas transmission operation, meaning unsold capacity or contracts that are up for renewal within any given year, and therefore is a key assumption in the determination of fair value.

Basis spreads are a primary indicator in predicting the negotiated rates at which the contracts will renew. Throughout 2013 basis spreads remained compressed and as a result, market sensitive negotiated rates were adjusted downwards at year end to reflect the current environment. The assumed rates are consistent with the assumption that a market participant would make.

The discount rate represents the current market assessment of the risks specific to the North American natural gas transmission assets, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated into the cash flow estimates. The discount rate calculation is based on the specific circumstances of the underlying assets and is derived using an equity approach. The equity discount rate takes into account an optimized capital structure that a market participant would assume based on comparable entities operating in a comparable industry. Asset and industry-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated based on publicly available market data.

Terminal value multiples were derived using publicly available data for comparable companies that a market participant would use in forming a view on fair value. The terminal value as estimated represents the present value of operations at the end of the 10 year forecast period based on an assumed continuous hold from the perspective of a market participant.

The following table presents the gross assets and liabilities of Brookfield Infrastructure's investments in associates:

	As at December 31, 2013								
	Total							Attributable to	
US$ MILLIONS	Current Assets	Non-Current Assets	Total Assets	Current Liabilities	Non-Current Liabilities	Total Liabilities	Total Net Assets	Other Ownership Interests	Partnership's Share
Brazilian toll road	$ 805	$ 4,758	$ 5,563	$ (532)	$ (2,578)	$ (3,110)	$2,453	$1,680	$ 773
South American transmission operation	1,254	4,543	5,797	(1,189)	(2,055)	(3,244)	2,553	1,836	717
Australasian energy distribution	—	—	—	—	—	—	—	—	—
Other	541	8,087	8,628	(382)	(6,235)	(6,617)	2,011	1,462	549
Total	$2,600	$17,388	$19,988	$(2,103)	$(10,868)	$(12,971)	$7,017	$4,978	$2,039

	December 31, 2012								
	Total							Attributable to	
US$ MILLIONS	Current Assets	Non-Current Assets	Total Assets	Current Liabilities	Non-Current Liabilities	Total Liabilities	Total Net Assets	Other Ownership Interests	Partnership's Share
Brazilian toll road	$ 603	$ 4,612	$ 5,215	$ (609)	$ (2,248)	$ (2,857)	$2,358	2,012	$ 346
South American transmission operation	233	5,404	5,637	(1,185)	(2,054)	(3,239)	2,398	1,729	669
Australasian energy distribution	30	2,283	2,313	(141)	(1,261)	(1,402)	911	527	384
Other	608	10,203	10,811	(1,462)	(7,603)	(9,065)	1,746	966	780
Total	$1,474	$22,502	$23,976	$(3,397)	$(13,166)	$(16,563)	$7,413	$5,234	$2,179

The following table presents the gross of revenue, net income, other comprehensive income and dividend received from Brookfield Infrastructure's investments in associates for the years ended December 31, 2013, 2012, and 2011:

	Twelve Months Ended December 31, 2013							
	Total				Attributable to Other Ownership Interests		Attributable to Partnership	
US$ MILLIONS	Revenue	Net Income	OCI	Total	Comprehensive Income	Distributions	Comprehensive Income	Distributions
Brazilian toll road	$1,125	$ (15)	$(193)	$(208)	$(192)	$ —	$ (16)	$—
South American transmission operation	446	113	264	377	202	175	175	68
Australasian energy distribution	308	206	(45)	161	73	26	88	19
Other	1,459	(1,032)	204	(828)	(524)	6	(304)	3
Total	$3,338	$ (728)	$ 230	$(498)	$(441)	$207	$ (57)	$90

	Twelve Months Ended December 31, 2012							
	Total				Attributable to Other Ownership Interests		Attributable to Partnership	
US$ MILLIONS	Revenue	Net Income	OCI	Total	Comprehensive Income	Distributions	Comprehensive Income	Distributions
Brazilian toll road	$ 65	$ 10	$ 35	$ 45	$ 42	$ —	$ 3	$—
South American transmission operation	439	55	321	376	298	92	78	39
Australasian energy distribution	322	45	206	251	164	52	87	17
Other	1,472	(96)	(39)	(135)	(106)	3	(29)	7
Total	$2,298	$ 14	$523	$ 537	$ 398	$147	$ 139	$63

	Twelve Months Ended December 31, 2011							
	Total				Attributable to Other Ownership Interests		Attributable to Partnership	
US$ MILLIONS	Revenue	Net Income	OCI	Total	Comprehensive Income	Distributions	Comprehensive Income	Distributions
Brazilian toll road	$ —	$ —	$ —	$ —	$ —	$—	$ —	$—
South American transmission operation	402	324	658	982	808	44	174	10
Australasian energy distribution	295	27	25	52	31	26	21	19
Other	1,746	47	(30)	17	16	7	1	4
Total	$2,443	$398	$653	$1,051	855	$77	196	$33

As at December 31, 2013 and 2012, none of the associates have published market prices.

NOTE 13. PROPERTY, PLANT AND EQUIPMENT

US$ MILLIONS	Utility Assets	Transport Assets	Energy Assets	Timberland Assets	Total Assets
Gross Carrying Amount:					
Balance at January 1, 2012	$ 996	$2,240	$ 317	$ 570	$4,123
Additions (disposals)	90	434	34	(14)	544
Acquisitions through business combinations	2,035	3	686	—	2,724
Fair value adjustment	110	277	32	—	419
Reversal of impairment losses recognized in profit or loss	—	—	—	95	95
Net foreign currency exchange differences	89	46	13	—	148
Balance at December 31, 2012	$3,320	$3,000	$1,082	$ 651	$8,053
Additions	172	170	43	—	385
Disposals	—	—	(5)	—	(5)
Acquisitions (dispositions) through business combinations	—	—	145	(651)	(506)
Fair value adjustment	167	225	39	—	431
Net foreign currency exchange differences	(13)	(410)	(71)	—	(494)
Balance at December 31, 2013	$3,646	$2,985	$1,233	$ —	$7,864
Accumulated depreciation:					
Balance at December 31, 2011	$ (2)	$ (27)	$ (16)	$ (5)	$ (50)
Depreciation expense	(64)	(96)	(23)	(1)	(184)
Fair value adjustment	58	82	13	—	153
Reversal of impairment losses recognized in profit or loss	—	—	—	1	1
Net foreign currency exchange differences	(2)	(2)	1	—	(3)
Balance at December 31, 2012	$ (10)	$ (43)	$ (25)	$ (5)	$ (83)
Depreciation expense	(121)	(111)	(43)	—	(275)
Fair value adjustment	102	93	32	—	227
Disposals	—	—	—	5	5
Net foreign currency exchange differences	5	17	3	—	25
Balance at December 31, 2013	$ (24)	$ (44)	$ (33)	$ —	$ (101)
Net book value:					
December 31, 2013	$3,622	$2,941	$1,200	$ —	$7,763
December 31, 2012	$3,310	$2,957	$1,057	$ 646	$7,970

The fair value of the partnership's property, plant, and equipment are measured at fair value on a recurring basis with an effective date of revaluation for all asset classes of December 31, 2013 and 2012. Brookfield Infrastructure determined fair value under the income method. Assets under development were revalued where fair value could be reliably measured. The following table

summarizes the valuation techniques and significant inputs for Brookfield Infrastructure's plant, property and equipment assets, categorized by segment. The partnership has classified all assets below under level 3 of the fair value hierarchy:

	December 31, 2013				December 31, 2012			
Segment	Valuation Technique	Discount Rate	Terminal Value Miltiple	Investment Horizon (yrs.)	Valuation Technique	Discount Rate	Terminal Value Miltiple	Investment Horizon (yrs.)
Utilities	Discounted cash flow model	8% to 13%	10x to 16x	10 to 20 yrs	Discounted cash flow model	8% to 13%	9x to 17x	10 to 20 yrs
Transport	Discounted cash flow model	11% to 12%	7x to 11x	10 yrs	Discounted cash flow model	11% to 12%	8x to 11x	10 yrs
Energy	Discounted cash flow model	12% to 16%	8x to 12x	10 yrs	Discounted cash flow model	12% to 15%	7x to 8x	10 yrs

An increase in the discount rate would lead to a decrease in the fair value of property, plant and equipment. Additionally, an increase in the discount rate could result in a decrease to the terminal value multiple which would further decrease the value of property, plant and equipment. Conversely, an increase to the terminal value multiple would increase the fair value of property, plant and equipment.

At December 31, 2013, Brookfield Infrastructure carried out a review of the fair value of its Utility property, plant and equipment, resulting in a gain from revaluation of $269 million (2012: $168 million) which was recognized in revaluation surplus in the Consolidated Statements of Comprehensive Income. The carrying amount of Utility property, plant and equipment that would have been recognized had the assets been carried under the cost model is $3,140 million (2012: $3,094 million).

At December 31, 2013, Brookfield Infrastructure carried out a review of the fair value of its Transport property, plant and equipment. A gain from revaluation of $318 million (2012: $359 million) was recognized in revaluation surplus in the Consolidated Statements of Comprehensive Income. The carrying amount of Transport assets that would have been recognized had the assets been carried under the cost model is $2,079 million (2012: $2,322 million).

At December 31, 2013, Brookfield Infrastructure carried out a review of the fair value of its Energy property, plant and equipment. A gain from revaluation of $71 million (2012: $45 million) was recognized in revaluation surplus in the Consolidated Statements of Comprehensive Income. The carrying amount of Energy assets that would have been recognized had the assets been carried under the cost model is $1,083 million (2012: $1,012 million).

At December 31, 2013, no review of fair value was completed for the U.S. and Canadian freehold timberlands' property, plant and equipment as these businesses were sold during the year ended December 31, 2013. For the year ended December 31, 2012, a gain from revaluation of $95 million was recorded, which as a reversal of a prior period impairment, was recognized as fair value adjustments in the Consolidated Statements of Operating Results. The fair value of the Partnership's property, plant and equipment are determined by management of the Partnership with due consideration given to other relevant data points. Key valuation assumptions for the year ended December 31, 2012 include a weighted average discount rate of 6% and an average terminal valuation date of approximately 90 years. As at December 31, 2012 the carrying amount of Timber assets that would have been

recognized had the assets been carried under the cost model is $550 million. The reversal of impairment losses in the year ended December 31, 2012 resulted primarily from a decrease in discount rates based on comparable transactions observed in the market and a recovery in timber prices.

NOTE 14. INTANGIBLE ASSETS

US$ MILLIONS	2013	2012
Cost	**$4,117**	$4,566
Accumulated amortization	**(111)**	(69)
Net intangible assets	**$4,006**	$4,497

Intangible assets are allocated to the following cash generating units:

US$ MILLIONS	Dec. 31, 2013	Dec. 31, 2012
Australian regulated terminal	**$2,231**	$2,592
Chilean toll roads	**1,278**	1,421
U.K. port operation	**355**	348
Other[1]	**142**	136
Total	**$4,006**	$4,497

(1) Other intangibles are comprised of easements and permits to use and operate on government land.

The intangible asset at Brookfield Infrastructure's Australian regulated terminal operation and Chilean toll roads relate to service concession arrangements.

The terms and conditions of access to the Australian regulated terminal's services, including tariffs that can be charged to the users, are regulated by the Queensland Competition Authority. Brookfield Infrastructure's Australian regulated terminal operation has Standard Access Agreements with the users of the terminal which entails 100% take or pay contracts at a designated tariff rate based on the asset value. The concession arrangement has an expiration date of 2051 and with an option to extend the arrangement an additional 50 years.

The terms and conditions of the Chilean toll roads concession, including tariffs that can be charged to the users and the duties to be performed by the operator, are regulated by the Ministerio de Obras Publicas ("MOP"). The service concession provides the operator the right to charge a tariff to vehicles which use the road over the term of the concession in exchange for operating the road, including preserving the road based on a defined maintenance and construction schedule. Tariffs are adjusted annually for Chilean Consumer Price Index plus 3.5%, in addition to congestion charges which may be levied should specified traffic levels be reached. The concession arrangement has an expiration date of 2033 at which point the underlying concessions assets will be returned to the MOP.

The intangible asset at Brookfield Infrastructure's U.K. port operation relates to a conservancy right. As a right in perpetuity issued by the Statutory Harbour Authority in the U.K., the conservancy right is classified as having an indefinite life, and is subject to an annual impairment review.

The carrying value as at December 31, 2013, of Brookfield Infrastructure's indefinite lived intangibles is $355 million (2012: $348 million). The following table presents the change in the balance of intangible assets:

US$ MILLIONS	2013	2012
Cost at beginning of the year	**$4,566**	$2,955
Additions	**40**	24
Acquisitions through business combinations	**4**	1,541
Foreign currency translation	**(493)**	46
Cost at end of year	**$4,117**	$4,566

The following table presents the accumulated amortization for Brookfield Infrastructure's intangible assets:

US$ MILLIONS	2013	2012
Accumulated amortization at beginning of year	**$ (69)**	$(31)
Amortization	**(54)**	(35)
Foreign currency translation	**12**	(3)
Accumulated amortization at end of year	**$(111)**	$(69)

NOTE 15. STANDING TIMBER

US$ MILLIONS	Standing Timber
Gross Carrying Amount:	
Balance at January 1, 2012	$ 2,890
Gain arising from growth	155
Decrease resulting from harvest	(170)
Fair value adjustment	122
Balance at December 31, 2012	$ 2,997
Gain arising from growth	**99**
Decrease resulting from harvest	**(131)**
Fair value adjustment	**30**
Disposition of subsidiaries	**(2,995)**
Balance at December 31, 2013	**$ —**

NOTE 16. GOODWILL

US$ MILLIONS	Dec. 31, 2013	Dec. 31, 2012
Cost	$ 636	$591
Acquisitions through business combinations	3	45
Disposition of subsidiary (see Note 6)	(591)	—
Total	$ 48	$636

Upon the acquisition of U.S freehold timberlands by Brookfield Infrastructure, a deferred tax liability of approximately $591 million was recorded. The deferred tax liability arose because tax bases of the net assets, to Brookfield, were significantly lower than their fair value. The inclusion of this liability in the net book value of the acquired business gave rise to goodwill of approximately $591 million. This goodwill was attributable to a single cash-generating unit (CGU) and is tested for impairment annually using a fair value less costs of disposal model. In July 2013, Brookfield Infrastructure sold its 30% interest in the U.S freehold timberlands business resulting in the disposal of $591 million of goodwill.

NOTE 17. INVESTMENT PROPERTIES

US$ MILLIONS	U.K. port operation	HBU[1]	Total
Gross carrying amount:			
Balance at January 1, 2012	$152	$ 42	$194
Additions	—	15	15
Disposals	(3)	—	(3)
Fair value adjustments	4	(2)	2
Foreign exchange differences	4	1	5
Balance at December 31, 2012	**$157**	**$ 56**	**$213**
Additions	—	—	—
Disposition of subsidiary	—	(54)	(54)
Fair value adjustments	4	(2)	2
Foreign exchange differences	3	—	3
Balance at December 31, 2013	**$164**	**$ —**	**$164**

(1) HBU is defined as "highest and best use" lands.

At December 31, 2013, a $4 million gain and $2 million loss were recognized for the U.K. port operation and HBU properties, respectively (2012: $4 million gain and $2 million loss). Fair values are generally determined by calculating the discounted future cash flows of the properties.

During the year ended December 31, 2013, Brookfield Infrastructure sold its 30% interest in the U.S freehold timberlands and 25% interest in its Canadian freehold timberlands resulting in the disposal of $54 million of investment properties.

Investment properties are measured at fair value on a recurring basis, the effective date of revaluation is December 31, 2013 and 2012. The fair value of the Partnership's investment properties are determined by management of the Partnership with due consideration given to other relevant market conditions. The following table summarizes the valuation techniques and significant inputs for Brookfield Infrastructure's investment property. The partnership has classified all assets below under level 3 of the fair value hierarchy:

Segment	Valuation technique	Significant unobservable inputs	Range of inputs
Transport	Direct Income Capitalization	Capitalization Rate	7% to 15%

An increase in the capitalization rate would lead to a decrease in the fair value of property, plant and equipment, with the opposite impact for a decrease in the capitalization rate.

NOTE 18. ACCOUNTS PAYABLE AND OTHER

US$ MILLIONS	Note	2013	2012
Current:			
Accounts payable[1]		**$222**	$260
Accrued & other liabilities		**188**	204
Deferred revenue	(i)	**65**	104
Provisions		**16**	14
Total current		**$491**	$582
Non-current:			
Deferred revenue	(i)	**$397**	344
Provisions		**57**	69
Pension liability[2]		**80**	75
Other liabilities		**23**	32
Total non-current		**$557**	$520

(1) The average credit period on purchases of goods and services is 30 days. No interest is incurred on trade creditors. Brookfield Infrastructure has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

(2) See Note 33 for further details.

Brookfield Infrastructure's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 35.

(i) Deferred revenue

Deferred revenue relates primarily to cash contributions from third parties to build or upgrade existing network capabilities at Brookfield Infrastructure's Australian railroad operation. The deferred revenue is recorded on receipt of cash payments and recognized as revenue over the life of the contracted track access arrangement with the contributor.

NOTE 19. FINANCIAL LIABILITIES

US$ MILLIONS	2013	2012
Current:		
Foreign currency forward contracts	**$ 36**	$ 8
Interest rate swaps	**—**	38
Total current financial liabilities	**$ 36**	$ 46
Non-current:		
Deposit payable[1]	**$ —**	$235
Interest rate swaps	**103**	229
Inflation swaps	**354**	336
Other financial liabilities	**54**	39
Total non-current financial liabilities	**$511**	$839

(1) Refer to Note 5 for further details.

NOTE 20. BORROWINGS

(a) Corporate Borrowings

Brookfield Infrastructure has a $1.4 billion senior secured revolving credit facility used for general working capital including acquisitions. The $1.4 billion is available on a revolving basis for the full term of the facility. All amounts outstanding under this facility will be repayable on September 13, 2017. All obligations of Brookfield Infrastructure under the facility are guaranteed by the partnership. Loans under this facility accrue interest at a floating rate based on LIBOR plus 1.25%. Brookfield Infrastructure is required to pay an unused commitment fee under the facility of 25 basis points per annum. As at December 31, 2013, draws on the credit facility were $nil (2012: $546 million) and $99 million of letters of credit issued (2012: $92 million).

(b) Non-Recourse Borrowings

The current and non-current balances of non-recourse borrowings are as follows:

US$ MILLIONS	December 31, 2013	December 31, 2012
Current	**$ 71**	$ 663
Non-current	**5,719**	6,330
Total	**$ 5,790**	$ 6,993

Principal repayments on non-recourse borrowings due over the next five years and thereafter are as follows:

US$ MILLIONS	Utilities	Transport	Energy	Corporate & Other	Total
2014	$ 20	$ 37	$ 14	$ —	$ 71
2015	31	87	—	—	118
2016	511	281	40	—	832
2017	64	41	19	—	124
2018	9	272	—	—	281
Thereafter	2,513	1,480	371	—	4,364
Total—Dec. 31, 2013	$3,148	$2,198	$444	$ —	$5,790
Total—Dec. 31, 2012	$3,207	$1,994	$318	$1,474	$6,993

The weighted average interest rate of non-recourse borrowings are as follows:

US$ MILLIONS	Utilities	Transport	Energy	Corporate & Other	Total
Dec. 31, 2013	6%	6%	7%	4%	6%
Dec. 31, 2012	4%	6%	5%	3%	5%

Principal repayments on non-recourse borrowings in their local currency are as follows:

US$ MILLIONS, except as noted	Dec 31, 2013	Local Currency		Dec 31, 2012	Local Currency	
Australian dollars	$2,835	AUD	$ 3,179	$2,714	AUD	$ 2,611
British pounds	1,444	GBP	872	1,387	GBP	854
U.S. dollars	190	USD	190	1,629	USD	1,629
Chilean Unidad de Fomento[1]	683	UF	16	754	UF	16
Canadian dollars	432	CAD	459	333	CAD	330
Colombian Peso	206	COP	398,631	176	COP	311,176

(1) Chilean Unidad de Fomento is an inflation adjusted unit of account indexed to the Chilean Peso.

NOTE 21. SUBSIDIARY PUBLIC ISSUERS

In June 2012, wholly-owned subsidiaries of Brookfield Infrastructure, Brookfield Infrastructure Finance ULC, Brookfield Infrastructure Finance LLC, Brookfield Infrastructure Finance Pty Ltd, Brookfield Infrastructure Finance Limited, and Brookfield Infrastructure Preferred Equity Inc. (collectively, the "Issuers"), registered with securities commissions for the distribution of debt securities or Class A preference shares. The Issuers may offer and sell these instruments in one or more issuances in the aggregate, of up to C$750 million (or the equivalent in other currencies). The outstanding debt securities are unconditionally guaranteed by Brookfield Infrastructure Partners L.P., Brookfield Infrastructure L.P., and wholly-owned subsidiaries, Brookfield Infrastructure Holdings (Canada) Inc., Brookfield Infrastructure US Holdings I Corporation, Brookfield Infrastructure Corporation and BIP Bermuda Holdings I Limited.

The following debt securities were issued as of December 31, 2013:

On October 10, 2012, wholly-owned subsidiaries of Brookfield Infrastructure executed a C$400 million, five-year medium term note offering in the Canadian bond market with a coupon of 3.5%, which was swapped into U.S. dollars on a matched maturity basis at an all-in rate of 2.7%.

The following tables set forth consolidated summary financial information for Brookfield Infrastructure and the Issuers:

For the twelve months ended December 31, 2013	Brookfield Infrastructure[2]	The Issuers	Subsidiaries of the Partnership other than the Issuers[3]	Consolidating Adjustments[4]	Brookfield Infrastructure Consolidated
Revenue	$ —	$ —	$ 1,826	$ —	$ 1,826
Profit (loss) from continuing operations attributable to partnership	(64)	—	382	(378)	(60)
Net income (loss) attributable to partnership[1]	(63)	—	384	(379)	(58)
For the twelve months ended December 31, 2012					
Revenue	$ —	$ —	$ 1,524	$ —	$ 1,524
Profit (loss) from continuing operations attributable to partnership	23	—	521	(496)	48
Net income (loss) attributable to partnership[1]	64	—	579	(537)	106
As at December 31, 2013					
Current assets	$ —	$ 3	$ 1,268	$ (3)	$ 1,268
Non-current assets	3,711	377	14,414	(4,088)	14,414
Current liabilities	—	(3)	598	3	598
Non-current liabilities	—	(377)	11,146	(2,290)	8,479
Non-controlling interests—Redeemable Partnership units held by Brookfield	—	—	1,408	—	1,408
Non-controlling interests—in operating subsidiaries	—	—	1,419	—	1,419
As at December 31, 2012					
Current assets	$ —	$ 3	$ 746	$ (3)	$ 746
Non-current assets	3,592	403	18,972	(3,995)	18,972
Current liabilities	—	3	1,291	(3)	1,291
Non-current liabilities	—	403	12,166	(1,950)	10,619
Non-controlling interest—Redeemable Partnership units held by Brookfield	—	—	1,365	—	1,365
Non-controlling interests—in operating subsidiaries	—	—	2,784	—	2,784

(1) Includes net income (loss) attributable to non-controlling interest—Redeemable Partnership units held by Brookfield, general partner and limited partners.

(2) Includes investments in all subsidiaries of the partnership under the equity method.

(3) Includes investments in all subsidiaries of the partnership other than the Issuers on a consolidated basis.

(4) Includes elimination of intercompany transactions and balances necessary to present Brookfield Infrastructure on a consolidated basis.

NOTE 22. PREFERRED SHARES

As at December 31, 2013, Brookfield Infrastructure Holdings (Canada) Inc., Brookfield Infrastructure US Holdings I Corporation and BIP Bermuda Holdings I Limited (wholly owned subsidiaries of Brookfield Infrastructure) have issued 196,000, 1 and 400,000 preferred shares, respectively to wholly owned subsidiaries of Brookfield, for proceeds of $5 million, $5 million and $10 million, respectively (2012: $5 million, $nil million and $10 million, respectively). Each preferred share is non-voting preferred and is redeemable at $25 per share (except in the case of the preferred shares issued by Brookfield Infrastructure US Holdings I Corporation, which is redeemable for $5 million) together with any accrued and unpaid dividends at the option of the issuer on or after the tenth anniversary of the date of issue, subject to certain restrictions, and that entitle the holder thereof to a fixed cumulative 6% preferential cash dividend payable quarterly as and when declared by the issuer's board of directors. At December 31, 2013, there are no dividends in arrears.

NOTE 23. REVENUES

Brookfield Infrastructure's revenue arises from the rendering of services by the following operating segments:

US$ MILLIONS	2013	2012	2011
Utilities			
Regulated Terminal Operation	**$ 454**	$ 441	$ 412
Electricity Transmission	**62**	59	44
Regulated Distribution	**402**	356	94
Transport			
Rail	**371**	287	205
Ports	**205**	204	209
Toll Roads	**108**	27	—
Energy			
Energy Transmission, Distribution & Storage	**148**	138	151
District Energy	**76**	12	—
	$1,826	$1,524	$1,115

NOTE 24. INTEREST EXPENSE

US$ MILLIONS	2013	2012	2011
Interest on corporate facility	**$ 2**	$ 5	$ 5
Interest on corporate debt	**11**	2	—
Interest on non-recourse borrowings	**344**	310	242
Other financing fees	**5**	5	6
	$ 362	$ 322	$ 253

NOTE 25. PAYROLL EXPENSE

The partnership has no employees or directors; therefore Brookfield Infrastructure does not remunerate key management personnel, details of the management fees paid during the year are disclosed in Note 34. Key decision makers of Brookfield Infrastructure are all employees of the ultimate parent company who provide management services under Brookfield Infrastructure's Master Services Agreement.

Throughout the year, the Managing General Partner in its capacity as the partnership's general partner, incurs director fees, a portion of which are charged to the partnership in accordance with the limited partnership agreement. Less than $1 million in director fees were incurred during the year ended December 31, 2013 (2012: less than $1 million, 2011: less than $1 million).

For the year ended December 31, 2013, payroll expense, including benefits at Brookfield Infrastructure's subsidiaries was $208 million (2012: $175 million; 2011: $169 million).

NOTE 26. NON-WHOLLY OWNED SUBSIDIARIES

The following tables present summarized accounts for non-wholly owned subsidiaries of the partnership; the captions have been presented based on the portion attributable to the partnership and non-controlling interest.

	As at December 31, 2013					
US$ MILLIONS	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Non-Controlling Interest in Operating Subsidiaries	Partnership Capital[1]
Utilities						
U.K. regulated distribution operation	$ 62	$2,732	$(209)	$(1,720)	$ (170)	$ 695
Australian regulated terminal operation	42	2,408	$ (25)	(2,043)	(112)	$ 270
New England electricity transmission operation	5	221	(7)	(176)	(34)	9
Colombian regulated distribution operation	125	744	(30)	(475)	(301)	63
Transport						
U.K. port operation	62	816	(59)	(464)	(147)	208
Chilean toll roads	117	1,283	(60)	(733)	(294)	313
Energy						
North American gas storage operation	8	119	(2)	(49)	(64)	12
Canadian district energy operation	87	560	(20)	(336)	(218)	73
U.S. district energy operation	6	142	(2)	(40)	(64)	42
Corporate & Other						
Holding LP	649	63	(154)	(123)	(15)	420
Total	$1,163	$9,088	$(568)	$(6,159)	$(1,419)	$2,105

	As at December 31, 2012					
US$ MILLIONS	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Non-Controlling Interest in Operating Subsidiaries	Partnership Capital[1]
Utilities						
U.K. regulated distribution operation	$ 82	$ 2,415	$ (172)	$(1,881)	$ —	$ 444
Australian regulated terminal operation	71	2,765	(67)	(2,263)	(147)	359
New England electricity transmission operation	5	211	(7)	(179)	(23)	7
Colombian regulated distribution operation	142	752	(52)	(441)	(331)	70
Transport						
U.K. port operation	65	771	(57)	(478)	(124)	177
Chilean toll roads	122	1,424	(72)	(817)	(318)	339
Energy						
North American gas storage operation	2	131	(2)	(68)	(49)	14
Canadian district energy operation	13	561	(116)	(165)	(219)	74
Timber						
U.S. freehold timberlands	39	3,253	(463)	(1,362)	(1,033)	434
Canadian freehold timberlands	51	1,081	(15)	(415)	(527)	175
Corporate & Other						
Holding LP	15	61	(136)	(591)	(13)	(664)
Total	$607	$13,425	$(1,159)	$(8,660)	$(2,784)	$1,429

(1) Attributable to non-controlling interest—Redeemable Partnership units held by Brookfield, general partner and limited partners.

	Twelve Months Ending December 31, 2013					
		Attributable to non-controlling interest			Attributable to unitholders	
US$ MILLIONS	Total Revenue	Net Income	Other Comprehensive Income	Distributions	Net Income (loss)	Other Comprehensive Income (loss)
Utilities						
U.K. regulated distribution operation	$ 266	$ 21	$ 43	$ 11	$ 61	$128
Australian regulated terminal operation	402	20	(26)	29	50	(64)
New England electricity transmission operation	23	3	10	3	1	4
Colombian regulated distribution operation	189	3	16	50	1	3
Transport						
U.K. port operation	205	12	14	3	17	20
Chilean toll roads	108	5	(30)	—	6	(30)
Energy						
North American gas storage operation	16	13	(3)	15	3	(1)
Canadian district energy operation	76	3	7	10		(2)
U.S. district energy operation	2	—	(1)			—
Timber						
U.S. freehold timberlands	278	40	10	29	51	4
Canadian freehold timberlands	27	3	(2)	6	5	(3)
Corporate & Other						
Holding LP	—	—	—	—	(139)	(38)
Total	$1,592	$123	$ 38	$156	$ 56	$ 21

	Twelve Months Ending December 31, 2012					
		Attributable to non-controlling interest			Attributable to unitholders	
US$ MILLIONS	Total Revenue	Net Income (loss)	Other Comprehensive Income (loss)	Distributions	Net Income (loss)	Other comprehensive Income (loss)
Utilities						
Australian regulated terminal operation	$ 441	$ 18	$(1)	$48	$ 45	$ (2)
New England electricity transmission operation	23	(6)	19	2	(2)	6
Colombian regulated distribution operation	188	21	50	—	5	10
Transport						
U.K. port operation	204	8	3	3	11	5
Chilean toll roads	27	4	(4)	—	9	(3)
Energy						
North American gas storage operation	11	(5)	(1)	4	(1)	—
Canadian district energy operation	13	(1)	2	—	—	1
U.S. district energy operation	—	—	—	—	—	—
Timber						
U.S. freehold timberlands	242	123	2	37	52	1
Canadian freehold timberlands	236	10	(3)	—	6	(3)
Corporate & Other						
Holding LP	—	13	—	—	(64)	(52)
Total	$1,385	$185	$67	$94	$ 61	$(37)

	Twelve Months Ending December 31, 2011					
		Attributable to non-controlling interest			Attributable to unitholders	
US$ MILLIONS	Total Revenue	Net Income (loss)	Other Comprehensive Income (loss)	Distributions	Net Income (loss)	Other Comprehensive Income (loss)
Utilities						
Australian regulated terminal operation	$ 412	$ 28	$ (5)	$ 52	$ 28	$(14)
New England electricity transmission operation	8	(23)	(4)	—	(23)	(2)
Transport						
U.K. port operation	209	27	(4)	9	27	(5)
Chilean toll roads	—	—	—	—	—	—
Timber						
U.S. freehold timberlands	249	180	2	56	180	1
Canadian freehold timberlands	272	41	(9)	25	41	(5)
Corporate & Other						
Holding LP	1	—	—	—	—	(39)
Total	$1,151	$253	$(20)	$142	$253	$(64)

	Cash Flow Activities					
	Twelve months ending December 31, 2013			Twelve months ending December 31, 2012		
US$ MILLIONS	Operating	Investing	Financing	Operating	Investing	Financing
Utilities						
U.K. regulated distribution operation	$159	$(155)	$ (8)	$ 70	$ 160	$ (231)
Australian regulated terminal operation	110	(36)	(103)	153	(9)	(120)
New England electricity transmission operation	8	—	(8)	6	—	(7)
Colombian regulated distribution operation	33	(10)	(18)	56	35	(10)
Transport						
U.K. port operation	30	(15)	(17)	23	(4)	(11)
Chilean toll roads	29	5	(26)	4	69	(4)
Energy						
North American gas storage operation	6	18	(19)	6	(4)	(2)
Canadian district energy operation	31	(25)	70	4	(2)	—
U.S. district energy operation	3	—	—	—	—	—
Timber						
U.S. freehold timberlands	41	(25)	(41)	60	(7)	(52)
Canadian freehold timberlands	17	(15)	(8)	(3)	1	—
Corporate & Other						
Holding LP	(1)	242	28	(29)	(1,497)	1,451
Total	$466	$ (16)	$(150)	$350	$(1,258)	$ 1,014

	Cash Flow Activities		
	Twelve months ending December 31, 2011		
US$ MILLIONS	Operating	Investing	Financing
Utilities			
Australian regulated terminal operation	$133	$ (26)	$(148)
New England electricity transmission operation	3	5	(7)
Transport			
U.K. port operation	33	(32)	(2)
Timber			
U.S. freehold timberlands	74	(6)	(80)
Canadian freehold timberlands	35	6	(42)
Corporate & Other			
Holding LP	(48)	(357)	479
Total	$230	$(410)	$ 200

NOTE 27. INCOME TAXES

The partnership is a flow-through entity for tax purposes and as such is not subject to Bermudian taxation. However, income taxes are recognized for the amount of taxes payable by the partnership's corporate subsidiaries and for the impact of deferred tax assets and liabilities related to such subsidiaries.

(a) Deferred Income Tax Balances

The sources of deferred income tax balances are as follows:

US$ MILLIONS	2013	2012
Deferred income tax assets		
Tax losses carried forward	$ 213	$ 293
Financial instruments and other	286	248
	$ 499	$ 541
Deferred income tax liabilities		
Property, plant and equipment, investment properties and standing timber	$(1,037)	$(1,680)
Intangible assets	(633)	(683)
	$(1,670)	$(2,363)
Net deferred income tax liabilities	$(1,171)	$(1,822)
Reflected in the balance sheet as follows		
Deferred tax assets	$ 124	$ 142
Deferred tax liabilities	(1,295)	(1,964)
Net deferred income tax liabilities	$(1,171)	$(1,822)

The sources of deferred income tax balances and movements are as follows:

		Recognized in				
US$ MILLIONS	Jan. 1 2013	Net Income	OCI	Other[1]	Acquisitions/ Dispositions	Dec. 31 2013
Deferred tax assets related to non-capital losses and capital losses	$ 293	$ (9)	$ —	$(16)	$(55)	$ 213
Deferred tax liabilities related to differences in tax and book basis, net	(2,115)	(14)	(178)	88	835	(1,384)
Net deferred tax liabilities	$(1,822)	$(23)	$(178)	$ 72	$780	$(1,171)

US$ MILLIONS	Jan. 1 2012	Recognized in Net Income	Recognized in OCI	Recognized in Other[1]	Acquisitions/ Dispositions	Dec. 31 2012
Deferred tax assets related to non-capital losses and capital losses	$ 153	$ 67	$ (11)	$ —	$ 84	$ 293
Deferred tax liabilities related to differences in tax and book basis, net	(1,308)	(97)	(150)	(20)	(540)	(2,115)
Net deferred tax liabilities	$(1,155)	$(30)	$(161)	$(20)	$(456)	$(1,822)

(1) Other items relates to foreign exchange as deferred taxes are calculated based on the functional currency of each operating entity.

Of the $23 million (2012: $30 million) of deferred tax expense recognized in the Consolidated Statements of Operating Results, $24 million (2012: $72 million) of the deferred tax expense was presented as a component of discontinued operations in the financial statements, representing a deferred tax recovery of $1 million (2012: $42 million).

The amount of non-capital and capital losses and deductible temporary differences for which no deferred income tax assets have been recognized is approximately $603 million (2012: $613 million). Of the $603 million deductible temporary differences not recognized, $425 million (2012: $468 million) relates to capital losses which carry forward indefinitely and have no expiry dates. The remaining $178 million (2012: $145 million) relates to non-capital losses, of which $59 million (2012: $59 million) expires between 2024 to 2030 and $119 million (2012: $86 million) that carries forward indefinitely and have no expiry dates.

(b) Income Tax Recognized in Profit or Loss

The major components of income tax expense include the following:

US$ MILLIONS	2013	2012	2011
Tax expense (benefit) comprises:			
Current income tax expense	**$ 3**	$ 12	$ 2
Deferred income tax expense (benefit)			
Origination and reversal of temporary differences	**49**	2	9
Changes in tax rates or the imposition of new taxes	**(39)**	(13)	(13)
Change in valuation allowances and true-up	**(11)**	(31)	16
Total income tax expense (benefit)	**$ 2**	$(30)	$ 14
Net income before income tax expense reconciles income to tax expense (recovery) as follows:			
Net income before income tax	**$ 22**	$ 71	$165
Income tax expense calculated at the domestic rates applicable to profits in the country concerned	**3**	28	48
Change in substantively enacted tax rates	**(39)**	(13)	(13)
Earnings from investments in associates	**46**	1	(7)
Non-taxable portion of loss	**—**	9	1
Income not assessable	**(5)**	(19)	(13)
Withholding taxes	**—**	—	3
Permanent differences and other	**(3)**	(36)	(5)
Income tax expense recognized in profit or loss	**$ 2**	$(30)	$ 14

As the partnership is not subject to tax, the above reconciliation has been prepared using a composite statutory rate for jurisdictions where the partnership's subsidiaries operate. The composite rate has increased due to changes in the related operating income in the various subsidiaries and changes in local statutory rates.

The partnership recognized $nil (2012: $16 million) of pre-acquisition deferred tax asset as a result of a business combination transaction that took place during the year.

The partnership has approximately $1,738 million (2012: $1,465 million) of temporary differences associated with investments in subsidiaries and associates for which no deferred taxes have been provided.

(c) Income Tax Recognized Directly in Other Comprehensive Income

US$ MILLIONS	2013	2012	2011
Deferred tax arising on income and expenses recognized in other comprehensive income:			
Revaluation of property, plant and equipment	**$(185)**	$(161)	$(94)
Cash flow hedges	**7**	6	22
Other	**—**	(6)	1
Total income tax expense recognized directly in other comprehensive income	**$(178)**	$(161)	$(71)

NOTE 28. PARTNERSHIP CAPITAL

Brookfield Infrastructure's capital structure is comprised of three classes of partnership units: limited partnership units, general partnership units and Redeemable Partnership Units held by Brookfield.

Limited partnership units entitle the holder to their proportionate share of distributions.

General partnership units entitle the holder the right to govern the financial and operating policies of Brookfield Infrastructure. Further, in its capacity as the general partner of the Holding LP, the general partner is entitled to incentive distribution rights which are based on the amount by which quarterly distributions on partnership units exceed specified target levels. To the extent distributions on partnership units exceed $0.305 per quarter, the incentive distribution rights are entitled to 15% of incremental distributions above this threshold. To the extent that distributions on partnership units exceed $0.33 per unit, the incentive distribution rights are entitled to 25% of incremental distributions above this threshold. During the year, the partnership paid incentive distributions of $31 million (2012: $16 million, 2011: $6 million).

The Holding LP has issued 58.7 million Redeemable Partnership Units to Brookfield, which may, at the request of the holder, require the Holding LP to redeem the units at the market price of the partnership. This right is subject to the partnership's right of first refusal which entitles it, at its sole discretion, to elect to acquire any unit so presented to the Holding LP in exchange for one of the partnership's units (subject to certain customary adjustments). Both the limited partnership issued by the partnership and the Redeemable Partnership Units issued by the Holding LP have the same economic attributes in all respects, except for the redemption right described above. The Redeemable Partnership Units participate in earnings and distributions on a per unit basis equivalent to the per unit participation of the limited partnership of the partnership. The partnership reflects the Redeemable Partnership Units issued to Brookfield by the Holding LP as non-controlling interest—Redeemable Partnership Units held by Brookfield.

In March 2014, the Holding LP underwent a restructuring whereby the Holding LP's limited partnership agreement was amended to make the partnership the managing general partner of the Holding LP by redesignating the limited partner units as managing general partner units and to make the general partner a special limited partner of the Holding LP by redesignating the general partner units to special limited partner units. This change was made in order to simplify our governance structure and to more clearly delineate our partnership's governance rights in respect of the Holding LP.

There are no units reserved for issue under options or other contacts.

(a) General and Limited Partnership Capital

UNITS MILLIONS	General partnership units		Limited partnership units		Total	
	2013	2012	2013	2012	2013	2012
Authorized to issue						
On issue at January 1	**1.1**	1.1	**143.6**	132.3	**144.7**	133.4
Issued for cash	**—**	—	**6.6**	11.3	**6.6**	11.3
On issue at December 31	**1.1**	1.1	**150.2**	143.6	**151.3**	144.7

US$ MILLIONS	General partner		Limited partners'		Total	
	2013	2012	2013	2012	2013	2012
Opening balance	**$19**	$19	**$2,955**	$2,597	**$2,974**	$2,616
Share issuance	**—**	—	**244**	358	**244**	358
Ending balance	**$19**	$19	**$3,199**	$2,955	**$3,218**	$2,974

In May 2013, Brookfield Infrastructure issued 6.6 million limited partnership units at $37.75 under our shelf registrations in the U.S. and Canada. In total, $247 million of gross proceeds were raised through the issuance and $10 million in equity issuance costs were incurred.

In August 2012, Brookfield Infrastructure issued 11.3 million limited partnership units at $33.25 under our shelf registrations in the U.S. and Canada. In total, $370 million of gross proceeds were raised through the issuance and $15 million in equity issuance costs were incurred.

In June 2010, we implemented a distribution reinvestment plan ("the Plan") that allows eligible holders of the partnership to purchase additional units by reinvesting their cash distributions. Under the Plan, units are acquired at a price per unit calculated by reference to the volume weighted average of the trading price for our units on the New York Stock Exchange for the five trading days immediately preceding the relevant distribution date. During the period, our partnership issued less than 1 million units for proceeds of $7 million (2012: less than 1 million units for proceeds of $3 million, 2011: less than 1 million units for less than $1 million) under the Plan.

The weighted average number of general partnership units outstanding for the year ended December 31, 2013 was 1.1 million (2012: 1.1 million; 2011: 1.1 million). The weighted average number of limited partnership units outstanding for the year ended December 31, 2013 was 147.8 million (2012: 136.9 million; 2011: 116.5 million).

(b) Non-controlling interest—Redeemable Partnership Units held by Brookfield

UNITS MILLIONS	Non-controlling interest—Redeemable Partnership Units held by Brookfield 2013	2012
Authorized to issue		
On issue at January 1	**56.1**	51.7
Issued for cash	**2.6**	4.4
On issue at December 31	**58.7**	56.1

US$ MILLIONS	Non-controlling interest—Redeemable Partnership Units held by Brookfield 2013	2012
Opening balance	**$1,084**	$ 942
Share issuance	**94**	142
Ending balance	**$1,178**	$1,084

In May 2013, Brookfield Infrastructure issued 2.6 million Redeemable Partnership Units to Brookfield for proceeds of $94 million.

In August 2012, Brookfield Infrastructure issued 4.4 million Redeemable Partnership Units to Brookfield for proceeds of $142 million.

The weighted average number of Redeemable Partnership units outstanding for the year ended December 31, 2013 was 57.8 million (2012: 53.5 million; 2011: 44.9 million).

NOTE 29. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

(a) Attributable to Limited Partners'

US$ MILLIONS	Revaluation Surplus	Foreign Currency Translation	Net Investment Hedges	Cash Flow Hedges	Available for sale	Unrealized Actuarial Losses	Equity accounted investments	Accumulated Other Comprehensive Income
Balance at December 31, 2011	$153	$ 82	$(49)	$(36)	—	$ 8	$103	$261
Other comprehensive income (loss)	245	60	(8)	(17)	—	(9)	97	368
Balance at December 31, 2012	**$398**	**$ 142**	**$(57)**	**$(53)**	**$—**	**$(1)**	**$200**	**$629**
Other comprehensive income (loss)	**254**	**(236)**	**(8)**	**(10)**	**10**	**(5)**	**111**	**116**
Dispositions	**—**	**—**	**—**	**—**	**—**	**—**	**(57)**	**(57)**
Balance at December 31, 2013	**$652**	**$ (94)**	**$(65)**	**$(63)**	**$10**	**$(6)**	**$254**	**$688**

(b) Attributable to General Partner

US$ MILLIONS	Revaluation Surplus	Foreign Currency Translation	Net Investment Hedges	Cash Flow Hedges	Available for sale	Other Reserves	Equity accounted investments	Accumulated Other Comprehensive Income
Balance at December 31, 2011	$1	$—	$ —	$—	$ —	$ —	$1	$2
Other comprehensive income (loss)	2	1	—	(1)	—	—	1	3
Balance at December 31, 2012	**$3**	**$ 1**	**$ —**	**$(1)**	**$ —**	**$ —**	**$2**	**$5**
Other comprehensive income (loss)	**2**	**(1)**	**—**	**—**	**—**	**—**	**—**	**1**
Balance at December 31, 2013	**$5**	**$—**	**$ —**	**$(1)**	**$ —**	**$ —**	**2**	**$6**

(c) Attributable to Non-controlling interest—Redeemable Partnership Units held by Brookfield

US$ MILLIONS	Revaluation Surplus	Foreign Currency Translation	Net Investment Hedges	Cash Flow Hedges	Available for sale	Other Reserves	Equity accounted investments	Accumulated Other Comprehensive Income
Balance at December 31, 2011	$ 75	$ 38	$(23)	$(17)	—	$ 2	$ 50	$125
Other comprehensive income (loss)	96	24	(1)	(7)	—	(2)	37	147
Balance at December 31, 2012	**$171**	**$ 62**	**$(24)**	**$(24)**	**$—**	**$—**	**$ 87**	**$272**
Other comprehensive income (loss)	**101**	**(92)**	**(3)**	**(4)**	**4**	**(2)**	**42**	**46**
Dispositions	**—**	**—**	**—**	**—**	**—**	**—**	**(23)**	**(23)**
Balance at December 31, 2013	**$272**	**$(30)**	**$(27)**	**$(28)**	**$ 4**	**$(2)**	**$106**	**$295**

NOTE 30. DISTRIBUTIONS

For the year ended December 31, 2013, distributions to partnership unitholders were $357 million or $1.72 per partnership unit (2012: $288 million or $1.50 per unit, 2011: $218 million or $1.32 per unit).

Additionally, incentive distributions were made to the general partner of $31 million (2012: $16 million, 2011: $4 million).

NOTE 31. CONTINGENT ASSETS & LIABILITIES

Brookfield Infrastructure, including its associates, had bank and customs guarantees and letters of credit outstanding to third parties totaling $116 million (2012: $130 million). These guarantees are generally supported by cash on deposit with banks.

The Partnership and its subsidiaries are contingently liable with respect to litigation and claims that arise in the normal course of operations.

NOTE 32. CONTRACTUAL COMMITMENTS

In the normal course of business, the partnership will enter into contractual obligations which include commitments relating primarily to contracted project costs for various growth initiatives and network upgrades at our Australian railroad operation and committed expenditures associated with gas and electricity sales contracts at our UK regulated distribution operation. As at December 31, 2013, the Partnership had $131 million (2012: $425 million) of such commitments outstanding.

In addition, pursuant to the Master Service Agreement, on a quarterly basis, Brookfield Infrastructure pays a base management fee to wholly owned subsidiaries of Brookfield (the "Service Provider") equal to 0.3125% per quarter (1.25% annually) of the market value of the Partnership. This fee is recorded on the Consolidated Statements of Operating Results in general and administrative expenses.

NOTE 33. RETIREMENT BENEFIT PLANS

Brookfield Infrastructure offers pension plans to employees of its subsidiaries. Brookfield Infrastructure's obligations under its defined benefit pension plans are determined periodically through the preparation of actuarial valuations. The benefit plans' expense for 2013 was less than $1 million (2012: less than $1 million, 2011: $4 million). The discount rate used was 4.8% (2012: 4.7%, 2011: 5.0%) with an increase in the rate of compensation of 3.3% (2012: 3.3%, 2011: 3.9%).

US$ MILLIONS	2013	2012
Plan assets	$ 259	$ 227
Less accrued benefit obligation	(332)	(302)
Accrued benefit liability	$ (73)	$ (75)

NOTE 34. RELATED PARTY DISCLOSURES

In the normal course of operations, Brookfield Infrastructure entered into the transactions below with related parties on market terms. These transactions have been measured at fair value and are recognized in the financial statements.

The immediate parent of Brookfield Infrastructure is the Managing General Partner of the partnership. The ultimate parent of Brookfield Infrastructure is Brookfield. Other related parties of Brookfield Infrastructure represent its subsidiary and operating entities.

(a) Transactions with the immediate parent

Throughout the year, the Managing General Partner, in its capacity as the partnership's general partner, incurs director fees, a portion of which are charged at cost to the Partnership in accordance with the limited partnership agreement. Less than $1 million in director fees were incurred during the year ended December 31, 2013 (2012: less than $1 million, 2011: less than $1 million).

(b) Transactions with other related parties

Since inception, Brookfield Infrastructure had a management agreement with its external managers, wholly owned subsidiaries of Brookfield.

Pursuant to the Master Services Agreement, on a quarterly basis, Brookfield Infrastructure pays a base management fee, referred to as the Base Management Fee, to the Service Provider equal to 0.3125% per quarter (1.25% annually) of the market value of the partnership. The Base Management Fee was $101 million for the year ended December 31, 2013 (2012: $86 million, 2011: $53 million).

For purposes of calculating the Base Management Fee, the market value of the partnership is equal to the volume weighted average of the closing prices of the partnership's units on the NYSE (or other exchange or market where the partnership's units are principally traded) for each of the last five trading days of the applicable quarter multiplied by the number of issued and outstanding units of the partnership on the last of those days (assuming full conversion of Brookfield's interest in Brookfield Infrastructure into units of the partnership), plus the amount of third-party debt, net of cash, with recourse to the partnership, Brookfield Infrastructure, the Holding LP and certain holding entities held directly by the Holding LP.

During the year, $8 million was reimbursed at cost to the Service Provider (2012: $9 million, 2011: $9 million). These amounts represent third party costs that were paid for by Brookfield on behalf of Brookfield Infrastructure relating to general and administrative expenses, and acquisition related expenses of Brookfield Infrastructure. These expenses were charged to Brookfield Infrastructure at cost.

Brookfield Infrastructure has placed funds on deposit with Brookfield. Interest earned on the deposits is at market terms. At December 31, 2013, Brookfield Infrastructure's deposit balance with Brookfield was $262 million (2012: less than $1 million, 2011: $76 million) and earned interest of less than $1million for the year (2012: less than $1 million, 2011: less than $1 million).

Brookfield Infrastructure's North American district energy operation has various right-of-way easements and leases office space on market terms with subsidiaries of Brookfield Office Properties Inc. The North American district energy operation also utilizes consulting and engineering services provided by a wholly owned subsidiaries of Brookfield on market terms.

In October 2012, Brookfield Infrastructure agreed to purchase an additional 10% investment in its South American transmission operations from Brookfield for proceeds of $235 million, subject to satisfaction of customary conditions, increasing Brookfield Infrastructure's total ownership to 28%. The purchase was completed in January 2013 with an effective date of October 1, 2012. The transaction was measured at fair value, as approved by a committee of the Partnership's independent directors.

NOTE 35. DERIVATIVE FINANCIAL INSTRUMENTS

Brookfield Infrastructure's activities expose it to a variety of financial risks, including market risk (i.e. currency risk, interest rate risk, commodity risk and other price risk), credit risk and liquidity risk. Brookfield Infrastructure and its subsidiaries selectively use derivative financial instruments principally to manage these risks.

The aggregate notional amount of Brookfield Infrastructure's derivative positions at December 31, 2013 and 2012 is as follows:

US$ MILLIONS	Note	Dec. 31, 2013	Dec. 31, 2012
Foreign exchange contracts	(a)	$2,174	$ 677
Interest rates swaps	(b)	5,503	6,040
		$7,677	$6,717

The following table presents the change in fair values of Brookfield Infrastructure's derivative positions during the years ended December 31, 2013 and 2012:

US$ MILLIONS	Unrealized Gains During 2013	Unrealized Losses During 2013	Net Change During 2013	Net Change During 2012
Foreign exchange derivatives	$ 64	$ (28)	$ 36	$(28)
Interest rate derivative	102	(122)	(20)	(71)
	$166	$(150)	$ 16	$(99)

(a) Foreign Exchange

Brookfield Infrastructure held the following foreign exchange contracts with notional amounts at December 31, 2013 and 2012.

	Notional Amount (U.S. Dollars)		Average Exchange Rate	
US$ MILLIONS	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
Foreign exchange contracts				
Australian dollars	$ 866	$336	0.95	1.02
British pounds	984	221	1.60	1.60
European Union euros	148	78	1.36	1.25
New Zealand dollars	—	42	—	0.79
Canadian dollars	176	—	0.97	—
	$2,174	$677		

(b) Interest Rates

At December 31, 2013, Brookfield Infrastructure held interest rate swap contracts having an aggregate notional amount of $5,087 million (2012: $5,632 million, 2011: $3,931 million). Brookfield

Infrastructure has inflation linked swaps with an aggregate notional amount of $416 million (2012: $408 million, 2011: $113 million).

Other Information Regarding Derivative Financial Instruments

The following table presents the notional amounts underlying Brookfield Infrastructure's derivative instruments by term to maturity as at December 31, 2013 and the comparative notional amounts at December 31, 2012, for both derivatives that are classified as fair value through profit or loss and derivatives that qualify for hedge accounting:

	Dec. 31, 2013				Dec. 31, 2012
US$ MILLIONS	< 1 year	1 to 5 years	> 5 years	Total Notional Amount	Total Notional Amount
Fair value through profit or loss					
Foreign exchange derivatives	$ 436	$ 238	$ —	$ 674	$ 420
Interest rate derivatives					
Interest rate swaps	—	300	75	375	182
Interest rate caps	—	—	—	—	34
Inflation linked swap	—	—	416	416	408
	$ 436	$ 538	$ 491	$1,465	$1,044
Elected for hedge accounting					
Foreign exchange derivatives	$1,501	$ —	$ —	$1,501	$ 257
Interest rate derivatives					
Interest rate swaps	—	2,177	2,535	4,712	5,416
	$1,501	$2,177	$2,535	$6,213	$5,673

The following table classifies derivatives elected for hedge accounting during the years ended December 31, 2013 and 2012 as either cash flow hedges or net investment hedges. Changes in the fair value of the effective portion of the hedges are recorded in either other comprehensive income or net income, depending on the hedge classification, whereas changes in the fair value of the ineffective portion of the hedge are recorded in net income:

	2013			2012		
AS AT AND FOR THE YEARS ENDED (MILLIONS)	Notional	Effective Portion	Ineffective Portion	Notional	Effective Portion	Ineffective Portion
Cash flow hedges	$4,587	$(13)	$1	$5,416	$(29)	$(23)
Net investment hedges	1,501	(12)	—	257	(20)	—
	$6,088	$(25)	$1	$5,673	$(49)	$(23)

The partnership settles the difference between the contracted fixed and floating rates of its interest rate swaps on a net basis. All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce the Partnership's cash flow exposure resulting from variable interest rates on borrowings. The interest rate swaps and the interest payments on the borrowings occur simultaneously and the amount accumulated in equity is

reclassified to profit or loss over the period that the floating rate interest payments on borrowings affect profit or loss.

NOTE 36. FINANCIAL RISK MANAGEMENT

Brookfield Infrastructure recognizes that risk management is an integral part of good management practice.

Brookfield Infrastructure is exposed to the following risks as a result of holding financial instruments: capital risk; liquidity risk; market risk (i.e. interest rate risk and foreign currency risk); and credit risk. The following is a description of these risks and how they are managed:

(a) Capital Risk Management

Brookfield Infrastructure manages its capital structure to be able to continue as a going concern while maximizing the return to stakeholders. Brookfield Infrastructure's overall capital strategy remains unchanged from 2012.

The capital structure of Brookfield Infrastructure consists of debt, offset by cash and cash equivalents, and partnership capital comprised of issued capital and accumulated gains.

US$ MILLIONS	2013	2012
Subsidiary and corporate borrowings	$ 6,167	$ 7,939
Preferred shares	20	20
Cash and cash equivalents[1]	(768)	(263)
Net Debt	5,419	7,696
Total partnership capital	6,605	7,808
Total capital and net debt	$12,024	$15,504
Net debt to capitalization ratio	45%	50%

(1) Includes marketable securities.

The Board, along with senior management of the Service Provider, reviews Brookfield Infrastructure's capital structure and as part of this review, considers the cost of capital and the risk associated with each class of capital.

Brookfield Infrastructure manages its debt exposure by financing its operations on a non-recourse basis with prudent levels of debt, ensuring a diversity of funding sources as well as laddering its maturity profile to minimize refinance risk. Brookfield Infrastructure also strives to borrow in the currency where the asset operates, where possible, in order to hedge its currency risk.

Generally, Brookfield Infrastructure's equity strategy is to issue equity in conjunction with future acquisitions. However, Brookfield Infrastructure may also issue an amount of equity opportunistically to enhance its liquidity to pursue investments. Brookfield Infrastructure maintains active shelf registrations to enable it to issue securities in both the U.S. and Canadian markets.

Brookfield Infrastructure's financing plan is to fund its recurring growth capital expenditures with cash flow generated by its operations after maintenance capital expenditure, as well as debt financing that is sized to maintain its credit profile. To fund large scale development projects and acquisitions,

Brookfield Infrastructure will evaluate a variety of capital sources including proceeds from selling non-core assets, equity and debt financing. The partnership will seek to raise additional equity if Brookfield Infrastructure believes it can earn returns on these investments in excess of the cost of the incremental partnership capital.

As disclosed within borrowings (note 20), Brookfield Infrastructure has various loan facilities in place. In certain cases, the facilities have financial covenants which are generally in the form of interest coverage ratios and leverage ratios. Brookfield Infrastructure does not have any market capitalization covenants attached to any of its borrowings, nor does it have any other externally imposed capital requirements.

During the years ended December 31, 2013 and 2012, there were no breaches of any loan covenants within Brookfield Infrastructure.

(b) Liquidity Risk Management

Brookfield Infrastructure attempts to maintain sufficient financial liquidity at all times so that it is able to participate in attractive opportunities as they arise, better withstand sudden adverse changes in economic circumstances and maintain a relatively high distribution of its Funds from operations ("FFO") to unitholders. Brookfield Infrastructure's principal sources of liquidity are cash flows from its operations, undrawn credit facilities and access to public and private capital markets. Brookfield Infrastructure also structures the ownership of its assets to enhance its ability to monetize them to provide additional liquidity, if necessary.

Brookfield Infrastructure's estimated corporate liquidity as at December 31 is as follows:

US$ MILLIONS	2013	2012
Corporate cash and financial assets[1]	$ 523	$ 2
Availability under committed credit facility[1]	1,400	855
Draws on credit facility[1]	—	(546)
Commitments under credit facility[1]	(99)	(92)
Estimated corporate liquidity[1]	$1,824	$ 219

(1) Corporate level only.

Brookfield Infrastructure's $1.4 billion committed revolving credit facility is available for investments and acquisitions, as well as general corporate purposes. Commitments under the facility will be available on a revolving basis until September 2017. All amounts outstanding at that time will be repayable in full. The facility is intended to be a bridge to equity financing rather than a permanent source of capital. At December 31, 2013, there were $nil draws on this facility (2012: $546 million, 2011: $nil) and $99 million was committed to letters of credit (2012: $92 million, 2011: $51 million).

The following tables detail the contractual maturities for Brookfield Infrastructure's financial liabilities. The tables reflect the undiscounted cash flows of financial liabilities based on the earliest date on which Brookfield Infrastructure can be required to pay. The tables include both interest and principal cash flows.

The table below outlines Brookfield Infrastructure's contractual obligations as at December 31, 2013 and 2012:

December 31, 2013 US$ MILLIONS	Less than 1 year	1-2 years	2-5 years	5+ years	Total contractual cash flows
Non-derivative financial liabilities:					
Accounts payable and other liabilities	$411	$ 26	$ —	$ 81	$ 518
Interest-bearing liabilities[1]	313	341	2,261	5,681	8,596
Finance lease liabilities	4	3	8	16	31
Other financial liabilities	79	40	7	6	132
Derivative liabilities:					
Net settled interest rate swaps	44	48	104	(42)	154
Net settled foreign currency exchange forward contracts	37	1	4	6	48
Net settled inflation swaps	12	64	99	244	419
Other derivative liabilities	1	—	—	20	21

(1) Comprised of non-recourse borrowings and corporate borrowings and includes interest payments of $251 million, $225 million, $622 million and $1,161 million for the periods as follows: less than 1 year, 1-2 years, 2-5 years and 5 years and thereafter, respectively. Interest payments are calculated based on interest rates in effect as at the balance sheet date.

December 31, 2012 US$ MILLIONS	Less than 1 year	1-2 years	2-5 years	5+ years	Total contractual cash flows
Non-derivative financial liabilities:					
Accounts payable and other liabilities	$558	$ 101	$ —	$ 75	$ 734
Interest-bearing liabilities[2]	635	2,892	1,424	3,131	8,082
Finance lease liabilities	7	9	6	26	48
Other financial liabilities	—	235	—	—	235
Derivative liabilities:					
Net settled interest rate swaps	38	2	—	35	75
Net settled foreign currency exchange forward contracts	8	—	—	—	8
Net settled inflation swaps	—	—	52	285	337
Other derivative liabilities	—	—	—	39	39

(2) Comprised of non-recourse borrowings and corporate borrowings and includes interest payments of $338 million, $287 million, $670 million and $1,327 million for the periods as follows: less than 1 year, 1-2 years, 2-5 years and 5 years and thereafter, respectively. Interest payments are calculated based on interest rates in effect as at the balance sheet date.

(c) Market Risk

Market risk is defined for these purposes as the risk that the fair value or future cash flows of a financial instrument held by Brookfield Infrastructure will fluctuate because of the change in market prices. Market risk includes the risk of changes in interest rates, foreign currency exchange rates and equity prices.

Brookfield Infrastructure seeks to minimize the risks associated with foreign currency exchange rates and interest rates primarily through the use of derivative financial instruments to hedge these risk exposures. The use of financial derivatives is governed by Brookfield Infrastructure's Treasury Policy. Brookfield Infrastructure does not enter into, or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Treasury Policy provides written principles on the use of financial derivatives. With respect to its treasury policy, senior management of Brookfield Infrastructure's external service provider perform the monitoring, review and approval role and report to the Board on a regular basis.

Financial instruments held by Brookfield Infrastructure that are subject to market risk include other financial assets, borrowings, derivative instruments, such as interest rate and foreign currency contracts, and marketable securities. The partnership is exposed to equity price risks arising from marketable securities. As at December 31, 2013 the balance of the portfolio was $230 million (2012: $nil), a 10% change in the value of the portfolio would impact our equity by $23 million and result in an impact on the Consolidated Statement of Comprehensive income of $23 million.

Interest Rate Risk Management

Brookfield Infrastructure's primary objectives with respect to interest rate risk management are to ensure that:

- Brookfield Infrastructure is not exposed to interest rate movements that could adversely impact its ability to meet financial obligations;
- Earnings and distributions are not adversely affected;
- Volatility of debt servicing costs is managed within acceptable parameters; and
- All borrowing covenants under various borrowing facilities, including interest coverage ratios, are complied with.

To achieve these objectives, in general terms, Brookfield Infrastructure's funding mix comprises both fixed and floating rate debt. Fixed rate debt is achieved either through fixed rate debt funding or through the use of financial derivate instruments. In addition, where possible, interest rate risk is minimized by matching the terms of interest rate swap contracts in regulated businesses to the term of the rate period, thus providing natural hedges.

The sensitivity analyses below reflect Brookfield Infrastructure's exposure to interest rates for both derivative and non-derivative instruments at the reporting date, assuming that a 10 basis point increase or decrease in rates takes place at the beginning of the financial year and is held constant throughout the reporting period. The sensitivity analyses assume a 10 basis point change to reflect the current methodology employed by Brookfield Infrastructure in assessing interest rate risk. Such parallel shift in the yield curve by 10 basis points would have had the following impact, assuming all other variables were held constant:

	2013		2012		2011	
US$ MILLIONS	10 bp decrease	10 bp increase	10 bp decrease	10 bp increase	10 bp decrease	10 bp increase
Net income (loss)	$ 2	$(2)	$ 4	$(4)	$ 3	$(2)
Other comprehensive (loss) income	(4)	4	(14)	14	(2)	3

Foreign Currency Risk Management

Brookfield Infrastructure has exposure to foreign currency risk in respect of currency transactions, the value of Brookfield Infrastructure's net investment, cash flows and capital expenditures that are denominated outside of the U.S. Brookfield Infrastructure's approach to foreign currency risk management is:

- Brookfield Infrastructure leverages any natural hedges that may exist within its operations
- Brookfield Infrastructure utilizes local currency debt financing to the extent possible
- Brookfield Infrastructure may utilize derivative contracts to the extent that natural hedges are insufficient.

The tables below set out Brookfield Infrastructure's currency exposure at December 31, 2013, 2012 and 2011:

2013 US$ MILLIONS	USD	AUD	GBP	BRL	CLP	CAD	EUR	COP	Total
Assets:									
Current assets	$ 661	$ 114	$ 148	$ —	$ 117	$ 103	$ —	$125	$ 1,268
Non-current assets	1,367	5,375	3,769	773	1,283	935	169	743	14,414
	$2,028	$5,489	$3,917	$773	$1,400	$1,038	$169	$868	$15,682
Liabilities:									
Current liabilities	$ 163	$ 81	$ 234	$ —	$ 60	$ 30	$ —	$ 30	$ 598
Non-current liabilities	622	3,715	2,382	—	733	552	—	475	8,479
	785	3,796	2,616	—	793	582	—	505	9,077
Non-controlling interest — in operating subsidiaries	112	118	317	—	292	281	—	299	1,419
Non-controlling interest — Redeemable Partnership Units held by Brookfield	307	428	267	210	85	48	46	17	1,408
Net investment	$ 824	$1,147	$ 717	$563	$ 230	$ 127	$123	$ 47	$ 3,778

2012 US$ MILLIONS	USD	AUD	GBP	BRL	CLP	CAD	EUR	COP	NZD	Total
Assets:										
Current assets	$ 112	$ 174	$ 174	$ —	$ 122	$ 22	$ —	$142	$ —	$ 746
Non-current assets	5,698	5,913	3,349	335	1,425	969	147	752	384	18,972
	$5,810	$6,087	$3,523	$335	$1,547	$991	$147	$894	$384	$19,718
Liabilities:										
Current liabilities	$ 622	$ 167	$ 256	$ —	$ 71	$123	$ —	$ 52	$ —	$ 1,291
Non-current liabilities	2,754	3,763	2,474	—	817	370	—	441	—	10,619
	3,376	3,930	2,730	—	888	493	—	493	—	11,910
Non-controlling interest — in operating subsidiaries	1,596	147	124	—	319	267	—	331	—	2,784
Non-controlling interest — Redeemable Partnership Units held by Brookfield	228	546	182	91	92	63	40	19	104	1,365
Net investment	$ 610	$1,464	$ 487	$244	$ 248	$168	$107	$ 51	$280	$ 3,659

2011 US$ MILLIONS	USD	AUD	GBP	CLP	CAD	EUR	NZD	Total
Assets:								
Current assets	$ 197	$ 149	$ 129	$ —	$ 3	$ —	$ —	$ 478
Non-current assets	5,114	5,280	1,539	159	261	142	296	12,791
	$5,311	$5,429	$1,668	$159	$264	$142	$296	$13,269
Liabilities:								
Current liabilities	$ 91	$ 150	$ 167	$ —	$ 4	$ —	$114	$ 526
Non-current liabilities	2,374	3,283	1,064	—	133	—	—	6,854
	2,465	3,433	1,231	—	137	—	114	7,380
Non-controlling interest — in operating subsidiaries	1,389	177	117	—	—	—	—	1,683
Non-controlling interest — Redeemable Partnership Units held by Brookfield	393	490	86	43	34	38	49	1,133
Net investment	$1,064	$1,329	$ 234	$116	$ 93	$104	$133	$ 3,073

The following tables detail Brookfield Infrastructure's sensitivity to a 10% increase and decrease in the U.S. dollar against the relevant foreign currencies, with all other variables held constant as at reporting date. 10% is the sensitivity rate used when reporting foreign currency risk internally. The sensitivity analysis is performed as follows:

- Outstanding foreign currency denominated monetary items (excluding foreign exchange derivative contracts) are adjusted at period end for a 10% change in foreign currency rates from the rate at which they are translated; and
- Foreign currency derivative contracts are measured as the change in fair value of the derivative as a result of a 10% change in the spot currency rate.

	Impact on Net Income					
	2013		2012		2011	
US$ MILLIONS	**−10%**	**+10%**	−10%	+10%	−10%	+10%
USD/NZD	**$(5)**	**$ 5**	$ (2)	$ 2	$(1)	$ 1
USD/AUD	**15**	**(15)**	(10)	10	—	—
USD/EUR	**1**	**(1)**	(3)	3	(2)	2
USD/GBP	**(3)**	**3**	—	—	5	(5)
USD/BRL	**1**	**(1)**	—	—	—	—
USD/COP	**—**	**—**	—	—	—	—
USD/CLP	**(1)**	**1**	2	(2)	—	—
USD/CDN	**(1)**	**1**	2	(2)	1	(1)

	Impact on Partnership Capital					
	2013		2012		2011	
US$ MILLIONS	−10%	+10%	−10%	+10%	−10%	+10%
USD/NZD	$—	$ —	$ 25	$ (25)	$ 16	$ (16)
USD/AUD	71	(71)	111	(111)	166	(166)
USD/EUR	2	(2)	3	(3)	7	(7)
USD/GBP	—	—	24	(24)	10	(10)
USD/CLP	31	(31)	25	(25)	16	(16)
USD/COP	6	(6)	5	(5)	—	—
USD/BRL	77	(77)	24	(24)	—	—
USD/CDN	—	—	17	(17)	13	(13)

(d) Credit Risk Management

Credit risk is the risk of loss due to the failure of a borrower or counterparty to fulfill its contractual obligations.

From a treasury perspective, counterparty credit risk is managed through the establishment of authorized counterparty credit limits which ensure that Brookfield Infrastructure only deals with credit worthy counterparties and that counterparty concentration is addressed and the risk of loss is mitigated. Credit limits are sufficiently low to restrict Brookfield Infrastructure from having credit exposures concentrated with a single counterparty but rather encourages spreading such risks among several parties. The limits are set at levels that reflect Brookfield Infrastructure's scale of activity and allow it to manage its treasury business competitively.

Brookfield Infrastructure does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. Exposure to credit risk is limited to the carrying amount of the assets on the Consolidated Statements of Financial Position.

NOTE 37. SEGMENT INFORMATION

IFRS 8, *Operating Segments,* requires operating segments to be determined based on internal reports that are regularly reviewed by the Executive Management and the Board of Directors for the purpose of allocating resources to the segment and to assessing its performance. Key measures used by the Chief Operating Decision Maker ("CODM") in assessing performance and in making resource allocation decisions are funds from operations ("FFO") and earnings before interest, tax, depreciation and amortization ("Adjusted EBITDA"), measures not defined by IFRS, which enable the determination of cash return on the equity deployed. FFO is calculated as net income excluding the impact of depreciation and amortization, deferred income taxes, breakage and transaction costs, non-cash valuation gains or losses and other items. Adjusted EBITDA is calculated as FFO excluding the impact of interest expense, cash taxes and other cash income (expenses).

FOR THE YEAR ENDED DECEMBER 31, 2013 US$ MILLIONS	Total attributable to Brookfield Infrastructure					Contribution from investments in associates	Attributable to non-controlling interest	Discontinued Operations	As per IFRS financials on F-7[1]
	Utilities	Transport	Energy	Other	Total				
Revenues	$ 831	$1,054	$ 323	$ 83	$ 2,291	$(933)	$ 551	$ (83)	$ 1,826
Costs attributed to revenues	(284)	(557)	(186)	(44)	(1,071)	491	(287)	44	(823)
General and administrative costs	—	—	—	(110)	(110)	—	—	—	(110)
Adjusted EBITDA	547	497	137	(71)	1,110	(442)	264	(39)	
Other income (expense)	5	(18)	2	6	(5)	17	(13)	18	17
Interest expense	(175)	(153)	(69)	(26)	(423)	156	(108)	13	(362)
FFO	377	326	70	(91)	682	(269)	143	(8)	
Depreciation and amortization	(147)	(183)	(70)	—	(400)	163	(92)	—	(329)
Impairment charge	—	—	(275)	—	(275)	275	—	—	—
Deferred taxes	(8)	7	19	(83)	(65)	(11)	22	55	1
Gain on sale of associates	35	—	—	18	53	—	—	—	53
Mark-to-market on hedging items	7	(9)	3	6	7	3	9	—	19
Valuation (losses) gains and other	(28)	(76)	(1)	45	(60)	56	(2)	(49)	(55)
Share of losses from associates	—	—	—	—	—	(217)	—	—	(217)
Income from discontinued operations net of tax	—	—	—	—	—	—	—	45	45
Net income attributable to non-controlling interest	—	—	—	—	—	—	(80)	(43)	(123)
Net income (loss) attributable to partnership[2]	$ 236	$ 65	$(254)	$(105)	$ (58)	$ —	$ —	$ —	$ (58)

(1) The above table provides each segment's results in the format that management organizes its segments to make operating decisions and assess performance. Each segment is presented on a proportionate basis, taking into account Brookfield Infrastructure's ownership in operations accounted for using the consolidation and equity methods under IFRS. The above table reconciles Brookfield Infrastructure's proportionate results to the Partnership's Consolidated Statements of Operating Results on a line by line basis by aggregating the components comprising the earnings from the Partnership's investments in associates and reflecting the portion of each line item attributable to non-controlling interests.

(2) Net income attributable to partnership includes net income attributable to non-controlling interests—Redeemable Partnership Units held by Brookfield, general partners and limited partners.

FOR THE YEAR ENDED DECEMBER 31, 2012 US$ MILLIONS	Total attributable to Brookfield Infrastructure					Contribution from investments in associates	Attributable to non-controlling interest	Discontinued Operations	As per IFRS financials on F-7[1]
	Utilities	Transport	Energy	Other	Total				
Revenues	$ 774	$ 738	$ 316	$143	$ 1,971	$(726)	$ 422	$(143)	$1,524
Costs attributed to revenues	(305)	(463)	(172)	(95)	(1,035)	403	(229)	95	(766)
General and administrative costs	—	—	—	(95)	(95)	—	—	—	(95)
Adjusted EBITDA	469	275	144	(47)	841	(323)	193	(48)	
Other income (expense)	6	(1)	2	7	14	3	(7)	(2)	8
Interest expense	(167)	(106)	(70)	(50)	(393)	138	(95)	28	(322)
FFO	308	168	76	(90)	462	(182)	91	(22)	
Depreciation and amortization	(123)	(118)	(59)	—	(300)	122	(52)	—	(230)
Impairment charge	—	(16)	—	—	(16)	16	—	—	—
Deferred taxes	11	(2)	31	(3)	37	(31)	14	22	42
Mark-to-market on hedging items	(10)	(2)	(17)	(21)	(50)	15	(14)	—	(49)
Valuation (losses) gains and other	(75)	3	(31)	76	(27)	59	14	(58)	(12)
Share of earnings from associates	—	—	—	—	—	1	—	—	1
Income from discontinued operations net of tax	—	—	—	—	—	—	—	190	190
Net income attributable to non-controlling interest	—	—	—	—	—	—	(53)	(132)	(185)
Net income (loss) attributable to partnership[2]	$ 111	$ 33	$ —	$(38)	$ 106	$ —	$ —	$ —	$ 106

FOR THE YEAR ENDED DECEMBER 31, 2011 US$ MILLIONS	Total attributable to Brookfield Infrastructure					Contribution from investments in associates	Attributable to non-controlling interest	Discontinued Operations	As per IFRS financials on F-7[1]
	Utilities	Transport	Energy	Other	Total				
Revenues	$ 644	$ 640	$ 311	$155	$ 1,750	$(694)	$ 214	$(155)	$1,115
Costs attributed to revenues	(226)	(460)	(168)	(95)	(949)	403	(110)	95	(561)
General and administrative costs	—	—	—	(61)	(61)	—	—	—	(61)
Adjusted EBITDA	418	180	143	(1)	740	(291)	104	(60)	
Other income (expense)	6	—	—	4	10	2	6	(1)	17
Interest expense	(149)	(82)	(74)	(53)	(358)	128	(51)	28	(253)
FFO	275	98	69	(50)	392	(161)	59	(33)	
Depreciation and amortization	(91)	(58)	(54)	—	(203)	96	(19)	—	(126)
Deferred taxes	(11)	(15)	16	(63)	(73)	(2)	(1)	64	(12)
Mark-to-market on hedging items	(12)	—	(3)	(11)	(26)	9	(18)	—	(35)
Valuation (losses) gains and other	2	(1)	(5)	101	97	(18)	12	(100)	(9)
Share of earnings from associates	—	—	—	—	—	76	—	—	76
Income from discontinued operations net of tax	—	—	—	—	—	—	—	289	289
Net income attributable to non-controlling interest	—	—	—	—	—	—	(33)	(220)	(253)
Net income attributable to partnership[2]	$ 163	$ 24	$ 23	$(23)	$ 187	$ —	$ —	$ —	$ 187

(1) The above tables provide each segment's results in the format that management organizes its segments to make operating decisions and assess performance. Each segment is presented on a proportionate basis, taking into account Brookfield Infrastructure's ownership in operations accounted for using the consolidation and equity method whereby the Partnership either controls or exercises significant influence over the investment respectively. The above table reconciles Brookfield Infrastructure's proportionate results to the Partnership's Consolidated Statements of Operating Results on a line by line basis by aggregating the components comprising the earnings from the Partnership's investments in associates and reflecting the portion of each line item attributable to non-controlling interests

(2) Net income attributable to partnership includes net income attributable to non-controlling interests—Redeemable Partnership Units held by Brookfield, general partners and limited partners

Segment assets

For the purpose of monitoring segment performance and allocating resources between segments, Brookfield Infrastructure's Executive Management and Board of Directors monitor the assets, including investments accounted for using the equity method, attributable to each segment.

The following is an analysis of Brookfield Infrastructure's assets by reportable operating segment for the years under review:

AS AT DECEMBER 31, 2013 US$ MILLIONS	Total attributable to Brookfield Infrastructure					Contribution from investments in associates	Attributable to non-controlling interest	Working capital adjustment and other	As per IFRS financials on F-6[1]
	Utilities	Transport	Energy	Corporate & Other	Brookfield Infrastructure				
Total assets	**$4,766**	**$4,789**	**$1,629**	**$(46)**	**$11,138**	**$(2,156)**	**$3,899**	**$2,801**	**$15,682**

AS AT DECEMBER 31, 2012 US$ MILLIONS	Total attributable to Brookfield Infrastructure					Contribution from investments in associates	Attributable to non-controlling interest	Working capital adjustment and other	As per IFRS financials on F-6[1]
	Utilities	Transport	Energy	Corporate & Other	Brookfield Infrastructure				
Total assets	$5,525	$4,412	$1,849	$895	$12,681	$(2,072)	$6,530	$2,579	$19,718

(1) The above table provides each segment's assets in the format that management organizes its segments to make operating decisions and assess performance. Each segment is presented on a proportionate basis, taking into account Brookfield Infrastructure's ownership in operations using consolidation and the equity method whereby the Partnership either controls or exercises significant influence over the investment respectively. The above table reconciles Brookfield Infrastructure's proportionate assets to total assets presented on the Partnership's Consolidated Statements of Financial Position by removing net liabilities contained within investments in associates and reflecting the assets attributable to non-controlling interests, and adjusting for working capital assets which are netted against working capital liabilities.

Geographic Information

Revenues from external customers

US$ MILLIONS	2013	2012	2011
Australia	**$ 818**	$ 763	$ 646
United Kingdom	**556**	465	425
Canada	**131**	58	36
United States of America	**24**	23	8
Colombia	**189**	188	—
Chile	**108**	27	—
	$1,826	$1,524	$1,115

Brookfield Infrastructure has no revenues from any one major customer which are higher than 10% of Brookfield Infrastructure's total revenues.

Non-current Assets[1]

US$ MILLIONS	2013	2012
North and South America	$ 5,179	$ 8,562
Australasia	5,127	6,472
Europe	3,806	3,683
	$14,112	$18,717

(1) Non-current assets is comprised of property, plant and equipment, intangible assets, standing timber, investments in associates, goodwill, investment properties and other non-current assets.

NOTE 38. SUPPLEMENTAL CASH FLOW INFORMATION

	For the Year Ended December 31,		
US$ MILLIONS	2013	2012	2011
Interest paid	$334	$360	$312
Income taxes paid	25	$ 11	$ 5

Amounts paid and received for interest were reflected as operating cash flows in the consolidated Statements of Cash Flows. Interest paid is net of debt related hedges.

Amounts paid for income taxes were reflected as either operating cash flows or investing cash flows in the consolidated Statements of Cash Flow depending upon the nature of the underlying transaction.

Details of "Changes in non-cash working capital, net" on the Statements of Cash Flows are as follows:

	For the Year Ended December 31,		
US$ MILLIONS	2013	2012	2011
Accounts receivable	$ 30	$(61)	$(11)
Prepayments and other	(4)	(99)	(53)
Accounts payable and other	(45)	316	45
Changes in non-cash working capital, net	$(19)	$156	$(19)

NOTE 39. SUBSEQUENT EVENTS

a) South American rail and port logistics businesses

Brookfield Infrastructure has signed definitive agreements to acquire an 11% stake in South American rail and port logistics businesses through a Brookfield Infrastructure fund for approximately $350 million. Brookfield Infrastructure will have significant influence through Brookfield's position in the business. Accordingly, Brookfield Infrastructure will equity account for the entity. Completion of this transaction is expected to occur in the first half of 2014, subject to customary closing conditions.

b) North American container terminals

In March 2014, Brookfield Infrastructure closed the acquisition of a 20% stake in a U.S. based port operator that owns gateway container terminals located in the ports of Los Angeles and Oakland through a Brookfield Infrastructure fund. Brookfield Infrastructure has significant influence through Brookfield's position in the joint venture. Accordingly, Brookfield Infrastructure would equity account for the entity.

Subsequent to year end, Brookfield Infrastructure signed definitive agreements to acquire a 20% stake in a container terminal located in the port of New York/New Jersey through a Brookfield Infrastructure fund. Brookfield Infrastructure will have significant influence through Brookfield's position in the joint venture. Accordingly, Brookfield Infrastructure will equity account for these entities. Completion of the transaction is expected to occur in the first half of 2014, subject to customary closing conditions.

(3)

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

BIF II DISTRICT ENERGY CARRY (DELAWARE) LLC

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: BIF II DISTRICT ENERGY HOLDINGS II (DELAWARE) L.P
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 250 VESEY STREET, 15TH FLOOR
NEW YORK, NY 10281-1023

C. Telephone: 212-417-2320 Fax: 212-417-7132 Email: mark.srulowitz@brookfield.co

D. Name of contact person: MARK SRULOWITZ

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

DISTRICT COOLING SYSTEM USE AGREEMENT

G. Which City agency or department is requesting this EDS? LAW DEPARTMENT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[X] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

DELAWARE

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
BARRY BLATTMAN	CHAIRMAN
JOHN STINEBAUGH	PRESIDENT
BRETT FOX	VICE PRESIDENT
MARK SKILOWITZ	VICE PRESIDENT
DARREN SOICE	VICE PRESIDENT

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

PETER STONE - VICE PRESIDENT

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE:** Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
BIF II DISTRICT ENERGY HOLDINGS (DELAWARE) LLC	7 W Veesey St, 15th Floor New York, NY 10281-1023	63.64%
BROOKFIELD INFRASTRUCTURE FUND II-B L.P.	(same address as above)	36.31%

SECTION III – BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV – DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [X] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

_____

_____

_____

_____

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

NONE

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

NONE

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

✓ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

N/A

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

BIF II DISTRICT ENERGY CARRY (DELAWARE) LLC
(Print or type name of Disclosing Party)

By: _____
(Sign here)

DARREN SOICE
(Print or type name of person signing)

VP
(Print or type title of person signing)

Signed and sworn to before me on (date) May 27, 2014,
at Harris County, Texas (state).

Linda Marie Robicheaux Notary Public.

Commission expires: _____.

LINDA MARIE ROBICHEAUX
Notary Public, State of Texas
My Commission Expires 06-20-2018

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

(1)

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

BIF II DISTRICT ENERGY HOLDINGS II (DELAWARE) L.P.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [X] the Applicant
   OR
2. [ ] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest:
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 250 VESEY STREET, 15TH FLOOR
NEW YORK, NY 10281-1023

C. Telephone: 212-417-2120 Fax: 212-417-7128 Email: mark.srulowitz@brookfield...

D. Name of contact person: MARK SRULOWITZ

E. Federal Employer Identification No. (if you have one): Not required to have one under US. tax laws

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

DISTRICT COOLING SYSTEM USE AGREEMENT.

G. Which City agency or department is requesting this EDS? LAW DEPARTMENT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
DISTRICT ENERGY HOLDINGS LLC	250 Vesey St., 15th Floor New York, NY, 10281-1023	100%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation, interlocking management or ownership, identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity). With respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

NONE

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12 month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

NONE

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary).

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

✓ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

___ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

N/A

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____

_____

_____

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

BROOKFIELD INFRASTRUCTURE FUND II-B L.P.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: BIF III DISTRICT ENERGY HOLDINGS (DELAWARE) L.P.
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 250 VESEY STREET 15TH FLOOR
NEW YORK, NY 10281-1023

C. Telephone: 212-417-2380 Fax: 212-417-7182 Email: mark.schwartz@brookfield.com

D. Name of contact person: MARK SCHWARTZ

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

DISTRICT HEATING SYSTEM USE AGREEMENT

G. Which City agency or department is requesting this EDS? LAW DEPARTMENT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification No. _____ and Contract No. _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[X] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

DELAWARE

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
BROOKFIELD INFRASTRUCTURE FUND GP II LLC	GENERAL PARTNER

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
None		

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [X] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2 The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

- the Disclosing Party;
- any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
- any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter.

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

NONE

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

NONE

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary).

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

✓ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

N/A

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1 The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U.S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

BROKFIELD INFRASTRUCTURE [illegible]
(Print or type name of Disclosing Party)

By: Darien Soice
(Sign here)

DARIEN SOICE
(Print or type name of person signing)

VP
(Print or type title of person signing)

Subscribed and sworn to before me this May 27, 2014
day of Harris, Texas (State).

Linda Marie Robicheaux
(Print or type name of Notary Public)

ROBICHE
LINDA MARIE ROBICHEAUX
Notary Public, State of Texas
My Commission Expires 09-24-2015

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

BROOKFIELD INFRASTRUCTURE FUND II-A L P

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: BIF II DISTRICT ENERGY HOLDINGS L P (DELAWARE) L P.
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 250 VESEY STREET 15TH FLOOR
NEW YORK, NY 10281-1023

C. Telephone: [illegible] Fax: 212-417-7196 Email: mark.srulowitz@brookfield.com

D. Name of contact person: MARK SRULOWITZ

E. Federal Employer Identification No. (if you have one): [illegible]

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

DISTRICT STEAM SYSTEM USE AGREEMENT

G. Which City agency or department is requesting this EDS? LAW DEPARTMENT

If the Matter is not being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[X] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

DELAWARE

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. NOTE: For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. NOTE: Each legal entity listed below must submit an EDS on its own behalf.

Name | Title

BLACKHAWK [illegible] FUND | GENERAL PARTNER

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such interests include shares in a corporation, partnership interest in a partnership or joint venture

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
None		

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t b d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [X] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency, and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance requirements of Article I supersede some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II B.1 of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government.

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records, making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

- the Disclosing Party;
- any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
- any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership, identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity; with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or with the Contractor is under common control of another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders in restraint of freedom of competition by agreement to bid a fixed price or otherwise, or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

NONE

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

NONE

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455 (b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest.

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment the information required by paragraph 2. below. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

✓ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

N/A

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1 above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend or modify any federally funded contract, grant, loan or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

SECTION VII – ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U.S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

BRICKELLS INTRASTRUCTURE [illegible] L.P., by its general [illegible]
(Print or type name of Disclosing Party)

By: Darren Soice
(Sign here)

Darren Soice
(Print or type name of person signing)

VP
(Print or type title of person signing)

Signed and sworn to before me on (date) May 27, 2014
at Harris County Texas (state).

Linda Marie Robicheaux Notary Public

Commission expires:

LINDA MARIE ROBICHEAUX
Notary Public, State of Texas
My Commission Expires 08-20-2018

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

BROOKFIELD INFRASTRUCTURE FUND II-A (CR) - 1

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: BIF III DISTRICT ENERGY HOLDINGS II (DELAWARE) L.P.
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 250 VESEY STREET 15TH FLOOR
NEW YORK NY 10281-1023

C. Telephone: 212-417-2520 Fax: 212-417-7520 Email: mark.schultz@brookfield.com

D. Name of contact person: MARK SCHULTZ

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

DISTRICT COOLING SYSTEM USE AGREEMENT

G. Which City agency or department is requesting this EDS? LAW DEPARTMENT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification #: _____ and Contract #: _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[X] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

DELAWARE

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. NOTE: For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. NOTE: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
SEE ATTACHED LIST OF TRUSTEES AND FUNDS	GENERAL PARTNER

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture.

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
None		

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [X] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency, and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records, making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

NONE

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

NONE

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest.

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. below.

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

/ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded**, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

N/A

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the Federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

BAKKFIELD INFRASTRUCTURE FUND I-A (ER), L.P.
(Print or type name of Disclosing Party)

By: Dane Soile
(Sign here)

Daren Soile
(Print or type name of person signing)

V.P.
(Print or type title of person signing)

Signed and sworn to before me on (date) May 27, 2014
at Harris County, Texas (state).
Linda Marie Robicheaux
Notary Public.

LINDA MARIE ROBICHEAUX
Notary Public, State of Texas
My Commission Expires 06-20-2018

Commission expires: 06-20-2018

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

Rev. 3/23/13

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

BROOKFIELD INFRASTRUCTURE FUND III L.P.

Check ONE of the following three boxes

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: BIF III DISTRICT ENERGY HOLDINGS II (DELAWARE) L.P.
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 250 VESEY STREET, 15TH FLOOR
NEW YORK, NY 10281-1023

C. Telephone: 212-417-7000 Fax: 212-417-7196 Email: mark.schonwitz@brookfield.com

D. Name of contact person: MARK SCHONWITZ

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

DISTRICT COOLING SYSTEM USE AGREEMENT

G. Which City agency or department is requesting this EDS? LAW DEPARTMENT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[X] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

DELAWARE

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. NOTE: For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. NOTE: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
BROOKFIELD INFRASTRUCTURE FUND GP II LLC	GENERAL PARTNER

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
None		

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.
n/a			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [X] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1 of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements, or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees, or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity.
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter.

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below.

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

NONE

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient

N. NE

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

✓ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

N/A

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1 and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986, or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1 The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U.S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

BURKE E. LLC. INFRASTRUCTURE FUND
(Print or type exact legal name of Disclosing Party)

By: Dane Soice
(Sign here)

DARREN SOICE
(Print or type name of person signing)

VP
(Print or type title of person signing)

Subscribed and sworn to before me this 27th day of May, 2014.
In Harris County, Texas.
Linda Marie Robicheaux
Notary Public

LINDA MARIE ROBICHEAUX
Notary Public, State of Texas
My Commission Expires 06-20-2018

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

BROOKFIELD INFRASTRUCTURE FUND II-D L.P

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: BIF II DISTRICT ENERGY HOLDINGS (DELAWARE) L.P.
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 250 VESEY STREET 15TH FLOOR
NEW YORK NY 10281-1023

C. Telephone: 212-417 [illegible] Fax: 212-417-7182 Email: mark.skulow@brookfield.com

D. Name of contact person: MARK SKULOWITZ

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

DISTRICT COOLING SYSTEM USE AGREEMENT

G. Which City agency or department is requesting this EDS? LAW DEPARTMENT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[X] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

DELAWARE

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
BROOKFIELD INFRASTRUCTURE FUND GP II LLC	GENERAL PARTNER

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
None		

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [X] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government,

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity). With respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

_____

_____

_____

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

NONE

9 To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

NONE

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary).

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interests in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

✓ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

N/A

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U.S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1 and F.2 above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1, F.2 or F.3 above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

KKR KHILL INFRASTRUCTURE FUND

(Print or type name of Disclosing Party)

By: Darren Soice

(Sign here)

DARREN SOICE

(Print or type name of person signing)

VP

(Print or type title of person signing)

Signed and sworn to before me on (date) May 27, 2014

at Harris County, Texas

Linda Marie Robicheaux

LINDA MARIE ROBICHEAUX
Notary Public, State of Texas
My Commission Expires 06-20-2015

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable.

BROOKFIELD INFRASTRUCTURE FUND II-D (CR), L.P.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: BEP DISTRICT ENERGY HOLDINGS II (DELAWARE) L.P.
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 250 VESEY STREET, 15TH FLOOR
NEW YORK, NY 10281-1023

C. Telephone: 212-417-2522 Fax: 212-417-7182 Email: mark.srulowitz@brookfield.com

D. Name of contact person: MARK SRULOWITZ

E. Federal Employer Identification No. (if you have one): [redacted]

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

DISTRICT COOLING SYSTEM USE AGREEMENT

G. Which City agency or department is requesting this EDS? LAW DEPARTMENT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[X] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

DELAWARE

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. NOTE: For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. NOTE: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
BROOKFIELD INFRASTRUCTURE FUND GP II LLC	GENERAL PARTNER

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
None		

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [X] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency, and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II B.1 of this EDS.

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government,

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity). With respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter.

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6 The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

NONE

9 To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

NONE

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary).

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

✓ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

N/A

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation.

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1 The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

BROOKFIELD INFRASTRUCTURE FUND III (U.S.), L.P., by its general partner BIF III GP (U.S.) LTD.
(Print or type name of Disclosing Party)

By: Darren Soice
(Sign here)

DARREN SOICE
(Print or type name of person signing)

VP.
(Print or type title of person signing)

Subscribed and sworn to before me (date) May 27, 2014
at Harris County, Texas (state).
Linda Marie Robicheaux Notary Public.

Commission expires:

LINDA MARIE ROBICHEAUX
Notary Public, State of Texas
My Commission Expires 06-20-2018

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [x] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

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CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

BROOKFIELD INFRASTRUCTURE FUND GP II LLC

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [ ] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: _____
   OR
3. [X] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: BIF II District Energy Holdings II (Delaware) L.P. (the Applicant)

B. Business address of the Disclosing Party: 250 VESEY STREET, 15TH FLOOR
NEW YORK, NY 10281-1023

C. Telephone: 212-417-2520 Fax: 212-417-7182 Email: mark.skulowitz@brookfield.com

D. Name of contact person: MARK SKULOWITZ

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

"DISTRICT COOLING SYSTEM USE AGREEMENT"

G. Which City agency or department is requesting this EDS? LAW DEPARTMENT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[X] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

DELAWARE

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. NOTE: For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. NOTE: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
BARRY BLATTMAN	CHAIRMAN
MARK SRULOWITZ	VP
JOHNSTINEBAUGH	VP
BRETT FOX	VP
JORDAN KOLAR	VP

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
BROOKFIELD INFRASTRUCTURE US HOLDINGS LLC	250 VESEY STREET 15TH FLOOR NEW YORK, NY 10281-1023	100%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

☒ Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes ☒ No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes ☒ No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1 of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2 b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern

- the Disclosing Party;
- any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
- any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

NONE

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

NONE

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_✓_1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

N/A

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2 Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2 above, please provide an explanation:

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Brookfield Infrastructure Fund GP II LLC
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Mark Srolowitz
(Print or type name of person signing)

VP
(Print or type title of person signing)

Signed and sworn to before me on (date) March 19, 2014
at New York County, New York (state)

_____ Notary Public.

Commission expires 9-10-2017

TRUDY BURKE
NOTARY PUBLIC
NO. 01BU6205611
QUALIFIED IN KINGS COUNTY
STATE OF NEW YORK

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

BROOKFIELD INFRASTRUCTURE U.S. HOLDINGS LLC

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: BROOKFIELD INFRASTRUCTURE FUND GP II LLC
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 250 VESEY STREET, 15TH FLOOR
NEW YORK, NY 10281-1023

C. Telephone: 212-417-2520 Fax: 212-417-7182 Email: mark.srulowitz@brookfield.com

D. Name of contact person: MARK SRULOWITZ

E. Federal Employer Identification No. (if you have one): Not required to have one under US tax laws

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

DISTRICT COOLING SYSTEM USE AGREEMENT

G. Which City agency or department is requesting this EDS? LAW DEPARTMENT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[X] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

DELAWARE

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. NOTE: For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. NOTE: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
JOHN STINGRAUGH	PRESIDENT
BRETT FOX	VICE PRESIDENT

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Brookfield US Corporation	250 Vesey Street, 15th Floor New York, NY, 10281-1023	100%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

☒ Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes ☒ No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes ☒ No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

NONE

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

NONE

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE. If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

✓ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

N/A

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

BROOKFIELD INFRASTRUCTURE U.S HOLDINGS LLC
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Brett Fox
(Print or type name of person signing)

Vice President
(Print or type title of person signing)

Signed and sworn to before me on (date) May 27, 2014,
at New York County, New York (state).

_____ Notary Public

Commission expires: September 10, 2017

TRUDY BURKE
NOTARY
NO. 01BU6206611
QUALIFIED IN
KINGS
COUNTY
PUBLIC
STATE OF NEW YORK

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

BROOKFIELD US CORPORATION

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: BROOKFIELD INFRASTRUCTURE FUND GP II LLC > GP
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 250 VESEY STREET, 15TH FLOOR
NEW YORK, NY 10281-1023

C. Telephone: 212-417-2520 Fax: 212-417-7182 Email: mark.sruiowitz@brookfield.com

D. Name of contact person: MARK SRUIOWITZ

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

DISTRICT COOLING SYSTEM USE AGREEMENT

G. Which City agency or department is requesting this EDS? LAW DEPARTMENT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[X] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

DELAWARE

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
BRETT FOX	PRESIDENT
BRADLEY WEISMILLER	VICE PRESIDENT
ANDREW SCHMIDT	VICE PRESIDENT
MICHELLE CAMPBELL	SECRETARY
MARK SRULOWITZ	VICE PRESIDENT

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Brookfield US Holdings Inc.	181 Bay Street, Suite 300 Toronto, Ontario, Canada M5J 2T3	100%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV – DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [X] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

_____

_____

_____

_____

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

NONE

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

NONE

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

✓ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

N/A

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

BROOKFIELD U.S CORPORATION
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Mark Srulowitz
(Print or type name of person signing)

VP
(Print or type title of person signing)

Signed and sworn to before me on (date) 5/28/14,
at New York County, New York (state).

Margaret Gordon Notary Public.

Commission expires: _____

MARGARET GORDON
NOTARY PUBLIC-STATE OF NEW YORK
No. 01GO6104465
Qualified In Nassau County
My Commission Expires January 20, 2016

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

BROOKFIELD US HOLDINGS INC.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: BROOKFIELD INFRASTRUCTURE FUND GP II LLC.
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 181 BAY STREET, SUITE 300
TORONTO, ONTARIO M5J 2T3

C. Telephone: 416-369-8698 Fax: 416-956-5176 Email: erin.silber@brookfield.com

D. Name of contact person: A.J. SILBER

E. Federal Employer Identification No. (if you have one): [redacted]

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

DISTRICT COOLING SYSTEM USE AGREEMENT

G. Which City agency or department is requesting this EDS? LAW DEPARTMENT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[X] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

ONTARIO, CANADA

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
DEREK GORGI	PRESIDENT
ALEKS NOVAKOVIC	VICE PRESIDENT
DAVID GROSMAN	VICE PRESIDENT
AARON KLINE	VICE PRESIDENT
ARIN JONATHAN SILBER	VICE PRESIDENT
ALLEN YI	VICE PRESIDENT & SECRETARY

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Brookfield Holdings Canada Inc.	181 Bay Street, Suite 300 Toronto, Ontario, Canada M5J 2T3	100%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [X] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

NONE

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

NONE

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

✓ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

N/A

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

BROOKFIELD US HOLDINGS INC.
(Print or type name of Disclosing Party)

By: _____
(Sign here)

A.J. Silber
(Print or type name of person signing)

VP, Legal Affairs
(Print or type title of person signing)

Signed and sworn to before me on (date) May 27, 2014,
at Toronto ~~County~~, Ontario (state), Canada

_____ Notary Public.

JAMES RICKERT

Commission expires: N/A

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

BROOKFIELD HOLDINGS CANADA INC.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Brookfield Infrastructure Fund GP II LLC
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 181 BAY STREET, SUITE 300
TORONTO, ONTARIO M5J 2T3

C. Telephone: 416-359-8598 Fax: 416-956-5176 Email: arin.silber@brookfield.com

D. Name of contact person: A. J. SILBER

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

DISTRICT COOLING SYSTEM USE AGREEMENT

G. Which City agency or department is requesting this EDS? LAW DEPARTMENT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[X] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

ONTARIO, CANADA

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
DEREK GORGI	PRESIDENT
ALEKS NOVAKOVIC	VICE PRESIDENT
DAVID GROSMAN	VICE PRESIDENT
AARON KLINE	VICE PRESIDENT
ARIN JONATHAN SILBER	VICE PRESIDENT
ALLEN YI	VICE PRESIDENT & SECRETARY

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Brookfield Asset Management Inc.	181 Bay Street, Suite 300 Toronto, Ontario, Canada M5J 2T3	100%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV – DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [X] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

_____

_____

_____

_____

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

NONE

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

NONE

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters 'NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

✓ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

___ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

N/A

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

BROOKFIELD HOLDINGS CANADA INC.
(Print or type name of Disclosing Party)

By: _____
(Sign here)

A. J. Silber
(Print or type name of person signing)

VP, Legal Affairs
(Print or type title of person signing)

Signed and sworn to before me on (date) May 27, 2014,
at Toronto County, Ontario (state), Canada

_____ Notary Public.
JAMES RICKERT

Commission expires: N/A

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

BROOKFIELD ASSET MANAGEMENT INC.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [ ] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: _____
   OR
3. [X] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: BIF II DISTRICT ENERGY HOLDINGS II (DELAWARE) L.P.

B. Business address of the Disclosing Party: 181 BAY STREET, SUITE 300
TORONTO, ONTARIO M5J 2T3

C. Telephone: 416-359-8598 Fax: 416-956-5076 Email: arin.silber@brookfield.com

D. Name of contact person: A. J. SILBER

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

DISTRICT COOLING SYSTEM USE AGREEMENT

G. Which City agency or department is requesting this EDS? LAW DEPARTMENT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[X] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

ONTARIO, CANADA

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Please see Annual and Quarterly Reports enclosed with this EDS.	

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Public Company. Please see Annual and Quarterly Reports enclosed with this EDS.		

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [X] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents")

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

_____

_____

_____

_____

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

NONE

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

NONE

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

✓ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

N/A

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

BROOKFIELD ASSET MANAGEMENT INC.
(Print or type name of Disclosing Party)

By: _____
(Sign here)

A.J. Silber
(Print or type name of person signing)

VP, Legal Affairs
(Print or type title of person signing)

Signed and sworn to before me on (date) May 27, 2014,
at Toronto ~~County,~~ Ontario (state), Canada

_____ Notary Public.
James Rickert

Commission expires: N/A

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____

_____

_____

(17)

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I – GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

BIP BIF II US HOLDINGS (DELAWARE) LLC

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: BIF II DISTRICT ENERGY HOLDINGS LP (DELAWARE) LP
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 280 PARK AVENUE, 10TH FLOOR
NEW YORK, NY 10017-1243

C. Telephone: 212-417-2320 Fax: 212-417-7182 Email: mark.sralowitz@brookfield.com

D. Name of contact person: MARK SRALOWITZ

E. Federal Employer Identification No. (if you have one): Not required to have one under US tax laws

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

DISTRICT COOLING SYSTEM USE AGREEMENT

G. Which City agency or department is requesting this EDS? LAW DEPARTMENT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party.

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[X] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

DELAWARE

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. NOTE: For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. NOTE: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
BARRY BLATTMAN	CHAIRMAN
BRETT FOX	VICE PRESIDENT
JOHN STINEBAUGH	TREASURER
MARK SHULMAN II	VICE PRESIDENT
DARREN SMITH	VICE PRESIDENT
PETER STONE	VICE PRESIDENT

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Brainard Investments LLC	250 Vesey Street 15th Floor New York, NY 10281-1023	100%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

☒ Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V – CERTIFICATIONS

A. COURT ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes ☒ No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes ☒ No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this FDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2 b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

- the Disclosing Party;
- any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
- any "Affiliated Entity" (meaning a person or entity that, directly or indirectly, controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity). With respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or with the Contractor, is under common control of another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

If the letters 'NA,' the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

NONE

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

NONE

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

✓ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

___ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

N/A

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE. If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

BIP BIF II U.S. HOLDINGS (MANAGER) LLC
(Print or type name of Disclosing Party)

By: _____
(Sign here)

DARREN SOICE
(Print or type name of person signing)

VP.
(Print or type title of person signing)

Signed and sworn to before me on (date) May 27, 2014
at Harris County, Texas (state)

Linda Marie Robicheaux Notary Public

Commission expires: _____

LINDA MARIE ROBICHEAUX
Notary Public, State of Texas
My Commission Expires 06-20-2018

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

(18)

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

BROOKFIELD INFRASTRUCTURE LLC

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: B F II DISTRICT ENERGY HOLDINGS II (DELAWARE) C.P.
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 250 VESEY STREET, 15TH FLOOR
NEW YORK, NY 10281-1023

C. Telephone: 212-417-2420 Fax: 212-417-7182 Email: mark.srulowitz@brookfield.co

D. Name of contact person: MARK SRULOWITZ

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

DISTRICT COOLING SYSTEM USE AGREEMENT

G. Which City agency or department is requesting this EDS? LAW DEPARTMENT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[X] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

DELAWARE

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. NOTE: For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. NOTE: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
JOHN STINEBAUGH	PRESIDENT
BRETT FOX	VICE PRESIDENT
MARK SRULOWITZ	VICE PRESIDENT

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Brookfield Infrastructure US Holdings I Corporation	250 Vesey Street, 15th Floor New York, NY 10281-1023	100%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

☒ Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes ☒ No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes ☒ No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

_____

_____

_____

_____

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

NONE

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

NONE

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

✓ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

N/A

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

BROOKFIELD INFRASTRUCTURE LLC
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Mark Srolowitz
(Print or type name of person signing)

VP
(Print or type title of person signing)

Signed and sworn to before me on (date) 5/29/14,
at New York County, New York (state).

Margaret Gordon Notary Public.

Commission expires: _____

MARGARET GORDON
NOTARY PUBLIC-STATE OF NEW YORK
No. 01GO6104465
Qualified In Nassau County
My Commission Expires January 20, 2016

JAR

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

BROOKFIELD INFRASTRUCTURE L.P.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: BIF II DISTRICT ENERGY HOLDINGS LP (DELAWARE) L.P.
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 73 FRONT STREET 5 FLOOR
HAMILTON HM 12 BERMUDA

C. Telephone: 441-294-3304 Fax: 441-296-4475 Email: jane.sheere@brookfield.com

D. Name of contact person: JANE SHEERE

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

DISTRICT COOLING SYSTEM USE AGREEMENT

G. Which City agency or department is requesting this EDS? LAW DEPARTMENT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[X] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

BERMUDA

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
BROOKFIELD INFRASTRUCTURE PARTNERS L.P.	GENERAL PARTNER

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
(1) Brookfield Infrastructure Partners, L.P.	73 Front Street, 5th Floor Hamilton HM12, Bermuda	71.5%
(2) Brookfield Asset Management Inc.	181 Bay Street, Suite 300 Toronto, Ontario, Canada M5J 2T3	28.5%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

☒ Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes ☒ No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes ☒ No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

NONE

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

NONE

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters 'NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

✓ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

___ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

N/A

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

BROOKFIELD INFRASTRUCTURE L.P.
(Print or type name of Disclosing Party)

By: Jane Sheere
(Sign here)

Jane Sheere
(Print or type name of person signing)

Secretary of Brookfield Infrastructure Partners Limited, general partner of Brookfield Infrastructure Partners L.P, general partner of Brookfield Infrastructure L.P.
(Print or type title of person signing)

Signed and sworn to before me on (date) 27 MAY 2014,
at HAMILTON ~~City~~, BERMUDA ~~County~~

Notary Public.

Commission expires. DOES NOT EXPIRE

ANDREW J D. WHALLEY
NOTARY PUBLIC
APR #2 WINDERMERE
MILL SHARES ROAD
PEMBROKE
BERMUDA

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

BROCKFIELD INFRASTRUCTURE PARTNERS L.P.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: BIF II DISTRICT ENERGY HOLDINGS II (DELAWARE) L.P.
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 73 FRONT STREET, 5 FLOOR
HAMILTON HM 12, BERMUDA

C. Telephone: 441-294-3304 Fax: 441-296-4475 Email: jane.sheere@brookfield.com

D. Name of contact person: JANE SHEERE

E. Federal Employer Identification No. (if you have one): [redacted]

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

DISTRICT COOLING SYSTEM USE AGREEMENT

G. Which City agency or department is requesting this EDS? LAW DEPARTMENT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[X] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

BERMUDA

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. NOTE: For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. NOTE: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
BROOKFIELD INFRASTRUCTURE PARTNERS LIMITED	GENERAL PARTNER

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Public partnership Please see Annual and Quarterly Reports included with this EDS.		

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV – DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

☒ Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V – CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes ☒ No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes ☒ No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

- the Disclosing Party;
- any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
- any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

_____

_____

_____

_____

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

NONE

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

NONE

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

√ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

N/A

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

BROOKFIELD INFRASTRUCTURE PARTNERS L.P.
(Print or type name of Disclosing Party)

By: Jane Sheere
(Sign here)

Jane Sheere
(Print or type name of person signing)

Secretary of Brookfield Infrastructure Partners Limited, general partner of Brookfield Infrastructure Partners L.P.
(Print or type title of person signing)

Signed and sworn to before me on (date) 27 MAY 2014,
at HAMILTON ~~County~~, BERMUDA ~~(State)~~.

Notary Public.

Commission expires: DOES NOT EXPIRE

ANDREW J. D WHALLEY
NOTARY PUBLIC
APR #2 WINDERMERE
MILL SHARES ROAD
PEMBROKE
BERMUDA

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Brookfield Infrastructure Partners Limited

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Bif II District Energy Holdings II (Delaware) L.P.
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 73 Front Street, 5th Floor
Hamilton, HM 12, Bermuda

C. Telephone: 441-294-3304 Fax: 441-296-4475 Email: jane.sheere@brookfield.com

D. Name of contact person: Jane Sheere

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

District Cooling System Use Agreement

G. Which City agency or department is requesting this EDS? Law Department

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[X] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Bermuda

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. NOTE: For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. NOTE: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Please see attached Register	

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Brookfield Asset Management Inc.	181 Bay Street, Suite 300 Toronto, Ontario, Canada M5J 2T3	100%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.
Not applicable			

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [X] No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [X] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

None

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

None

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_✓_1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

Not applicable

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

SECTION VII – ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Brookfield Infrastructure Partners Limited
(Print or type name of Disclosing Party)

By: Jane Sheere
(Sign here)

Jane Sheere
(Print or type name of person signing)

Secretary
(Print or type title of person signing)

Signed and sworn to before me on (date) 23rd JUNE 2014,
at HAMILTON ~~City~~, BERMUDA ~~(State)~~.

Notary Public.

Commission expires: DOES NOT EXPIRE

ANDREW J. D. WHALLEY
NOTARY PUBLIC
APR #2 WINDERMERE
MILL SHARES ROAD
PEMBROKE
BERMUDA

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

Brookfield

Registration No: 40086
Registered on 21 May 2007

Brookfield Infrastructure Partners Limited

Register of Directors and Officers

Pursuant to §92A of the Companies Act 1981

Name and Address	Position(s) Held
Derek G Pannell 1260 Driftwood Court Bathurst NB N2A 4P4 Canada	Director/Chairman
Anne C Schaumburg 91 Minnisink Road Short Hills NJ 07078 USA	Director
Danesh K Varma 3rd Floor, 50 Gresham Street London RC2V 7AY UK	Director
Arthur L Jacobson 104 Chatsworth Avenue Larchmont NY 10538 USA	Director
John A Fees 2116 Oak Park Place Lynchburg VA 24503 USA	Director

Brookfield Infrastructure Partners Limited
Register of Directors and Office

Name and Address	Position(s) Held
Jeffrey Blidner Brookfield Place, Suite 200 181 Bay Street Toronto Ontario M5J 2T3 Canada	Director
Donald Mackenzie 3rd Floor, New Venture House 3 Mill Creek Road Pembroke Bermuda	Director
Rafael Miranda Robredo C/I Principe de Viaica 9 28023 Madrid Spain	Director
David J Hamill 47 Salisbury Road Eastern Heights Queensland 4305 Australia	Director
Gregory E A Morrison 73 Front Street, 5th Floor Hamilton HM 12 Bermuda	Vice President
Jane Sheere 73 Front Street, 5th Floor Hamilton HM 12 Bermuda	Secretary

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

MDE THERMAL TECHNOLOGIES, INC.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [X] the Applicant
   OR
2. [ ] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: _____
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 200 W. JACKSON BLVD. #1310
CHICAGO, IL 60606

C. Telephone: 312-447-1600 Fax: 312-447-0316 Email: bonnie.ernst@thermalchicago.com

D. Name of contact person: BONNIE ERNST

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Change of Ownership of District Cooling System Use Agreement (Amendment # 28)

G. Which City agency or department is requesting this EDS? CDOT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[X] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

ILLINOIS

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [ ] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
DAVID BUMP	CHAIRMAN, PRESIDENT & DIRECTOR
JAMES PAGNUSAT	CFO, VP FINANCE, TREASURER & SECRETARY

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
THERMAL CHICAGO CORPORATION	200 W. JACKSON BLVD. #1310 CHICAGO, IL 60606	100 %

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.
SCHUYLER, ROCHE & CRISHAM, P.C.	180 N. STETSON AVE. #3700 CHICAGO, IL 60601	ATTORNEY	$7,500.00 Est.

(Add sheets if necessary)

[ ] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [X] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

___ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

MDE THERMAL TECHNOLOGIES, INC.
(Print or type name of Disclosing Party)

By: _____
(Sign here)

DAVID A. BUMP
(Print or type name of person signing)

PRESIDENT
(Print or type title of person signing)

Signed and sworn to before me on (date) JAN. 23, 2014,
at COOK County, ILLINOIS (state).

Maureen R Prunty Notary Public.

Official Seal
Maureen R Prunty
Notary Public State of Illinois
My Commission Expires 08/03/2014

Commission expires: 8/3/14.

(DO NOT SUBMIT THIS PAGE WITH YOUR EDS. The purpose of this page is for you to recertify your EDS prior to submission to City Council or on the date of closing. If unable to recertify truthfully, the Disclosing Party must complete a new EDS with correct or corrected information)

RECERTIFICATION

Generally, for use with City Council matters. Not for City procurements unless requested.

This recertification is being submitted in connection with extension of City Use Agreement (Amendment #27) [identify the Matter]. Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS recertification on behalf of the Disclosing Party, (2) warrants that all certifications and statements contained in the Disclosing Party's original EDS are true, accurate and complete as of the date furnished to the City and continue to be true, accurate and complete as of the date of this recertification, and (3) reaffirms its acknowledgments.

MDE Thermal Technologies, Inc. Date: June 13, 2014
(Print or type legal name of Disclosing Party)

By:

(sign here)

Print or type name of signatory:

David A. Bump

Title of signatory:

President

Signed and sworn to before me on [date] June 13, 2014, by David A. Bump, at Cook County, Illinois [state].

Maureen R Prunty Notary Public.

Commission expires: 8/3/14.

Official Seal
Maureen R Prunty
Notary Public State of Illinois
My Commission Expires 08/03/2014

Ver. 11-01-05

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

THERMAL CHICAGO CORPORATION

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: MDE THERMAL TECHNOLOGIES, INC.
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 200 W. JACKSON BLVD. #1310
CHICAGO, IL 60606

C. Telephone: 312·447·1600 Fax: 312·447·0316 Email: bonnie.ernst@thermalchicago.com

D. Name of contact person: BONNIE ERNST

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Change of Ownership of District Cooling System Use Agreement (Amendment # 28)

G. Which City agency or department is requesting this EDS? CDOT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[X] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

DELAWARE

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[X] Yes [ ] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
DAVID BUMP	CEO, PRESIDENT & DIRECTOR
JAMES PAGNUSAT	CFO, VP OF FINANCE & SECRETARY

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
MACQUARIE DISTRICT ENERGY LLC	200 W. JACKSON BLVD. #1310 CHICAGO, IL 60606	100%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [X] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

THERMAL CHICAGO CORPORATION
(Print or type name of Disclosing Party)

By: _____
(Sign here)

DAVID A. BUMP
(Print or type name of person signing)

PRESIDENT & CEO
(Print or type title of person signing)

Signed and sworn to before me on (date) JAN. 23, 2014,
at COOK County, ILLINOIS (state).

Maureen R Prunty Notary Public.

Commission expires: 8/3/14.

Official Seal
Maureen R Prunty
Notary Public State of Illinois
My Commission Expires 08/03/2014

(DO NOT SUBMIT THIS PAGE WITH YOUR EDS. The purpose of this page is for you to recertify your EDS prior to submission to City Council or on the date of closing. If unable to recertify truthfully, the Disclosing Party must complete a new EDS with correct or corrected information)

RECERTIFICATION

Generally, for use with City Council matters. Not for City procurements unless requested.

This recertification is being submitted in connection with extension of City Use Agreement (Amendment #27) [identify the Matter]. Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS recertification on behalf of the Disclosing Party, (2) warrants that all certifications and statements contained in the Disclosing Party's original EDS are true, accurate and complete as of the date furnished to the City and continue to be true, accurate and complete as of the date of this recertification, and (3) reaffirms its acknowledgments.

Thermal Chicago Corporation
(Print or type legal name of Disclosing Party)

Date: June 13, 2014

By:

(sign here)

Print or type name of signatory:

David A. Bump

Title of signatory:

President

Signed and sworn to before me on [date] June 13, 2014, by David A. Bump, at Cook County, Illinois [state].

Maureen R Prunty Notary Public.

Commission expires: 8/3/14.

Official Seal
Maureen R Prunty
Notary Public State of Illinois
My Commission Expires 08/03/2014

Ver. 11-01-05

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

MACQUARIE DISTRICT ENERGY LLC

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: MDE THERMAL TECHNOLOGIES, INC.
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 200 W. JACKSON BLVD. #1310
CHICAGO, IL 60606

C. Telephone: 312-447-1600 Fax: 312-447-0316 Email: bonnie.ernst@thermalchicago.com

D. Name of contact person: BONNIE ERNST

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Change of Ownership of District Cooling System Use Agreement (Amendment # 28)

G. Which City agency or department is requesting this EDS? CDOT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[X] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

DELAWARE

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[X] Yes [ ] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
DAVID BUMP	CEO & PRESIDENT
JAMES PAGNUSAT	VP/CFO, TREASURER & SECRETARY

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
MACQUARIE DISTRICT ENERGY HOLDINGS LLC	200 W. JACKSON BLVD. #1310 CHICAGO, IL 60606	100%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [X] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

___ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

_____

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

MACQUARIE DISTRICT ENERGY LLC
(Print or type name of Disclosing Party)

By: _____
(Sign here)

DAVID A. BUMP
(Print or type name of person signing)

PRESIDENT + CEO
(Print or type title of person signing)

Signed and sworn to before me on (date) JAN. 23, 2014,
at COOK County, ILLINOIS (state).

Maureen R Prunty Notary Public.

Commission expires: 8/3/14.

Official Seal
Maureen R Prunty
Notary Public State of Illinois
My Commission Expires 08/03/2014

(DO NOT SUBMIT THIS PAGE WITH YOUR EDS. The purpose of this page is for you to recertify your EDS prior to submission to City Council or on the date of closing. If unable to recertify truthfully, the Disclosing Party must complete a new EDS with correct or corrected information)

RECERTIFICATION

Generally, for use with City Council matters. Not for City procurements unless requested.

This recertification is being submitted in connection with extension of City Use Agreement (Amendment #27) [identify the Matter]. Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS recertification on behalf of the Disclosing Party, (2) warrants that all certifications and statements contained in the Disclosing Party's original EDS are true, accurate and complete as of the date furnished to the City and continue to be true, accurate and complete as of the date of this recertification, and (3) reaffirms its acknowledgments.

Macquarie District Energy LLC
(Print or type legal name of Disclosing Party)

Date: June 13, 2014

By:

(sign here)

Print or type name of signatory:

David A. Bump

Title of signatory:

President

Signed and sworn to before me on [date] June 13, 2014, by David A. Bump, at Cook County, Illinois [state].

Maureen R Prunty Notary Public.

Commission expires: 8/3/14.

Official Seal
Maureen R Prunty
Notary Public State of Illinois
My Commission Expires 08/03/2014

Ver. 11-01-05

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

MACQUARIE DISTRICT ENERGY HOLDINGS LLC

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: MDE THERMAL TECHNOLOGIES, INC.
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 200 W. JACKSON BLVD. #1310
CHICAGO, IL 60606

C. Telephone: 312-447-1600 Fax: 312-447-0316 Email: bonnie.ernst@thermalchicago.com

D. Name of contact person: BONNIE ERNST

E. Federal Employer Identification No. (if you have one) _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Change of Ownership of District Cooling System Use Agreement (Amendment # 28)

G. Which City agency or department is requesting this EDS? CDOT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[X] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

DELAWARE

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[X] Yes [ ] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
DAVID BUMP	CEO & PRESIDENT
JAMES PALMUSAT	VP/CFO, SECRETARY & TREASURER

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
MACQUARIE DISTRICT ENERGY HOLDINGS II LLC	200 W. JACKSON BLVD. #1310 CHICAGO, IL 60606	100%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [X] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

___ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

_____

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

MACQUARIE DISTRICT ENERGY HOLDINGS LLC
(Print or type name of Disclosing Party)

By: _____
(Sign here)

DAVID A. BUMP
(Print or type name of person signing)

PRESIDENT & CEO
(Print or type title of person signing)

Signed and sworn to before me on (date) JAN. 23, 2014,
at COOK County, ILLINOIS (state).

Maureen R Prunty Notary Public.

Commission expires: 8/3/14.

Official Seal
Maureen R Prunty
Notary Public State of Illinois
My Commission Expires 08/03/2014

(DO NOT SUBMIT THIS PAGE WITH YOUR EDS. The purpose of this page is for you to recertify your EDS prior to submission to City Council or on the date of closing. If unable to recertify truthfully, the Disclosing Party must complete a new EDS with correct or corrected information)

RECERTIFICATION

Generally, for use with City Council matters. Not for City procurements unless requested.

This recertification is being submitted in connection with Use Agreement (Amendment #27) extension of City [identify the Matter]. Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS recertification on behalf of the Disclosing Party, (2) warrants that all certifications and statements contained in the Disclosing Party's original EDS are true, accurate and complete as of the date furnished to the City and continue to be true, accurate and complete as of the date of this recertification, and (3) reaffirms its acknowledgments.

Macquarie District Energy Holdings LLC
(Print or type legal name of Disclosing Party)

Date: June 13, 2014

By:

(sign here)

Print or type name of signatory:

David A. Bump

Title of signatory:

President

Signed and sworn to before me on [date] June 13, 2014, by David A. Bump, at Cook County, Illinois [state].

Maureen R Prunty Notary Public.

Commission expires: 8/3/14.

Official Seal
Maureen R Prunty
Notary Public State of Illinois
My Commission Expires 08/03/2014

Ver. 11-01-05

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

(4)

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

BIF II DISTRICT ENERGY HOLDINGS (DELAWARE) LLC

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: BIF II DISTRICT ENERGY HOLDINGS II (DELAWARE) L.P.
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 250 VESEY STREET, 15TH FLOOR
NEW YORK, NY 10281-1023

C. Telephone: 212-417-2320 Fax: 212-417-7182 Email: mark.srulowitz@brookfield.com

D. Name of contact person: MARK SRULOWITZ

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

DISTRICT COOLING SYSTEM USE AGREEMENT

G. Which City agency or department is requesting this EDS? LAW DEPARTMENT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[X] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

DELAWARE

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity NOTE: For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. NOTE: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
BARRY BLATIMAN	CHAIRMAN
JOHN STINEBAUGH	PRESIDENT
BRETT FOX	VICE PRESIDENT
MARK SKILOWITZ	VICE PRESIDENT
DARREN SOICE	VICE PRESIDENT
PETER STONE	VICE PRESIDENT

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
See attached.		

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Brookfield Infrastructure Fund II-A, L.P.	250 Vesey Street, 15th Floor New York, NY, 10281-1023	9 90%
Brookfield Infrastructure Fund II-A (CR), L.P.	250 Vesey Street, 15th Floor New York, NY, 10281-1023	27.63%
Brookfield Infrastructure Fund II-C, L.P.	250 Vesey Street, 15th Floor New York, NY, 10281-1023	0.56%
Brookfield Infrastructure Fund II-D, L.P.	250 Vesey Street, 15th Floor New York, NY, 10281-1023	31.18%
Brookfield Infrastructure Fund II-D, (CR) L.P.	250 Vesey Street, 15th Floor New York, NY, 10281-1023	30.73%

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response
N/A			

(Add sheets if necessary)

☒ Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A COURT ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes ☒ No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes ☒ No

B FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency, and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1 of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement, theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity). With respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

_____

_____

_____

_____

If the letters 'NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

NONE

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient

NONE

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary)

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

✓ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

___2 The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

N/A

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement

3 The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4 The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1 Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2 Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1 The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

GIF II DISTRICT ENERGY HOLDINGS (DELAWARE) LLC
(Print or type name of Disclosing Party)

By: Darren Soice
(Sign here)

DARREN SOICE
(Print or type name of person signing)

VP.
(Print or type title of person signing)

Signed and sworn to before me on (date) May 27, 2014,
at Harris County, Texas (state).

Linda Marie Robicheaux Notary Public.

Commission expires: .

LINDA MARIE ROBICHEAUX
Notary Public, State of Texas
My Commission Expires 06-20-2013

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

MACQUARIE DISTRICT ENERGY HOLDINGS II LLC

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: MDE THERMAL TECHNOLOGIES, INC.
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 200 W. JACKSON BLVD. #1310
CHICAGO, IL 60606

C. Telephone: 312.447.1600 Fax: 312.447.0316 Email: bonnie.ernst@thermalchicago.com

D. Name of contact person: BONNIE ERNST

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Change of Ownership of District Cooling System Use Agreement (Amendment # 28)

G. Which City agency or department is requesting this EDS? CDOT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[X] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

DELAWARE

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[X] Yes [ ] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE**: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
DAVID BUMP	CEO
JAMES PAGNUSAT	VP/CFO, SECRETARY & TREASURER

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
MACQUARIE DISTRICT ENERGY HOLDINGS III LLC	125 W. 55TH ST., NEW YORK, NY 10019	50.01%
JOHN HANCOCK LIFE INSURANCE COMPANY (USA)	JOHN HANCOCK PLACE, 197 CLARENDON PL. #C3, BOSTON MA 02116	49.99%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [X] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

___ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

_____

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

MACQUARIE DISTRICT ENERGY HOLDINGS II LLC
(Print or type name of Disclosing Party)

By: _____
(Sign here)

DAVID A. BUMPUS
(Print or type name of person signing)

CEO
(Print or type title of person signing)

Signed and sworn to before me on (date) JAN. 23, 2014,
at COOK County, ILLINOIS (state).

Maureen R Prunty Notary Public.

Commission expires: 8/3/14.

Official Seal
Maureen R Prunty
Notary Public State of Illinois
My Commission Expires 08/03/2014

(DO NOT SUBMIT THIS PAGE WITH YOUR EDS. The purpose of this page is for you to recertify your EDS prior to submission to City Council or on the date of closing. If unable to recertify truthfully, the Disclosing Party must complete a new EDS with correct or corrected information)

RECERTIFICATION

Generally, for use with City Council matters. Not for City procurements unless requested.

This recertification is being submitted in connection with extension of City Use Agreement (Amendment #27) [identify the Matter]. Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS recertification on behalf of the Disclosing Party, (2) warrants that all certifications and statements contained in the Disclosing Party's original EDS are true, accurate and complete as of the date furnished to the City and continue to be true, accurate and complete as of the date of this recertification, and (3) reaffirms its acknowledgments.

Macquarie District Energy Holdings II LLC
(Print or type legal name of Disclosing Party)

Date: June 13, 2014

By:

(sign here)

Print or type name of signatory:

David A. Bump

Title of signatory:

CEO

Signed and sworn to before me on [date] June 13, 2014, by David A. Bump, at Cook County, Illinois [state].

Maureen R Prunty Notary Public.

Commission expires: 8/3/14.

Official Seal
Maureen R Prunty
Notary Public State of Illinois
My Commission Expires 08/03/2014

Ver. 11-01-05

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

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Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

MACQUARIE DISTRICT ENERGY HOLDINGS III LLC

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: MDE THERMAL TECHNOLOGIES, INC.
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 125 W. 55TH STREET
NEW YORK, NY 10019

C. Telephone: 212-231-1000 Fax: 212-231-1010 Email: HEIDI.BOYD@MACQUARIE.COM

D. Name of contact person: HEIDI BOYD

E. Federal Employer Identification No. (if you have one): [redacted]

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Change of Ownership of District Cooling System Use Agreement (Amendment # 28)

G. Which City agency or department is requesting this EDS? CDOT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[X] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

DELAWARE

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name Title

BOARD

MANAGING MEMBER - MACQUARIE INFRASTRUCTURE CO. INC. (SUBMITTED SEPARATE EDS)

OFFICERS (OF MANAGING MEMBER) JAMES HOOKE - AGENT

TODD WEINTRAUB - AGENT MICHAEL KERNAN - AGENT

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
MACQUARIE INFRASTRUCTURE COMPANY INC.	125 W. 55TH STREET NEW YORK, NY 10019	100%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [X] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

___ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

_____

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Macquarie District Energy Holdings III LLC
(Print or type name of Disclosing Party)

By: _____
(Sign here)

KAITLIN ANN BOLGER
Notary Public - State of New York
NO. 01BO6253834
Qualified in Queens County
My Commission Expires 1/9/16

Todd Weintraub
(Print or type name of person signing)

Agent
(Print or type title of person signing)

Signed and sworn to before me on (date) 1/29/14,
at New York County, New York (state).

_____ Notary Public.

Commission expires: 1/9/2016.

(DO NOT SUBMIT THIS PAGE WITH YOUR EDS. The purpose of this page is for you to recertify your EDS prior to submission to City Council or on the date of closing. If unable to recertify truthfully, the Disclosing Party must complete a new EDS with correct or corrected information)

RECERTIFICATION

Generally, for use with City Council matters. Not for City procurements unless requested.

This recertification is being submitted in connection with extension of City Use Agreement (Amendment #27) [identify the Matter]. Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS recertification on behalf of the Disclosing Party, (2) warrants that all certifications and statements contained in the Disclosing Party's original EDS are true, accurate and complete as of the date furnished to the City and continue to be true, accurate and complete as of the date of this recertification, and (3) reaffirms its acknowledgments.

Macquarie District Energy Holdings III LLC (Print or type legal name of Disclosing Party) Date: June 11, 2014

By: _____ (sign here)

Print or type name of signatory:

Todd Weintraub

Title of signatory:

Agent

Signed and sworn to before me on [date] June 11, 2014, by Todd Weintraub, at New York County, New York [state].

_____ Notary Public.

Commission expires: Feb 18, 2018.

NATALIE FARIAS
Notary Public, State of New York
Registration #01FA6297319
Qualified In Queens County
Commission Expires February 18, 2018

Ver. 11-01-05

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. *It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.*

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

MACQUARIE INFRASTRUCTURE COMPANY INC.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: MBE THERMAL TECHNOLOGIES INC.
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 125 W. 55TH STREET
NEW YORK, NY 10019

C. Telephone: 212.231.1000 Fax: 212.231.1010 Email: HEIDI.BOYD@MACQUARIE.COM

D. Name of contact person: HEIDI BOYD

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Change of Ownership of District Cooling System Use Agreement (Amendment # 28)

G. Which City agency or department is requesting this EDS? CDOT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[X] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

DELAWARE

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
JAMES HOOKE	BOARD MEMBER - CEO
TODD WEINTRAUB	BOARD MEMBER - CFO - TREASURER
JAY DAVIS	BOARD MEMBER
MICHAEL KERNAN	SECRETARY

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
MACQUARIE INFRASTRUCTURE COMPANY LLC	125 W. 55TH STREET NEW YORK, NY 10019	100%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[ ] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [X] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

___ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

_____

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Macquarie Infrastructure Company Inc.
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Todd Weintraub
(Print or type name of person signing)

CFO-Treasurer
(Print or type title of person signing)

KAITLIN ANN BOLGER
Notary Public - State of New York
NO. 01BO6253834
Qualified in Queens County
My Commission Expires 1/9/16

Signed and sworn to before me on (date) 1/29/14,
at New York County, New York (state).

_____ Notary Public.

Commission expires: 1/9/2016.

(DO NOT SUBMIT THIS PAGE WITH YOUR EDS. The purpose of this page is for you to recertify your EDS prior to submission to City Council or on the date of closing. If unable to recertify truthfully, the Disclosing Party must complete a new EDS with correct or corrected information)

RECERTIFICATION

Generally, for use with City Council matters. Not for City procurements unless requested.

This recertification is being submitted in connection with extension of City Use Agreement (Amendment #27) [identify the Matter]. Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS recertification on behalf of the Disclosing Party, (2) warrants that all certifications and statements contained in the Disclosing Party's original EDS are true, accurate and complete as of the date furnished to the City and continue to be true, accurate and complete as of the date of this recertification, and (3) reaffirms its acknowledgments.

Macquarie Infrastructure Company Inc
(Print or type legal name of Disclosing Party)

Date: June 11, 2014

By: _____
(sign here)

Print or type name of signatory:

Todd Weintraub

Title of signatory:

CFO / Treasurer

Signed and sworn to before me on [date] June 11, 2014, by Todd Weintraub at New York County, New York [state].

_____ Notary Public.

Commission expires: Feb 18, 2018.

NATALIE FARIAS
Notary Public, State of New York
Registration #01FA6297319
Qualified In Queens County
Commission Expires February 18, 2018

Ver. 11-01-05

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Macquarie Infrastructure Company LLC

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: MDE Thermal Technologies, Inc.
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 125 W. 55th Street
New York, NY 10019

C. Telephone: 212.231.1000 Fax: 212.231.1010 Email: Heidi.Boyd@macquarie.com

D. Name of contact person: Heidi Boyd

E. Federal Employer Identification No. (if you have one): [redacted]

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Change of Ownership of District Cooling System Use Agreement (Amendment # 28)

G. Which City agency or department is requesting this EDS? CDOT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[X] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

DELAWARE

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
	H. (JACK) E. LENTZ - BOARD MEM.
MARTIN STANLEY - BOARD MEM.,	CHAIRMAN JAMES HOOKE - CEO
NORMAN BROWN, JR. - BOARD MEM.	TODD WEINTRAUB - CFO
WILLIAM WEBB - BOARD MEM.	MICHAEL KERNAN - GEN. COUNSEL,
GEORGE CARMANY III - BOARD MEM.	OUMA SANANIKONE - SECRETARY BOARD MEMBER

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE**: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
NONE		

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) **NOTE:** "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[ ] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [X] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

___ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

_____

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Macquarie INFRASTRUCTURE Company LLC
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Todd Weintraub
(Print or type name of person signing)

CFO
(Print or type title of person signing)

KAITLIN ANN BOLGER
Notary Public - State of New York
NO. 01BO6253834
Qualified in Queens County
My Commission Expires 1/9/16

Signed and sworn to before me on (date) 1/29/14,
at New York County, New York (state).

_____ Notary Public.

Commission expires: 1/9/16.

(DO NOT SUBMIT THIS PAGE WITH YOUR EDS. The purpose of this page is for you to recertify your EDS prior to submission to City Council or on the date of closing. If unable to recertify truthfully, the Disclosing Party must complete a new EDS with correct or corrected information)

RECERTIFICATION

Generally, for use with City Council matters. Not for City procurements unless requested.

This recertification is being submitted in connection with extension of City Use Agreement (Amendment #27) [identify the Matter]. Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS recertification on behalf of the Disclosing Party, (2) warrants that all certifications and statements contained in the Disclosing Party's original EDS are true, accurate and complete as of the date furnished to the City and continue to be true, accurate and complete as of the date of this recertification, and (3) reaffirms its acknowledgments.

Macquarie Infrastructure Company LLC
(Print or type legal name of Disclosing Party)

Date: June 11, 2014

By: _____
(sign here)

Print or type name of signatory:

Todd Weintraub

Title of signatory:

CFO

Signed and sworn to before me on [date] June 11, 2014, by Todd Weintraub, at New York County, New York [state].

_____ Notary Public.

Commission expires: Feb 18, 2018

NATALIE FARIAS
Notary Public, State of New York
Registration #01FA6297319
Qualified In Queens County
Commission Expires February 18, 2018

Ver. 11 01-05

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

JOHN HANCOCK LIFE INSURANCE COMPANY (U.S.A.), SUCCESSOR BY MERGER TO JOHN HANCOCK LIFE INSURANCE COMPANY

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: MDE THERMAL TECHNOLOGIES INC.
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 197 CLARENDON STREET - C-3
BOSTON, MA 02116

C. Telephone: 617-572-9245 Fax: 617-572-9269 Email: jwallace@jhancock.com

D. Name of contact person: JOHN T. WALLACE

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Change of Ownership of District Cooling System Use Agreement (Amendment # 28)

G. Which City agency or department is requesting this EDS? CDOT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[X] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

MICHIGAN

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[X] Yes [ ] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
PLEASE SEE ATTACHED	
Gavin R. Danaher	Managing Director

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
CORPORATION	TORONTO, ONTARIO M4W 1E5 CANADA	
JOHN HANCOCK FINANCIAL CORPORATION f/k/a John Hancock HOLDINGS (DELAWARE) LLC	SAME AS ABOVE	100 %

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [X] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below: After reasonable due diligence and inquiry THE CERTIFICATIONS IN SUBPARTS 2, 3 AND 4 ABOVE PERTAIN SOLELY TO THE DISCLOSING PARTY AND THOSE PERSONS AND ENTITIES THAT, DIRECTLY OR INDIRECTLY, CONTROL THE DISCLOSING PARTY.

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[X] is [ ] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

___ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

John Hancock Life Insurance Company (U.S.A.), successor by merger to John Hancock Life Insurance Company
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Gavin R. Danaher
(Print or type name of person signing)

Managing Director
(Print or type title of person signing)

Signed and sworn to before me on (date) 2/14/2014,
at Suffolk County, Commonwealth of Massachusetts (state).

_____ Notary Public.

Commission expires: _____.

JULIE E. TAMBURO
Notary Public
COMMONWEALTH OF MASSACHUSETTS
My Commission Expires
November 27, 2020

(DO NOT SUBMIT THIS PAGE WITH YOUR EDS. The purpose of this page is for you to recertify your EDS prior to submission to City Council or on the date of closing. If unable to recertify truthfully, the Disclosing Party must complete a new EDS with correct or corrected information)

RECERTIFICATION

Generally, for use with City Council matters. Not for City procurements unless requested.

This recertification is being submitted in connection with extension of City Use Agreement (Amendment #27) [Identify the Matter]. Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS recertification on behalf of the Disclosing Party, (2) warrants that all certifications and statements contained in the Disclosing Party's original EDS are true, accurate and complete as of the date furnished to the City and continue to be true, accurate and complete as of the date of this recertification, and (3) reaffirms its acknowledgments.

John Hancock Life Insurance Company (U.S.A.),
Successor by merger to John Hancock
Life Insurance Company
(Print or type legal name of Disclosing Party)

Date: June 19, 2014

By:

(sign here)

Print or type name of signatory:

Gavin R. Danaher

Title of signatory:

Managing Director

Signed and sworn to before me on [date] June 19, 2014, by Julie Tamburo, at Suffolk County, Commonwealth of Massachusetts [state].

Julie Tamburo Notary Public.

Commission expires: .

JULIE E. TAMBURO
Notary Public
COMMONWEALTH OF MASSACHUSETTS
My Commission Expires
November 27, 2020

Ver. 11-4

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

JOHN HANCOCK LIFE INSURANCE COMPANY (U.S.A.)

CHAIRMAN AND PRESIDENT
Craig Bromley

DIRECTORS
Craig Bromley (Chair)
Thomas Borshoff *
Paul M. Connolly *
Michael Doughty
Ruth Ann Fleming *
James D. Gallagher
Scott S. Hartz
Rex Schlaybaugh, Jr. *
John G. Vrysen *

EXECUTIVE VICE PRESIDENTS

Michael Doughty	
Steven Finch	and Chief Financial Officer
James D. Gallagher	and General Counsel & Chief Administrative Officer
Scott S. Hartz	and Chief Investment Officer – US Investments
Hugh McHaffie	

SENIOR VICE PRESIDENTS

Kevin J. Cloherty	
Barry Evans	
Peter Gordon	
Brian Heapps	
Gregory Mack	
Janis K. McDonough	
H. Steven Moore	and Treasurer
James O'Brien	
Sebastian Pariath	and Head of Operations and Chief Information Officer
Timothy W. Ramza	
Alan R. Seghezzi	
Anthony Teta	
Brooks Tingle	

VICE PRESIDENTS

Emanuel Alves	Counsel and Corporate Secretary
John C.S. Anderson	
Roy V. Anderson	
Abigail M. Armstrong	
Kevin Askew	
James Bacharach	
Arnold Bergman	
Ann Birle	
Stephen J. Blewitt	
Alan Block	
Robert Boyda	
Grant Buchanan	
David Campbell	
Bob Carroll	

VICE PRESIDENTS (Continued)

Brian Collins	
Art Creel	
John J. Danello	
Anthony J. Della Piana	
Brent Dennis	
Robert Donahue	
Edward Eng	
Paul Gallagher	
Ann Gencarella	
Richard Harris	and Appointed Actuary
John Hatch	
Kevin Hill	
Eugene Xavier Hodge, Jr.	
James C. Hoodlet	
Roy Kapoor	
Mitchell Karman	and Chief Compliance Officer & Counsel
Frank Knox	and Chief Compliance Officer – Retail Funds/Separate Accounts**
Hung Ko	Vice President, Treasury
David Kroach	
Robert Leach	
Scott Lively	
Cheryl Mallett	
Nathaniel I. Margolis	
John Maynard	
Karen McCafferty	
Scott A. McFetridge	
William McPadden	
Maureen Milet	and Chief Compliance Officer – Investments
Peter J. Mongeau	
Scott Morin	
Scott Navin	
Betty Ng	
Nina Nicolosi	
Frank O'Neill	
Daragh O'Sullivan	
Jacques Ouimet	
Gary M. Pelletier	
David Plumb	
Tracey Polsgrove	
Krishna Ramdial	Vice President, Treasury
S. Mark Ray	
Jill Rebman	
George Revoir	
Mark Rizza	
Andrew Ross	
Lisa Anne Ryan	
Thomas Samoluk	
Martin Sheerin	
Gordon Shone	
Rob Stanley	
Yiji S. Starr	
Christopher Sutherland	
Tony Todisco	
Simonetta Venditteli	and Controller
Peter de Vries	
Linda A. Watters	

VICE PRESIDENTS (Continued)
Joseph P. Welch
Jeffery Whitehead
Brent Wilkinson
Henry Wong
Leo Zerilli

ASSISTANT VICE PRESIDENTS
Cathy Addison
Joanne Adkins
Stacey Agretelis
Patricia L. Allison
Eynshteyn Averbukh
William Ball
Michael Barnes
Jack Barry
Naomi S. Bazak
P. J. Beltramini
William D. Bertrand
Jon Bourgault
Daniel C. Budde
Jennifer Toone Campanella
Suzanne Cartledge
Tabitha Chinniah
Catherine Collins
Thomas Corrigan
Thomas D. Crohan
Diane Cronin
Paul M. Crowley
Jaime Hertel Dasque
Lorn C. Davis
Todd D. Emmel
Allan M. Fen
Paul A. Fishbin
Michael A. Foreman
Arthur Francis
Donna Frankel
Philip W. Freiberger
Scott B. Garfield
John M. Garrison
Keith Gendron
William A. Gottlieb
Gerald C. Hanrahan, Jr.
Teresa S. Hayes
Charles Whitney Hill
Tina Joseph
Recep C. Kendircioglu
Robert J. Keough
Bruce Kinna
Patty Kisielis
Sally Kwan
Brigitte Labreche
Mei-Ling Lee
Thomas Loftus
Jennifer Lynn
Timothy J. Malik
Robert Maulden
Kathleen E. McDonough
Reid W. McLay

ASSISTANT VICE PRESIDENTS (Continued)
Pamela Memishian
John P. Monahan
Jeffrey H. Nataupsky
Geoffrey Norris
John O'Connor
Jeffrey Packard
E. David Pemsteim
Charlie Philbrook — and Chief Risk Officer
David Pickett
Michael A. Pirrello
Malcolm Pittman
Sonya Prear
David P. Previte
Peta-Gaye Prinn
Malcolm Quinn
Hilary Quosai
John Retsos
Kathryn Riley
Josephine M. Rollka
Timothy A. Roseen
Louise Santosuosso
Eileen Schindler — and Chief Accountant
Mark Shannon
Michael L. Short
Susan Simi
Debbie Stickland
Maura Swan
Michael Traynor
Joan Marie Uzdavinis
Hang T. Vu
John Wallace
Sean A. Williams
Sameh Youssef
Paolo Zadra

OTHER OFFICERS

ILLUSTRATION ACTUARY
Geoff Gittins

ASSISTANT SECRETARIES
Rosalie M. Calabraro
Veronika Chayady
Wendy K. Cotellessa
John H. Durfey
Karen Gallagher
Deanna Garland
Michael Mihalik
Grace M. O'Connell
Julie Tamburo
Kwong Yiu

* Non-Management
** Designated as responsible for administering the policies and procedures adopted by the Company for its registered separate accounts pursuant to Rule 38a-1 under the Investment Company Act of 1940

January 24, 2014

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

JOHN HANCOCK FINANCIAL CORPORATION (f/k/a JOHN HANCOCK HOLDINGS (DELAWARE) LLC)

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: MDE THERMAL TECHNOLOGIES, INC.
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 601 CONGRESS STREET, Z-6
BOSTON, MA 02210

C. Telephone: 617-572-9245 Fax: 617-572-9269 Email: jwallace@jhancock.com

D. Name of contact person: JOHN T. WALLACE

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Change of Ownership of District Cooling System Use Agreement (Amendment #.28)

G. Which City agency or department is requesting this EDS? CDOT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[X] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

DELAWARE

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
PLEASE SEE ATTACHED	

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
MANULIFE FINANCIAL CORPORATION	200 BLOOR STREET EAST TORONTO, ONTARIO M4W 1E5 CANADA	100 %

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [X] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below: After reasonable due diligence and inquiry THE CERTIFICATIONS IN SUBPARTS 2, 3 AND 4 ABOVE PERTAIN SOLELY TO THE DISCLOSING PARTY AND THOSE PERSONS AND ENTITIES THAT, DIRECTLY OR INDIRECTLY, CONTROL THE DISCLOSING PARTY.

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[X] is [ ] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

_X_ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2 above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

John Hancock Financial Corporation
(f/k/a John Hancock Holdings (Delaware) LLC)
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Brian Collins
(Print or type name of person signing)

Vice President US Tax
(Print or type title of person signing)

Signed and sworn to before me on (date) February 21, 2014,
at Suffolk County, Commonwealth of Massachusetts (state).

Ann Barbara Corcoran Notary Public.

Commission expires: September 12, 2014.

ANN BARBARA CORCORAN
Notary Public
Commonwealth of Massachusetts
My Commission Expires September 12, 2014

(DO NOT SUBMIT THIS PAGE WITH YOUR EDS. The purpose of this page is for you to recertify your EDS prior to submission to City Council or on the date of closing. If unable to recertify truthfully, the Disclosing Party must complete a new EDS with correct or corrected information)

RECERTIFICATION

Generally, for use with City Council matters. Not for City procurements unless requested.

This recertification is being submitted in connection with extension of City Use Agreement (Amendment #27) [identify the Matter]. Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS recertification on behalf of the Disclosing Party, (2) warrants that all certifications and statements contained in the Disclosing Party's original EDS are true, accurate and complete as of the date furnished to the City and continue to be true, accurate and complete as of the date of this recertification, and (3) reaffirms its acknowledgments.

John Hancock Financial Corporation,
(f/k/a John Hancock Holdings (Delaware) LLC)
(Print or type legal name of Disclosing Party)

Date: June 19, 2014

By:
(sign here)

Print or type name of signatory:

Brian Collins

Title of signatory:

Vice President, US Tax

Signed and sworn to before me on [date] June 19, 2014, by Ann Barbara Corcoran at Suffolk County, Commonwealth of Massachusetts [state].

Ann Barbara Corcoran Notary Public.

Commission expires: 9/12/2014.

ANN BARBARA CORCORAN
Notary Public
Commonwealth of Massachusetts
My Commission Expires September 12, 2014

Ver. 11-01-85

John Hancock Financial Corporation

PRESIDENT AND CHAIR
Steve A. Finch

DIRECTORS
Brian Collins
Steve A. Finch
Halina von dem Hagen

VICE PRESIDENTS

Emanuel Alves	Counsel and Corporate Secretary
Brian Collins	US Taxation
Steven Moore	and Treasurer
Krishna Ramdial	Treasury
Simonetta Venditelli	and Chief Financial Officer

OTHER OFFICERS

ASSISTANT SECRETARIES
Rosalie Calabraro
Veronika Chayady
Kwong Yiu

Effective September 23, 2013

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [ ] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

_____

_____

_____

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

MANULIFE FINANCIAL CORPORATION

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: MDE THERMAL TECHNOLOGIES INC.
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 200 BLOOR STREET EAST
TORONTO, ONTARIO M4W 1E5 CANADA

C. Telephone: 617-572-9245 Fax: 617-572-9269 Email: jwallace@jhancock.com

D. Name of contact person: JOHN T. WALLACE

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Change of Ownership of District Cooling System Use Agreement (Amendment # 28)

G. Which City agency or department is requesting this EDS? CDOT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[X] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

CANADA

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
PLEASE SEE ATTACHED	

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture.

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Manulife Financial Corporation is a publicly traded corporation with no owner exceeding a 7.5% ownership interest.		
None		

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes [ ] No [X] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes [ ] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below: After reasonable due diligence and inquiry THE CERTIFICATIONS IN SUBPARTS 2, 3 AND 4 ABOVE PERTAIN SOLELY TO THE DISCLOSING PARTY AND THOSE PERSONS AND ENTITIES THAT, DIRECTLY OR INDIRECTLY, CONTROL THE DISCLOSING PARTY.

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[X] is [ ] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [ ] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

____2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. **If the Matter is not federally funded,** proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Manulife Financial Corporation

(Print or type name of Disclosing Party)

By: _____

(Sign here)

STEPHEN SIGNEOSON

(Print or type name of person signing)

EVP, GENERAL COUNSEL CANADA

(Print or type title of person signing)

Signed and sworn to before me on (date) February 21, 2017,

at Toronto County, Province of Ontario, Canada

_____ Notary Public.

Commission ~~expires:~~ for life.

(DO NOT SUBMIT THIS PAGE WITH YOUR EDS. The purpose of this page is for you to recertify your EDS prior to submission to City Council or on the date of closing. If unable to recertify truthfully, the Disclosing Party must complete a new EDS with correct or corrected information)

RECERTIFICATION

Generally, for use with City Council matters. Not for City procurements unless requested.

This recertification is being submitted in connection with extension of City Use Agreement (Amendment #27) [identify the Matter]. Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS recertification on behalf of the Disclosing Party, (2) warrants that all certifications and statements contained in the Disclosing Party's original EDS are true, accurate and complete as of the date furnished to the City and continue to be true, accurate and complete as of the date of this recertification, and (3) reaffirms its acknowledgments.

Manulife Financial Corporation
(Print or type legal name of Disclosing Party)

Date: June 19, 2014

By:

(sign here)

Print or type name of signatory:

Martin Guest

Title of signatory:

Senior Vice President and General Counsel, Canada

Signed and sworn to before me on [date] June 19, 2014, by Martin Guest, at Province of Ontario County, Canada [state].

Notary Public.

William James Dawson

Commission expires: No expiry.

Ver. 11-01-05

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

Manulife Financial

For your future

MANULIFE FINANCIAL CORPORATION

Directors and Executive Committee

As of February 14, 2014

1.	Richard B. DeWolfe	Chair of the Board
2.	Donald Guloien	Director and President and Chief Executive Officer
3.	Joseph P. Caron	Director
4.	John M. Cassaday	Director
5.	Susan F. Dabarno	Director
6.	Sheila Fraser	Director
7.	Scott M. Hand	Director
8.	Robert J. Harding	Director
9.	Luther S. Helms	Director
10.	Tsun-yan Hsieh	Director
11.	Donald R. Lindsay	Director
12.	Dr. Lorna R. Marsden	Director
13.	John R. Palmer	Director
14.	C. James Prieur	Director
15.	Andrea S. Rosen	Director
16.	Lesley Daniels Webster	Director
17.	Jean-Paul (J-P.) Bisnaire	Executive Committee
18.	Craig R. Bromley	Executive Committee
19.	Robert A. Cook	Executive Committee
20.	Cindy L. Forbes	Executive Committee
21.	Marianne Harrison	Executive Committee
22.	Scott S. Hartz	Executive Committee
23.	Rahim Hirji	Executive Committee
24.	Stephani E. Kingsmill	Executive Committee
25.	Stephen B. Roder	Executive Committee
26.	Paul L. Rooney	Executive Committee
27.	Warren A. Thomson	Executive Committee

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

BROOKFIELD INFRASTRUCTURE US HOLDINGS I CORPORATION

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: DIF II DISTRICT ENERGY HOLDINGS II (DELAWARE) L.P.
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 250 VESEY STREET, 15TH FLOOR
NEW YORK, NY 10281-1023

C. Telephone: 212-417-2520 Fax: 212-417-7182 Email: mark.srulowitz@brookfield.c

D. Name of contact person: MARK SRULOWITZ

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

DISTRICT COOLING SYSTEM USE AGREEMENT

G. Which City agency or department is requesting this EDS? LAW DEPARTMENT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[X] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[ ] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

DELAWARE

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. NOTE: For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. NOTE: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
JOHN STICEBAUGH	PRESIDENT
BRETT FOX	VICE PRESIDENT
MARK SRULOWITZ	VICE PRESIDENT

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Brookfield Infrastructure LP	73 Front Street, 5th Floor Hamilton HM 12, Bermuda	100%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV – DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

☒ Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes ☒ No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes ☒ No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2 The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

_____

_____

_____

_____

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

NONE

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

NONE

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D 2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

✓ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

___ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

N/A

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F 2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

BROOKFIELD INFRASTRUCTURE US HOLDINGS I CORPORATION
(Print or type name of Disclosing Party)

By: _____
(Sign here)

Mark Srdowite
(Print or type name of person signing)

VP
(Print or type title of person signing)

Signed and sworn to before me on (date) 5/28/14,
at New York County, New York (state).

Margaret Gordon Notary Public.

Commission expires: _____.

MARGARET GORDON
NOTARY PUBLIC-STATE OF NEW YORK
No. 01GO6104465
Qualified In Nassau County
My Commission Expires January 20, 2016

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

DISTRICT ENERGY HOLDINGS, LLC

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [ ] the Applicant
   OR
2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: BIF II DISTRICT ENERGY HOLDINGS II (DELAWARE) L.P.
   OR
3. [ ] a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _____

B. Business address of the Disclosing Party: 250 VESEY STREET, 14TH FLOOR
NEW YORK, NY 10281-1023

C. Telephone: 212-417-2420 Fax: 212-417-7182 Email: mark.srulowitz@brookfield.co

D. Name of contact person: MARK SRULOWITZ

E. Federal Employer Identification No. (if you have one): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

DISTRICT COOLING SYSTEM USE AGREEMENT.

G. Which City agency or department is requesting this EDS? LAW DEPARTMENT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # _____ and Contract # _____

SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

[ ] Person
[ ] Publicly registered business corporation
[ ] Privately held business corporation
[ ] Sole proprietorship
[ ] General partnership
[ ] Limited partnership
[ ] Trust
[X] Limited liability company
[ ] Limited liability partnership
[ ] Joint venture
[ ] Not-for-profit corporation
(Is the not-for-profit corporation also a 501(c)(3))?
[ ] Yes [ ] No
[ ] Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

DELAWARE

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[ ] Yes [X] No [ ] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. **NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
JOHN STINEBAUGH	PRESIDENT
DARREN SOICE	VICE PRESIDENT
BRETT FOX	VICE PRESIDENT
PETER STONE	VICE PRESIDENT

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
(1) BIF II DISTRICT ENERGY CAIRO (DELAWARE) LLC	25 Vesey St, 15th Floor New York, NY 10281-1023	60.49%
(2) BIP BIF II US HOLDINGS (DELAWARE) LLC	(Same address as above)	39.51%

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[ ] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV – DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.
N/A			

(Add sheets if necessary)

☒ Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[ ] Yes ☒ No [ ] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[ ] Yes ☒ No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;

d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and

e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

• the Disclosing Party;
• any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
• any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
• any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

_____

_____

_____

_____

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

NONE

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than $20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

NONE

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

[ ] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[ ] Yes [X] No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1 , proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[ ] Yes [X] No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

✓ 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

___ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

_____

_____

_____

_____

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

N/A

_____

_____

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[ ] Yes [ ] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
[ ] Yes [ ] No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
[ ] Yes [ ] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
[ ] Yes [ ] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

_____

_____

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

DISTRICT ENERGY HOLDINGS LLC
(Print or type name of Disclosing Party)

By: Darren Soice
(Sign here)

DARREN SOICE
(Print or type name of person signing)

VP
(Print or type title of person signing)

Signed and sworn to before me on (date) May 27, 2014
at Harris County, Texas (state).

Linda Marie Robicheaux, Notary Public.

Commission expires:

LINDA MARIE ROBICHEAUX
Notary Public, State of Texas
My Commission Expires 06-20-2015

CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT
APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[ ] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.