

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	—	<b>1,071</b>
C\$13.37 – C\$19.03.....	5.2 years	7,043	3,768	<b>10,811</b>
C\$20.21 – C\$30.22.....	2.7 years	6,252	129	<b>6,381</b>
C\$31.62 – C\$46.59.....	4.7 years	4,771	541	<b>5,312</b>
\$23.18 – \$35.06.....	7.9 years	3,713	10,415	<b>14,128</b>
		<u>22,850</u>	<u>14,853</u>	<u><b>37,703</b></u>

*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\$	<b>37.82</b>	31.35
Weighted average fair value per share.....	US\$	<b>7.34</b>	6.05
Average term to exercise.....	Years	<b>7.5</b>	7.5
Share price volatility <sup>1</sup> .....	%	<b>31.2</b>	32.6
Liquidity discount.....	%	<b>30.0</b>	30.0
Weighted average annual dividend yield.....	%	<b>1.5</b>	1.8
Risk-free rate.....	%	<b>1.3</b>	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