Brookfield

2023

Brookfield Business Partners L.P.

ANNUAL REPORT

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 20-F

(Mark One)

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) or (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, 2023

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: 001-37775

Brookfield Business Partners L.P.

(Exact name of Registrant as specified in its charter)

N/A

(Translation of Registrant's name into English)

Bermuda

(Jurisdiction of incorporation or organization)

73 Front Street Hamilton, HM 12 Bermuda

(Address of principal executive offices)

Jane Sheere

73 Front Street

Hamilton, HM 12

Bermuda

Tel: +441-294-3309

(Name, Telephone, Email and/or Facsimile number and Address of Company Contact Person)

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

Title of each class	Trading Symbols	Name of each exchange on which registered
Limited Partnership Units	BBU	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.

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:

74,281,763 Limited Partnership Units as of December 31, 2023.

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 every Interactive Data File required to be submitted 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, a non-accelerated filer, or an emerging growth company. See definitions of "accelerated filer", "large accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒ **Accelerated filer** ☐ **Non-accelerated filer** ☐ **Emerging growth company** ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

We have prepared this Form 20-F using a number of conventions, which you should consider when reading the information contained herein. Unless otherwise indicated or the context otherwise requires, in this Form 20-F all financial information is presented in accordance with International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board, or IASB, other than certain non-IFRS financial measures which are defined under "Use of Non-IFRS Measures".

In this Form 20-F, unless the context suggests otherwise, references to "we", "us", "our partnership", "the partnership" and "our group" are to our company, the Holding LP, the Holding Entities, and the operating businesses but excluding BBUC (each as defined below).

In this Form 20-F, we use the following terms to refer to our operations:

Business services:

- "our Australian residential mortgage lender" means our interest in La Trobe;
- "our construction operation" means our interest in Multiplex Global Limited;
- "our dealer software and technology services operation" means our interest in CDK Global;
- "our entertainment operation" means our interest in Ontario Gaming GTA Limited Partnership;
- "our fleet management and car rental services" means our interest in Unidas Locadora S.A.;
- "our healthcare services" means our interest in Healthscope;
- "our Indian non-bank financial services operation" means our interest in IndoStar Capital Finance Limited;
- "our payment processing services operation" means our interest in Magnati;
- "our real estate services operation" means our combined interest in Bridgemarq Real Estate Services Manager Limited and RPS Real Property Solutions Inc.;
- "our residential mortgage insurer" means our interest in Sagen MI Canada Inc.;
- "our road fuels operation" means our interest in Greenergy Fuels Holding Limited;
- "our rural broadband services operation" means our interest in Imagine Communications Group Limited;
- "our technology services operation" means our interest in Everise Holdings Pte Ltd.; and
- "our audience measurement operation" means our interest in Nielsen Holdings plc.

Infrastructure services:

- "our lottery services operation" means our interest in Scientific Games Lottery;
- "our modular building leasing services" means our interest in Modulaire;
- "our offshore oil services" means our interest in Altera Infrastructure L.P.; and
- "our work access services" means our interest in Brand Industrial Holdings Inc.

Industrials:

- "our advanced energy storage operation" means our interest in Clarios Global LP;
- "our aggregate production operation" means our interest in Hammerstone Infrastructure Materials Ltd.;
- "our engineered components manufacturing operation" means our interest in DexKo;
- "our graphite electrode operation" means our interest in GrafTech International Ltd.;
- "our natural gas production" means our interest in Ember Resources Inc.;
- "our returnable plastic packaging operation" means our interest in Schoeller Allibert Group B.V.;

- “our roofing products manufacturer” means our interest in Cupa;
- “our solar power solutions” means our interest in Aldo; and
- “our water and wastewater operation” means our interest in BRK Ambiental.

Unless the context suggests otherwise, in this Form 20-F references to:

- “Adjusted EBITDA” means a non-IFRS measure of operating performance calculated as net income and equity accounted income at the partnership’s economic ownership interest in consolidated subsidiaries and equity accounted investments, respectively, excluding the impact of interest income (expense), net, income taxes, depreciation and amortization expense, gains (losses) on acquisitions/dispositions, net, transaction costs, restructuring charges, revaluation gains or losses, impairment expenses or reversals, other income or expenses and preferred equity distributions. The partnership’s economic ownership interests in consolidated subsidiaries excludes amounts attributable to non-controlling interests consistent with how the partnership determines net income attributable to non-controlling interests in its IFRS consolidated statements of operating results;
- “Adjusted EFO” means adjusted earnings from operations, which is calculated as net income and equity accounted income at the partnership’s economic ownership interest in consolidated subsidiaries and equity accounted investments, respectively, excluding the impact of depreciation and amortization expense, deferred income taxes, transaction costs, restructuring charges, unrealized revaluation gains or losses, impairment expenses or reversals and other income or expense items that are not directly related to revenue generating activities. The partnership’s economic ownership interests in consolidated subsidiaries excludes amounts attributable to non-controlling interests consistent with how the partnership determines net income attributable to non-controlling interests in its IFRS consolidated statements of operating results. Adjusted EFO includes the impact of preferred equity distributions and realized disposition gains or losses recorded in net income, other comprehensive income, or directly in equity, such as ownership changes. Adjusted EFO does not include legal and other provisions that may occur from time to time in the partnership’s operations and that are one-time or non-recurring and not directly tied to the partnership's operations, such as those for litigation and contingencies. Adjusted EFO includes expected credit losses and bad debt allowances recorded in the normal course of the partnership’s operations;
- “Aldo” means Descarbonize Soluções S.A.;
- “Asset Management Company” means Brookfield Asset Management ULC, which is approximately 75% owned by Brookfield Corporation and approximately 25% owned by Brookfield Asset Management;
- “assets under management” means assets managed by us or by Brookfield on behalf of our third-party investors, as well as our own assets, and also include capital commitments that have not yet been drawn. Our calculation of assets under management may differ from that employed by other asset managers and, as a result, this measure may not be comparable to similar measures presented by other asset managers;
- “attributable to the partnership” and “attributable to unitholders” means attributable to limited partner, general partner, redemption-exchange unitholders, BBUC exchangeable shareholders and Special LP unitholders;
- “BBUC” means Brookfield Business Corporation;
- “BBUC exchangeable shares” means the class A exchangeable subordinate voting shares of BBUC;
- “BBUC preferred shares” means the class A senior preferred shares and the class B junior preferred shares of BBUC;
- “BBU General Partner” means Brookfield Business Partners Limited, a wholly-owned subsidiary of Brookfield Corporation;
- “Bermuda Holdco” means Brookfield BBP Bermuda Holdings Limited;
- “BRK Ambiental” means BRK Ambiental Participações S.A;
- “Brookfield” means Brookfield Corporation and any subsidiary of Brookfield Corporation, other than our group and, unless the context otherwise requires, includes Brookfield Asset Management;

- “Brookfield Accounts” means Brookfield-sponsored vehicles, consortiums and/or partnerships (including private funds, joint ventures, co-investment vehicles, sidecar vehicles, separate accounts, region-specific vehicles, strategy-specific vehicles, sector-specific vehicles, Brookfield proprietary accounts and similar arrangements) collectively with the Related-Party Investor;
- “Brookfield Asset Management” means Brookfield Asset Management Ltd.;
- “Brookfield Personnel” means the partners, members, shareholders, directors, officers and employees of Brookfield;
- “Brookfield Renewable Partners” means Brookfield Renewable Partners L.P.;
- “CanHoldco” means Brookfield BBP Canada Holdings Inc.;
- “CBCA” means Canada Business Corporations Act;
- “CDK Global” means CDK Global II LLC;
- “CDOR” means the Canadian Dollar Offered Rate;
- “CDS” means Clearing and Depository Services Inc.;
- “class B shares” means the class B multiple voting shares in the capital of BBUC;
- “class C shares” means the class C non-voting shares in the capital of BBUC;
- “CMHC” means Canada Mortgage and Housing Corporation;
- “CODM” means Chief Operating Decision Maker;
- “CORRA” means the Canadian Overnight Repo Rate Average;
- “CRA” means the Canada Revenue Agency;
- “Cupa” means CUPA Finance, S.L.;
- “DexKo” means DexKo Global Inc.;
- “DTC” means the Depository Trust Company;
- “ESG” means environmental social and governance;
- “FATCA” means Foreign Account Tax Compliance provisions of the Hiring Incentives to Restore Employment Act of 2010;
- “FPSO” means floating production storage and offloading unit;
- “FSO” means floating storage and offloading unit;
- “FVOCI” means the fair value through other comprehensive income;
- “GHG” means greenhouse gas;
- “GP Units” means general partnership units in our company;
- “Healthscope” means Healthscope Pty Ltd.;
- “Holding Entities” means the primary holding subsidiaries of the Holding LP, including CanHoldco, US Holdco and Bermuda Holdco, through which it indirectly holds all of our interests in our operating businesses;
- “Holding LP” means Brookfield Business L.P.;
- “Holding LP Limited Partnership Agreement” means the amended and restated limited partnership agreement of the Holding LP;
- “IASB” means the International Accounting Standards Board;
- “IFRIC 23” means IFRIC 23, Uncertainty over Income Tax Treatments;

- “IFRS” means the International Financial Reporting Standards as issued by the IASB;
- “IFRS 3” means IFRS 3, Business combinations;
- “IFRS 8” means IFRS 8, Operating segments;
- “IFRS 16” means IFRS 16, Leases;
- “IFRS 17” means IFRS 17, Insurance contracts;
- “incentive distribution” means the distribution payable to holders of Special LP Units as described under “Related Party Transactions-Incentive Distributions”;
- “Investment Company Act” means the U.S. Investment Company Act of 1940, as amended;
- “La Trobe” means La Trobe Financial Services Pty Limited;
- “Licensing Agreement” means the licensing agreement which our company and the Holding LP have entered into with Brookfield, pursuant to which Brookfield has granted a non-exclusive, royalty-free license to use the name “Brookfield” and the Brookfield logo;
- “limited partners” means the holders of our units;
- “Limited Partnership Agreements” means our Limited Partnership Agreement and Holding LP Limited Partnership Agreement;
- “Magnati” means Magnati - Sole Proprietorship L.L.C.;
- “Managing General Partner Units” means the general partner interests in the Holding LP having the rights and obligations specified in the Holding LP Limited Partnership Agreement;
- “Master Services Agreement” means the amended and restated master services agreement dated January 23, 2024 among the Service Recipients, the Service Providers, and certain other subsidiaries of Brookfield who are parties thereto;
- “MD&A” means the management’s discussion and analysis of financial conditions and results of operations;
- “MI 61-101” means Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions;
- “Modulaire” means Modulaire Investments 2 S.à r.l.;
- “NCIB” means normal course issuer bid;
- “Network” means Network International Holdings Plc;
- “Nielsen” means Nielsen Holdings plc;
- “NIST” means National Institute of Standards and Technology;
- “Non-Resident Subsidiaries” means the subsidiaries of Holding LP that are corporations and that are not resident or deemed to be resident in Canada for purposes of the Tax Act;
- “Non-U.S. Holder” means a beneficial owner of one or more 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;
- “NYSE” means New York Stock Exchange;
- “NZAM” means Net Zero Asset Managers;
- “Oaktree” means Oaktree Capital Group, LLC together with its affiliates;
- “Oaktree Accounts” means Oaktree-managed funds and accounts;
- “OEM” means original equipment manufacturer;
- “oil and gas” means crude oil and natural gas;

- "operating businesses" means the businesses in which the Holding Entities hold interests and that directly or indirectly hold our operations and assets other than entities in which the Holding Entities hold interests for investment purposes only of less than 5% of the equity securities;
- "OSFI" means Office of the Superintendent of Financial Institutions;
- "our automotive aftermarket parts remanufacturing operation" means our prior interest in Cardone Industries Inc.;
- "our business" means our business of owning and operating business services, infrastructure services and industrial operations, both directly and through our Holding Entities and other intermediary entities;
- "our company" means Brookfield Business Partners L.P., a Bermuda exempted limited partnership;
- "our digital cloud services operation" means our prior interest in WatServ Holdings Ltd.;
- "our energy services operation" means our prior interest in CWC Energy Services Corp.;
- "our Limited Partnership Agreement" means the amended and restated limited partnership agreement of our company;
- "our nuclear technology services operation" means our prior interest in Westinghouse;
- "our operations" means the business services, infrastructure services and industrial operations we own;
- "our residential property management operation" means our prior interest in Crossbridge Condominium Services Ltd.;
- "parent company" means Brookfield Corporation;
- "PRI" means Principles for Responsible Investment;
- "Redemption-Exchange Mechanism" means the mechanism by which Brookfield may request redemption of its Redemption-Exchange Units in whole or in part in exchange for cash, subject to the right of our company to acquire such interests (in lieu of such redemption) in exchange for units of our company;
- "Redemption-Exchange Units" means the non-voting limited partnership interests in the Holding LP that are redeemable for cash, subject to the right of our company to acquire such interests (in lieu of such redemption) in exchange for units of our company, pursuant to the Redemption-Exchange Mechanism;
- "Related-Party Investor" means an investment vehicle in which certain executives and former executives of Brookfield own a substantial majority whose investment mandate is managed by such executives, Brookfield, Oaktree and PSG;
- "Relationship Agreement" means the amended and restated relationship agreement dated January 23, 2024 by and among Brookfield, our company, Holding LP, the Holding Entities and the Service Providers;
- "Sarbanes-Oxley Act" means the U.S. Sarbanes-Oxley Act of 2002, as amended;
- "Scientific Games Lottery" means the Scientific Games Holdings LP;
- "SEC" means the U.S. Securities and Exchange Commission;
- "Service Providers" means the affiliates of Brookfield that provide services to us pursuant to our Master Services Agreement, which are expected to be Brookfield Asset Management Private Institutional Capital Adviser (Private Equity), L.P., Brookfield Asset Management Services SRL, Brookfield Private Capital (DIFC) Limited, Brookfield BBP Canadian GP L.P. and Brookfield Global Business Advisor Limited, which are wholly-owned subsidiaries of Brookfield, and unless the context otherwise requires, any other affiliate of Brookfield that is appointed by a Service Provider from time to time to act as a Service Provider pursuant to our Master Services Agreement;
- "Service Recipients" means our company, BBUC, the Holding LP, the Holding Entities, BBUC Holdings Inc. and, at the option of the Holding Entities, any wholly-owned subsidiary of a Holding Entity excluding any operating business;

- “SOFR” means the Secured Overnight Financing Rate published by the Federal Reserve Bank of New York (or a successor administrator);
- “SONIA” means Sterling Overnight Index Average;
- “special distribution” means the special distribution of exchangeable shares on March 15, 2022 by the partnership to holders of units of record as of March 7, 2022, as further described in Item 4.A., “History and Development of Our Company”;
- “Special LP Units” means special limited partnership units of the Holding LP;
- “spin-off” means the special dividend of our units by Brookfield Corporation completed on June 20, 2016;
- “Tax Act” means the Income Tax Act (Canada), together with the regulation thereunder;
- “TCFD” means the Task Force on Climate-related Financial Disclosures;
- “TSX” means the Toronto Stock Exchange;
- “unitholders” means the holders of our units;
- “units” or “LP Units” means the non-voting limited partnership units in our company;
- “U.S. Exchange Act” means U.S. Securities Exchange Act of 1934, as amended;
- “US Holdco” means Brookfield BBP US Holdings LLC;
- “U.S. Holder” means 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;
- “U.S. Securities Act” means U.S. Securities Act of 1933, as amended; and
- “Westinghouse” means Westinghouse Electric Company.

Historical Performance and Market Data

This Form 20-F contains information relating to our business as well as historical performance and market data. When considering this data, you should bear in mind that historical results and market data may not be indicative of the future results that you should expect from us.

Financial Information

The financial information contained in this Form 20-F is presented in United States dollars and, unless otherwise indicated, has been prepared in accordance with IFRS. All figures are unaudited unless otherwise indicated. In this Form 20-F, all references to “$” are to United States dollars, references to “A$” are to Australian dollars, references to “R$” are to Brazilian Reais, references to “£” are to British Pounds, references to “€” are to Euros, references to “C$” are to Canadian dollars and references to “INR” are Indian Rupees.

Use of Non-IFRS Measures

Our company evaluates its performance using net income attributable to unitholders and Adjusted EFO. Adjusted EFO is the segment measure of profit or loss, reported in accordance with IFRS 8. The CODM uses Adjusted EFO to assess performance and make resource allocation decisions. Adjusted EFO is used by the CODM to evaluate our segments on the basis of return on invested capital generated by the underlying operations and is used by the CODM to evaluate the performance of our segments on a levered basis. In addition to these measures reported in accordance with IFRS, we also use Adjusted EBITDA (defined below), a non-IFRS measure, to evaluate our performance. When viewed with our IFRS results, we believe Adjusted EBITDA is useful to investors because it provides a comprehensive understanding of the ability of our businesses to generate recurring earnings and assists our CODM in understanding and evaluating the core underlying financial performance of our businesses.

We define Adjusted EBITDA as net income and equity accounted income at our economic ownership interest in consolidated subsidiaries and equity accounted investments, respectively, excluding the impact of interest income (expense), net, income taxes, depreciation and amortization expense, gains (losses) on acquisitions/dispositions, net, transaction costs, restructuring charges, revaluation gains or losses, impairment expenses or reversals, other income or expenses and preferred equity distributions. Our economic ownership interest in consolidated subsidiaries excludes amounts attributable to non-controlling interests consistent with how we determine net income attributable to non-controlling interests in our IFRS consolidated statements of operating results. Adjusted EBITDA is a non-IFRS measure of operating performance presented net to unitholders and due to the size and diversification of our operations, including economic ownership interests that vary, Adjusted EBITDA is critical in assessing the overall operating performance of our business. Adjusted EBITDA has limitations as an analytical tool as it does not include interest income (expense), net, income taxes, depreciation and amortization expense, gains (losses) on acquisitions/dispositions, net, transaction costs, restructuring charges, revaluation gains or losses, impairment reversals or expenses and other income (expense), net. Adjusted EBITDA does not include legal and other provisions that are one-time or non-recurring, such as those for litigation or contingencies not directly tied to our operations, that may occur from time to time in our partnership's operations. Adjusted EBITDA includes expected credit losses and bad debt allowances recorded in the normal course of our operations.

Adjusted EBITDA does not have a standard meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies. Because Adjusted EBITDA has these limitations, Adjusted EBITDA should not be considered as the sole measure of our performance and should not be considered in isolation from, or as substitute for, analysis of our results as reported under IFRS. However, Adjusted EBITDA is a key measure that we use to evaluate the performance of our operations.

For a reconciliation of Adjusted EBITDA to net income, see Item 5.A, "Operating Results" of this Form 20-F. We urge you to review the IFRS financial measures in this Form 20-F, including the consolidated financial statements, the notes thereto, and the other financial information contained herein and not to rely on any single financial measure to evaluate our company.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Form 20-F contains "forward-looking information" within the meaning of Canadian provincial securities laws and "forward-looking statements" within the meaning of applicable Canadian and U.S. securities laws. 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 our group, as well as regarding recently completed and proposed acquisitions, dispositions and other transactions, and 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," "views," "potential," "likely" 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 in this Form 20-F are based upon reasonable assumptions and expectations, investors and other readers should not place undue reliance on forward-looking statements and information because they involve assumptions, 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 Brookfield Business Partners to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements and information. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to us or are within our control. If a change occurs, our business, financial condition, liquidity and result of operations and our plans and strategies may vary materially from those expressed in the forward-looking statements and forward-looking information herein.

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 following:

- the cyclical nature of our operating businesses and general economic conditions and risks relating to the economy, including unfavorable changes in interest rates, foreign exchange rates, inflation, commodity prices and volatility in the financial markets;
- the ability to complete and effectively integrate acquisitions into existing operations and the ability to attain expected benefits;
- business competition, including competition for acquisition opportunities;
- strategic actions including our ability to complete dispositions and achieve the anticipated benefits therefrom;
- restrictions on our ability to engage in certain activities or make distributions due to our indebtedness;
- global equity and capital markets and the availability of equity and debt financing and refinancing within these markets;
- changes to our credit ratings;
- technological change;
- the ability to obtain insurance for our business operations;
- labor disruptions and economically unfavorable collective bargaining agreements;
- litigation;
- investments in jurisdictions with less developed legal systems;
- we do not have control over all of the businesses in which we own investments;
- changes to the market price of any investments in public companies;
- our compliance with environmental laws and the broader impacts of climate change;
- our reliance on computerized business systems, which could expose us to cyber-attacks;
- the possible impact of international conflicts, wars and related developments including terrorist acts and cyber terrorism;
- the effectiveness of our internal controls over financial reporting;
- the market price of our units may be volatile;

- 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;
- political instability and unfamiliar cultural factors;
- changes in government policy and legislation;
- federal, state and foreign anti-corruption and trade sanctions laws and restrictions on foreign direct investment applicable to us and our operating businesses create the potential for significant liabilities and penalties, the inability to complete transactions, imposition of significant costs and burdens, and reputational harm;
- operational or business risks that are specific to any of our business services operations, infrastructure services operations or industrials operations;
- reliance on third party service providers;
- catastrophic events, such as earthquakes, hurricanes and pandemics/epidemics;
- Brookfield's significant influence over us;
- the lack of an obligation of Brookfield to source acquisition opportunities to us;
- the departure of some or all of Brookfield's professionals;
- control of our company and/or the BBU General Partner may be transferred to a third party without unitholder consent;
- Brookfield may increase its ownership in our company;
- 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;
- conflicts of interest between our company 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 unrelated parties;
- the BBU General Partner may be unable or unwilling to terminate our Master Services Agreement;
- the limited liability of, and our indemnification of, the Service Providers;
- Brookfield's relationship with Oaktree;
- our company is a holding entity that relies on its subsidiaries to provide us with the funds necessary to our financial obligations;
- 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 company may become regulated as an investment company under the Investment Company Act;
- the inability of unitholders to vote on or otherwise take part in the management of Brookfield Business Partners;
- future sales or issuances of our securities will result in dilution of existing holders and even the perception of such sales or issuances taking place could depress the trading price of the LP Units or BBUC exchangeable shares;
- limits on unitholders' ability to obtain favorable judicial forum for disputes related to Brookfield Business Partners or to enforce judgements against us;
- changes in tax law and practice; and
- other risks and factors detailed in this Form 20-F, including, but not limited to, those described under Item 3.D "Risk Factors" and elsewhere in this Form 20-F.

Statements relating to "reserves" are deemed to be forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described herein can be profitably produced in the future.

We caution that the foregoing list of important factors that may affect future results is not exhaustive. When relying on our forward-looking statements and information, investors and others should carefully consider the foregoing factors and other uncertainties and potential events.

In light of these risks, uncertainties and assumptions, the reader should not place undue reliance on forward-looking statements or information as a prediction of actual results. These risks, uncertainties and assumptions could cause our actual results and our plans and strategies to vary from our forward-looking statements or information. We qualify any and all of our forward-looking statements by these cautionary factors. Please keep this special note in mind as you read this Form 20-F. 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, except as required by law.

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 [RESERVED]

3.B CAPITALIZATION AND INDEBTEDNESS

Not applicable.

3.C REASONS FOR THE OFFER AND USE OF PROCEEDS

Not applicable.

3.D RISK FACTORS

Your holding of units of our company involves substantial risks. The following summarizes some, but not all of the risks provided below. You should carefully consider the following risk factors in addition to the other information set forth in this Form 20-F. If any of the following risks were actually to occur, our business, financial condition and results of operations and the value of your units would likely suffer.

Risks Relating to Our Operations Generally

- Risks relating to the cyclical nature of our operations and general economic conditions.
- Risks relating to completion of new acquisitions and changes to the scale and scope of our operations.
- Risks relating to identifying acquisition opportunities and acquiring distressed companies.
- Risks relating to the accuracy of our management's assumptions and estimates.
- Risks related to our indebtedness and our ability to distribute equity.
- Risks relating to our access to the credit and capital markets and our ability to raise capital.
- Risks relating to the structure of our operations and our level of control over our operations.
- Risks relating to our technology and information systems.
- Risks relating to maintain effective internal controls.
- Risks relating to the market price of our units.
- Risks relating to our company's status as an "SEC foreign issuer" and a "foreign private issuer".
- Risks relating to unfamiliar cultural factors, political instability or changes in government policy or legislation.
- Risks relating to foreign anti-corruption and trade sanctions laws and restrictions on foreign direct investment.

Risks Relating to our Business Services Operations

- Risks relating to insurance and competition in our residential mortgage insurer.
- Risks relating to government policies and regulations of our residential mortgage insurer.
- Risks relating to our healthcare services and its dependence on revenues from private health insurance funds and its relationships with accredited medical practitioners.
- Risks relating to our healthcare services reliance on suppliers and skilled labor.
- Risks relating to indemnification for our healthcare services.

- Risks relating to operating costs and maintaining operations of our healthcare services.
- Risks relating to the unpredictable award of new contracts in the construction market.
- Risks relating to reduced profits or losses under contracts if costs increase above estimates.
- Risks relating to performance guarantees and operating under various types of construction-related contracts.
- Risks relating to macroeconomic factors and climate change affecting our construction operation.
- Risks relating to the fuel prices and the demand for fuel in our road fuels operation.
- Risks relating to the regulations of the real estate industry in Canada and the United States.
- Risks relating to our dealer software and technology services operation.
- Risks relating to regulations and laws governing our entertainment operation.
- Risks relating to our construction operation, including our work access services.
- Risks relating to our convertible preferred security investment in Nielsen.
- Risks relating to our Australian residential mortgage lender.
- Risks relating to our payment processing services operation.

Risks Relating to our Infrastructure Services Operations

- Risks relating to our lottery services operation.
- Risks relating to the demand for and growth of our offshore oil services.
- Risks relating to the significant loss of product, environmental contamination, and physical damage to marine transportation and oil production equipment due to extreme conditions in which our offshore oil services operate.
- Risks relating to equipment failure on our business, reputation, financial position and results of operation.
- Risks relating to our modular building leasing services.

Risks Relating to our Industrials Operations

- Risks relating to decreased demand and an inability to successfully respond to competition and pricing pressures in our advanced energy storage operation.
- Risks relating to our water and wastewater operation in Brazil.
- Risks relating to oil and gas exploration, development and production.
- Risks relating to the dependence on supplies of raw materials and the volatility of commodity prices.
- Risks relating to the Brazilian government's control over the Brazilian economy and Brazilian corporations.
- Risks relating to our engineered components manufacturing operation.

Risks Relating to our Relationship with Brookfield

- Risks relating to our dependence on Brookfield and the Service Providers.
- Risks relating to Brookfield's ownership position of our company.
- Risks relating to Brookfield's lack of fiduciary duty to our unitholders.
- Risks relating to senior executives of Brookfield exercising influence over our company.

Risks Relating to Taxation

- Risks related to United States, Canadian and Bermuda taxation, and the effects thereof on our business.

Risks Relating to our Operations Generally

Our operating businesses are highly cyclical and 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 the broader economy and/or financial markets. A slowdown in the financial markets and/or the global economy or the local economies of the regions in which we operate, including, but not limited to, the acceleration or reversal of key global trends such as deglobalization, decarbonization and digitization, new home construction, employment rates, business conditions, inflation, fuel and energy costs, commodity prices, lack of available credit, the state of the financial markets, government policies in the jurisdictions in which our company operates, interest rates and tax rates may adversely affect our growth and profitability. For example, a worldwide recession, reduction in available skilled labor, a period of below-trend growth in developed countries, a slowdown in emerging markets or significant declines in commodity 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 persist for an extended duration. These and other unforeseen adverse events in the global economy could negatively impact our operations and the trading price of our units could be further adversely impacted.

The demand for products and services provided by our operating businesses is, 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 products and/or services provided by our operating businesses. In particular, the sectors in which we operate are highly cyclical, and we are subject to cyclical fluctuations in global economic conditions and end-use markets. We are unable to predict the future course of industry variables or the strength, pace or sustainability of the global economic recovery and the effects of government intervention. Negative economic conditions, such as an economic downturn, a prolonged global inflationary period, a prolonged period of higher interest rates or a prolonged recovery period or disruptions in the financial markets, could have a material adverse effect on our businesses, financial condition or results or operations.

Our operating businesses are impacted by heightened inflationary pressures. High inflation continued to drive tightening in monetary policies by major central banks in 2023, posing risks to economic growth. Central banks in various countries may continue to raise interest rates in response to concerns about inflation, which, coupled with reduced government spending and volatility in financial markets, may have the effect of further increasing economic uncertainty and heightening these risks. Interest rate increases or other government actions taken to reduce inflation could also result in recessionary pressures in many parts of the world. Interest rate risk poses a significant market risk to us as a result of interest rate-sensitive assets and liabilities held by us and our operating businesses. Higher interest rates or elevated interest rates for a sustained period could also result in an economic slowdown. Economic contraction or further deceleration in the rate of growth in certain industries, sectors or geographies may contribute to poor financial results at our operating businesses.

A significant portion of the upward pressure on prices has been attributed to the rising costs of labor, energy, food, motor vehicles and housing, and continuing global supply-chain disruptions. Inflation increases may or may not be transitory and future inflation may be impacted by labor market constraints reducing, supply-chain disruptions easing and commodity prices moderating. While regulated and contractual arrangements in our portfolio companies can provide significant protection against inflationary pressures, any sustained upward trajectory in the inflation rate may still have an impact on our operating businesses and our investors, and could impact our ability to source suitable investment opportunities, match or exceed prior investment strategy performance and secure attractive debt financing, all of which could adversely impact our operating businesses and our growth and capital initiatives.

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 sectors, and the Service Providers may have difficulty managing these additional operations. In addition, acquisitions involve risks to our business.

A key part of our company's strategy involves seeking acquisition opportunities. For example, a number of our current operations have only recently been acquired. Acquisitions may increase the scale, scope and diversity of our operating businesses. We depend on the diligence and skill of Brookfield's and our professionals to effectively manage us and integrate acquired businesses with our existing operations. These individuals may have difficulty managing additional acquired businesses and may have other responsibilities within Brookfield's asset management business. If any such acquired businesses are not effectively integrated and managed, 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 and regulatory regimes in which we have little experience; the risk of becoming involved in labor, commercial or regulatory disputes or litigation related to the new enterprise; 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 may acquire distressed companies and these acquisitions may subject us to increased risks, including the incurrence of additional legal or other expenses.

As part of our acquisition strategy, we may acquire distressed companies. This could involve acquisitions of securities of companies in event-driven special situations, such as acquisitions, tender offers, bankruptcies, recapitalizations, spin-offs, corporate and financial restructurings, litigation or other liability impairments, turnarounds, management changes, consolidating industries and other catalyst-oriented situations. Acquisitions of this type involve substantial financial and business risks that can result in substantial or total losses. Among the problems involved in assessing and making acquisitions in troubled issuers is the fact that it frequently may be difficult to obtain information as to the condition of such issuer. If, during the diligence process, we fail to identify issues specific to a company or the environment in which we operate, we may be forced to later write down or write off assets, restructure our operations or incur impairment or other charges that may result in other reporting losses.

As a consequence of our company's role as an acquirer of distressed companies, we may be subject to increased risk of incurring additional legal, indemnification or other expenses, even if we are not named in any action. In distressed situations, litigation often follows when disgruntled shareholders, creditors and other parties seek to recover losses from poorly performing investments. The enhanced litigation risk for distressed companies is further elevated by the potential that Brookfield or our company may have controlling or influential positions in these companies.

We operate in a highly competitive market for acquisition opportunities.

Our acquisition strategy is dependent to a significant extent on Brookfield's ability to identify acquisition opportunities that are suitable for us. We face competition for acquisitions primarily from investment funds, operating companies acting as strategic buyers, 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. To finance our acquisitions, we compete for equity capital from institutional partners 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.

Our business and results of operations depend on the accuracy of our management's assumptions and estimates, and we could experience significant gains or losses if these assumptions and estimates differ significantly from actual results.

We make and rely on certain assumptions and estimates regarding many matters related to our businesses, including valuations, interest rates, investment returns, expenses and operating costs, tax assets and liabilities, tax rates, business mix, surrender activity, mortality and contingent liabilities. We also use these assumptions and estimates to make decisions crucial to our business operations. Similarly, our management teams make similar assumptions and estimates in planning and measuring the performance of our asset management business. In addition, certain investments and other assets and liabilities of our asset management business and our business operations must be, or at our election are, measured at fair value, the determination of which involves the use of various assumptions and estimates and considerable judgment. The factors influencing these various assumptions and estimates cannot be calculated or predicted with certainty, and if our assumptions and estimates differ significantly from actual outcomes and results, our business, financial condition, results of operations, liquidity and cash flows may be materially and adversely affected.

We may be unable to complete acquisitions, dispositions and other transactions as planned.

Our acquisitions, dispositions and other transactions typically are subject to a number of closing conditions, including, as applicable, securing the requisite financing to complete the transaction and obtaining any required security holder approval, regulatory approval (including competition authorities) and other third-party consents and approvals that are beyond our control and may not be satisfied. In particular, many jurisdictions in which we seek to invest (or divest) impose government consent requirements on investments by foreign persons. Consents and approvals may not be obtained, may be obtained subject to conditions which adversely affect anticipated returns, and/or may be delayed and delay or ultimately preclude the completion of acquisitions, dispositions and other transactions. Government policies and attitudes in relation to foreign investment may change, making it more difficult to complete acquisitions, dispositions and other transactions in such jurisdictions. Furthermore, interested stakeholders could take legal steps to prevent transactions from being completed. We may also be unable to secure financing on acceptable terms (or at all) for our proposed acquisitions. If all or some of our acquisitions, dispositions and other transactions are unable to be completed on the terms agreed, we may need to modify or delay or, in some cases, terminate these transactions altogether (which may result in the payment of significant break-up fees), the market value of our respective securities may significantly decline, and we may not be able to achieve the expected benefits of the transactions.

We use leverage and such indebtedness may result in our company, the Holding LP or our operating businesses being subject to certain covenants that restrict our ability to engage in certain types of activities or to make distributions to equity.

Many of our Holding Entities and operating businesses have entered into or will enter into credit facilities or have incurred or will incur other forms of debt, including for acquisitions. The total quantum of exposure to debt within our company is significant, and we may become more leveraged in the future.

Leveraged assets are 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.

An increase in either the general levels of interest rates or in the risk spread demanded by sources of indebtedness would make it more expensive to finance our investments. Increases in interest rates could also make it more difficult to locate and consummate private equity and other investments because other potential buyers, including operating companies acting as strategic buyers, may be able to bid for an asset at a higher price due to a lower overall cost of capital or their ability to benefit from a higher amount of cost savings following the acquisition of the asset. 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. In addition, a portion of the indebtedness used to finance private equity investments often includes high-yield debt securities issued in the capital markets. Disruptions and volatility in capital markets, including those caused by rising interest rates, could increase our cost of capital and adversely affect our ability to fund our liquidity and capital needs and the growth of the business. If we are unable to obtain committed debt financing for potential acquisitions or can only obtain debt at high interest rates or on other unfavorable terms, we may have difficulty completing acquisitions or may generate profits that are lower than would otherwise be the case.

Our credit facilities also contain, and will contain in the future, covenants applicable to the relevant borrower and events of default. Covenants can relate to matters including limitations on financial indebtedness, dividends, acquisitions 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.

We may not be able to access the credit and capital markets at the times and in the amounts needed to satisfy capital expenditure requirements, to fund new acquisitions or otherwise.

General economic and business conditions that impact the debt or equity markets could impact the availability and cost of credit for us. Actions to reduce inflation, including raising interest rates, increase our cost of borrowing, which in turn could make it more difficult to obtain financing for our operations or investments on favorable terms. We have revolving credit facilities and other short-term borrowings and 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 our financial condition. Continued movements in interest rates could also affect the discount rates used to value our assets, which in turn could cause their valuations calculated under IFRS to be reduced resulting in a material reduction in our equity value.

Some of our operations require significant capital expenditures, and proposed acquisitions often require significant financing. If we are unable to generate enough cash to finance necessary capital expenditures and to fund acquisitions through existing liquidity and/or operating cash flow, then we may be required to issue additional equity or incur additional indebtedness. Our ability to obtain debt or equity financing to fund our growth, and our ability to refinance existing corporate and non-recourse indebtedness on favorable terms, if at all, is dependent on, among other factors, the level of future interest rates, the overall state of capital markets (as well as local market conditions, particularly in the case of non-recourse financings), continued operating performance of our assets, lenders' and investors' assessment of our credit risk and investor appetite for investments in infrastructure, industrials and business services in general and in our partnership's securities in particular. If we are unable to refinance our indebtedness on favorable terms or at all, we would be required to repay our indebtedness with cash on hand or with cash flows from our operations. The issuance of additional equity would be dilutive to existing unitholders at the time. Any additional indebtedness would increase our leverage and debt payment obligations, and may negatively impact our business, financial condition and results of operations.

In addition, Brookfield owns approximately 69.7 million Redemption-Exchange Units. Brookfield has the right to require the Holding LP to redeem all or a portion of its Redemption-Exchange Units for cash, subject to our company's right to acquire such interests (in lieu of redemption) in exchange for our units. Although the decision to exercise the exchange right and deliver units (or not to do so) is a decision that will be made solely by a majority of our independent directors, and therefore Brookfield will not be able to prevent us from delivering units in satisfaction of the redemption request, if our independent directors do not determine to satisfy the redemption request by delivering our units, we would be required to satisfy such redemption request using cash. To the extent we were unable to fund such cash payment from operating cash flow, we may be required to incur indebtedness or otherwise access the capital markets, including through the issuance of our units, to satisfy any shortfall which will depend on several factors, some of which are out of our control, including, among other things, general economic conditions, our results of operations and financial condition, restrictions imposed by the terms of any indebtedness that is incurred to finance our operations or to fund liquidity needs, levels of operating and other expenses and contingent liabilities.

Our businesses rely on continued access to capital to fund new acquisitions 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 capital. Such a misjudgment could result in negative financial consequences or, in extreme cases, bankruptcy.

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 operating subsidiaries or their 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.

Alternative technologies could impact the demand for, or use of, the businesses and assets that we own and operate and could impair or eliminate the competitive advantage of such businesses and assets.

There are alternative technologies that may impact the demand for, or use of, the businesses and assets that we own and operate. While some such alternative technologies are in earlier stages of development, ongoing research and development activities may improve such alternative technologies. For example, further development of electric vehicles may reduce the need and demand for road fuel distribution. If new technologies emerge that are able to deliver goods and services more efficiently than our current businesses, such technologies could adversely impact our ability to compete. If this were to happen, the competitive advantage of our businesses and assets may be significantly impaired or eliminated and our businesses, financial condition, results of operations and cash flow could be materially and adversely affected as a result.

A business disruption may adversely affect our financial condition and results of operations.

Our businesses are vulnerable to damages from any number of sources, including computer viruses, unauthorized access, energy blackouts, natural disasters, pandemics, terrorism, war and telecommunication failures. Any of these events that cause interruptions in our operations, or the operations at any of our portfolio companies, could result in a material disruption to our businesses. If we are unable to recover from a business disruption effectively or on a timely basis, our financial condition and results of operations would be adversely affected. We may also incur additional costs to remedy damages caused by such disruptions, which could adversely affect our financial condition and results of operations.

We are subject to foreign currency risk and our use of or failure to use derivatives to hedge certain financial positions 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 operating businesses 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 operating businesses have revenues denominated in currencies different from U.S. dollars, which is utilized in our financial reporting, thus exposing us to currency risk. Fluctuations in currency exchange rates or a significant depreciation in the value of certain foreign currencies (for example, the Brazilian real) could reduce the value of cash flows generated by our operating businesses or could make it more expensive for our customers to purchase our services, and could 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. However, a significant portion of this risk may remain unhedged. We may also choose to establish unhedged positions in the ordinary course of business. 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.

The *Dodd-Frank Wall Street Reform and Consumer Protection Act*, or the Dodd-Frank Act, and similar laws in other jurisdictions impose rules and regulations governing federal and other governmental oversight of the over-the-counter derivatives market and its participants. These regulations may impose additional costs and regulatory scrutiny on our company. We cannot predict the effect of changing derivatives legislation on our hedging costs, our hedging strategy or its implementation or the composition of the risks we hedge.

It can be very difficult or expensive to obtain the insurance we need for our business operations.

We maintain insurance both as a corporate risk management strategy and in some cases to satisfy the requirements of contracts entered into in the course of our operations. Although in the past we have generally been able to cover our insurance needs, there can be no assurances that we can secure all necessary or appropriate insurance in the future, or that such insurance can be economically secured. We monitor the financial health of the insurance companies from which we procure insurance, but if any of our third party insurers fail, abruptly cancel our coverage or otherwise cannot satisfy their insurance requirements to us, then our overall risk exposure and operational expenses could be increased and some of our business operations could be interrupted.

Performance of our operating businesses may be harmed by future labor disruptions and economically unfavorable collective bargaining agreements.

Several of our current operations have workforces that are unionized or that in the future may become unionized and, as a result, are or will be required to negotiate the wages, benefits and other terms with many of their employees collectively. If an operating business 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 labor costs and restrictions on its ability to maximize the efficiency of its operations, which could have the potential to adversely impact our financial condition.

In addition, in some jurisdictions where we operate, labor 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 labor disruption which impacted our business.

Our operations are exposed to occupational health and safety and accident risks.

Our operations are highly exposed to the risk of accidents that may give rise to personal injury, loss of life, disruption to service and economic loss, including, for example, resulting from related litigation. Some of the tasks undertaken by employees and contractors are inherently dangerous and have the potential to result in serious injury or death.

We are subject to increasingly stringent laws and regulations governing health and safety matters. 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 us or our operating businesses 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, which have the potential to adversely impact our financial condition. Furthermore, where we do not control a business, we have a limited ability to influence their health and safety practices and outcomes.

We are subject to litigation risks that could result in significant liabilities that could adversely affect our operations.

We are, from time to time, 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 our assets or our future financial performance. We 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. We may also be subject to professional liability claims, particularly in our healthcare services business, wherein current or former patients may commence or threaten litigation for medical negligence or malpractice. Such claims could result in damage awards in excess of the limits of available insurance coverage. The final outcome of any proceeding could have a negative impact on the business, financial condition or results of operations of our company.

In addition, under certain circumstances, we may ourselves commence litigation. There can be no assurance that litigation, once begun, would be resolved in our favor.

We will also be exposed to risk of litigation by third parties or government regulators if our management is alleged to have committed an act or acts of gross negligence, willful misconduct or dishonesty or breach of contract or organizational documents or to violate applicable law. In such actions, we would likely be obligated to bear legal, settlement and other costs (which may exceed our available insurance coverage).

We may have operations in jurisdictions with less developed legal systems, which could create potential difficulties in obtaining effective legal redress.

Some of our operations are located in jurisdictions with less developed legal systems than those in more established economies. In these jurisdictions, our company 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 some jurisdictions, 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, businesses 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.

We do not control all of the businesses in which we own interests and therefore we may not be able to realize some or all of the benefits that we expect to realize from those interests.

We do not have control of certain of the businesses in which we own interests and we may take non-controlling positions in other businesses in the future. Such businesses may make financial or other decisions that we do not agree with. Because we do not have the ability to exercise control over such businesses, we may not be able to realize some or all of the benefits that we expect to realize from our ownership interests in them, including, for example, expected distributions. In addition, we must rely on the internal controls and financial reporting controls of such businesses and their failure to maintain effective controls or comply with applicable standards may adversely affect us.

From time to time, we may have significant interests in public companies, and changes in the market prices of the stock of such public companies, particularly during times of increased market volatility, could have a negative impact on our financial condition and results of operations.

From time to time, we may hold significant interests in public companies, and changes in the market prices of the stock of such public companies could have a material impact on our financial condition and results of operations. Global securities markets have been highly volatile, and continued volatility may have a material negative impact on our consolidated financial position and results of operations.

We are exposed to the risk of environmental damage and costs associated with compliance with environmental laws.

Certain of our operating businesses are involved in using, handling or transporting substances that are toxic, radioactive, combustible or otherwise hazardous to the environment and may be in close proximity to environmentally sensitive areas or densely populated communities. If a leak, spill or other environmental incident occurred, it could pose a health risk to humans or wildlife, cause property damage or result in substantial fines or penalties being 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. For example, such risks are present in our water and wastewater operation, which includes the largest private water and sewage treatment operation in Brazil. In addition, some of our operating businesses 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 overruns on projects. In addition to fines, these laws and regulations sometimes require evaluation and registration or the installation of costly pollution control or safety equipment or costly changes in operations to limit pollution or decrease the likelihood of injuries. Certain of our current industrial manufacturing operations are also subject to increasingly stringent environmental laws and regulations relating to our current and former properties, neighboring properties and our current raw materials, products and operations, such as our advanced energy storage operation, which is subject to laws and regulations governing hazardous waste storage, treatment and disposal. Governmental requirements relating to the protection of the environment, including solid waste management, air quality and water quality, could have an impact on our operations. All of these risks could require us to incur costs or become the basis of new or increased liabilities that could be material and could have the potential to significantly impact our value or financial performance.

We are exposed to the risk of increasingly onerous 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, we could be subject to further environmental related responsibilities and associated liability. For example, many jurisdictions in which our company operates and invests are considering implementing, or have implemented, schemes relating to the regulation of carbon emissions. As a result, there is a risk that demand for some of the commodities supplied by certain of our operations will be reduced. The nature and extent of future regulation in the various jurisdictions in which our operations are situated is uncertain but is expected to become more complex and stringent.

Environmental legislation and permitting requirements are likely to evolve in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors and employees.

It is difficult to assess the impact of any such changes on our company. These changes may result in increased costs to our operations that may not be able to be passed onto customers and may have an adverse impact on prospects for growth of some of our businesses. To the extent such regimes (such as carbon emissions schemes or other carbon emissions regulations) are or become applicable to our operations (and the costs of such regulations are not able to be fully passed on to consumers), our financial performance may be impacted due to costs applied to carbon emissions and increased compliance costs.

We are also subject to a wide range of 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 our company's financial performance 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 businesses 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. In addition to the physical risks associated with climate change, we are also subject to transition risks, which include those risks related to the impact of climate- and ESG-related legislation and regulation, as well as risks arising from climate-related business trends.

New climate change-related regulations or interpretations of existing laws may result in enhanced disclosure obligations that could negatively affect us and also materially increase our regulatory compliance burden. We also face business trend-related climate risks. Certain investors are increasingly taking into account ESG factors, including climate risks, in determining whether to invest in our company. Moreover, certain investors have demonstrated increased activism with respect to public companies, including by urging them to take certain actions that could adversely impact the value of a business, or refrain from taking certain actions that could improve the value of a business. Increased investor focus and activism related to ESG and similar matters may constrain our capital raising opportunities. Our reputation and investor relationships could be damaged as a result of our involvement in certain industries, operating businesses or transactions associated with activities perceived to be causing or exacerbating climate change, as well as any decisions we make to continue to conduct or change our activities in response to considerations relating to climate change.

Some of our current operations are structured as joint ventures, partnerships, consortiums or structured 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.

An integral part of our strategy is to participate with institutional partners 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. 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. We generally owe fiduciary duties to our partners in our joint venture and partnership arrangements. We may also, together with institutional partners, make structured preferred equity or debt investments ("structured investments") in businesses that Brookfield considers attractive but which have certain downside risks, usually because the applicable business, asset class or technology is at an early stage of development. Examples of structured investments in our portfolio include our convertible preferred investments in Nielsen. While these structured investments provide a secure, downside protected entry point into new assets classes and businesses, they do not give operational control to Brookfield or to our partnership.

Joint ventures, partnerships, consortiums and structured 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 exit, are often made by a majority vote of the investors or by separate agreements that are reached with respect to individual decisions or, in the case of a structured investment, by agreement with the target's management team. For example, when we participate with institutional partners in Brookfield-sponsored or co-sponsored consortiums for asset acquisitions and as a partner in or alongside Brookfield-sponsored or co-sponsored partnerships, there is often a finite term to the investment, which could lead to the business being sold prior to the date we would otherwise choose. In addition, such operations may be subject to the risk that business, financial or management decisions are made with which we do not agree or the management of the operating business at issue 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, any of which could be exercised outside of our control and accordingly could have an adverse impact on us.

We rely on the use of technology and information systems, many of which are controlled by third-party vendors, which may not be able to accommodate our growth or may increase in cost and may become subject to cyber-terrorism or other compromises and shut-downs, and any failures or interruptions of these systems could adversely affect our businesses and results of operations.

We operate in businesses that are dependent on information systems and other technology, such as computer systems used for information storage, processing, administrative and commercial functions as well as the machinery and other equipment used in certain parts of our operations. In addition, our businesses rely on telecommunication services to interface with their business networks and customers. The information and embedded systems of key business partners and regulatory agencies are also important to our operations. We rely on this technology functioning as intended. Our information systems and technology may not continue to be able to accommodate our growth, and the cost of maintaining such systems may increase from its current level. Such a failure to accommodate growth, or an increase in costs related to such information systems, could have a material adverse effect on us.

We rely heavily on our financial, accounting, communications and other data processing systems. Our businesses collect, store and use large amounts of sensitive information through our information technology systems, such as our healthcare services business, which handles confidential health information of patients, and our residential mortgage insurer, which receives personal and private information from borrowers and lenders. Our information technology systems face ongoing cybersecurity threats and attacks, which could result in the failure of such infrastructure. We may in the future be subject to cyber-terrorism or other compromises and shut-downs, noting the increasing frequency, sophistication and severity of these kinds of incidents. Such attacks may result in, and in some instances have in the past involved, attempts to gain unauthorized access to our proprietary information or to client or third-party data stored on our systems, destroy our data or disable, degrade or sabotage our systems, including through the introduction of computer viruses, cyber-attacks and other means. Such attacks could originate from a wide variety of sources, including internal actors or unknown third parties. We cannot predict what effects such cyber-attacks or compromises or shut-downs may have on our business and on the privacy of the individuals or entities affected, and the consequences could be material. Cyber incidents may remain undetected for an extended period, which could exacerbate these consequences. A significant actual or potential theft, loss, corruption, exposure, fraudulent, unauthorized or accidental use or misuse of investor, policyholder, employee or other personally identifiable or proprietary business data, whether by third parties or as a result of employee malfeasance or otherwise, non-compliance with our contractual or other legal obligations regarding such data or intellectual property or a violation of our privacy and security policies with respect to such data could result in significant remediation and other costs, fines, litigation and regulatory actions against us by governments, various regulatory organizations or exchanges, or affected individuals, in addition to significant reputational harm and/or financial loss, and it may not be possible to recover losses suffered from such incidents under our insurance policies.

If our information systems and other technology are compromised, do not operate or are disabled, such could have a material adverse effect on our business prospects, financial condition, results of operations and cash flow. We have become increasingly reliant on third party service providers for certain aspects of our business, including for the administration of certain funds we manage, as well as for certain information systems and technology platforms. A disaster, disruption or compromise in technology or infrastructure that supports our businesses, including a disruption involving electronic communications or other services used by us, our vendors or third parties with whom we conduct business, may have an adverse impact on our ability to continue to operate our businesses without interruption which could have a material adverse effect on us. These risks could increase as vendors increasingly offer cloud-based software services rather than software services that can be operated within our own data centers. These risks also increase to the extent we engage with vendors and third parties in jurisdictions with which we are not familiar. In addition to the fact that these third-party service providers could also face ongoing cyber security threats and compromises of their systems, we generally have less control over the delivery of such third-party services, and as a result, we may face disruptions to our ability to operate a business as a result of interruptions of such services. A prolonged global failure of cloud services provided by a variety of cloud services providers that we engage could result in cascading systems failures for us. Although we are continuing to develop measures to ensure the integrity of our systems, we can provide no assurance that our efforts or those of third parties with whom we conduct business will be successful in protecting our systems and preventing or ameliorating damage from a cyber incident.

Rapidly developing and changing global privacy laws and regulations could increase compliance costs and subject us to enforcement risks and reputational damage.

We are subject to various risks and costs associated with the collection, processing, storage and transmission of personally identifiable information and other sensitive and confidential information. This data is wide ranging and relates to our investors, employees, contractors and other counterparties and third parties. Our compliance obligations include those in laws and regulations in jurisdictions globally, including those relating to foreign data collection and privacy laws, including, for example, the General Data Protection Regulation in the European Union. Other countries where we operate are enacting or amending data protection, AI and other technology laws to empower regulators to impose financial penalties and injunctions on certain data processing activities, which could have an adverse effect on our business. Global laws in this area are rapidly increasing in the scale and depth of their requirements, and are also often extra-territorial in nature. In addition, a wide range of regulators and private actors are seeking to enforce these laws across regions and borders. Furthermore, we frequently have privacy compliance requirements as a result of our contractual obligations with counterparties. These legal, regulatory and contractual obligations heighten our privacy obligations in the ordinary course of conducting our business in the U.S., Canada and internationally.

While we have taken various measures and made significant efforts and investment to ensure that our policies, processes and systems are both robust and compliant with these obligations, our potential liability remains, particularly given the continued and rapid development of privacy laws and regulations around the world, and increased criminal and civil enforcement actions and private litigation. Any inability, or perceived inability, by us to adequately address privacy concerns, or comply with applicable laws, regulations, policies, industry standards and guidance, contractual obligations or other legal obligations, even if unfounded, could result in significant regulatory and third party liability, increased costs, disruption of our business and operations, a loss of client (including investor) confidence and other reputational damage. Furthermore, as new privacy-related laws and regulations are implemented, the time and resources needed for us to comply with such laws and regulations continues to increase and become a significant compliance workstream.

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.

As a public company in the United States and Canada, we are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, and stock exchange rules promulgated in response to the Sarbanes-Oxley Act, as well as corresponding laws in Canada. A number of our current operating subsidiaries are, and potential future acquisitions will be private companies and their systems of internal controls over financial reporting may be less developed as compared to public company requirements. In addition, we routinely exclude recently acquired companies from our evaluation of internal controls. For example, excluded from our evaluation were internal controls over financial reporting at Mobile Mini Solutions acquired on January 31, 2023. The financial statements of this business constitutes approximately 1% of total assets, 2% of net assets, less than 1% of revenues and less than 1% of net income of the consolidated financial statement amounts as of and for the year ended December 31, 2023. 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 material weaknesses or significant 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, our ability to access capital markets and investors' perception of us. In addition, material weaknesses in our internal controls could require significant expense and management time to remediate.

The market price of our units (and securities exchangeable into units, such as the BBUC exchangeable shares) may be volatile.

The market price of our units (and securities exchangeable into units, such as the BBUC exchangeable shares) may be highly volatile and could be subject to wide fluctuations. Some of the factors that could negatively affect the price of our units and securities exchangeable into 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 on our units; actual or anticipated variations or trends in market interest rates; changes in our operating businesses or asset composition; write-downs or perceived credit or liquidity issues affecting our assets; market perception of our company, our business and our assets, including investor sentiment regarding diversified holding companies such as our company; 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 companies and partnerships; 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 company 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 (and securities exchangeable into units, such as the BBUC exchangeable shares).

Our company is an "SEC foreign issuer" under Canadian securities regulations and a "foreign private issuer" under U.S. securities law. Therefore, we are exempt from certain requirements of Canadian securities laws and from requirements applicable to U.S. domestic registrants listed on the NYSE.

Although our company is a reporting issuer in Canada, we are an "SEC foreign issuer" and 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 company than would be available if we were a typical Canadian reporting issuer.

Although we are subject to the periodic reporting requirement of the U.S. Exchange Act and the rules and regulations promulgated thereunder the periodic disclosure required of foreign private issuers under the U.S. Exchange Act is different from periodic disclosure required of U.S. domestic registrants. Therefore, there may be less publicly available information about our company than is regularly published by or about other public limited partnerships in the United States. Our company is exempt from certain other sections of the U.S. 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 U.S. Exchange Act. In addition, insiders and large unitholders of our company are not obligated to file reports under Section 16 of the U.S. Exchange Act, and we will be permitted to follow certain home country corporate governance practices instead of those otherwise required under the NYSE Listed Company Manual for domestic issuers. We currently intend to follow the same corporate practices as would be applicable to U.S. domestic limited partnerships. However, we may in the future elect to follow our home country law for certain of our corporate governance practices, as permitted by the rules of the NYSE, in which case our unitholders would not be afforded the same protection as provided under NYSE corporate governance standards. Following our home country governance practices as opposed to the requirements that would otherwise apply to a U.S. domestic limited partnership listed on the NYSE may provide less protection than is accorded to investors of U.S. domestic issuers.

Political instability and unfamiliar cultural factors could adversely impact the value of our investments.

We are subject to geographical uncertainties in all jurisdictions in which we operate, including North America. We also make investments in businesses that are based outside of North America and we may pursue investments in unfamiliar markets, which may expose us to additional risks not typically associated with investing in North America. We may not properly adjust to the local culture and business practices in such markets, and there is the prospect that we may hire personnel or partner with local persons who might not comply with our culture and ethical business practices; either scenario could result in the failure of our initiatives in new markets and lead to financial losses for us and our managed entities. There are risks of political instability in several of our major markets and in other parts of the world in which we conduct business, including, for example, Brazil, from factors such as political conflict, protests, income inequality, refugee migration, terrorism, the potential break-up of political or economic unions (or the departure of a union member – e.g., Brexit) and political corruption; the materialization of one or more of these risks could negatively affect our financial performance.

The transition period following the United Kingdom's formal departure from the E.U. ended on December 31, 2020, and E.U. law no longer applies in the United Kingdom. There remains uncertainty related to the post-Brexit relationship between the United Kingdom and the E.U. and it is difficult to predict what the future economic, tax, fiscal, legal, regulatory and other implications of Brexit will be for our business services and industrial operations and the broader European economy and global financial markets generally. Future impacts could include increased legal and regulatory complexities, as well as potentially higher costs of conducting business in Europe, which could have an adverse effect on our business, financial position, results of operations and cash flows.

Unforeseen political events in markets where our operating businesses own and operate assets and may look to for further growth of our businesses, such as the U.S., Brazilian, Australian, European and Asian markets, may create economic uncertainty that has a negative impact on our financial performance. Such uncertainty could cause disruptions to our businesses, including affecting the business of and/or our relationships with our customers and suppliers, as well as altering the relationship among tariffs and currencies, including the value of the Brazilian real, the British pound and the Euro relative to the U.S. and Canadian dollar. Disruptions and uncertainties could adversely affect our financial condition, operating results and cash flows. In addition, political outcomes in the markets in which we operate may also result in legal uncertainty and potentially divergent national laws and regulations, which can contribute to general economic uncertainty. Economic uncertainty impacting us and our managed entities could be exacerbated by political events, including those in the U.S., Brazil, Australia, Europe, Asia and elsewhere.

All of our operating businesses are subject to changes in government policy and legislation.

Our operations are located in many different jurisdictions, each with its own government and legal system. Our financial condition and results of operations could also be affected by changes in economic or other government policies, changes in monetary policy, as well as by regulatory changes or administrative practices, or other political or economic developments in the jurisdiction in which we operate, such as: the regulatory environment related to our business operations, concession agreements and periodic regulatory resets; interest rates; benchmark interest rate reforms; currency fluctuations; exchange controls and restrictions; inflation; tariffs; 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 businesses are located or conduct business or the countries in which the customers of our operating businesses are located or conduct business or both.

In the case of our industrial operations, we cannot predict the impact of future economic conditions, energy conservation measures, alternative energy requirements or governmental regulation, all of which could reduce the demand for the products and services provided by such businesses or the availability of commodities we rely upon to conduct our operations. 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 the extent to which any changes may adversely affect us.

Federal, state and foreign anti-corruption and trade sanctions laws and restrictions on foreign direct investment applicable to us and our operating businesses create the potential for significant liabilities and penalties, the inability to complete transactions, imposition of significant costs and burdens, and reputational harm and we may also be subject to various governmental investigations.

We are subject to various governmental investigations, audits and inquiries, both formal and informal. These investigations, regardless of their outcome, can be costly, divert management attention and damage our reputation. The unfavorable resolution of such investigations could result in criminal liability, fines, penalties or other monetary or non-monetary sanctions and could materially affect our business or results of operations.

Brookfield, our company and our operating businesses are subject to a number of laws and regulations governing payments and contributions to public officials or other third parties both domestically and in respect of operations abroad, including the U.S. Foreign Corrupt Practices Act of 1977 (the "FCPA"), various federal and state corruption laws, and similar laws in non-U.S. jurisdictions, such as the United Kingdom Bribery Act 2010, the Canadian Corruption of Foreign Public Officials Act ("CFPOA"), the Canadian Criminal Code and the Brazilian Clean Company Act. This global focus on anti-bribery and corruption enforcement may also lead to more investigations, both formal and informal, in this area, the results of which cannot be predicted.

The FCPA prohibits bribery of non-U.S. officials, candidates for office and political parties, and requires U.S. companies to keep books and records that accurately and fairly reflect those companies' transactions. Similar laws in non-U.S. jurisdictions, such as the United Kingdom Bribery Act 2010 and the CFPOA, as well as other applicable anti-bribery, anti-corruption or related laws in the United States and abroad, may also impose stricter or more onerous requirements than the FCPA, and implementing them may disrupt our business or cause us to incur significantly more costs to comply with those laws. The policies and procedures we have implemented to comply with anti-bribery and corruption legislation may be inadequate. If we fail to comply with such laws and regulations, we could be exposed to claims for damages, financial penalties, incarceration of our employees, reputational harm, 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 and regulations or other acts of bribery committed by us or our operating businesses.

Instances of bribery, fraud, accounting irregularities and other improper, illegal or corrupt practices can be difficult to detect, in particular when conducting due diligence in connection with acquisitions, 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, where existing laws and regulations may not be consistently enforced, or that are perceived to have materially higher levels of corruption according to international rating standards. 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. When acquiring assets in distress, the quality of financial information of the target may also make it difficult to identify irregularities.

Brookfield, our company and our operating businesses are also subject to laws and regulations governing trade and economic sanctions. The Office of Foreign Assets Control of the U.S. Department of the Treasury (“OFAC”), the U.S. Department of Commerce and the U.S. Department of State administer and enforce various trade control laws and regulations, including economic and trade sanctions based on U.S. foreign policy and national security goals against targeted foreign states, organizations and individuals. These laws and regulations implicate a number of aspects of our business, including servicing existing investors, finding new investors, and sourcing new investments, as well as activities by the portfolio companies in our investment portfolio or other controlled investments. Some of these regulations provide that penalties can be imposed on us for the conduct of a portfolio company, even if we have not ourselves violated any regulation. Similar laws in non-U.S. jurisdictions, such as the Special Economic Measures Act (Canada), the United Nations Act (Canada) and the Justice for Victims of Corrupt Foreign Officials Act (Canada), and E.U. sanctions, may also impose restrictions or requirements on us or our operating businesses. Applicable laws of various jurisdictions may contain conflicting provisions, making our compliance more difficult. For example, Canada has adopted measures, such as the *Canadian Foreign Extraterritorial Measures Act*, that could restrict certain persons and entities subject to Canadian jurisdiction from complying with sanctions imposed by other jurisdictions, such as the U.S. Beginning in February 2022, the United States and other countries began imposing sanctions targeting Russia as a result of actions taken by Russia in Ukraine. We and our portfolio companies are required to comply with these and potentially additional sanctions imposed by the United States and by other countries, for which the full costs, burdens, and limitations on our and our operating businesses and prospects are currently unknown and may become significant.

In addition, the U.S. and many non-U.S. countries have laws designed to protect national security or to restrict foreign direct investment. For example, under the United States Foreign Investment Risk Review Modernization Act (“FIRRMA”), the Committee on Foreign Investment in the United States (“CFIUS”) has the authority to review, block or impose conditions on investments by non-U.S. persons in U.S. companies or real estate assets deemed critical or sensitive to the United States. Many non-U.S. jurisdictions have similar laws. For example, the E.U. has adopted an E.U.-wide mechanism to screen foreign investment on national security grounds and most E.U. member states now have a foreign investment screening mechanism in place or has initiated a consultative or legislative process expected to result in the adoption of a new mechanism or amendments to an existing mechanism, adopted a regulation aimed at regulation of foreign subsidies that could distort the internal E.U. market.

Under these laws, governments have the authority to impose a variety of actions, including requirements for the advance screening or notification of certain transactions, blocking or imposing conditions on certain transactions, limiting the size of foreign equity investments or control by foreign investors, and restricting the employment of foreigners as key personnel. These actions could limit our ability to find suitable investments, cause delays in consummating transactions, result in the abandonment of transactions, and impose burdensome operational requirements on our portfolio companies. These laws could also negatively impact our fundraising and syndication activities by causing us to exclude or limit certain investors or co-investors for our transactions. Moreover, these laws may make it difficult for us to identify suitable buyers for our investments that we want to exit and could constrain the universe of exit opportunities generally. Complying with these laws imposes potentially significant costs and complex additional burdens, and any failure by us or our portfolio companies to comply with them could expose us significant penalties, sanctions, loss of future investment opportunities, additional regulatory scrutiny, and reputational harm.

Risks Relating to our Business Services Operations

Our residential mortgage insurer is subject to the inherent insurance risk within its portfolio.

Our residential mortgage insurer is influenced by macroeconomic conditions. Specifically, the level of premiums written is influenced by economic growth, interest rates, unemployment, housing activity, home prices and government policy, among other factors. Losses on claims are primarily impacted by unemployment rates, home prices and housing activity. A significant downturn in global, Canadian or any provincial economies could have an adverse effect on our residential mortgage insurer and its results of operations.

Further, as our residential mortgage insurer provides mortgage insurance primarily for high loan-to-value mortgages, material changes in factors that impact the volume of such mortgages could lead to a decrease in the volume of transactional insurance originations, which would reduce the demand for mortgage insurance and, therefore, could have an adverse effect on its financial condition and results of operations. Material changes in factors that impact the volume of such mortgages include changes in the level of mortgage interest rates, housing prices, government housing policies and other government action to reduce consumer debt levels and changes to the capital treatment of privately insured mortgages that could disproportionately increase the regulatory capital held on privately insured mortgages relative to non-privately insured mortgages. We can provide no assurance that our residential mortgage insurer will not be negatively affected by these factors in the future, whether or not there is an improving interest rate environment; accordingly, our residential mortgage insurer may be adversely affected.

Our residential mortgage insurer is heavily regulated and may be affected by changes in government policy.

Failure of our residential mortgage insurer to meet its regulatory requirements or changes in regulation and governance requirements may impact the housing and mortgage markets, reduce its profitability, impact regulatory capital requirements, affect its ability to pay dividends or distribute capital to shareholders, expose it to claims, fines or penalties and could limit its growth. Action or inaction by the federal government of Canada in respect of its policy of supporting home ownership in Canada through mortgage insurance, could significantly reduce the demand for, or availability of, private sector mortgage insurance or mortgage insurance in general.

For example, all financial institutions that are federally regulated by the OSFI are required to purchase mortgage insurance whenever the amount of a mortgage loan exceeds 80% of the value of the collateral property at the time the loan is made. A change to this requirement or any change to the threshold loan-to-value ratio could adversely affect the operations of our residential mortgage insurer and could reduce the demand for mortgage insurance.

In addition, our residential mortgage insurer is subject to capital requirements imposed under Canadian law, including the Insurance Companies Act and the Protection of Residential Mortgage or Hypothecary Insurance Act. A decline in the regulatory capital of our residential mortgage insurer in relation to the size of risk it is insuring or an increase in its regulatory capital requirements could result in a decline in its ratings, increased scrutiny by OSFI, restrictions on our residential mortgage insurer from writing new business, distributing capital, utilizing capital for business needs, and could have an adverse impact on its financial condition, results of operations and prospects.

Our residential mortgage insurer primarily competes with CMHC.

CMHC, a Crown Corporation, may establish pricing terms and business practices that may be influenced by Canadian government policy initiatives such as advancing social housing policy or stabilizing the mortgage lending industry, initiatives which may not be consistent with maximizing return on capital or other profitability measures. In the event that CMHC determines to reduce prices or alter the terms and conditions of its mortgage insurance or other credit enhancement products in furtherance of social or other goals rather than a profit motive, our residential mortgage insurer may be unable to compete effectively, which could have an adverse effect on its financial condition and results of operations.

The Canadian mortgage origination market is highly concentrated, with the five largest mortgage originators providing the majority of the residential mortgage financing in Canada.

High market concentration may expose our residential mortgage insurer to reduced sales or adverse loan selection in the future should a significant lender change the type of loans or level of business that they underwrite with us or terminate or reduce its relationship with us. Additionally, much of our residential mortgage insurer in Canada is concentrated in only four provinces (Ontario, British Columbia, Alberta and Quebec), which increases the vulnerability of our residential mortgage insurer to economic or market downturns, catastrophic events or acts of terrorism in those provinces.

We may not be able to accurately forecast the risks associated with our residential mortgage insurer.

Our residential mortgage insurer is subject to model risk, particularly the risk of error in the design, development, implementation or subsequent use of models. A failure in our modelling could adversely impact our ability to properly evaluate, reserve, price and mitigate risks and the associated losses. If the pricing of our residential mortgage insurer is inadequate, its loss and unearned premiums reserves do not adequately reflect the financial condition of the business, or there are inadequate loss reserves for unexpected market events, results of operations and regulatory capital may be adversely affected. In addition, our residential mortgage insurer may experience increasing loss as the policies continue to age. Sustained material shifts in the emergence of losses on claims could affect timing of revenue recognition, which may adversely affect our residential mortgage insurer's operations and financial condition.

The majority of the revenues from our healthcare services are derived from private health insurance funds.

The profitability of our healthcare services is influenced by its ability to reach ongoing commercial agreements with private health insurance funds. A failure to reach a satisfactory commercial agreement with any key private health insurance fund has the potential to negatively impact the financial and operational performance of our healthcare services. Additionally, a deterioration in the economic climate, changes to economic incentives, annual increases in private health insurance premiums and other factors may affect the participation rate or the level of private health insurance coverage of members in private health insurance funds. This has the potential to reduce demand for our healthcare services, resulting in decreased revenues. If the profitability of private health insurance funds deteriorates, there is a risk of increased pricing pressures on private hospital operators such as our healthcare services.

Our healthcare services are reliant on relationships with accredited medical practitioners.

Accredited medical practitioners prefer to work at hospitals which, amongst other things, provide high-quality facilities, equipment and nursing staff, exceptional clinical safety outcomes and which are conveniently located. Accredited medical practitioners could cease to practice or stop referring patients to our facilities if the hospitals become a less attractive place to work. Our healthcare services are subject to rising costs, particularly labor costs associated with attracting and retaining key personnel. Nursing labor is the most significant cost in our hospital operations. Any increase in cost or tightening of supply of accredited medical practitioners or nursing labor is likely to adversely impact the financial and operational performance of our healthcare services.

If we do not have adequate indemnification for our healthcare services, it could adversely affect our healthcare services and financial condition.

Current or former patients may commence or threaten litigation for medical negligence against our healthcare services. Subject to indemnity insurance arrangements, future medical malpractice litigation, or threatened litigation, could have an adverse impact on the financial performance and position and future prospects of our healthcare services. Insurance coverage is maintained by our healthcare services consistent with industry practice, including public liability and medical malpractice. However, no assurance can be given that such insurance will be available in the future on commercially reasonable terms or that any coverage will be adequate and available to cover all or any future claims.

Certain risks are inherent in the private hospital and healthcare provider industry.

Changes in the operating costs (including costs for maintenance and insurance), inability to obtain permits required to conduct hospital business operations, changes in health care laws and governmental regulations, and various other factors may significantly impact the ability of our healthcare services to generate revenues. Certain significant expenditures, including fees related to health and safety measures, legal fees, borrowing costs, maintenance costs, insurance costs and related charges must be made to operate our healthcare services.

In addition, the healthcare industry has been disproportionately affected by the COVID-19 pandemic, and performance of our Australian healthcare services operation remains challenged as post-pandemic activity levels have not recovered as expected as lower labor productivity and higher labor costs continue to impact results. Although we are developing plans to reduce the fixed cost base and improve cash flows within the business, we can provide no assurance that we realize improvements in our healthcare operations in the near term or at all.

There are risks associated with our road fuels operation.

Fluctuations in fuel product prices or a significant decrease in demand for road fuel in the areas we serve could significantly reduce our revenues and, therefore, could adversely affect our business, results of operations and financial condition. Our road fuels operation is dependent on various trends, such as trends in automobile and commercial truck traffic, travel and tourism in our areas of operation, and these trends can change. Furthermore, seasonal fluctuations, alternative technological advancements or regulatory action, including government-imposed fuel efficiency standards, may affect demand for road fuel. Because certain of our operating costs and expenses, such as our general and administrative costs, are fixed and do not vary with the volumes of road fuel we distribute, our costs and expenses might not decrease ratably or at all should we experience a reduction in our volumes distributed. As a result, if our fuel distribution volumes decrease or if there is an event which significantly interrupts the supply of fuel to our customers, our business, reputation, results of operations and financial condition could be adversely affected.

Furthermore, there are dangers inherent in storage and processing of fuel products and the movement of fuel products by ship, train and truck, including deliveries to customer sites, that could cause disruptions in our operations or expose our business to potentially significant losses, costs or liabilities. These activities bring us into contact with members of the public and with the environment. Road fuel is stored in underground and above ground storage tanks at sites that we own or operate and at consignment sites where we retain title to the road fuel that we sell. Our operations are subject to significant hazards and risks inherent in storing motor fuel. These hazards and risks include, but are not limited to, fires, explosions, spills, discharges and other releases, any of which could result in distribution difficulties and disruptions, environmental pollution, government-imposed fines or clean-up obligations, personal injury or wrongful death claims and other damage to our properties and the properties of others. Any such event could significantly disrupt our operations or expose us to significant liabilities, to the extent such liabilities are not covered by insurance. Therefore, the occurrence of such an event could adversely affect the operations and financial condition of our business.

There are risks associated with our dealer software and technology services operation.

Our dealer software and technology services operation faces intense competition. If we do not continue to respond quickly to technological developments or customers' shifting technological requirements or to compete effectively against other providers of technology solutions to automotive retailers, OEMs, and other participants in the automotive retail industry, it could have a material adverse effect on our business, results of operations, and financial condition. The industry is highly fragmented and subject to rapidly evolving technology, shifting customer needs, and frequent introductions of new solutions.

Although the automotive retail industry is fragmented, a relatively small number of OEMs, consolidated retailer groups and retailer associations exert significant influence over the market acceptance of automotive retail products and services due to their concentrated purchasing activity, their endorsement or recommendation of specific products and services and/or their ability to define technical standards and certifications. If we are unable to establish, maintain or grow relationships with these key industry participants, our dealer software and technology services operation may not perform as well as anticipated, which may adversely affect our results of operations.

There are risks associated with the real estate industry in Canada and the United States.

The performance of our residential real estate brokerage services operation is dependent upon receipt of royalties, which in turn is dependent on the level of residential real estate transactions. The real estate industry has been affected by an increase in the general levels of interest rates, and is affected by all of the factors that affect the economy in general, and in addition may be affected by the aging network of real estate agents and brokers across Canada and the United States. This adverse interest rate environment has had negative impact on our residential real estate brokerage services operation over the past couple of years, and this may continue in the near term. In addition, there is pressure on the rate of commissions charged to the consumer and internet use by real estate consumers has led to a questioning of the value of traditional residential real estate services. Finally, changes to mortgage and lending rules in Canada that are implemented or contemplated from time to time have the potential to negatively impact residential housing prices and/or the number of residential real estate transactions in Canada, either or both of which could in turn reduce commissions and therefore royalties.

There are risks associated with our entertainment operation.

Our entertainment operation is conducted pursuant to operational services agreements with Ontario Lottery and Gaming Corporation and gaming corporations. Although the agreements are renewable, there is no guarantee that we will continue to satisfy the conditions required for renewal. Additionally, when the renewal term expires, we may not be able to enter into new agreements that are the same as those historically, which may result in decreased revenues, increased operating costs or closure of an operation. Under the operational services agreements, the lottery and gaming corporations have the ability to suspend or terminate our right to provide services under the agreements for certain specified reasons. If we operate our entertainment operation in a manner inconsistent with the Criminal Code of Canada or applicable anti-money laundering legislation, violate provincial gaming laws or prejudice the integrity of gaming, the provincial lottery corporations may terminate one or more of our operational services agreements. If one or more of the operational services agreements are terminated, this will seriously impact the business.

Furthermore, our entertainment operation is contingent upon obtaining and maintaining all necessary licenses, permits, approvals, registrations, findings of suitability, orders and authorizations. The laws, regulations and ordinances requiring these licenses, permits and other approvals generally relate to the responsibility, financial stability and character of the owners and managers of our entertainment operation, as well as persons financially interested or involved in our entertainment operation.

Regulatory authorities have broad powers to request detailed financial and other information, to limit, condition, suspend or revoke a registration, gaming license or related approvals to approve changes in our operations, and to levy fines or require forfeiture of assets for violations of gaming laws or regulations. Complying with gaming laws, regulations and license requirements is costly. Any change in the laws, regulations or licenses applicable to our business or a violation of any current or future laws or regulations applicable to our business or gaming licenses could require us to make substantial expenditures or forfeit assets, and would negatively affect our entertainment operation.

Our construction operation is vulnerable to the cyclical nature of the construction market.

Accordingly, in recent years, we have experienced slowdowns in our construction operation, impacted by inflationary pressures and reduced demand for new buildings. The demand for our construction operation, including work access services, is dependent upon the existence of projects with engineering, procurement, construction and management needs. For example, a substantial portion of the revenues from our construction operation derives from residential, commercial and office projects in Australia and the United Kingdom. Capital expenditures by our clients may be influenced by factors such as prevailing economic conditions and expectations about economic trends, technological advances, consumer confidence, domestic and international political, military, regulatory and economic conditions and other similar factors. Our construction operation profitability is closely tied to the general state of the economy in those geographic areas in which we operate including North America, Europe, Australia and the Middle East, all of which have experienced and continue to experience varying degrees of adverse impacts due to general economic conditions and by rising inflationary pressures. More specifically, the demand for construction and infrastructure development services, which is the principal component of our construction operation, would typically be the largest single driver of our construction operation growth and profitability. In periods of strong economic growth, there is generally an increase in the number of opportunities available in the construction and infrastructure development industry as capital spending increases. In recessionary periods or periods of weak economic growth, the demand for our construction operation services from private sector and public authority clients may be adversely affected. We can provide no assurance that our construction operation will realize significant improvement in the near term, or at all, which may have a material adverse effect on our results of operations.

Our revenues and earnings from our construction operation is largely dependent on the award of new contracts which we do not directly control.

A substantial portion of the revenues and earnings of our construction operation, including work access services, is generated from large-scale project awards. The timing of project awards is unpredictable and outside of our control. Awards often involve complex and lengthy negotiations and competitive bidding processes. These processes can be impacted by a wide variety of factors including a client’s decision to not proceed with the development of a project, governmental approvals, financing contingencies and overall market and economic conditions. We may not win contracts that we have bid upon due to price, a client’s perception of our ability to perform and/or perceived technology advantages held by others. Many of our competitors may be inclined to take greater or unusual risks or agree to terms and conditions in a contract that we might not deem acceptable. Because a significant portion of our construction operation revenues are generated from large projects, the results of our construction operation can fluctuate quarterly and annually depending on whether and when large project awards occur and the commencement and progress of work under large contracts already awarded. As a result, we are subject to the risk of losing new awards to competitors or the risk that revenues may not be derived from awarded projects as quickly as anticipated.

Our construction operation may experience reduced profits or losses under contracts if costs increase above estimates.

Generally, our construction operation, including work access services, is performed under contracts that include cost and schedule estimates in relation to our services. Inaccuracies in these estimates may lead to cost overruns that may not be paid by our clients, thereby resulting in reduced profits or in losses. If a contract is significant or there are one or more events that impact a contract or multiple contracts, cost overruns could have a material impact on our reputation or our financial results, negatively impacting the financial condition, results of operations or cash flow of our construction operation. A portion of our ongoing construction projects are in fixed-price contracts, where we bear a significant portion of the risk for cost overruns. Reimbursable contract types, such as those that include negotiated hourly billing rates, may restrict the kinds or amounts of costs that are reimbursable, therefore exposing us to risk that we may incur certain costs in executing these contracts that are above our estimates and not recoverable from our clients. If our construction operation fail to accurately estimate the resources and time necessary for these types of contracts, or fails to complete these contracts within the timeframes and costs we have agreed upon, there could be a material impact on the financial results as well as reputation of our construction operation. Risks under our construction contracts which could result in cost overruns, project delays or other problems can also include:

- difficulties related to the performance of our clients, partners, subcontractors, suppliers or other third parties;
- changes in local laws or difficulties or delays in obtaining permits, rights of way or approvals;
- unanticipated technical problems, including design or engineering issues;
- insufficient or inadequate project execution tools and systems needed to record, track, forecast and control cost and schedule;
- unforeseen increases in, or failures to, properly estimate the cost of raw materials, components, equipment, labor or the inability to timely obtain them;
- delays or productivity issues caused by weather conditions;
- incorrect assumptions related to productivity, scheduling estimates or future economic conditions; and
- project modifications creating unanticipated costs or delays.

These risks tend to be exacerbated for longer-term contracts because there is an increased risk that the circumstances under which we based our original cost estimates or project schedules will change with a resulting increase in costs. In many of these contracts, we may not be able to obtain compensation for additional work performed or expenses incurred, and if a project is not executed on schedule, we may be required to pay liquidated damages. In addition, these losses may be material and can, in some circumstances, equal or exceed the full value of the contract. In such circumstances, the financial condition, results of operations and cash flow of our construction operation could be negatively impacted.

We enter into performance guarantees which may result in future payments.

In the ordinary course of our construction operation, including work access services, we enter into various agreements providing performance assurances and guarantees to clients on behalf of certain unconsolidated and consolidated partnerships, joint ventures and other jointly executed contracts. These agreements are entered into primarily to support the project execution commitments of these entities. The performance guarantees have various expiration dates ranging from mechanical completion of the project being constructed to a period extending beyond contract completion in certain circumstances. Any future payments under a performance guarantee could negatively impact the financial condition, results of operations and cash flow of our construction operation.

Our construction operation operates under various types of contracts.

Our construction operation performs under a variety of contract types, including lump sum, guaranteed maximum price, cost reimbursable, schedule of rates, managing contractor, construction management and design-build. Some forms of construction contracts carry more risk than others. We attempt to maintain a diverse mix of contracts to prevent overexposure to the risk profile of any particular contractual structure; however, conditions influencing both private sector and public authority clients may alter the mix of available projects and contractual structures that our construction operation undertakes.

In most instances, our construction operation guarantees to its clients that they will complete a project by a scheduled date. If the project subsequently fails to meet the scheduled date, we could incur additional costs or penalties commonly referred to as liquidated damages, which are usually capped. Although we attempt to negotiate waivers of consequential loss, on some contracts there is some liability, which is also usually capped. There can also be a liability where certain performance standards are not met. Such penalties may be significant and could impact our construction operation's financial position or results of future operations. Furthermore, schedule delays may also reduce profitability because staff may be prevented from pursuing and working on new projects. Project delays may also reduce customer satisfaction, which could impact future awards.

Climate change and transitioning to a lower carbon economy may impact our construction operation.

Many of our construction operation's activities are performed outdoors. The probability and unpredictability of extreme weather events and other associated incidents may continue to increase due to climate change and we may continue to see longer-term shifts in climate patterns. Increases in the severity and/or frequency of weather conditions due to climate change such as earthquakes, hurricanes, tornadoes, fires, floods, droughts and similar events, may cause more regular and severe interruptions in our construction operation. Severe weather events may also impact the availability and cost of raw materials and may impact the raw materials supply chain and disrupt key manufacturing facilities.

In addition, the transition to a lower-carbon economy has the potential to be disruptive to traditional business models and investment strategies. Our construction operation's private and/or public-sector clients may shift their infrastructure priorities due to changes in project funding, regulatory requirements or public perception. This risk can be mitigated to an extent by identifying changing market demands to offset lower demand in some sectors with opportunities in others, forming strategic partnerships and pursuing sustainable innovations. Government action to address climate change may involve economic instruments such as carbon and energy consumption taxes, restrictions on economic sectors, such as cap-and-trade, increasing efficiency standards and more stringent regulation and reporting of greenhouse gas emissions that could also impact our construction operation's current or potential clients operating in industries that extract, distribute and transport fossil fuels.

There are risks associated with our convertible preferred security investment in Nielsen.

We hold a convertible preferred security investment in Nielsen and accordingly, our financial results may be impacted by the performance of this business. The underlying audience measurement operation requires sophisticated data collection, processing systems, software and other technology. Some of the technologies supporting the industries the business serves are changing rapidly. The business has been and will be required to adapt to changing technologies and industry standards, either by developing and marketing new services, investing in new services or enhancing its existing services to meet client demand.

Moreover, the accelerating technology turn-over in audience measurement businesses, the introduction of new services embodying new technologies and the emergence of new regulatory and industry standards could render existing services technologically or commercially obsolete. Continued success will depend on the ability of the business to adapt to changing technologies, manage and process ever-increasing amounts of data and information, build and apply the appropriate processes to comply with requirements imposed by third parties regarding licensed or collected data, and improve the performance, features and reliability of its existing services in response to changing client, regulatory and industry demands. The business may experience difficulties that could delay or prevent the successful design, development, testing, introduction or marketing of Nielsen.

Criticism from various industry groups and market segments could also adversely affect the business. Due to the high-profile nature of Nielsen data in the media, internet and entertainment information industries, Nielsen has been, and could continue to be, the target of criticism in the media and in other venues by various industry groups and market segments. The business strives to be fair, transparent and impartial in the production of audience measurement services. The quality of Nielsen's U.S. ratings services is voluntarily subject to review and accreditation by the Media Ratings Council. Criticism of this business by special interests, and by clients with competing and often conflicting demands on Nielsen's measurement service, could result in government regulation and/or a decrease in the demand for its services and put additional pressure on the pricing of its services, thereby leading to decreased earnings and cash flows. While we believe that government regulation of Nielsen is unnecessary, no assurance can be given that legislation will not be enacted in the future that would subject this business to regulation, which could adversely affect the performance of Nielsen and may in turn have an adverse effect on our convertible preferred security investment.

In addition, design defects, errors, failures or delays associated with the products or services of the business could negatively impact Nielsen. Despite testing, the software, products and services that Nielsen develops, licenses or distributes may contain errors or defects when first released or when major new updates or enhancements are released that cause the product or service to operate incorrectly or less effectively. Many of these products and services also rely on data, equipment and services provided by third-party providers over which the business has no control and may be provided to us with defects, errors or failures. These third-party providers may be unable to meet the quality, safety or timeline requirements of the business in a way that may have an adverse impact on its products, services or users. In addition, the data integrity and quality of Nielsen relies on human-led, manual data collection and management processes that may be vulnerable due to human error and complexity of systems, resulting in the need for increased field support to ensure sample representation and prevent unauthorized or excessive access. A deterioration of the data integrity and quality of Nielsen could have an adverse effect on the performance of this business, which may in turn have an adverse effect on our convertible preferred security investment.

There are risks associated with our Australian residential mortgage lender.

As a non-bank lender, our Australian residential mortgage lending business is impacted by changes in interest rates. Central banks, including the Reserve Bank of Australia, have implemented corrective measures to address inflation through a series of interest rate increases since 2022. These increases in interest rates have and may continue to impact our clients' creditworthiness and therefore impact our operations as well, which resulted in a negative effect on our earnings through higher provisions for credit losses and higher operating costs.

As a provider of residential property-backed loans and one of Australia's leading mortgage originators, our Australian residential mortgage lender is significantly influenced by changes in the Australian housing market and housing industry. The recent economic slowdown, increases in the general level of interest rates and increases in the rate of inflation have contributed to elevated Australian household indebtedness and could also lead to changes in the demand for housing in the future. Any reduction in home sales activity would impact mortgage origination volumes and persistent inflation would put additional pressure on household budgets, which could contribute to a greater risk of default and credit losses. The Australian housing industry is also highly regulated and any changes to regulatory requirements could increase compliance costs, impact fees and adversely affect the performance of our Australian residential mortgage lending business.

There are risks associated with our non-bank financial services operation.

The primary factors that could adversely affect our non-bank financial services operation and reduce its ability to provide financing services at competitive rates include the sufficiency, availability and cost of sources of financing, including credit facilities, securitization programs and secured and unsecured debt issuances; the performance of loans and leases in our non-bank financial services operation portfolio, which could be materially affected by charge-offs, delinquencies and prepayments; fluctuations in interest rates and currencies; competition for customers from commercial banks, credit unions, vehicle manufacturers and other financing and leasing companies; and changes to financial sector regulation, supervision, enforcement and licensing, in particular as it relates to non-bank financial companies.

There are risks associated with our payment processing services operation.

The primary factors that could adversely affect our payment processing services operation include cyber-security risks to our systems or data or other technological risks including software defects, undetected errors and development delays that could negatively affect our reputation with cardholders and customers and expose us to penalties, fines, liabilities and legal claims; the highly competitive and innovative nature of the payment processing technology industry, as some of our competitors have greater financial and operational resources than we do, which may give them an advantage with respect to the pricing of services and the ability to develop new and disruptive technologies; and the potential failure of our systems or our third-party providers' systems, which could interrupt service, cause us to lose business, increase our costs and expose us to liability.

Risks Relating to Our Infrastructure Services Operations

There are risks associated with our lottery services operation.

Our lottery services operation depends heavily on our ability to win, maintain and renew our long-term lottery contracts, and we could lose substantial revenue if we are unable to renew such contracts on substantially similar terms or at all. As some jurisdictions seek to privatize or outsource lottery services operation, we face competition from both traditional and new competitors with respect to these opportunities. In some cases, we may find it necessary or desirable to enter into strategic relationships with third parties, including competitors, and may be required to commit significant sums of money in order to pursue these opportunities.

The success of our lottery services operation depends on our ability to produce new and innovative products and services that respond to customer demand and create strong and sustained player appeal. The process of developing new products and services is inherently complex and uncertain. If we fail to do so, we could lose business to our competitors.

Our lottery business depends on suppliers and contract manufacturers, and any failure of these parties to meet our performance and quality standards or requirements could cause us to incur additional costs or lost customers. Our production of instant lottery products are dependent upon a continuous supply of raw materials, supplies, power and natural resources and the manufacture and maintenance of our lottery systems are dependent upon a regular and continued supply of raw materials and components, many of which are manufactured or produced outside the jurisdiction in which they are used. Our operating results could be adversely affected by an interruption or cessation in the supply of these items or services or by a serious quality assurance lapse with respect thereto.

As a result of our acquisition of Scientific Games Lottery in 2022, we are subject to additional laws and regulations relating to the lottery business in various countries in which Scientific Games Lottery operates.

Our lottery services operation often requires entering into joint ventures or other business relationships in foreign jurisdictions with locally based entities, which presents additional risks, including our lack of sole decision-making authority, our reliance on a partner's financial condition, inconsistency between our business interests or goals and those of our partners, disputes with our partners, and not realizing the operating efficiencies, competitive advantages or financial results that we anticipate.

Our offshore oil services depend on continued growth in global and regional demands for such services.

Our offshore oil services depend on continued growth in global and regional demands for such services, which could be negatively affected by a number of factors, including:

- decreases in the actual or projected price of oil, which could lead to a reduction in or termination of production of oil at certain fields we service or a reduction in exploration for or development of new offshore oil fields;
- increases in the production of oil in areas linked by pipelines to consuming areas, the extension of existing, or the development of new, pipeline systems in markets we may serve, the conversion of existing non-oil pipelines to oil pipelines in those markets, or the termination of production or abandonment of an oil field;
- decreases in the consumption of oil due to increases in its price relative to other energy sources, other factors making consumption of oil less attractive, or energy conservation measures;
- significant installment payments for acquisitions of newbuilding vessels or for the conversion of existing vessels prior to their delivery and generation of revenues;
- reliance on a limited number of customers for a substantial majority of our revenues and on joint venture partners to assist us in operating our businesses and competing in our markets;
- availability of new, alternative energy sources; and
- negative global or regional economic or political conditions, particularly in oil consuming regions, which could reduce energy consumption and/or growth in such regions.

Reduced demand for offshore marine transportation, processing, storage services, offshore accommodation or towing and offshore installation services would have a material adverse effect on future growth of our marine transportation and offshore oil production-related services business, and could adversely affect our business, results of operations and financial condition.

Marine transportation and oil production is inherently risky, particularly in the extreme conditions in which many of our vessels operate. An incident involving significant loss of product or environmental contamination by any of our vessels could harm our reputation and business.

Vessels and their cargoes and oil production facilities we service are at risk of being damaged or lost because of events such as:

- marine disasters;
- bad weather;
- mechanical failures;
- grounding, capsizing, fire, explosions and collisions;
- piracy;
- human error; and
- war and terrorism.

A portion of our shuttle tanker fleet and our towage fleet, an FSO unit, the Voyageur Spirit and Petrojarl Knarr FPSO units operate in the North Sea. Harsh weather conditions in this region and other regions in which our vessels operate may increase the risk of collisions, oil spills or mechanical failures.

An accident involving any of our vessels could result in any of the following:

- death or injury to persons, loss of property or damage to the environment and natural resources;
- delays in the delivery of cargo;
- loss of revenues from charters or contracts of affreightment;
- liabilities or costs to recover any spilled oil or other petroleum products and to restore the eco-system affected by the spill;
- governmental fines, penalties or restrictions on conducting business;
- higher insurance rates; and
- damage to our reputation and customer relationships generally.

Any of these results could have a material adverse effect on our business, financial condition and operating results. In addition, any damage to, or environmental contamination involving, oil production facilities serviced could suspend that service and result in loss of revenues.

Our recontracting of existing vessels and our future growth depends on our ability to expand relationships with existing customers and obtain new customers, for which we expect to face substantial competition.

One of our principal objectives is to enter into additional long-term, fixed-rate time charters and contracts of affreightment, including the redeployment of our assets as their current charter contracts expire. The process of obtaining new long-term time charters and contracts of affreightment is highly competitive and generally involves an intensive screening process and competitive bids, and often extends for several months. Shuttle tanker, FSO, FPSO, towing and offshore installation vessel and Unit for Maintenance Safety contracts are awarded based upon a variety of factors relating to the vessel operator, including:

- industry relationships and reputation for customer service and safety;
- experience and quality of ship operations;
- quality, experience and technical capability of the crew;
- relationships with shipyards and the ability to get suitable berths;

- construction management experience, including the ability to obtain on-time delivery of new vessels or conversions according to customer specifications;
- willingness to accept operational risks pursuant to the charter, such as allowing termination of the charter for force majeure events; and
- competitiveness of the bid in terms of overall price.

We expect competition for providing services for potential offshore projects from other experienced companies, including state-sponsored entities. Our competitors may have greater financial resources than us. This increased competition may cause greater price competition for charters. As a result of these factors, we may be unable to expand our relationships with existing customers or to obtain new customers on a profitable basis, if at all, which would have a material adverse effect on our business, results of operations and financial condition.

There are risks related to our work access services.

Our work access services are subject to the risks inherent to our construction operation, including risks relating to seasonal fluctuations in the demand for our services, the timing of large-scale project awards which we do not directly control, fixed price contracts and reduced profits or losses if costs increase above estimates, performance assurances and guarantees which may result in future payments, a dependence on labor and performance being materially impacted by a lack of availability of labor force or increases in the cost of labor available, and operational hazards that could result in personal injury or death, work stoppage or serious damage to our equipment on the property of our customers. These delays and any similar delays we may experience in the future may have a negative impact on our future results.

There are risks associated with our modular building leasing services in Europe and Asia.

Our modular building leasing services principally generate revenues through the rental or sale of modular units. Our modular building leasing services results of operations could be adversely affected by declines in demand for its rental units. Demand for its rental units has been affected by a number of factors, including geopolitical uncertainty, competition and saturation in the European and Asian markets. Prevailing general and local economic conditions have also negatively affected the demand for rental units, particularly from current and potential customers that are small- and mid-sized businesses and may be disproportionately affected by adverse economic conditions.

Risks Relating to Our Industrials Operations

Decreased demand from our customers in the automotive industry may adversely affect the results of operations for our advanced energy storage operation.

The financial performance of our advanced energy storage operation depends, in part, on conditions in the automotive industry. Declines in the North American, European and Asian automotive production levels, if not offset by aftermarket demand, could reduce our sales and adversely affect our results of operations. In addition, if any OEMs reach a point where they cannot fund their operations, we may incur write-offs of accounts receivable, incur impairment charges or require additional restructuring actions beyond our current restructuring plans, which, if significant, would have a material adverse effect on our advanced energy storage operation and results of operations.

An inability to successfully respond to competition and pricing pressures from other companies in the same industry may adversely impact our advanced energy storage operation.

Our advanced energy storage operation competes with a number of major manufacturers and distributors of automotive batteries, as well as a large number of smaller, regional competitors. The North American, European and Asian automotive battery markets are highly competitive. The manufacturers in these markets compete on price, quality, technical innovation, service and warranty. Additionally, our advanced energy storage operation faces significant pricing pressures from customers, which results in other market participants looking to compete on price and other contractual terms. If we are unable to remain competitive and maintain market share in the regions and markets we serve, the financial condition and results of operations of our advanced energy storage operation may be adversely affected.

Volatility in commodity prices may adversely affect the results of operations of our advanced energy storage operation.

Lead is a major component of automotive batteries, and the price of lead may be highly volatile. We attempt to manage the impact of changing lead prices through the recycling of used batteries returned to us by our aftermarket customers, commercial terms and commodity hedging programs. Our ability to mitigate the impact of lead price changes is subject to many factors, including customer negotiations, inventory level fluctuations and sales volume/mix changes, any of which could have an adverse effect on the results of operations of our advanced energy storage operation.

A variety of other factors could adversely affect the results of operations of our advanced energy storage operation.

Any of the following could materially and adversely impact the results of operations of our advanced energy storage operation: (i) volatility in the price of lead; (ii) loss of, or changes in, automobile battery supply contracts with our large original equipment and aftermarket customers; (iii) the increasing quality and useful life of batteries or use of alternative battery technologies, both of which may adversely impact the automotive battery market, including replacement cycle; (iv) delays or cancellations of new vehicle programs; (v) market and financial consequences of any recalls that may be required on our products; (vi) delays or difficulties in new product development, including lithium-ion technology; (vii) impact of potential increases in lithium-ion battery volumes on established battery volumes as lithium-ion battery technology improves and costs become more competitive; (viii) financial instability or market declines of our customers or suppliers; (ix) slower than projected market development in emerging markets; (x) interruption of supply of certain single-source components; (xi) changing nature of our joint ventures and relationships with our strategic business partners; (xii) unseasonable weather conditions in various parts of the world; (xiii) our ability to secure sufficient tolling capacity to recycle batteries; (xiv) price and availability of battery cores used in recycling; and (xv) the pace of the development of the market for hybrid and electric vehicles.

There are risks associated with our water and wastewater operation in Brazil.

Our water and wastewater operation subjects us to the risks incidental to the ownership and operation of such businesses in Brazil, any of which may adversely affect our financial condition, results of operations and cash flows, including the following risks:

- The government may impose restrictions on water usage as a response to regional or seasonal drought, which may result in decreased use of water services, even if our water supplies are sufficient to serve our customers. Moreover, reductions in water consumption, including changed consumer behavior, may persist even after drought restrictions are repealed and the drought has ended.
- Our water and wastewater operation will require significant capital expenditures and may suffer if we fail to secure appropriate funding to make investments, or if we experience delays in completing major capital expenditure projects.
- In the event that water contamination occurs, there may be injury, damage or loss of life to our customers, employees or others, in addition to government enforcement actions, litigation, adverse publicity and reputational damage.
- Water and wastewater businesses may be subject to organized efforts to convert their assets to public ownership and operation through exercise of the governmental power of eminent domain, or another similar authorized process. Moreover, there is a risk that any efforts to resist may be costly, distracting or unsuccessful.
- Water related businesses are subject to extensive governmental economic regulation including with respect to the approval of rates.
- The Brazilian government has historically exercised, and continues to exercise, significant influence over the Brazilian economy. Brazilian political and economic conditions may adversely affect our water and wastewater operation in Brazil.
- Political and economic conditions directly affect our water and wastewater operation and can result in a material adverse effect on our water and wastewater operation's business, financial condition and results of operations. Macroeconomic policies imposed by the Brazilian government can have a significant impact on Brazilian companies or companies with significant operations in Brazil.
- We cannot control or predict whether the current Brazilian government will implement changes to existing policies or the impact any such changes may have on our water and wastewater operation in Brazil. Our water and wastewater operation's operating results, financial condition and prospects may all be affected by any change in the macroeconomic conditions in Brazil.

There are risks associated with our solar power solutions in Brazil.

The solar energy industry is highly competitive and also competes with large utilities. Decreases in the retail prices of electricity from utilities or other renewable energy sources could harm our ability to distribute solar power generators. In addition, there may be certain governmental rebates, tax credits and other financial incentives that are made available with respect to solar energy products. However, these incentives may expire, end when the allocated funding is exhausted or be reduced or terminated as solar energy adoption rates increase.

Our solar power solutions is affected by conditions in the solar power market and industry. The solar power market and industry may from time to time experience oversupply. When this occurs, many solar power product distributors that purchase solar power products, including solar modules from manufacturers, may be adversely affected. If the supply of solar modules grows faster than demand, and if governments reduce financial support for the solar industry and impose trade barriers for solar power products, demand and the average selling price for our products could be materially and adversely affected.

The solar power market is still at a relatively early stage of development and future demand for solar power products and services is uncertain. In addition, demand for solar power generators in Brazil may not develop or may develop to a lesser extent than we anticipate. Many factors may affect the viability of solar power technology and the demand for solar power generators. If solar power technology is not suitable for widespread adoption or if sufficient demand for solar power products and services does not develop or takes longer to develop than we anticipate, our revenues may suffer and we may be unable to sustain our profitability.

Our natural gas production is subject to all the risks normally incidental to oil and gas exploration, development and production.

Our natural gas production is subject to all the risks normally incidental to oil and gas development and production, including but not limited to:

- blowouts, cratering, explosions and fires;
- adverse weather effects;
- environmental hazards such as gas leaks, oil spills, pipeline and vessel ruptures and unauthorized discharges of gasses, brine, well stimulation and completion fluids or other pollutants into the surface and subsurface environment;
- high costs, shortages or delivery delays of equipment, labor or other services or water and sand for hydraulic fracturing;
- facility or equipment malfunctions, failures or accidents;
- title problems;
- pipe or cement failures or casing collapses;
- compliance with environmental and other governmental requirements;
- lost or damaged oilfield workover and service tools;
- unusual or unexpected geological formations or pressure or irregularities in formations;
- natural disasters; and
- the availability of critical materials, equipment and skilled labor.

The marketability of our oil and gas production is dependent upon compressors, gathering lines, pipelines and other facilities, certain of which we do not control. When these facilities are unavailable, our operations can be interrupted and our revenues reduced.

The marketability of our oil and gas production depends in part upon the availability, proximity and capacity of oil and gas pipelines owned by third parties. In general, we do not control these transportation facilities and our access to them may be limited or denied. A significant disruption in the availability of these transportation facilities or compression and other production facilities could adversely impact our ability to deliver to market or produce our oil and gas and thereby result in our inability to realize the full economic potential of our production.

If any of the third-party pipelines and other facilities and service providers upon which we depend to move production to market become partially or fully unavailable to transport or process our production, or if quality specifications or physical requirements such as compression are altered by such third parties so as to restrict our ability to transport our production on those pipelines or facilities, our revenues could be adversely affected.

Exploration and development may not result in commercially productive assets.

Exploration and development involve numerous risks, including the risk that no commercially productive asset will result from such activities. The exploration and development activities of our industrial operations may not be successful and, if unsuccessful, such failure could have an adverse effect on our future results of operations and financial condition.

Our aggregate production operation is dependent on supplies of raw materials and results of operations could deteriorate if that supply is substantially disrupted for an extended period.

Raw material supply factors such as allocations, economic cyclicality, seasonality, pricing, quality, timeliness of delivery, transportation and warehousing costs may affect the raw material sourcing decisions we make. In the event of significant unanticipated increase in demand for our products, we may in the future be unable to manufacture certain products in a quantity sufficient to meet customer demand in any particular period without an adequate supply of raw materials.

The various raw materials used in our industrial operations are sourced and traded throughout the world and are subject to pricing volatility. Although we try to manage our exposure to raw material price volatility through the pricing of our products, there can be no assurance that the industry dynamics will allow us to continue to reduce our exposure by passing on raw material price increases to our customers.

Our derivative risk management activities could result in financial losses.

In the past, commodity prices have been extremely volatile, and we expect this volatility to continue. To mitigate the effect of commodity price volatility on the results of our industrial operations, our strategy is to enter into derivative arrangements covering a portion of our resource production. These derivative arrangements are subject to mark-to-market accounting treatment, and the changes in fair value of the contracts will be reported in our statements of operations each quarter, which may result in significant non-cash gains or losses. These derivative contracts may also expose us to risk of financial loss in certain circumstances, including when production is less than the contracted derivative volumes, the counterparty to the derivative contract defaults on its contract obligations or the derivative contracts limit the benefit our industrial operations would otherwise receive from increases in commodity prices.

There are risks associated with our engineered components manufacturing operation.

Our engineered components manufacturing operation is subject to risks related to global manufacturing of engineered components. The RV, marine and other markets where we sell many of our engineered components manufacturing products or where the products are used, have been characterized by seasonality and cycles of growth and contraction in consumer demand, often because the purchase of such products is viewed as a consumer discretionary purchase. Additionally, the costs of raw materials are volatile, and inadequate or interrupted supply of raw materials or components used to make our engineered components could adversely impact financial condition, results of operations and cash flows. Our engineered components manufacturing operation imports a significant portion of raw materials and components, and the effect of foreign exchange rates could adversely affect its financial condition, results of operations and cash flows. Our engineered components manufacturing operation has entered into new markets, and uncertainties with respect to these new markets could impact its financial condition, results of operations and cash flows.

Retail dealers of RVs and other products also generally finance their purchases of inventory. Reduction in the availability of financing, or an increase in the cost of such financing, particularly as a result of recent rising interest rates, have in the past caused, and would in the future again likely cause, many dealers to reduce inventories, which has resulted in reduced demand for our engineered components manufacturing products and may continue to do so in the future. The conditions in the credit market could limit the ability of consumers to obtain retail financing for RVs, trailers and other products, resulting in reduced demand for our engineered components manufacturing products. In addition, fuel shortages, and substantial increases in the price of fuel, have had an adverse effect on the RV, trailer and other industries we serve, and could again in the future.

Risks Relating to our Relationship with Brookfield

Brookfield exercises substantial influence over us and we are highly dependent on the Service Providers.

Brookfield is the sole shareholder of the BBU General Partner. As a result of its ownership of the BBU General Partner, Brookfield is able to control the appointment and removal of the BBU General Partner's directors and, accordingly, exercise substantial influence over our company and over the Holding LP, for which our company is the managing general partner. In addition, the Service Providers, being subsidiaries of Brookfield, provide management and administration services to us pursuant to our Master Services Agreement. Our company and the Holding LP generally do not have any employees and depends on the management and administration services provided by the Service Providers. Other subsidiaries of Brookfield also provide management services to certain of our operating subsidiaries. The 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 company 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 acquisitions that Brookfield identifies.

Our ability to grow depends on Brookfield's ability to identify and present us with acquisition opportunities. Brookfield established our company to be Brookfield's flagship public company for its services and industrial operations. However, Brookfield has no obligation to source acquisition opportunities for us. In addition, Brookfield has not agreed to commit to any minimum level of dedicated resources for the pursuit of 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, including:

- It is an integral part of Brookfield's (and our) strategy to pursue acquisitions through consortium arrangements with institutional partners, strategic partners and/or financial sponsors and to form partnerships (including private funds, joint ventures and similar arrangements) 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 sourcing acquisitions that are suitable for us are responsible for sourcing opportunities for the vehicles, 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 could result in a limitation on the number of acquisition opportunities sourced for us;
- Brookfield will only recommend acquisition opportunities that it believes are suitable and appropriate for us. Our focus is on assets where we believe that our operations-oriented strategy can be deployed to create value in our services and industrial operations. Accordingly, opportunities where Brookfield cannot play an active role in influencing the underlying business or managing the underlying assets may not be consistent with our acquisition strategy and, therefore 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/or appropriate for us and will limit our ability to participate in certain acquisitions; and
- In addition to structural limitations, the question of whether a particular acquisition is suitable and/or appropriate is highly subjective and is dependent on a number of portfolio construction and management factors including our liquidity position at the relevant time, the expected risk-return profile of the opportunity, its fit with the balance of our investments and related operations, other opportunities that we may be pursuing or otherwise considering at the relevant time, our interest in preserving capital in order to secure other opportunities and/or to meet other obligations, and other factors. If Brookfield determines that an opportunity is not suitable or appropriate for us, it may still pursue such opportunity on its own behalf, or on behalf of a Brookfield-sponsored vehicle, consortium or partnership such as Brookfield Property Partners, Brookfield Infrastructure Partners, Brookfield Renewable Partners and one or more Brookfield-sponsored private funds or other investment vehicles or programs.

In making determinations about acquisition opportunities and investments, consortium arrangements or partnerships, 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".

Among others, we may pursue acquisition opportunities indirectly through investments in Brookfield-sponsored vehicles, consortiums and partnerships or directly (including by investing alongside such vehicles, consortiums and partnerships). Any references in this Item 3.D, "Risk Factors" to our acquisitions, investments, assets, expenses, portfolio companies or other terms should be understood to mean such items held, incurred or undertaken directly by us or indirectly by us through our investment in such Brookfield-sponsored vehicles, consortiums and partnerships.

We rely on related parties for a portion of our revenues, particularly in respect of our construction operation.

We may enter into contracts for services or other engagements with related parties, including Brookfield. We are subject to risks as a result of our reliance on these related parties, including the risk that the business terms of our arrangements with them are not as fair to us and that our management is subject to potential conflicts of interest that may not be resolved in our favor. In addition, if our transactions with these related parties cease, it could have a material adverse effect on our business, financial condition and results of operations.

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.

Control of our company and/or the BBU General Partner may be transferred to a third party without unitholder consent.

The BBU 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. Furthermore, at any time, the shareholder of the BBU General Partner may sell or transfer all or part of its shares in the BBU General Partner. Unitholder consent will not be sought in either case. If a new owner were to acquire ownership of the BBU General Partner and to appoint new directors or officers of its own choosing, it would be able to exercise substantial influence over our policies and procedures and exercise substantial influence over our management and the types of acquisitions that we make. Such changes could result in our 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, we cannot predict with any certainty the effect that any transfer in the control of our company or the BBU General Partner would have on the trading price of our units or our ability to raise capital or make acquisitions 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. As a result, our future would be uncertain and our business, financial condition and results of operations may suffer.

Brookfield may increase its ownership in our partnership, the Holding LP and/or BBUC relative to other unitholders and shareholders.

Brookfield currently holds approximately 48.4% of the issued and outstanding interests in the Holding LP through Special LP Units and Redemption-Exchange Units. The Redemption-Exchange Units are redeemable for cash or exchangeable for our units in accordance with the Redemption-Exchange Mechanism, which could result in Brookfield eventually owning approximately 65.9% of our issued and outstanding units (including other issued and outstanding units that Brookfield currently owns).

Brookfield may also reinvest incentive distributions or dividends in exchange for Redemption-Exchange Units, our units or BBUC exchangeable shares, class B shares or class C shares. Additional units of 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 Limited Partnership Agreement - Redemption-Exchange Mechanism" and Item 10.B, "Memorandum and Articles of Association - BBUC". Brookfield may also purchase additional units of our partnership or BBUC exchangeable shares in the market. Any of these events may result in Brookfield increasing its ownership of our group or our company.

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, the BBU General Partner, a wholly-owned subsidiary of Brookfield Corporation, in its capacity as the BBU 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, or the Bermuda Partnership Act, under which our company 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 CBCA or the Delaware Revised Uniform Limited Partnership 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 the BBU General Partner owes any such fiduciary duties to our company and unitholders, these duties have been modified pursuant to our Limited Partnership Agreement as a matter of contract law, with the exception of the duty of our General Partner to act in good faith, which cannot be modified. 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 company 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 the BBU 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 the BBU General Partner can, subject to acting in accordance with their own fiduciary duties in their capacity as a director of the BBU General Partner, therefore take into account the interests of third parties, including Brookfield and, where applicable, any Brookfield managed vehicle, consortium or partnership, when resolving conflicts of interest and may owe fiduciary duties to such third parties, or Brookfield managed vehicle, consortium or partnership. Additionally, any fiduciary duty that is imposed under any applicable law or agreement is modified, waived or limited to the extent required to permit the BBU 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 company.

In addition, our Limited Partnership Agreement provides that the BBU 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 acquisition opportunities to our company, the Holding LP, any Holding Entity or any other holding entity established by us. They also allow affiliates of the BBU General Partner to engage in activities that may compete with us or our activities. Additionally, any failure by the BBU 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 may not be or is not in the best interests of our company 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 our best interests 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. For example, while the BBUC board generally mirrors the board of the BBU General Partner, BBUC’s board of directors includes two additional non-overlapping board members to assist BBUC with, among other things, resolving any conflicts of interest that may arise from its relationship with our partnership. David Court and Michael Warren currently serve as the non-overlapping members of BBUC’s board of directors. In certain instances, the interests of Brookfield or BBUC 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 company, the redeployment 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 - Conflicts of Interest and Fiduciary Duties”.

In addition, the Service Providers, affiliates of Brookfield, provide management services to us pursuant to our Master Services Agreement. Pursuant to our Master Services Agreement, the Holding LP pays a quarterly base management fee to the Service Providers equal to 0.3125% (1.25% annually) of the total capitalization of our group. BBUC reimburses the Holding LP for its proportionate share of such fee. For purposes of calculating the base management fee, the total capitalization of our group is equal to the quarterly volume-weighted average trading price of a unit on the principal stock exchange for our units (based on trading volumes) multiplied by the number of units outstanding at the end of the quarter (assuming full conversion of the Redemption-Exchange Units into units), plus the value of securities of the other Service Recipients (which include the BBUC exchangeable shares) that are not held by our partnership, plus all outstanding third party debt with recourse to a Service Recipient, less all cash held by such entities. This relationship may give rise to conflicts of interest between our partnership and our unitholders, on the one hand, and Brookfield, on the other, as Brookfield's interests may differ from the interests of our partnership, BBUC or our unitholders.

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 our partnership and our unitholders. For example, because the base management fee is calculated based on our group's market value, it may create an incentive for Brookfield to increase or maintain our group's market value over the near-term when other actions may be more favorable to our partnership or our unitholders. Similarly, Brookfield may take actions to decrease distributions on our units or defer acquisitions in order to increase our market value in the near-term when making such distributions or acquisitions may be more favorable to us or our unitholders.

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 the BBU 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 and 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.

The BBU General Partner may be unable or unwilling to terminate our Master Services Agreement.

Our Master Services Agreement provides that the Service Recipients may terminate the agreement only if: (i) the Service Providers default 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 thirty (30) days after written notice of the breach is given to the Service Providers; (ii) the Service Providers engage in any act of fraud, misappropriation of funds or embezzlement against any Service Recipient that results in material harm to the Service Recipients; (iii) the Service Providers are grossly negligent in the performance of their duties under the agreement and such negligence results in material harm to the Service Recipients; or (iv) upon the happening of certain events relating to the bankruptcy or insolvency of the Service Providers. The BBU General Partner cannot terminate the agreement for any other reason, including if the Service Providers or Brookfield experience a change of control, and there is no fixed term to the agreement. In addition, because the BBU General Partner is an affiliate of Brookfield, it may be unwilling to terminate our Master Services Agreement, even in the case of a default. If the Service Providers' performance does not meet the expectations of investors, and the BBU General Partner is unable or unwilling to terminate our Master Services Agreement, the market price of our units could suffer. Furthermore, the termination of our Master Services Agreement would terminate our company's rights under the Relationship Agreement and our Licensing Agreement. See Item 7.B, "Related Party Transactions - Relationship Agreement" and "Related Party Transactions - Licensing Agreement".

The liability of the Service Providers is limited under our arrangements with them and we have agreed to indemnify the Service Providers against claims that they may face in connection with such arrangements, which may lead them to assume greater risks when making decisions relating to us than they otherwise would if acting solely for their own account.

Under our Master Services Agreement, the Service Providers have not assumed any responsibility other than to provide or arrange for the provision of the services described in our Master Services Agreement in good faith and will not be responsible for any action that the BBU General Partner takes in following or declining to follow its advice or recommendations. In addition, under our Limited Partnership Agreement, the liability of the BBU General Partner and its affiliates, including the Service Providers, 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 Providers under our Master Services Agreement is similarly limited, except that the Service Providers are also liable for liabilities arising from gross negligence. In addition, we have agreed to indemnify the Service Providers to the fullest extent permitted by law from and against any claims, liabilities, losses, damages, costs or expenses incurred by them or threatened in connection with our business, investments and activities or in respect of or arising from our Master Services Agreement or the services provided by the Service Providers, except to the extent that such 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 Providers tolerating greater risks when making decisions than otherwise would be the case, including when determining whether to use and the extent of leverage in connection with acquisitions. The indemnification arrangements to which the Service Providers are a party may also give rise to legal claims for indemnification that are adverse to us and our unitholders.

Brookfield and Oaktree operate their respective investment businesses largely independently, and do not expect to coordinate or consult on investment decisions, which may give rise to conflicts of interest and make it more difficult to mitigate certain conflicts of interest.

Brookfield and Oaktree operate their respective investment businesses largely independently pursuant to an information barrier, and Brookfield does not expect to coordinate or consult with Oaktree with respect to investment activities and/or decisions. In addition, neither Brookfield nor Oaktree is expected to be subject to any internal approvals over its investment activities and decisions by any person who would have knowledge and/or decision-making control of the investment decisions of the other. As a result, it is expected that our company and our portfolio companies, as well as Brookfield, Brookfield Accounts that we are invested in, directly or indirectly, and their portfolio companies, will engage in activities and have business relationships that give rise to conflicts (and potential conflicts) of interests between them, on the one hand, and Oaktree, Oaktree Accounts and their portfolio companies, on the other hand. These conflicts (and potential conflicts) of interests may include: (i) competing from time to time for the same investment opportunities; (ii) the pursuit by Oaktree Accounts of investment opportunities suitable for our company and Brookfield Accounts that we are invested in, without making such opportunities available to us or those Brookfield Accounts; and (iii) the formation or establishment of new Oaktree Accounts that could compete or otherwise conduct their affairs without regard as to whether or not they adversely impact our company and/or Brookfield Accounts that we are invested in. Investment teams managing the activities of our company and/or Brookfield Accounts that we are invested in are not expected to be aware of, and will not have the ability to manage, such conflicts.

Our company and/or Brookfield Accounts that we are invested in could be adversely impacted by Oaktree's activities. Competition from Oaktree Accounts for investment opportunities could also, under certain circumstances, adversely impact the purchase price of our (direct and/or indirect) investments. As a result of different investment objectives, views and/or interests in investments, Oaktree will manage certain Oaktree Accounts in a way that is different than from the interests of our company and/or Brookfield Accounts that we may be invested in, directly or indirectly, which could adversely impact our (direct and/or direct) investments. For more information, see Item 7.B, "Related Party Transactions - Conflicts of Interest and Fiduciary Duties - Oaktree".

Brookfield and Oaktree are likely to be deemed to be affiliates for purposes of certain laws and regulations, which may result in, among other things, earlier public disclosure of investments by our company and/or Brookfield Accounts that we may be invested in, directly or indirectly.

Brookfield and Oaktree are likely to be deemed to be affiliates for purposes of certain laws and regulations, notwithstanding their operational independence and/or information barrier, and it is anticipated that, from time to time, our company and/or Brookfield Accounts that we may be invested in, directly or indirectly, and Oaktree Accounts may each have significant positions in one or more of the same issuers. As such, Brookfield and Oaktree will likely need to aggregate certain investment holdings, including holdings of our group, Brookfield Accounts that we are invested in, directly or indirectly, and Oaktree Accounts for certain securities law purposes and other regulatory purposes. Consequently, Oaktree's activities could result in earlier public disclosure of investments by our company and/or Brookfield Accounts that we are invested in, directly or indirectly, restrictions on transactions by our company and/or Brookfield Accounts that we are invested in (including the ability to make or dispose of certain investments at certain times), adverse effects on the prices of investments made by our company and/or Brookfield Accounts that we are invested in, potential short-swing profit disgorgement, penalties and/or regulatory remedies, among others. For more information, see Item 7.B, "Related Party Transactions - Conflicts of Interest and Fiduciary Duties - Oaktree".

Breaches of the information barrier and related internal controls by Brookfield and/or Oaktree could result in significant adverse consequences to Brookfield and Oaktree and/or Brookfield Accounts that we are invested in, directly or indirectly, amongst others.

Although information barriers were implemented to address the potential conflicts of interests and regulatory, legal and contractual requirements of our company, Brookfield and Oaktree may decide, at any time and without notice to our company or our unitholders, to remove or modify the information barrier between Brookfield and Oaktree. In addition, there may be breaches (including inadvertent breaches) of the information barriers and related internal controls by Brookfield and/or Oaktree.

To the extent that the information barrier is removed or is otherwise ineffective and Brookfield has the ability to access analysis, model and/or information developed by Oaktree and its personnel, Brookfield will not be under any obligation or other duty to access such information or effect transactions for our company and/or Brookfield Accounts that we are invested in in accordance with such analysis and models, and in fact may be restricted by securities laws from doing so. In such circumstances, Brookfield may make investment decisions for our company and/or Brookfield Accounts that we are invested in that differ from those it would have made if Brookfield had pursued such information, which may be disadvantageous to our company and/or Brookfield Accounts that we are invested in.

The breach or failure of information barriers could result in our company obtaining material non-public information, which may restrict our company from acquiring or disposing investments and ultimately impact the returns generated for our business. In addition, any such breach or failure could also result in potential regulatory investigations and claims for securities laws violations in connection with our direct and/or indirect investment activities. Any inadvertent trading on material non-public information, or perception of trading on material non-public information by one of our businesses or our personnel, could have a significant adverse effect on Brookfield's reputation, result in the imposition of regulatory or financial sanctions, and negatively impact Brookfield's ability to provide investment management services to its clients, all of which could result in negative financial impact to the investment activities of our company and/or Brookfield Accounts that we are invested in. For more information, see Item 7.B, "Related Party Transactions - Conflicts of Interest and Fiduciary Duties - Oaktree".

Risks Relating to Our Structure

Our company is a holding entity and currently we rely on the Holding LP and, indirectly, the Holding Entities and our operating businesses to provide us with the funds necessary to meet our financial obligations.

The partnership is a holding entity and its sole direct investment is a managing general partnership interest in Holding LP, through which we hold all of our interests in our operating businesses. Our company has no independent means of generating revenues. As a result, we depend on distributions and other payments from the Holding LP and, indirectly, the Holding Entities and our operating businesses to provide us with the funds necessary to meet our financial obligations at the partnership level. The Holding LP, the Holding Entities and our operating businesses 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. 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 businesses 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 our company to meet our financial obligations.

We anticipate that the only distributions that we will receive in respect of our company's managing general partnership interests in the Holding LP will consist of amounts that are intended to assist our company to pay expenses as they become due and to make distributions to our unitholders in accordance with our company's distribution policy.

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 the BBU General Partner and, as a result of such ownership of the BBU General Partner, Brookfield is able to control the appointment and removal of the BBU 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 operating businesses. Although Brookfield currently has an effective equity interest in our business of approximately 65.5%, on a fully exchanged basis (assuming exchange of all issued and outstanding Redemption-Exchange Units and BBUC exchangeable shares) as a result of ownership of our units, general partnership units, Redemption-Exchange Units, BBUC exchangeable shares, and Special LP Units, over time Brookfield may reduce this interest while still maintaining its controlling interest, and, therefore, Brookfield may use its control rights in a manner that conflicts with the interests of our other unitholders. For example, despite the fact that we have conflicts protocols 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, as well as between BBUC and Brookfield, because Brookfield will be able to exert substantial influence over us, there is a greater risk of transfer of the assets 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 increase our leverage. 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 and could reduce total returns to unitholders and holders of BBUC exchangeable shares.

Our company 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 company were 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) provides certain protections to investors and imposes 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 company has not been and does not intend to become regulated as an investment company and our company 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 which we would not otherwise dispose of. Moreover, if anything were to happen which would cause our company 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 number 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 our Master Services Agreement, the restructuring of our company and the Holding Entities, the amendment of our Limited Partnership Agreement or the dissolution of our company, any of which could materially adversely affect the value of our units. In addition, if our company 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.

Risks Relating to Our Units

Our unitholders do not have a right to vote on company matters or to take part in the management of our company.

Under our Limited Partnership Agreement, our unitholders are not entitled to vote on matters relating to our company such as acquisitions, dispositions or financing, or to participate in the management or control of our company, except where required by applicable securities laws. In particular, our unitholders do not have the right to remove the BBU General Partner, to cause the BBU General Partner to withdraw from our company, to cause a new general partner to be admitted to our company, to appoint new directors to the BBU General Partner's board of directors, to remove existing directors from the BBU General Partner's board of directors or to prevent a change of control of the BBU General Partner. In addition, except for certain fundamental matters and related party transactions, our unitholders' consent rights apply only with respect to certain amendments to our Limited Partnership Agreement as described in Item 10.B, "Memorandum and Articles of Association - Description of our Units and 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 company, including its policies and procedures, or to cause a change in its management, even if they are unsatisfied with the performance of our company. Consequently, our unitholders may be deprived of an opportunity to receive a premium for their units in the future through a sale of our company 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.

We may issue additional units, preferred units and securities exchangeable into units (including BBUC exchangeable shares) in the future, including in lieu of incurring indebtedness, which may dilute existing unitholders. We may also 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, subject to the terms of any of our securities then outstanding, our group may issue additional partnership securities, including units, preferred units, securities exchangeable into units (including BBUC exchangeable shares) 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 the BBU General Partner may determine. Subject to the terms of any of our securities then outstanding, the BBU 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. Subject to the terms of any of our securities then outstanding, the BBU General Partner may use such authority to issue such additional securities. The sale or issuance of a substantial number of our units or other equity related securities of our company 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. Brookfield has the right to require the Holding LP to redeem all or a portion of its Redemption-Exchange Units for cash, subject to our company's right to acquire such interests (in lieu of redemption) in exchange for the issuance of our units to Brookfield. 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. Subject to the terms of any of our securities then outstanding, holders of units will not have any preemptive right or any right to consent to or otherwise approve the issuance of any securities or the terms on which any such securities may be issued. As at the date of this Form 20-F, there are approximately 73.0 million BBUC exchangeable shares outstanding which may be exchanged for units in accordance with their terms.

A unitholder who elects to receive our distributions in Canadian dollars is subject to foreign currency risk associated with our company's distributions.

A significant number of our unitholders will reside in countries where the U.S. dollar is not the functional currency. We intend to declare our distributions in U.S. dollars, but unitholders may, at their option, elect settlement in Canadian dollars. For unitholders who so elect, the value received in Canadian dollars from the distribution will be determined based on the exchange rate between the U.S. dollar and the Canadian dollar at the time of payment. As such, if the U.S. dollar depreciates significantly against the Canadian dollar, the value received by a unitholder who elects to receive our distributions in Canadian dollars will be adversely affected.

The Amended and Restated Limited Partnership Agreement of the partnership provides that the federal district courts of the United States are the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the U.S. Securities Act. This choice of forum provision could limit our unitholders' ability to obtain a favorable judicial forum for disputes with directors, officers or employees.

Our limited partnership agreement provides that, unless our company consents in writing to the selection of an alternative forum, the federal district courts of the United States shall, to the fullest extent permitted by law, be the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the U.S. Securities Act of 1933, as amended, or the U.S. Securities Act. In the absence of these provisions, under the U.S. Securities Act, U.S. federal and state courts have been found to have concurrent jurisdiction over suits brought to enforce duties or liabilities created by the U.S. Securities Act. This choice of forum provision will not apply to suits brought to enforce duties or liabilities created by the Exchange Act, which already provides that such federal district courts have exclusive jurisdictions over such suits. Additionally, investors cannot waive company's compliance with federal securities laws of the United States and the rules and regulations thereunder.

The choice of forum provision contained in our limited partnership agreement may limit a unitholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with our partnership or its directors, officers or other employees, which may discourage such lawsuits against our partnership and its directors, officers and other employees. However, the enforceability of similar choice of forum provisions in other companies' governing documents has been challenged in recent legal proceedings, and it is possible that a court in the relevant jurisdictions with respect to our partnership could find the choice of forum provision contained in our limited partnership agreement to be inapplicable or unenforceable. While the Delaware Supreme Court ruled in March 2020 that U.S. federal forum selection provisions purporting to require claims under the U.S. Securities Act be brought in a U.S. federal court are "facially valid" under Delaware law, there can be no assurance that the courts in Canada and Bermuda, and other courts within the United States, will reach a similar determination regarding the choice of forum provision contained in our limited partnership agreement. If the relevant court were to find the choice of forum provision contained in our limited partnership agreement to be inapplicable or unenforceable in an action, our company may incur additional costs associated with resolving such action in other jurisdictions, which could materially adversely affect its business, financial condition and operating results.

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 the BBU General Partner and the Service Providers.

We were established under the laws of Bermuda, and most of our subsidiaries are organized in jurisdictions outside of the United States. In addition, certain of our executive officers are located outside of the United States. Certain of the directors and officers of the BBU General Partner and the Service Providers reside outside of the United States. A substantial portion of our assets are, and the assets of the directors and officers of the BBU General Partner and the Service Providers 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 the BBU General Partner and the Service Providers. It may also not be possible to enforce against us or the directors and officers of the BBU General Partner and the Service Providers, 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 the BBU General Partner and the Service Providers.

We were established under the laws of Bermuda, and most of our subsidiaries are organized in jurisdictions outside of Canada. In addition, certain of our executive officers are located outside of Canada. Certain of the directors and officers of the BBU General Partner and the Service Providers reside outside of Canada. A substantial portion of our assets are, and the assets of the directors and officers of the BBU General Partner and the Service Providers 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 the BBU General Partner and the Service Providers. It may also not be possible to enforce against us or the directors and officers of the BBU General Partner and the Service Providers judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada.

Risks Relating to Taxation

General

Changes in tax law and practice may have a material adverse effect on the operations of our company, the Holding Entities and the operating businesses 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 businesses, 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 businesses 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 company's ability to make distributions depends on it receiving sufficient cash distributions from its underlying operations, and we cannot assure our unitholders that our company will be able to make cash distributions to them in amounts that are sufficient to fund their tax liabilities.

Our Holding Entities and operating businesses 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 company'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 company's items of income, gain, loss and deduction (including, so long as it is treated as a partnership for tax purposes, our company's allocable share of those items of the Holding LP) for each of our company'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 company, 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 company. If our company 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 company's taxable income.

Our unitholders may be subject to non-U.S., state and local taxes and return filing requirements as a result of owning our units.

Based on our expected method of operation and the ownership of our operating businesses indirectly through corporate Holding Entities, we do not expect any unitholder, solely as a result of owning our units, to be subject to any additional income taxes imposed on a net basis or additional tax return filing requirements in any jurisdiction in which we conduct activities or own property. However, our method of operation and current structure may change, and there can be no assurance that our unitholders, solely as a result of owning our units, will not be subject to certain taxes, including non-U.S., state and local income taxes, unincorporated business taxes and estate, inheritance or intangible taxes imposed by the various jurisdictions in which we do business or own property now or in the future, even if our unitholders do not reside in any of these jurisdictions. Consequently, our unitholders may also be required to file non-U.S., state and local 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. It is the responsibility of each unitholder to file all U.S. federal, non-U.S., state and local tax returns that may be required of such unitholder.

Our unitholders may be exposed to transfer pricing risks.

To the extent that our company, the Holding LP, the Holding Entities or the operating businesses enter into transactions or arrangements with other Brookfield entities, the relevant tax authorities may seek to adjust the quantum or nature of the amounts included or deducted from taxable income 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 is subject to Canadian withholding tax.

The BBU General Partner believes that the base management fee and any other amount that is paid to the Service Providers will be commensurate with the value of the services being provided by the Service Providers 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 company, such assertion could result in adjustments to amounts of income (or loss) allocated to our unitholders by our company 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, or IRS, or CRA, may not agree with certain assumptions and conventions that our company uses in order to comply with applicable U.S. and Canadian federal income tax laws or that our company uses to report income, gain, loss, deduction and credit to our unitholders.

Our company 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. However, these assumptions and conventions may not be in compliance with all aspects of the applicable tax requirements. A successful IRS or CRA challenge to such assumptions or conventions 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 company 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 company and the Holding LP as partnerships for U.S. federal income tax purposes. However, in order for our company to be treated as a partnership for U.S. federal income tax purposes, 90% or more of our company'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, as amended, or the U.S. Internal Revenue Code, and our company 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 the BBU General Partner intends to manage our company's affairs so that our company 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 company may not meet these requirements, or current law may change so as to cause, in either event, our company to be treated as a corporation for U.S. federal income tax purposes. If our company (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 company (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 Company and the Holding LP".

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 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 company 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 company (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 company 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.

The BBU General Partner intends to use commercially reasonable efforts to structure the activities of our company and the Holding LP to avoid generating income connected with the conduct of a trade or business (which income generally would constitute "unrelated business taxable income", or UBTI, to the extent allocated to a tax-exempt organization). However, neither our company nor the Holding LP is prohibited from incurring indebtedness, and no assurance can be provided that neither our company 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 company 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 company 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.

The BBU General Partner intends to use commercially reasonable efforts to structure the activities of our company 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 company 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 generally would be required to file U.S. federal income tax returns and pay U.S. federal income tax at the regular graduated rates, and distributions to Non-U.S. Holders could be subject to U.S. federal withholding tax at the highest applicable effective tax rates. If, contrary to expectation, our company were engaged in a U.S. trade or business, then gain or loss from the sale of our units by a Non-U.S. Holder would be treated as effectively connected with such trade or business to the extent that such Non-U.S. Holder would have had effectively connected gain or loss had our company sold all of its assets at their fair market value as of the date of such sale. In such case, any such effectively connected gain generally would be taxable at the regular graduated U.S. federal income tax rates, and the amount realized from such sale generally would be subject to a 10% U.S. federal withholding tax. 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 company and the Holding LP may acquire assets 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 company and the Holding LP may acquire assets 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 businesses will not flow, for U.S. federal income tax purposes, directly to the Holding LP, our company 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 company'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 an entity classified as a "passive foreign investment company", or PFIC, for U.S. federal income tax purposes. 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, the BBU 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, 2024. However, there can be no assurance that a future entity in which our company 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 implications 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 U.S. Holder sells units that it holds, then it generally will recognize gain or loss for U.S. federal income tax purposes equal to the difference between the amount realized and its adjusted tax basis in such units. Prior distributions to a U.S. Holder in excess of the total net taxable income allocated to such U.S. Holder will have decreased such U.S. Holder's tax basis in our units. Therefore, such excess distributions will increase a U.S. Holder's taxable gain or decrease such U.S. Holder'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 U.S. Holder.

Our company 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 company 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 company to change the way it conducts its activities. For example, changes to the U.S. federal tax laws and interpretations thereof could make it more difficult or impossible for our company to be treated as a partnership that is not taxable as a corporation for U.S. federal income tax purposes, change the character or treatment of portions of our company's income, reduce the net amount of distributions available to our unitholders or otherwise affect the tax considerations of owning our units. In addition, our company's organizational documents and agreements permit the BBU 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 company'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 company 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 company'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. In addition, unitholders that do not ordinarily have U.S. federal tax filing requirements will not receive a Schedule K-1 and related information unless such unitholders request it within 60 days after the close of each calendar year. See Item 10.E, "Taxation - Certain Material U.S. Federal Income Tax Considerations - Administrative Matters-Information Returns and Audit Procedures".

If the IRS makes an audit adjustment to our income tax returns, it may assess and collect any taxes (including penalties and interest) resulting from such audit adjustment directly from us, which could adversely affect our unitholders.

If the IRS makes an audit adjustment to our income tax returns, it may assess and collect any taxes (including penalties and interest) resulting from such audit adjustment directly from our company instead of unitholders (as under prior law). We may be permitted to elect to have the BBU General Partner and our unitholders take such audit adjustment into account in accordance with their interests in us during the taxable year under audit. However, there can be no assurance that we will choose to make such election or that it will be available in all circumstances. If we do not make the election, we may be required pay taxes, penalties or interest as a result of an audit adjustment. As a result, our current unitholders might bear some or all of the cost of the tax liability resulting from such audit adjustment, even if our current unitholders did not own our units during the taxable year under audit. The foregoing considerations also apply with respect to our company's interest in the Holding LP.

Under FATCA, certain payments made or received by our company 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 to our company, the Holding LP, the Holding Entities or the operating businesses, or by our company 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". 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 and that are not resident or deemed to be resident in Canada for purposes of the Tax Act ("Non-Resident Subsidiaries") 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 earned income that is "foreign accrual property income" (as defined in the Tax Act and referred to herein as "FAPI"), our unitholders may be required to include amounts allocated from our company in computing their income for Canadian federal income tax purposes even though there may be no corresponding cash distribution.

Any 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 (an "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 company 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 company 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 (the "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 "foreign affiliate" (as defined in the Tax Act) 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 interests in entities that are not resident or deemed to be resident in Canada for purposes of the Tax Act or not situated in Canada (and certain exempt foreign trusts as defined in subsection 94(1) of the Tax Act), other than a CFA of the taxpayer (the "**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 company 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 company 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 company 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 company 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 company or the Holding LP if our company or the Holding LP were considered to carry on business in Canada.

If our company or the Holding LP were considered to carry on 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 company, 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.

The BBU General Partner intends to manage the affairs of our company 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 company 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 company and the Holding LP carries on business in Canada for purposes of the Tax Act.

If our company 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 company 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 company 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 company 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 company 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. The BBU General Partner does not expect our company 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 company 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 the purposes of section 150 of the Tax Act if tax would otherwise be payable under Part I of the Tax Act by such 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 company 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 considered "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 during 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 properties" (as defined in the Tax Act); (iii) "timber resource properties" (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 company'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 company 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. The BBU 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", units of our company 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" 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 company 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 CRA not later than 10 days after the disposition occurs. The BBU General Partner does not expect our units to be "taxable Canadian property" of any Non-Canadian Limited Partner and does not expect our company 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 not subject to 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 company and the Holding LP will each 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 not subject to 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 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, the BBU General Partner expects the Holding Entities to look-through the Holding LP and our company to the residency of the partners of our company (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 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)* (the "**Treaty**"), a Canadian resident payer is required in certain circumstances to look-through fiscally transparent partnerships, such as our company 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. Under our Limited Partnership Agreement, the amount of Taxes withheld or paid by our company, the Holding LP or the Holding Entities in respect of our units may be treated either as a distribution to our unitholders or as a general expense of our company, as determined by the BBU General Partner in its sole discretion. However, the BBU General Partner's current intention is to treat all such amounts as a distribution to our unitholders.

While the BBU General Partner expects the Holding Entities to look-through our company 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. See Item 10.E, "Taxation – Certain Material Canadian Federal Income Tax Considerations" for further detail. Unitholders should consult their own tax advisors concerning all aspects of Canadian federal withholding taxes.

Our units may or 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" as defined in the Tax Act (which currently includes the NYSE and the TSX), 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 ("RESP"), registered disability savings plan ("RDSP"), tax-free savings account ("TFSA") and first home savings account ("FHSA"), each as defined in the Tax Act. However, there can be no assurance that our units will continue to be listed on a "designated stock exchange". There can also 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 an RRSP, RRIF, TFSA, FHSA, RDSP or RESP.

Notwithstanding the foregoing, an annuitant under an RRSP or RRIF, a holder of a TFSA, FHSA or RDSP or a subscriber of an RESP, as the case may be, will be subject to a penalty tax if our units held in an RRSP, RRIF, TFSA, FHSA, RDSP or RESP are "prohibited investments" for the RRSP, RRIF, TFSA, FHSA, RDSP or RESP, as the case may be. Generally, our units will not be a "prohibited investment" for a trust governed by an RRSP, RRIF, TFSA, FHSA, RDSP or RESP, provided that the annuitant under the RRSP or RRIF, the holder of the TFSA, FHSA or RDSP or the subscriber of the RESP, as the case may be, deals at arm's length with our company for purposes of the Tax Act and does not have a "significant interest" (as defined in the Tax Act for purposes of the prohibited investment rules) in our company. Unitholders who hold our units in an RRSP, RRIF, TFSA, FHSA, RDSP or RESP 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 Form 20-F if our company 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" (the "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" (as defined in the Tax Act). In particular, a "SIFT partnership" will generally 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 a "portfolio investment 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 company 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 company 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" (as defined in the Tax Act). Our company 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 the BBU General Partner is located and exercises central management and control of the respective partnerships. The BBU 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 company or to the Holding LP at any relevant time. However, no assurance can be given in this regard. If our company 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 THE COMPANY

Our company was established on January 18, 2016 as a Bermuda exempted limited partnership registered under the Bermuda Limited Partnership Act 1883, as amended, and the Bermuda Exempted Partnerships Act 1992, as amended. Our head and registered office is 73 Front Street, 5th Floor, Hamilton HM 12, Bermuda, and our telephone number is +441 294 3309. Our units are listed on the NYSE and the TSX under the symbols “BBU” and “BBU.UN”, respectively. As of the date of this Form 20-F, Brookfield has an effective economic interest in our company of approximately 65.5%, on a fully exchanged basis (assuming the exchange of all of the outstanding Redemption-Exchange Units and BBUC exchangeable shares).

We were established by Brookfield Corporation as its primary vehicle to own and operate business services and industrial operations on a global basis. On June 20, 2016, Brookfield Corporation completed the spin-off of its business services and industrial operations to our company, which was effected by way of a special dividend of units of our company to holders of Brookfield Corporation’s Class A and B limited voting shares. Each holder of the shares received one unit for every 50 shares, representing approximately 45% of our units, with Brookfield retaining the remaining units. Prior to the spin-off, Brookfield effected a reorganization so that our then-current operations were held by the Holding Entities, the common shares of which are wholly-owned by Holding LP. In consideration, Brookfield received a combination of our units, general partnership units, Redemption-Exchange Units of the Holding LP and Special LP Units. BBU General Partner, our general partner, is an indirect wholly-owned subsidiary of Brookfield Corporation. In addition, subsidiaries of Brookfield Corporation provide management services to us pursuant to our Master Services Agreement.

Brookfield Business Corporation

On March 15, 2022, our partnership completed the special distribution of BBUC exchangeable shares. Each of our unitholders of record on March 7, 2022 received one BBUC exchangeable share for every two LP units held. Each BBUC exchangeable share has been structured with the intention of providing an economic return equivalent to one LP Unit, and BBUC targets to pay identical dividends on a per share basis to the distributions paid on each LP Unit. Each BBUC exchangeable share is exchangeable, at the BBUC shareholder’s option, for one LP Unit (subject to adjustment to reflect certain capital events) or its cash equivalent.

The share capital of BBUC comprises BBUC exchangeable shares, class B multiple voting shares and class C non-voting shares. The BBUC exchangeable shares and class B shares control 25% and 75%, respectively, of the aggregate voting rights of the shares of BBUC. Brookfield holds approximately 64.8% of the BBUC exchangeable shares and our partnership indirectly owns all of the class B shares and class C shares.

Recent Business Developments

The following table outlines significant transactions and events that transpired in our business since January 1, 2023:

Date	Segment	Event
January 2023	*Infrastructure services*	Our offshore oil services emerged from the Chapter 11 restructuring process with a deleveraged balance sheet. The restructuring reprofiled the loan facilities to better align cash flow with debt service obligations. Following the restructuring, our economic interest was approximately 53%.
January 2023	*Infrastructure services*	Our modular building leasing services completed an add-on acquisition of a leading rental provider of storage containers in the United Kingdom, increasing the scale and diversity of its product offering in the region. The business was acquired for $419 million, funded with debt and equity.
February 2023	*Infrastructure services*	Our nuclear technology services operation completed the sale of its power delivery business for gross proceeds of approximately $275 million, resulting in a pre-tax net gain of $14 million.
March 2023	*Business Services*	We completed the sale of our residential property management operation resulting in a pre-tax net gain of $67 million.
May 2023	*Business Services*	Our dealer software and technology services operation completed the sale of its non-core division servicing the heavy equipment sector for total consideration of approximately $490 million, resulting in a pre-tax net gain of $87 million.
June 2023	*Business Services*	We reached an agreement together with institutional partners to acquire Network for approximately $3 billion. Network is a leading enabler of digital commerce across the Middle East and Africa. The transaction will be funded with approximately $1.9 billion of equity, of which we expect our share to be approximately $150 million and the balance funded by institutional partners. The transaction is expected to close in the first half of 2024, subject to regulatory approvals.
October 2023	*Industrials*	We completed the sale of our automotive aftermarket parts remanufacturing operation resulting in a pre-tax net gain of $49 million.
November 2023	*Infrastructure services*	We completed the previously announced sale of our nuclear technology services operation resulting in a pre-tax net gain of $3.9 billion. Proceeds from the sale were used to redeem $750 million of preferred securities held by Brookfield Corporation and repay $580 million of borrowings on our corporate bank facilities.
November 2023	*Business Services*	Our road fuels operation completed the sale of its North American retail gas station assets for aggregate consideration of approximately $460 million, including a vendor take-back note resulting in a pre-tax net gain of $42 million.
December 2023	*Industrials*	Since the start of the year, we have sold 14 million shares of GrafTech, reducing our ownership interest in the business to 3%. We are now accounting for our investment as a financial asset.
December 2023	*Business Services*	We reached an agreement to sell our general partner interest and residential real estate brokerage portfolio to Bridgemarq, a publicly listed real estate services operation and brokerage business. In exchange, we agreed to take back limited partnership units in the public entity, which will increase our ownership interest from 28% to approximately 42%. The transaction is expected to close in Q2 2024, subject to shareholder approval.
December 2023	*Business Services*	We completed the previously announced sale of a portion of our interest in our technology services operation resulting in a pre-tax net gain of $524 million. Our share of proceeds from the sale was approximately $120 million. Following the sale, we deconsolidated our investment to account for our remaining 17% ownership interest as an equity accounted investment.

Consistent with our company's strategy and in the normal course of business, we are engaged in discussions and have in place various binding and/or non-binding agreements, with respect to possible business acquisitions and dispositions. However, there can be no assurance that these discussions or agreements will result in a transaction or, if they do, what the final terms or timing of such transactions would be. Our company expects to continue current discussions and actively pursue these and other acquisition and disposition opportunities.

We are subject to the informational requirements of the U.S. Exchange Act. In accordance with these requirements, we file reports and other information as a foreign private issuer with the SEC. The SEC maintains a website that contains reports, proxy and information statements and other information relating to our partnership. The site is located at http://www.sec.gov. Similar information can also be found on our website at https://bbu.brookfield.com. Copies of documents that have been filed with the Canadian securities authorities can be obtained at www.sedarplus.ca. The information found on, or accessible through our website does not form part of this annual report on Form 20-F. See also Item 10.H "Documents on Display".

For a description of our principal capital expenditures in the last three fiscal years, see Item 5.A, "Operating Results".

Senior Management and Board Changes

In February 2024, we announced the appointment of Anuj Ranjan as Chief Executive Officer. Mr. Ranjan was previously the Global Head of Business Development for Brookfield Asset Management and President of Brookfield Asset Management's Private Equity business, where he was instrumental in developing and implementing our business' growth strategy. Mr. Ranjan succeeds Cyrus Madon, who was named Executive Chairman of our board of directors. As Executive Chairman, Mr. Madon will offer guidance and strategic direction to Mr. Ranjan as he leads the growth of our company. Jeffrey Blidner, who previously served as Chair of the board of directors, stepped down from that role and continues as a member of the board of directors.

4.B BUSINESS OVERVIEW

Overview

We were established by Brookfield to be its flagship public partnership for its business services and industrials operations. Our operations are primarily located in the United States, the United Kingdom, Europe, Australia, Canada and Brazil. We are focused on owning and operating high-quality operations that benefit from a strong competitive position and provide essential products and services. We seek to build value through enhancing the cash flows of our businesses, pursuing an operations-oriented acquisition strategy and opportunistically recycling capital generated from operations and dispositions into our existing operations, new acquisitions and investments. The partnership's goal is to generate returns to unitholders primarily through capital appreciation with a modest distribution yield.

Operating Segments

We have four operating segments which are organized based on how management views business activities within particular sectors: business services, infrastructure services, industrials, and corporate and other.

The tables below provide a breakdown of total assets of $82.4 billion as at December 31, 2023 and revenues of $55.1 billion for the year ended December 31, 2023 by operating segment and region.

	Assets	Revenues
(US$ MILLIONS)	**As at December 31, 2023**	**For the year ended December 31, 2023**
Business services	$ 38,066	$ 32,410
Infrastructure services	17,180	7,457
Industrials	26,822	15,201
Corporate and other	317	—
Total	**$ 82,385**	**$ 55,068**

Regions	Assets	Revenues
	As at	For the year ended
(US$ MILLIONS)	December 31, 2023	December 31, 2023
United Kingdom	$ 5,315	$ 19,524
United States of America	23,407	11,676
Europe	15,014	8,017
Australia	12,818	4,962
Canada	8,052	3,954
Brazil	9,524	2,838
Mexico	2,991	1,202
Other	5,264	2,895
Total	$ 82,385	$ 55,068

We seek to build value by enhancing the cash flows of our operations, pursuing an operations-oriented acquisition strategy and opportunistically recycling capital generated from operations and monetizations into our existing businesses, new acquisitions and investments. We strive to ensure that each of our businesses has a clear, concise business strategy built on its competitive advantages, while focusing on profitability, sustainable operations, product margins and cash flows.

We plan to grow primarily by acquiring positions of control or significant influence in businesses at attractive valuations and by enhancing the earnings of the businesses we operate. In addition to pursuing accretive acquisitions within our current operations, we will opportunistically pursue transactions wherein our expertise, or the broader Brookfield platform, provides insight into global trends to source acquisitions that are not available or obvious to competitors. We partner with others, primarily institutional capital, to execute acquisitions that we may not otherwise be able to do on our own. Accordingly, an integral part of our strategy is to participate with institutional partners in Brookfield-sponsored or co-sponsored consortiums for business 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 has agreed that it will not sponsor such arrangements that are suitable for us in the business services and industrial operations sectors unless we are given an opportunity to participate. See Item 7.B, “Related Party Transactions - Relationship Agreement”.

Set forth below is a general description of our operating segments. For additional information regarding recent performance and outlook for these businesses, see Item 5.A, “Operating Results - Outlook”.

Business services

Our business services segment includes our (i) residential mortgage insurer, (ii) dealer software and technology services operation (iii) healthcare services, (iv) construction operation, (v) non-bank financial services operation, (vi) road fuels operation, (vii) fleet management and car rental services, (viii) payment processing services operation, (ix) entertainment operation and (x) other operations wherein we have the ability to leverage the operational expertise and scale of the broader Brookfield platform. Our focus is on building high-quality businesses benefiting from barriers to entry through scale and predictable, recurring cash flows and where quality of service and/or a global footprint are competitive differentiators. In keeping with our overall strategy, we seek to pursue accretive acquisitions to grow our existing operations and create new ones and to opportunistically make investments where our operational footprint provides us with an advantage in doing so.

Many of our customers are corporations. These customers are often large credit-worthy counterparties thereby reducing risks to cash flow streams. The goodwill that we have created with our customers gives us the ability to generate future business through the cross-selling of other services, particularly in connection with global clients, where consistency of performance on a global basis is important. Some of our business services activities are seasonal in nature and affected by the general level of economic activity and related volume of services purchased by our clients.

The table below provides a breakdown of revenues for our business services segment by region:

	Year ended December 31,		
(US$ MILLIONS)	2023	2022	2021
United Kingdom	**$ 18,392**	$ 20,940	$ 18,257
United States of America	**2,148**	1,233	344
Europe	**2,073**	2,867	2,495
Australia	**4,496**	4,504	4,428
Canada	**3,108**	3,830	3,201
Brazil	**1,089**	388	364
Other	**1,104**	1,024	899
Total	**$ 32,410**	$ 34,786	$ 29,988

Residential mortgage insurer

Our residential mortgage insurer is the largest private sector residential mortgage insurer in Canada, providing mortgage default insurance to Canadian residential mortgage lenders. Regulations in Canada require lenders to purchase mortgage insurance in respect of a residential mortgage loan whenever the loan-to-value ratio exceeds 80%. Our residential mortgage insurer plays a significant role in increasing access to homeownership for Canadian residents, particularly for first-time homebuyers.

Our residential mortgage insurer has built a broad underwriting and distribution platform across Canada that provides customer-focused products and support services to the vast majority of Canada's residential mortgage lenders and originators. We underwrite mortgage insurance for residential properties in all provinces and territories of Canada.

The revenues of our residential mortgage insurer consist primarily of: (i) insurance revenues earned on mortgage insurance contracts and (ii) net investment income and gains/losses on the investment portfolio within the business.

Dealer software and technology services operation

Our dealer software and technology services operation is a leading provider of cloud-based software to dealerships and OEMs across automotive and related industries. The company's cloud-based software as a service ("SaaS") platform enables dealerships to manage their end-to-end business operations, including the acquisition, sale, financing, insuring, and repair and maintenance of vehicles. By automating and streamlining critical workflows, the integrated platform of solutions enables dealers to sell and service more vehicles by creating simple and convenient experiences for customers to help improve their financial and operational performance.

The revenues at our dealer software and technology services operation are generated by providing a broad suite of subscription-based software and technology solutions for automotive retailers. We are focused on the use of SaaS and mobile-centric solutions that are highly functional, flexible and fast. Our flagship dealer management system ("DMS") software solutions are hosted enterprise resource planning applications tailored to the unique requirements of the retail automotive industry. Our DMS products facilitate the sale of new and used vehicles, consumer financing, repair and maintenance services, and vehicle and parts inventory management. These solutions enable company-wide accounting, financial reporting, cash flow management, and payroll services. Our DMS software is typically integrated with OEM data processing systems that enable automotive retailers to order vehicles and parts, receive vehicle records, process warranties, and check recall campaigns and service bulletins while helping them to fulfill their franchisee responsibilities to their OEM franchisors.

During May 2023, our dealer software and technology services operation closed the sale of a non-core division servicing the heavy equipment sector for total consideration of approximately $490 million, resulting in a gain of $87 million.

Healthcare services

Our healthcare services in Australia is a leading private hospital operator and provider of essential social infrastructure to the Australian healthcare system. We operate 38 hospitals, providing doctors and patients with access to operating theaters, nursing staff, accommodations, and other critical care and consumables primarily in support of elective surgery activity.

The majority of our healthcare services' revenues are generated from private health insurance funds and government-related bodies under Hospital Purchaser-Provider Agreements. These revenues are generally based on a pricing schedule set out in the agreements and are either on a case payment or per diem basis, depending on the type of service provided.

Construction operation

Our construction operation is a global contractor with a focus on high-quality construction, primarily on large-scale and complex landmark buildings and social infrastructure. Construction projects are generally delivered through contracts for the design and construction, including procurement for a defined price and program. The business also engages in construction management contracts on a reduced risk model. Most construction activity is typically subcontracted to reputable specialists whose obligations generally align with those contained within the main construction contract. Our construction operation primarily operates in Australia, the United Kingdom and Canada across a broad range of sectors, including office, residential, hospitality and leisure, social infrastructure, retail and mixed-use properties.

We recognize revenues when it is highly probable that economic benefits will flow to the business, and when it can be reliably measured and collection is assured. Revenues are recognized over time as performance obligations are satisfied, by reference to the stage of completion of the contract activity at the reporting date, measured as the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. A large portion of construction revenues and costs are earned and incurred in Australia and the United Kingdom and may be impacted by fluctuations in the Australian dollar and British pound. A significant portion of our revenues are generated from large projects, and the results from our construction operation can fluctuate quarterly and annually, depending on the level of work during a period. Our business is impacted by the general economic conditions and economic growth of the particular region in which we provide construction services.

Fleet management and car rental services

Our fleet management and car rental services operation is one of the leading providers of heavy equipment and light vehicle leasing and car rental services in Brazil. Our fleet management services lease a variety of assets to corporate clients under medium-term contracts linked to inflation, including a fleet of trucks, trailers, tractors, harvesters and light vehicles, in addition to related services. We have been able to sustain high contract renewal rates with high-quality clients as well as diversify into new asset and industry classes. Our car rental services benefit from a nationwide presence with access to a wide network of accredited maintenance shops, longstanding relationships with OEMs and a reputation for value added services. Our combined fleet management and car rental services maintain a fleet of more than 114,000 vehicles.

Non-bank financial services

Our Indian non-bank financial services operation is a financing company primarily focused on commercial vehicle lending and affordable housing. We cater to over 121,000 customers and help them buy their first home, secure commercial vehicle financing. With a pan-India distribution network of more than 490 branches, our Indian non-bank financial services operation is well established to cater to the growing credit demand in the country.

Our Australian residential mortgage lender is a leading mortgage originator and asset manager. The business plays an important role in asset management and providing credit to over 240,000 customers such as business owners, recent immigrants and others who require specialized underwriting.

Road fuels operation

Our road fuels operation is a globally integrated platform with leading renewable and retail operations, enabled by an infrastructure-backed supply footprint and operating platform. It is one of Europe’s largest renewable fuel producers, with an extensive retail network predominantly anchored by grocery retail and critical infrastructure with long-term recurring customer volumes, combined with a flexible, global supply chain. The business has a presence in the United Kingdom, Canada, Ireland and the United States.

On November 10, 2023, our road fuels operation completed the sale of its North American retail gas station assets for aggregate consideration of approximately $460 million, including a vendor take-back note resulting in a pre-tax net gain of $42 million recorded in the consolidated statements of operating results, included in gain (loss) on acquisitions/dispositions, net.

Payment processing services operation

Our payment processing services operation is a leading provider of payment solutions in the United Arab Emirates. The business provides government, merchant and institutional clients with a payment platform for acquiring, issuing and processing customer transactions.

On June 9, 2023, we reached an agreement together with institutional partners to acquire Network for approximately $3 billion. Network is a leading enabler of digital commerce across the Middle East and Africa, providing a full suite of technology-enabled payment processing services to merchants and financial institutions. The transaction is expected to close in the first half of 2024, subject to regulatory approvals.

Entertainment operation

Our entertainment operation, in partnership with a leading Canadian gaming operator, consists of four entertainment facilities in the Greater Toronto Area. Through a long-term contract with the Ontario Lottery and Gaming Corporation, we have the exclusive right to operate these facilities. Through our partnership, we have undertaken a growth strategy whereby we have been enhancing the guest experience and transforming our facilities into attractive, premier entertainment destinations. This modernization and development is intended to include enhanced entertainment offerings and integrated property expansions that will incorporate leading world-class amenities such as hotels, meeting and event facilities, performance venues, restaurants and retail shopping. We have joint control over the business and have accounted for our investment as an equity accounted investment.

Other

Our technology services operation provides customer management solutions which specialize in managing customer interactions for large global healthcare and technology clients primarily based in the United States.

On December 14, 2023, we completed the sale of a portion of our interest in our technology services operation. Our share of proceeds from the sale was approximately $120 million. Following the sale, we retained joint control with the buyer and as a result, we deconsolidated our investment to account for our remaining 17% ownership interest as an equity accounted investment.

Our rural broadband services operation is a provider of high speed fixed wireless access broadband in rural Ireland. Rural Ireland is currently an underserved market that lacks access to high-speed broadband. The operations provide an essential service in hard-to-reach areas with an infrastructure deficit. The operation currently has approximately 47,000 customers.

We hold a convertible preferred security investment in Nielsen, a market leader in third-party audience measurement, data and analytics. The business is an essential service provider to the video and audio advertising industry, providing critical measurement data for advertising buyers and sellers.

Our real estate services operation provides services to more than 20,500 residential real estate brokers through franchise arrangements under a number of brands in Canada, including a nationally recognized brand, Royal LePage. We also directly operate residential brokerages in select cities in Canada and provide valuations and related analytic services to financial institutions through which we process in excess of 160,000 property appraisals per year.

On December 14, 2023, we reached an agreement to sell our general partner interest and residential real estate brokerage portfolio to Bridgemarq, a publicly listed real estate services operation and brokerage business. In exchange, we agreed to take back limited partnership units in the Bridgemarq public entity, which will increase our ownership interest from 28% to approximately 42%. The transaction is expected to close in Q2 2024, subject to shareholder approval.

Infrastructure services

Our infrastructure services segment includes our (i) offshore oil services, (ii) lottery services operation, (iii) modular building leasing services and (iv) work access services. The operating results of our infrastructure services segment included the results of our nuclear technology services that was sold in November 2023.

The table below provides a breakdown of revenues for our infrastructure services by region:

	Year ended December 31,		
(US$ MILLIONS)	2023	2022	2021
United Kingdom	**$ 790**	$ 652	$ 364
United States of America	**3,190**	2,763	1,591
Europe	**2,451**	2,678	1,605
Australia	**332**	309	17
Canada	**239**	239	145
Brazil	**188**	212	190
Other	**267**	671	545
Total	**$ 7,457**	$ 7,524	$ 4,457

Offshore oil services

Our offshore oil services is a global provider of marine transportation, offshore oil production, facility storage, long-distance towing and offshore installation, maintenance and safety services to the offshore oil production industry. We operate shuttle tankers (highly specialized vessels with dynamic positioning systems used for offloading from offshore oil installations), floating production storage and offloading units ("FPSO"), floating storage and offloading units ("FSO") and long-haul towage vessels, also with highly specialized capabilities including dynamic positioning. We operate in selected oil regions globally, including the North Sea (Norway and the United Kingdom), Brazil and Canada.

As a fee-based business focused on critical services, our offshore oil services has limited direct commodity exposure and a portfolio which primarily comprises medium-term, fixed-rate contracts with high-quality, primarily investment grade counterparties. A substantial part of our revenues are based on contracts with customers and is fee-based which is recognized on a straight-line basis over the term of the contracts.

In August 2022, our offshore oil services voluntarily entered Chapter 11 reorganization proceedings with the objective of executing a comprehensive financial restructuring to reduce debt and strengthen its financial position. On January 6, 2023, our offshore oil services emerged from the Chapter 11 restructuring process with a deleveraged balance sheet. The restructuring reprofiled the loan facilities to better align cash flow with debt service obligations. Following the restructuring, our economic interest was approximately 53%.

On February 29, 2024, our offshore oil services completed the sale of its non-core towage business. Proceeds generated from the sale will primarily be used to repay borrowings within the operation.

Lottery services operation

Our lottery services operation is a leading provider of products, services and technology across the lottery ecosystem in over 50 countries. Our business is an essential service provider to government-sponsored lottery programs, a critical and growing source of funding, through capabilities in game design, production, distribution, systems and terminals, and turnkey technology solutions. The revenues of our lottery services operation consist primarily of (i) the sale of instant lottery products and services, and (ii) sale and ongoing maintenance of hardware products and technology.

Modular building leasing services

Our modular building leasing services provide modular workspaces in Europe and Asia-Pacific to a diversified customer base across the industrial, infrastructure and public sectors. With a global fleet of approximately 335,000 modular units across 23 countries, our operations service more than 60,000 customers through an established network of approximately 225 branches. The modular units provide customers with a wide range of flexible, cost-effective and environmentally friendly solutions for temporary space requirements. The primary source of revenues is the leasing of modular units and ancillary value added products and services (furniture, fire extinguishers, air conditioners, wireless internet access points, steps, ramps and damage waivers).

On January 31, 2023, our modular building leasing services completed the add-on acquisition of a leading rental provider of quality storage and portable accommodations in the United Kingdom, increasing the scale and diversity of its product offering in the region. The business was acquired for approximately $419 million, funded with debt and equity.

Work access services

Our work access services is a leading provider of scaffolding and related services to the industrial and commercial markets servicing over 30,000 customers in more than 27 countries worldwide. Our scale and reputation as a leader in engineering innovation and productivity are competitive advantages in a fragmented industry. Our solutions support a wide range of global infrastructure ranging from refineries and petrochemical plants to commercial buildings, bridges, hydroelectric dams and other power facilities. A substantial portion of our services are recurring and based on the ongoing maintenance requirements of our global customers. Since acquisition, our work access services has been focused on both organic growth, as well as growth through acquisitions. The business is executing on an active acquisition pipeline and acquired five businesses, including a multi-craft services provider, a German scaffolding services provider, a residential work access provider, a specialty industrial coating contractor and a cathodic protection provider. We have joint control over the business and have accounted for our investment as an equity accounted investment.

Along with our partners, we provided the business with additional capital in the third quarter of 2023, of which our share was approximately $195 million, to support a deleveraging of its balance sheet. Our additional investment will ensure the business has flexibility to continue executing its value creation plans, and in particular, consider opportunities to expand at a time when small-scale competitors are struggling.

Industrials

Our industrials segment includes our (i) advanced energy storage operation, (ii) engineered components manufacturing operation, (iii) water and wastewater operation and (iv) other operations.

The table below provides a breakdown of revenues for our industrials segment by region:

	Year ended December 31,		
(US$ MILLIONS)	2023	2022	2021
United Kingdom	**$ 342**	$ 329	$ 206
United States of America	**6,338**	6,301	4,780
Europe	**3,493**	3,197	3,007
Australia	**134**	137	84
Canada	**607**	736	570
Brazil	**1,561**	1,958	1,157
Mexico	**1,202**	941	813
Other	**1,524**	1,476	1,525
Total	**$ 15,201**	$ 15,075	$ 12,142

Advanced energy storage operation

Our advanced energy storage operation is a global market leader in manufacturing automotive batteries that has over 17,000 employees around the world with a footprint that consists of over 50 manufacturing, recycling and distribution centers servicing a global customer base in over 100 countries. We manufacture and distribute over 150 million batteries per year, which power one in three cars in the world.

The batteries manufactured by our advanced energy storage operation power both internal combustion engines and electric vehicles. We sell starting, lighting and ignition batteries which are used primarily for initial engine ignition of traditional vehicles. The business has made significant investments to develop higher margin advanced battery technologies, including enhanced flooded batteries and absorbent glass mat batteries, which provide the energy density necessary for next-generation vehicles to comply with increased regulatory requirements and support increased electrical loads such as start-stop functionality and autonomous features.

The evolution towards battery electric vehicles is driving demand for more advanced batteries and opportunities for our advanced energy storage operation. We are working hand-in-hand with most global OEMs to design and integrate our advanced battery technologies into their platforms, including electric vehicle platforms. We are also working with several manufacturers on their next generation electric vehicle platforms and have been sourced for over 140 electric vehicle platforms.

Our advanced energy storage operation distributes products primarily to aftermarket retailers and to OEMs. Approximately 80% of the sales volume is generated through the aftermarket channel, which services the existing car parc and represents a stable and recurring revenue base as end users replace car batteries on average two to four times over the life of each vehicle. Approximately 20% of our sales volume is generated through the OEM channel, which comprises sales to major car manufacturers globally and is driven by global demand for new vehicles. We have also developed longstanding relationships with large aftermarket customers.

Engineered components manufacturing operation

Our engineered components manufacturing operation is a leading global manufacturer of highly engineered components primarily for industrial trailers and other towable-equipment providers. We have a leading presence in our core products across North America, Europe and Australia with vertically integrated production and distribution capabilities and a commitment to sustainability. We manufacture and distribute over 85,000 products including highly engineered, customized solutions for a diverse range of customers across our global footprint.

Water and wastewater operation

Our water and wastewater operation in Brazil is a leading private sanitation provider, including collection, treatment and distribution of water and wastewater services to a broad range of residential and governmental customers through long-term, inflation-adjusted concessions, public-private partnerships and take-or-pay contracts. We provide services that benefit more than 16 million people in over 100 municipalities in Brazil.

Other

Our solar power solutions provider is a leading distributor of solar power solutions for the distributed generation market in Brazil.

Our returnable plastic packaging operation is a leading European provider of returnable plastic packaging that has a strong competitive position given its extensive scale, diversified base of long-term customers serving multiple industries and its strong reputation for product innovation. We operate in a growing segment of the packaging space that has favorable long-term trends driven by an increased focus on sustainability and logistics.

Our Canadian natural gas production operation produces approximately 40,000 barrels of oil equivalent per day, or BOE/d. Our properties are characterized by long-life, low-decline reserves located at shallow depths and are low-risk with low-cost capital projects. Operational results and financial condition are dependent principally upon the prices received for gas production which have fluctuated widely in recent years. Any upward or downward movement in oil and gas prices could have an impact on the natural gas operations' financial condition.

Our roofing products manufacturer is the world's largest provider of slate roofing tiles. With its 23 quarries, the company produces and supplies premium slate roofing tiles globally to support the renovation of residential and heritage buildings in markets with strict local regulations that mandate the use of slate for roofing. We have joint control over the business and have accounted for our investment as an equity accounted investment.

On November 8, 2023, we completed the sale of our energy services operation to a larger public peer for total consideration of approximately $37 million comprising cash and shares in the public company, resulting in a pre-tax net gain of $1 million recorded in our consolidated statements of operating results, included in gain (loss) on acquisitions/dispositions, net.

Corporate and other

Corporate and other includes corporate cash and liquidity management, as well as activities related to the management of the partnership's relationship with Brookfield.

Our Growth Strategy

We seek to build value by enhancing the cash flows of our businesses, pursuing an operations-oriented acquisition strategy and opportunistically recycling capital generated from operations and dispositions into our existing businesses, new acquisitions and investments. We look to ensure that each of our businesses has a clear, concise business strategy built on its competitive advantages, while focusing on profitability, sustainable operating margins and cash flows. We emphasize downside protection by utilizing business plans that do not rely exclusively on top-line growth or excessive leverage.

We plan to grow by primarily acquiring positions of control or significant influence in businesses at attractive valuations and by enhancing earnings of the businesses we operate. In addition to pursuing accretive acquisitions within our current operations, we will opportunistically pursue transactions wherein our expertise, or the broader Brookfield platform, provide insight into global trends to source acquisitions that are not available or obvious to competitors.

We offer a long-term ownership structure to companies whose management teams are seeking additional sources of capital but prefer not to be public as a standalone business. From time to time, we will recycle capital opportunistically, but we will have the ability to own and operate businesses for the long term.

Intellectual Property

Our company has a Licensing Agreement. Other than the limited license, under the Licensing Agreement, we do not have a legal right to the "Brookfield" name and the Brookfield logo.

Brookfield may terminate the Licensing Agreement 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 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 the Licensing Agreement with respect to one or more licensees will not affect the validity or enforceability of the agreement with respect to any other licensees.

Governmental, Legal and Arbitration Proceedings

We are not currently subject to any material governmental, legal or arbitration proceedings which may have or have had a significant impact on our company's financial position or profitability, nor are we aware of any such proceedings that are pending or threatened.

We are occasionally named as a party in various claims and legal proceedings which arise during the normal course of our business. We review each of these claims, including the nature of the claim, the amount in dispute or claimed and the availability of insurance coverage. Although there can be no assurance as to the resolution of any particular claim, we do not believe that the outcome of any claims or potential claims of which we are currently aware will have a material adverse effect on us.

Environmental, Social and Governance Management

The partnership believes that environmental, social and governance ("ESG") integration is fundamental to operating a productive, profitable and sustainable business. This is consistent with our philosophy of conducting business with a long-term perspective and in an ethical manner. Accordingly, we have a long history of incorporating ESG principles and practices into both our investment decisions and underlying business operations.

As described under Item 4.A, "History and Development of the Company" and Item 4.C, "Organizational Structure" Brookfield's economic interest in our partnership as at the date of this Form 20-F is approximately 65.5% assuming the exchange of all issued and outstanding Redemption-Exchange Units and BBUC exchangeable shares, and affiliates of Brookfield Corporation provide services to us under the Master Services Agreement. Brookfield employs a framework of having a common set of ESG principles across its business platforms, while at the same time recognizing that the geographic and sector diversity of our portfolio requires a tailored approach. The following are Brookfield's and the partnership's ESG principles:

- **Mitigate the impact of our operations on the environment**
  - Strive to minimize the environmental impact of our operations and improve efficient use of resources over time.
  - Support the goal of net-zero GHG emissions by 2050 or sooner.
- **Ensure the well-being and safety of employees**
  - Foster a positive work environment based on respecting human rights, valuing diversity and exhibiting no tolerance for workplace discrimination, violence or harassment.
  - Operate with leading health and safety practices to support the goal of zero serious safety incidents.
- **Be good corporate citizens**
  - Ensure the interests, safety and well-being of the communities in which we operate are integrated into our business decisions.
  - Support philanthropy and volunteerism by our employees.
- **Uphold strong governance practices**
  - Operate to the highest ethical standards by conducting business activities in accordance with our Code of Business Conduct and Ethics.
  - Maintain strong stakeholder relationships through transparency and active engagement.

ESG and the investment lifecycle

The partnership considers ESG factors throughout the investment lifecycle. During our initial evaluation and due diligence of an acquisition, we utilize internal and external operating expertise as required to identify ESG risks and opportunities. We formally incorporate guidance from the Sustainability Accounting Standards Board, a globally recognized standard-setting organization for ESG information, into our Investment ESG Due Diligence Guidelines. Other key factors typically considered during a review of a potential acquisition include, but are not limited to, bribery and corruption risks, health and safety risks, ethical considerations and environmental matters. Our comprehensive due diligence process also incorporates climate change risks, such as the physical risks from changes to the frequency and severity of climate-related events and the risks and opportunities from transitioning to a low-carbon economy. To ensure ESG considerations are integrated in the due diligence phase, our investment team provides a detailed memorandum outlining the material risks, mitigants and significant opportunities for improvement to the Investment Committee at the time of approval.

Post-acquisition, we create a tailored integration plan that, among other things, ensures any material ESG-related matters identified in the due diligence process as requiring action and monitoring throughout our ownership. We hold onboarding sessions with the management teams of newly acquired operations to detail the ESG implementation framework. It is the responsibility of the management teams within each of our operations to manage ESG risks and opportunities and report key ESG performance information for assessment at regular intervals. Our operations team provides support to the management teams of our operations as needed, including providing additional ESG resources to stand-up and enhance programs at the operating company level. The combination of having local accountability and expertise in tandem with investment and operating capabilities is important when managing diverse operations across jurisdictions.

To formally demonstrate our ongoing commitment to responsible investment and ESG integration, Brookfield became a signatory to the United Nations-supported PRI in early 2020. In 2023, Brookfield submitted its inaugural assessment in line with PRI’s reporting process.

Environmental initiatives

The partnership recognizes that climate change poses a serious threat and addressing the climate crisis is integral to long-term sustainable success. Through our relationship with Brookfield, we are a supporter of the TCFD and the Paris Agreement. As a recent signatory to the NZAM initiative, Brookfield has made a commitment to net zero emissions by 2050 by implementing science-based approaches and standardized methodologies through which to deliver these commitments.

Many of the partnership’s operations are well positioned to have a positive environmental impact and benefit from a focus on operational efficiency, including energy efficiency. Our advanced energy storage operation has an innovative business model for product design and lifecycle management. The company is the first battery manufacturer to endorse the World Economic Forum’s Global Battery Alliance to catalyze, connect, and scale-up efforts to ensure that the battery value chain is environmentally sustainable and innovative. Through its closed loop process where up to 99% of materials from its batteries can be recovered and turned into new batteries, the company recycles over 8,000 batteries every hour across its global recycling networks. Approximately 75% of the raw materials come from recycled batteries, which results in 90% less energy GHG emissions compared to using primary materials.

Another area of focus for the partnership is measuring, collecting and reporting GHG emissions in order to better understand the global footprint of our operations. Our modular building leasing services is committed to integrating circularity and sustainability to significantly decrease GHG emissions and achieve its net-zero carbon target by 2050 or sooner. The business takes a holistic approach to GHG reduction by not only assessing its production and distribution emissions, but also focusing on the lifecycle and reusability of its products and the carbon impact of logistics. The business has established several commitments by 2025 including reducing the embedded carbon footprint of a typical modular unit by 20% and reducing total Scope 1 and 2 emissions in $mtCO_{2e}$ by 10%.

Social initiatives

Employee health, safety and security are integral to our success. This is why we target zero serious safety incidents and encourage a culture of safe practice and leadership. As part of the onboarding process, we conduct comprehensive health and safety assessments which include a review of safety systems and safety culture. Serious safety incidents within operating companies are reported to our senior management on a real time basis and the remediation of any identified gaps between our framework and our operating companies is monitored on an ongoing basis to ensure health and safety programs align with the applicable standards our expectations.

We strive to have a diverse workforce that encourages new perspectives and ongoing development, ultimately fostering an environment that enables all employees to succeed. We encourage contributions from all employees and aim to provide equal development and career advancement opportunities. Our focus on diversity, equity and inclusion reinforces our culture of collaboration and strengthens employee engagement and career development, creating value for our investors. Our focus begins at recruitment, where we proactively seek talent that aligns with our culture and can grow and develop within the business. As our business evolves, we continuously evaluate our recruitment initiatives to ensure the hiring process is both fair and inclusive by considering a diverse slate of candidates. With our focus on diversity, we are developing objective criteria for each role to evaluate all candidates and ensure there is diverse representation within our recruitment teams.

Governance initiatives

Our governance framework for portfolio companies in which we have a controlling interest consists of five main pillars:

(i) Board of Directors and Committees

(ii) Ethics Hotline

(iii) Cybersecurity Program

(iv) Anti-Bribery and Corruption Policy

(v) Code of Conduct

In addition to the above, we also adhere to a rigorous conflict of interest policy where potential investments are screened for possible conflicts and elevated for review to a Conflicts Committee, consisting of senior Brookfield executives, if necessary. We have also adopted Brookfield's personal trading policy that we believe exceeds standard legal requirements to ensure the restriction of trading by employees involved in the investment decision-making process.

In recent years, data privacy and cybersecurity have become key governance priorities for global companies. The partnership continues to focus on strengthening our risk mitigation in this area through several measures. For example, we have established an information security program to protect the confidentiality, integrity and availability of information assets. This program is based on an internationally recognized framework and encompasses a wide range of elements from vulnerability scanning of our data systems to improving employees' cybersecurity awareness through training. The effectiveness of the program is measured through both internal and third-party audits as part of our ongoing commitment to adopting sound governance practices. See Item 16.K, "Cybersecurity"

Facilities

Our principal registered office is located in Bermuda, with our operations primarily located in the United States, the United Kingdom, Europe, Australia, Canada and Brazil. Globally, we lease and own approximately 58.4 million square feet and 30.7 million square feet of space, respectively, across all our operations, which includes office, warehouse and manufacturing space. Our primary facilities are:

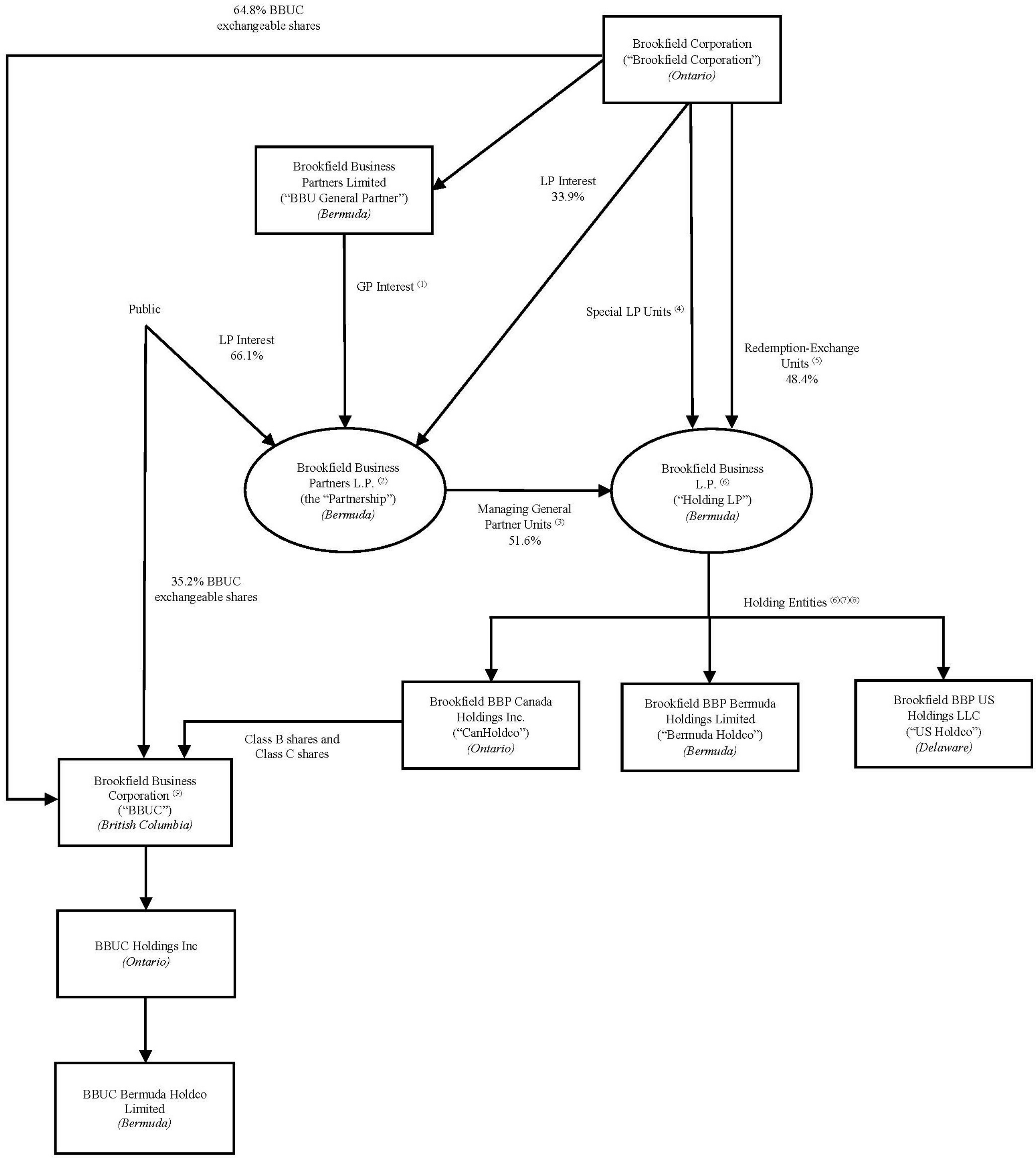
- Approximately 49.4 million square feet of office, assembly and warehouse facilities in Europe, Australia and China related to our modular building leasing services;
- Approximately 20.1 million square feet of office, manufacturing and distribution facilities in Europe, the United States, Mexico and China related to our advanced energy storage operation;
- Approximately 7.5 million square feet of manufacturing and warehouse facilities in Europe and the United States related to our engineered components manufacturing operation; and
- Approximately 5.1 million square feet of hospitals in Australia related to our healthcare services.

Our leases expire at various times during the coming years. We believe that our current facilities are suitable and adequate to meet our current needs and that suitable additional or substitute space will be available as needed to accommodate continuing and expanding of our operations.

4.C ORGANIZATIONAL STRUCTURE

Organizational Chart

The chart below represents a simplified summary of our organizational structure. All ownership interests indicated below are 100% unless otherwise indicated. "GP Interest" denotes a general partnership interest and "LP Interest" denotes a limited partnership interest. Certain subsidiaries through which Brookfield Corporation holds the LP Units and the Redemption-Exchange Units have been omitted. This chart should be read in conjunction with the explanation of our ownership and organizational structure below.



(1) Brookfield's general partner interest is held through Brookfield Business Partners Limited, a Bermuda company that is indirectly wholly-owned by Brookfield Corporation.

(2) As of the date of this Form 20-F, public holders of our units own approximately 66.1% of our LP Units and Brookfield owns approximately 33.9% of our LP Units. Brookfield's economic interest in the partnership is approximately 65.5% on a fully exchanged basis, assuming exchange of the Redemption-Exchange Units and BBUC exchangeable shares.

(3) The partnership's sole direct investment consists of Managing General Partner Units of the Holding LP, through which the partnership holds all its interests in its operating businesses. Any time one LP Unit is issued by the partnership, including any time one BBUC exchangeable share is exchanged by the holder thereof for one LP Unit, the Holding LP issues a corresponding Managing General Partner Unit to the partnership so that the aggregate number of LP Units and GP Units outstanding remains equal to the number of Managing General Partner Units outstanding.

(4) Brookfield's Special LP units entitle the holder to receive incentive distributions. See Item 7.B, "Related Party Transactions - Incentive Distributions".

(5) Brookfield's limited partnership interest in Holding LP, held in Redemption-Exchange Units, is redeemable for cash or exchangeable for our units in accordance with the Redemption-Exchange Mechanism, which could result in Brookfield owning approximately 65.9% of our issued and outstanding LP Units assuming exchange of the Redemption-Exchange Units (and including the issued and outstanding LP Units that Brookfield currently owns). See 10.B, "Memorandum and Articles of Association - Description of the Holding LP Limited Partnership Agreement - Redemption-Exchange Mechanism".

(6) The Holding LP currently owns, directly or indirectly, all of the common shares or equity interests, as applicable, of the Holding Entities.

(7) Brookfield holds $5 million of preferred shares of each of CanHoldco and two of our other subsidiaries, which preferred shares will be entitled to vote with the common shares of the applicable entity. Brookfield currently has an aggregate of 1% of the votes of each of the three entities.

(8) The partnership has a commitment agreement with Brookfield, whereby Brookfield agreed to subscribe for up to $1.5 billion of preferred equity securities of subsidiaries of the partnership. As of December 31, 2023, $725 million of perpetual preferred equity securities with an annual dividend of 7% are outstanding and the remaining capacity available under the commitment agreement with Brookfield is $25 million.

(9) As of the date of this Form 20-F, Brookfield holds approximately 64.8% of the BBUC exchangeable shares and the partnership owns all of the BBUC class B shares and class C shares. The BBUC exchangeable shares and class B shares control 25% and 75%, respectively, of the aggregate voting rights of BBUC. Through the ownership of BBUC exchangeable shares and class B shares, Brookfield and the partnership collectively hold an approximate 91.2% voting interest in BBUC. See Item 10.B, "Memorandum and Articles of Association - BBUC".

The following table provides the percentage of voting securities owned, or controlled or directed, directly or indirectly, by us, and our economic interest in our significant subsidiaries as at December 31, 2023.

Significant subsidiaries	**Jurisdiction of organization**	**Voting interest (%)**	**Economic interest (%)**
Business services			
Sagen MI Canada Inc.	Canada	100%	41%
Unidas Locadora S.A.	Brazil	100%	35%
Healthscope Pty Ltd	Australia	100%	28%
CDK Global II LLC	United States	100%	26%
Infrastructure services			
Altera Infrastructure L.P.	United States	88%	53%
Modulaire Investments 2 S.à r.l.	Luxembourg	100%	28%
Scientific Games Holdings LP	United States	100%	33%
Industrials			
Clarios Global LP	United States	100%	28%
DexKo Global Inc.	United States	100%	33%

Our Company

Our company was established on January 18, 2016 as a Bermuda exempted limited partnership registered under the Bermuda Limited Partnership Act 1883, as amended, and the Bermuda Exempted Partnerships Act 1992, as amended. Our head and registered office is 73 Front Street, 5th Floor, Hamilton HM 12, Bermuda and our telephone number is +441 294-3309.

Our company's sole material asset is its approximate 51.6% managing general partner interest in the Holding LP. Our partnership serves as the Holding LP's managing 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 interest 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 the BBU General Partner. Our partnership is not required to make such distributions and neither our partnership nor the BBU General Partner can assure you that our partnership will make such distributions as intended.

Our Service Providers and Brookfield Corporation

The Service Providers, which are wholly-owned subsidiaries of Brookfield, provide management services to us pursuant to our Master Services Agreement. The senior management team that is principally responsible for providing us with management services include many of the same executives that have successfully overseen and grown Brookfield's business services and industrial operations. In connection with the special distribution, the Master Services Agreement was amended to account for BBUC receiving management services comparable to the services provided to us by the Service Providers.

Brookfield Corporation is focused on deploying its capital on a value basis and compounding it over the long term. This capital is allocated across its three core pillars of asset management, insurance solutions and its operating businesses. Employing a disciplined investment approach, Brookfield Corporation leverages its deep expertise as an owner and operator of real assets, as well as the scale and flexibility of its capital, to create value and deliver strong risk-adjusted returns across market cycles.

Brookfield Asset Management is a leading global alternative asset manager with over $900 billion of assets under management across real estate, infrastructure, renewable power and transition, private equity and credit. It invests client capital for the long term with a focus on real assets and essential service businesses that form the backbone of the global economy. It offers a range of alternative investment products to investors around the world — including public and private pension plans, endowments and foundations, sovereign wealth funds, financial institutions, insurance companies and private wealth investors. It draws on Brookfield's heritage as an owner and operator to invest for value and seeks to generate strong returns for its clients, across economic cycles.

The BBU General Partner

The BBU General Partner, a wholly-owned subsidiary of Brookfield Corporation, has sole authority for the management and control of our company. Holders of our units, in their capacities as such, may not take part in the management or control of the activities and affairs of our company and do not have any right or authority to act for or to bind our company or to take part or interfere in the conduct or management of our company. See Item 10.B, "Memorandum and Articles of Association - Description of our Units and our Limited Partnership Agreement".

Holding LP

Our partnership's sole material asset is its approximate 51.6% managing partner interest in the Holding LP. Brookfield indirectly owns 100% of the Redemption-Exchange Units of the Holding LP that represent an approximate 48.4% interest in the Holding LP. Brookfield also owns a special limited partnership interest in the Holding LP that entitles it to receive incentive distributions from the Holding LP. See Item 10.B, "Memorandum and Articles of Association - Description of the Holding LP Limited Partnership Agreement - Distributions" and Item 7.B,"Related Party Transactions - Incentive Distributions".

Holding Entities

Our company indirectly holds its interests in our operating businesses through the Holding Entities. The Holding LP owns, directly or indirectly, all of the common shares or equity interests, as applicable, of the Holding Entities.

We have a commitment agreement with Brookfield, whereby Brookfield agreed to subscribe for up to $1.5 billion of perpetual preferred equity securities of subsidiaries of the partnership. The preferred securities are redeemable at the option of Brookfield to the extent the partnership completes asset sales, financings or equity issuances. As at December 31, 2023, the amount subscribed from subsidiaries of the partnership was $725 million with an annual dividend of 7% (2022: $1,475 million). On November 7, 2023, $750 million of perpetual preferred equity securities were redeemed with proceeds from the sale of our nuclear technology services operation. The remaining capacity on the commitment agreement with Brookfield is $25 million.

In addition, Brookfield Asset Management holds $5 million of preferred shares of each of CanHoldco and two of our other subsidiaries. See Item 7.B, "Related Party Transactions - Preferred Shares of Certain Holding Entities" for further detail.

Brookfield Business Corporation

BBUC was incorporated under the Business Corporations Act (British Columbia) on June 21, 2021. BBUC's head office is located at 250 Vesey Street, 15th Floor, New York NY 10281 and the registered office is located at 1055 West Georgia Street, Suite 1500, P.O Box 11117, Vancouver, British Columbia V6E 4N7. The BBUC exchangeable shares were distributed to existing unitholders of the partnership pursuant to a special distribution on March 15, 2022. BBUC was established by the partnership as a vehicle to own and operate certain services and industrials operations on a global basis and an alternative vehicle for investors who prefer investing in our operations through a corporate structure. BBUC's operations include a healthcare services business with operations in Australia; a construction services business with operations primarily in the United Kingdom and Australia; a dealer software and technology services operation provider in the United States; and a water and wastewater operation provider in Brazil. Upon Brookfield's recommendation and allocation of opportunities to BBUC, BBUC will seek acquisition opportunities in other sectors with similar attributes and in which an operations-oriented approach to create value can be deployed.

4.D PROPERTY, PLANTS AND EQUIPMENT

Our company's principal office and its registered office is at 73 Front Street, 5th Floor, Hamilton HM 12, Bermuda. Our company does not directly own any real property and its sole material asset is a managing general partnership interest in the Holding LP. See also the information contained in this Form 20-F under Item 3.D, "Risk Factors – Risks Relating to Our Operations" and Item 5, "Operating and Financial Review and Prospects".

ITEM 4A. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

5.A OPERATING RESULTS

Introduction

This MD&A included in Item 5.A of this Form 20-F covers the financial position of the partnership as at December 31, 2023 and December 31, 2022, and results of operations for the years ended December 31, 2023, 2022 and 2021. The information in this MD&A should be read in conjunction with the audited consolidated financial statements as at December 31, 2023 and December 31, 2022, and each of the years in the three years ended December 31, 2023 included elsewhere in this Form 20-F, which are prepared in accordance with IFRS as issued by the IASB. Holders of the Redemption-Exchange Units, Special LP Units, LP units, GP Units and BBUC exchangeable shares will be collectively referred to throughout Item 5 as "Unitholders", "Units", or as "per Unit", unless the context indicates or requires otherwise.

In addition to historical information, this MD&A contains forward-looking statements. Readers are cautioned that these forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those reflected in the forward-looking statements. See "Special Note Regarding Forward-Looking Statements" in the forepart of this Form 20-F.

Basis of Presentation

The audited annual consolidated financial statements of the partnership have been prepared in accordance with IFRS. The audited annual consolidated financial statements are prepared on a going concern basis and have been presented in U.S. dollars rounded to the nearest million, unless otherwise indicated. The audited annual consolidated financial statements include the accounts of the partnership and its consolidated subsidiaries, which are the entities over which the partnership has control. Certain comparative figures have been reclassified to conform to the current year's presentation.

We also discuss the results of operations on a segment basis, consistent with how the CODM manages and views our business. Our operating segments are: (i) business services, (ii) infrastructure services, (iii) industrials and (iv) corporate and other.

Non-IFRS measures used in this MD&A are reconciled to the most directly comparable IFRS measure. All dollar references, unless otherwise stated, are in millions of U.S. dollars. Australian dollars are identified as "A$" or "AUD", Brazilian reais are identified as "R$" or "BRL", British pounds are identified as "£" or "GBP", euros are identified as "€" or "EUR", Canadian dollars are identified as "C$" or "CAD" and Indian rupees are identified as "INR".

Overview of our Business

The partnership is a Bermuda exempted limited partnership registered under the Bermuda Limited Partnership Act 1883, as amended, and the Bermuda Exempted Partnerships Act 1992, as amended.

We were established by Brookfield to be its flagship public partnership for its business services and industrial operations. Our operations are primarily located in the United States, the United Kingdom, Europe, Australia, Canada and Brazil. We are focused on owning and operating high-quality operations that benefit from a strong competitive position and provide essential products and services. We seek to build value through enhancing the cash flows of our businesses, pursuing an operations-oriented acquisition strategy and opportunistically recycling capital generated from operations and dispositions into our existing operations, new acquisitions and investments. The partnership's goal is to generate Unitholder returns primarily through capital appreciation with a modest distribution yield.

Operating Segments

We have four operating segments which are organized based on how the CODM manages and views the business: (i) business services, (ii) infrastructure services, (iii) industrials and (iv) corporate and other.

Our business services segment includes our (i) residential mortgage insurer, (ii) dealer software and technology services operation, (iii) healthcare services, (iv) construction operation, (v) non-bank financial services operation, (vi) road fuels operation, (vii) fleet management and car rental services, (viii) payment processing services operation, (ix) entertainment operation and (x) other operations.

Our infrastructure services segment includes our (i) offshore oil services, (ii) lottery services operation, (iii) modular building leasing services and (iv) work access services.

Our industrials segment includes our (i) advanced energy storage operation, (ii) engineered components manufacturing operation, (iii) water and wastewater operation and (iv) other operations.

Our corporate and other segment includes corporate cash and liquidity management, as well as activities related to the management of the partnership's relationship with Brookfield.

Refer to Item 4.B, 'Business Overview' for additional information about our businesses included in each operating segment.

The table below provides a breakdown by operating segment of total assets of $82.4 billion as at December 31, 2023 and of total revenues of $55.1 billion for the year ended December 31, 2023.

(US$ MILLIONS)	Assets As at December 31, 2023	Revenues For the year ended December 31, 2023
Business services	$ 38,066	$ 32,410
Infrastructure services	17,180	7,457
Industrials	26,822	15,201
Corporate and other	317	—
Total	**$ 82,385**	**$ 55,068**

Outlook

We seek to increase the cash flows from our operations through acquisitions and organic growth opportunities as described below. We believe our global scale and leading operations allow us to efficiently allocate capital around the world toward those sectors and geographies where we see the greatest opportunities to realize our targeted returns. We also actively seek to monetize business interests as they mature and reinvest the proceeds into higher yielding investment strategies, further enhancing returns.

Our business performed well during the year driven by improved margin performance, increased contribution from operations on a same store basis and resilient business fundamentals. Our operations have experienced a number of headwinds over the past year, but with a few exceptions, volumes at our operations have held up well. We have also made progress passing through higher costs in a measured way to support margin performance. To date, many elements that define the cost structures of our businesses have reset lower or are trending toward long-term levels. Heading into 2024, while the global operating environment remains uncertain, we believe that global capital markets continue to stabilize and inflationary pressures across our operations have largely eased. We believe that our strategy of acquiring and managing high-quality operations that provide essential products and services should continue to be a key differentiator to support strong performance.

Business services

Performance at our dealer software and technology services operation continues to exceed our expectations. Since acquiring the business in 2022, we have executed the majority of our value creation plan, which has been focused on optimizing costs, enhancing service and improving productivity. The business has also actively looked for opportunities to optimize its capital structure. During the fourth quarter of 2023, the business completed the repricing of a $3.6 billion term loan at an all-in cost of approximately 50 basis points below the cost of debt it replaced. Looking ahead, the business continues to focus on the next phase of our transformation plan to enhance growth and retention through a series of product and technology enhancements. This includes continuing to innovate and enhance the business' core software offering. The business recently launched a packaged suite of products designed to enhance the overall customer experience. These initiatives should positively impact customer retention and expand its addressable market.

We believe that our residential mortgage insurer is preforming well. While higher mortgage rates impacted new underwriting volumes during the year, Canadian home prices have remained resilient. Losses on claims remain below long-term averages and business performance is benefiting from higher income earned on its investment portfolio. During the year, the business generated approximately $140 million of distributions to our partnership and has now returned 75% of our initial equity investment in less than four years.

Performance of our Australian healthcare services operation remains challenged as post-pandemic activity levels have not recovered as expected and higher labor costs continue to impact results. We are developing plans to reduce the fixed cost base and improve cash flows within the business.

Infrastructure services

Our lottery services operation is tracking in line with our expectations. Despite an uncertain operating environment and broader recessionary concerns, performance during the year was supported by resilient industry fundamentals and larger draw-based lottery jackpots. During the year, we executed a number of initiatives to optimize the supplier base and renegotiate key vendor contracts. These actions are benefiting our results as inflationary pressures continue to subside. Since acquiring the business in 2022, we have secured new contracts to provide products, services and technology to global lottery operators, including the United Kingdom, Vietnam and Brazil. Each of these are strategically important wins for the business that we believe strengthen its global competitive position and grow its customer base. Looking forward, we continue to target meaningful growth from the adoption of government run iLottery programs.

Growing demand for higher margin value added products and services is improving performance at our modular building leasing services operation. However, utilization of our units, particularly in the United Kingdom, is lower. During the year, the business completed an add-on acquisition of a leading rental provider of quality storage and portable accommodations in the United Kingdom, which should strengthen our presence in the market and diversify end markets in the region. Initiatives are progressing to enhance the operational efficiency of the business and we expected will position it for opportunities in more resilient segments of the market, which are less exposed to a broader slowdown in European construction.

Business performance in our work access services operations has improved since the pandemic. With our outlook of continued improvement, the business executed a refinancing of its existing borrowings during the year. Along with our partner, we provided the business with additional capital to support a deleveraging of its balance sheet. Our additional investment will ensure the business has flexibility to continue executing its value creation plans, and with the benefit of a recovery in market activity, we believe performance should continue to improve.

Industrials

Our advanced energy storage operation achieved record results during 2023. As the leading provider of low voltage battery solutions for all vehicles, we believe the business continues to benefit from growing demand of higher margin advanced batteries. Last year, the business was awarded over 40 new electric vehicle platforms and is nearly halfway toward achieving its recently increased goal of partnering on 300 electric vehicle platforms by 2027. The business continues to deleverage and repaid over $850 million of debt in 2023 as we position it for a public offering. In November, the European Commission (“EC”) announced an investigation into the starter automotive battery market. While the EC’s investigation is ongoing and its outcomes uncertain, our advanced energy storage operation does not currently foresee any material adverse exposures in its future earnings or net cash flows in relation to the matter, because, among other things, it has received conditional immunity from the EC and is indemnified against losses incurred in relation to the matter, if any.

We believe our engineered components manufacturer is performing well in a more challenging demand environment and continues to pursue commercial optimization and cost reduction initiatives to enhance performance. Overall margins in the business have continued to improve despite the impact of reduced volumes.

We fund our growth, in part, through our capital recycling initiatives including ongoing distributions from operations and the sale of our business interests. During the year, we generated over $2 billion of proceeds from capital recycling initiatives which meaningfully reduced our corporate borrowings and further enhanced our capital position. We have made a concerted effort to sell a number of smaller businesses and are now coming into a cycle of selling larger-scale operations. In our business services segment, during the year, we completed the sale of our residential property management operation, a portion of our interest in our technology services operation and our road fuels operation completed the sale of its North American retail gas station and convenience store assets. In our infrastructure services segment, we completed the sale of our nuclear technology services operation during the year. Finally, in our industrials segment, we merged our Western Canadian energy services operation with a larger peer and sold a significant portion of public securities and partially disposed our shares in graphite electrode operations. Proceeds from these initiatives, including ongoing distributions from operations, were used to redeem $750 million of preferred securities held by Brookfield Corporation and repay $580 million of borrowings on our corporate credit facilities. Ongoing distributions and future business sales, several of which could be meaningful, should reduce borrowings drawn at the corporate level over time.

Our largest operations are global providers of essential products and services that have proven to be resilient and able to navigate challenging operating environments. Looking forward, we continue to focus on accelerating initiatives to surface value within our operations and completing business sales, as well as continue to execute on our value creation plans.

Review of Consolidated Results of Operations

The following table summarizes our results of operations for the years ended December 31, 2023, 2022 and 2021. Further details on our results of operations and our financial performance are presented within the "Segment Analysis" section.

	Year ended December 31,			Change	
(US$ MILLIONS, except per unit amounts)	2023	2022	2021	2023 vs 2022	2022 vs 2021
Revenues	**$ 55,068**	$ 57,385	$ 46,587	$ (2,317)	$ 10,798
Direct operating costs	**(50,021)**	(53,110)	(43,151)	3,089	(9,959)
General and administrative expenses	**(1,538)**	(1,360)	(1,012)	(178)	(348)
Interest income (expense), net	**(3,596)**	(2,538)	(1,468)	(1,058)	(1,070)
Equity accounted income (loss), net	**132**	165	13	(33)	152
Impairment reversal (expense), net	**(831)**	9	(440)	(840)	449
Gain (loss) on acquisitions/dispositions, net	**4,686**	28	1,823	4,658	(1,795)
Other income (expense), net	**(178)**	(658)	(34)	480	(624)
Income (loss) before income tax	**3,722**	(79)	2,318	3,801	(2,397)
Income tax (expense) recovery					
Current	**(775)**	(458)	(536)	(317)	78
Deferred	**830**	777	371	53	406
Net income (loss)	**$ 3,777**	$ 240	$ 2,153	$ 3,537	$ (1,913)
Attributable to:					
Limited partners	**$ 482**	$ 36	$ 258	$ 446	$ (222)
Non-controlling interests attributable to:					
Redemption-exchange units	**451**	34	228	417	(194)
Special limited partner	**—**	—	157	—	(157)
BBUC exchangeable shares	**472**	28	—	444	28
Preferred securities	**83**	27	—	56	27
Interest of others in operating subsidiaries	**2,289**	115	1,510	2,174	(1,395)
	$ 3,777	$ 240	$ 2,153	$ 3,537	$ (1,913)
Basic and diluted earnings (loss) per limited partner unit (1) (2)	**$ 6.49**	$ 0.48	$ 3.28		

(1) Average number of LP Units outstanding for the year ended December 31, 2023 was 74.5 million (2022: 75.3 million, 2021: 78.3 million).

(2) Net income (loss) attributable to limited partnership units on a fully diluted basis is reduced by incentive distributions paid to special limited partnership unitholders during the year ended December 31, 2021.

Comparison of the years ended December 31, 2023 and December 31, 2022

For the year ended December 31, 2023, net income was $3,777 million, with $1,405 million of net income attributable to Unitholders ($6.49 per LP unit). For the year ended December 31, 2022, net income was $240 million, with $98 million of net income attributable to Unitholders ($0.48 per LP unit). The increase in net income was primarily due to the gain on disposition of our nuclear technology services operation.

Revenues

For the year ended December 31, 2023, revenues decreased by $2,317 million to $55,068 million, compared to $57,385 million for the year ended December 31, 2022. Revenues from our business services segment decreased by $2,376 million, primarily due to lower prices and volumes at our road fuels operation. The decrease was partially offset by a full period of contributions from an add-on acquisition completed at our fleet management service and our dealer software and technology services operation acquired in the prior year. Included in the revenues and direct operating costs for our road fuels operation is duty payable to the government of the United Kingdom of $8,033 million (2022: $8,129 million), which is recorded gross within revenues and direct costs without impact on the margin generated by the business. Revenues from our infrastructure services segment decreased by $67 million primarily due to the disposition of our nuclear technology services operation in November 2023 combined with reduced activity in the shuttle tanker business within our offshore oil services. The decrease was partially offset by contributions from an add-on acquisition completed at our modular building leasing services during the year, combined with a full period of contribution from our lottery services operation acquired in the prior year. Revenues from our industrials segment increased by $126 million driven primarily by our advanced energy storage operation due to strong performance during the year reflecting global pricing actions and overall growth in battery volumes driven by increased demand for higher margin advanced batteries, partially offset by lower volumes at our engineered components manufacturing operation and reduced contribution from our Western Canadian operations.

Direct operating costs

For the year ended December 31, 2023, direct operating costs decreased by $3,089 million to $50,021 million, compared to $53,110 million for the year ended December 31, 2022. The decrease in direct operating costs was primarily due to lower inventory costs at our road fuels operation and the disposition of our nuclear technology services operation. The decrease was partially offset by a full period of contributions from our dealer software and technology services operation and lottery services operation acquired in the prior year, combined with higher battery volumes at our advanced energy storage operation due to growing demand for advanced batteries. As noted above, included in the revenues and direct operating costs at our road fuels operation is duty payable to the government of the United Kingdom of $8,033 million (2022: $8,129 million), which is recorded gross within revenues and direct costs without impact on the margin generated by the business.

General and administrative expenses

For the year ended December 31, 2023, general and administrative expenses increased by $178 million to $1,538 million, compared to $1,360 million for the year ended December 31, 2022. The increase in general and administrative expenses was primarily due to contributions from recently completed add-on acquisitions combined with a full period of contributions from our acquisitions completed in the prior year.

Interest income (expense), net

For the year ended December 31, 2023, net interest expense increased by $1,058 million to $3,596 million, compared to $2,538 million for the year ended December 31, 2022. The increase in net interest expense was primarily due to higher borrowings associated with recent acquisitions, including add-on acquisitions completed within our operations and the impact of higher interest rates.

Impairment reversal (expense), net

For the year ended December 31, 2023, net impairment expense of $831 million primarily relates to an impairment of goodwill recognized in our healthcare services due to revised expectations of hospital admissions and operating costs and an impairment on property, plant and equipment at our natural gas production as a result of a decline in forecast natural gas prices.

Gain (loss) on acquisitions/dispositions, net

For the year ended December 31, 2023, net gain (loss) on acquisitions/dispositions was $4,686 million. The net gain primarily relates to a $3,902 million gain recognized on the disposition of our nuclear technology service operation and a $524 million gain recognized on the partial disposition of our technology services operation.

Other income (expense), net

For the year ended December 31, 2023, other expense, net decreased by $480 million to $178 million, compared to $658 million for the year ended December 31, 2022. Other income (expense), net corresponds to amounts that are not directly related to revenue generating activities and are not normal, recurring income or expenses necessary for business operations. For the year ended December 31, 2023, the components of other income (expense), net include a $247 million loss related to a fair value adjustment as a result of the reclassification of our graphite electrode operation as a financial asset, $93 million of net revaluation gains, $246 million of business separation expenses, stand-up costs and restructuring charges, $116 million in transaction costs, $446 million of net gains on debt modification and extinguishment and $108 million of other expense. For the year ended December 31, 2022, the components of other income (expense), net include $251 million of net revaluation losses, $296 million of business separation expenses, stand-up costs and restructuring charges, $146 million in transaction costs, $36 million of net gains on the sale of property, plant and equipment and $1 million of other expense.

Income tax (expense) recovery

For the year ended December 31, 2023, current income tax expense increased by $317 million to $775 million, compared to current income tax expense of $458 million for the year ended in December 31, 2022. Deferred income tax recovery increased by $53 million to $830 million, compared to deferred income tax recovery of $777 million for the year ended in December 31, 2022. The increase in current income tax expense was primarily due to an increase in profitability and realized gains within our dealer software and technology services operation and our advanced energy storage operation, combined with the timing of taxation of the contractual service margin recorded on transition to IFRS 17 at our residential mortgage insurer. The increase in deferred income tax recovery was primarily due to the transition to IFRS 17 by our residential mortgage insurer and the reduction of the deferred tax liability recognized on acquisition of our dealer software and technology services operation. These factors were partially offset by the recognition of a deferred tax asset of $392 million at our nuclear technology services operations in 2022 as a result of our partnership determining there was sufficient positive evidence to support the probability of future taxable profit in the business due to significant cumulative earnings in the operations for three consecutive years, a forecast of positive future earnings supported by long-term customer contracts and planned future growth opportunities, and an expectation that the tax attributes will be utilized prior to expiry.

Comparison of the years ended December 31, 2022 and December 31, 2021

For the year ended December 31, 2022, net income was $240 million, with $98 million of net income attributable to Unitholders. For the year ended December 31, 2021, net income was $2,153 million, with $643 million of net income attributable to Unitholders. Net income in the prior period included net gains on the partial disposition of our graphite electrode operation.

Revenues

For the year ended December 31, 2022, revenues increased by $10,798 million to $57,385 million, compared to $46,587 million for the year ended December 31, 2021. Revenues from our business services segment increased by $4,798 million, primarily due to contributions from our 2022 acquisitions of our dealer software and technology services operation, our Australian residential mortgage lender and the add-on acquisition at our fleet management and car rental services. Included in the revenues and direct operating costs for our road fuels operation is duty payable to the government of the United Kingdom of $8,129 million (2021: $9,281 million), which is recorded gross within revenues and direct costs without impact on the margin generated by the business. Revenues from our infrastructure services segment increased by $3,067 million. The increase was primarily due to contributions from our modular building leasing services acquired in the fourth quarter of 2021, our recently acquired lottery services operation and contributions from the add-on acquisitions at our nuclear technology services operation completed during the year. Revenues from our industrials segment increased by $2,933 million, primarily due to a full year of contributions from our engineered components manufacturing operation and solar power solutions, which were acquired on October 4, 2021 and August 31, 2021, respectively.

Direct operating costs

For the year ended December 31, 2022, direct operating costs increased by $9,959 million to $53,110 million, compared to $43,151 million for the year ended December 31, 2021. The increase in direct operating costs was primarily due to contributions from recent acquisitions. As noted above, included in the revenues and direct operating costs at our road fuels operation is duty payable to the government of the United Kingdom, which is recorded gross within revenues and direct costs without impact on the margin generated by the business. Direct operating costs for our road fuels operation included duty payable to the government of the United Kingdom of $8,129 million (2021: $9,281 million).

General and administrative expenses

For the year ended December 31, 2022, general and administrative expenses increased by $348 million to $1,360 million, compared to $1,012 million for the year ended December 31, 2021. The increase in general and administrative expenses was primarily due to contributions from our recent acquisitions.

Interest income (expense), net

For the year ended December 31, 2022, net interest expense increased by $1,070 million to $2,538 million, compared to $1,468 million for the year ended December 31, 2021. The increase in net interest expense was primarily due to increased borrowings associated with recent acquisitions, combined with higher interest expense at our nuclear technology services operation, water and wastewater operation, and advanced energy storage operation due to increased borrowings and higher interest rates.

Impairment reversal (expense), net

For the year ended December 31, 2022, net impairment reversal was $9 million. The net impairment reversal in 2022 included the reversal of $223 million primarily due to property, plant and equipment impairment in our natural gas production driven by an increase in forecast natural gas prices, partially offset by an impairment of goodwill recorded in our offshore oil services.

For the year ended December 31, 2021, net impairment expense was $440 million. This related to property, plant and equipment and goodwill impairments in our offshore oil services as a result of changes in redeployment and expected future recontracting assumptions and the closure of one of the North American recycling facilities at our advanced energy storage operation as part of the operation's broader plans to improve efficiency of its U.S. operations.

Gain (loss) on acquisitions/dispositions, net

For the year ended December 31, 2022, net gain (loss) on acquisitions/dispositions was $28 million. This primarily comprised gains recognized on the partial disposition of our public securities and the sale of our digital cloud services operation.

For the year ended December 31, 2021, net gain (loss) on acquisitions/dispositions was $1,823 million. Prior year results primarily comprised the gain recognized on the partial disposition of our graphite electrode operation.

Other income (expense), net

For the year ended December 31, 2022, other expense, net increased by $624 million to $658 million, compared to $34 million for the year ended December 31, 2021. Other income (expense), net corresponds to amounts that are not directly related to revenue generating activities and are not normal, recurring income or expenses necessary for business operations. For the year ended December 31, 2022, the components of other income (expense), net include $251 million of net revaluation losses, $296 million of business separation expenses, stand-up costs and restructuring charges, $146 million of transaction costs, $36 million of net gains on the sale of property, plant and equipment and $1 million of other expense. For the year ended December 31, 2021, the components of other income (expense), net include $242 million of net revaluation gains, $168 million of business separation expenses, stand-up costs and restructuring charges, $60 million in transaction costs, $40 million of net losses on debt extinguishment/modification, and $8 million of other expenses.

Income tax (expense) recovery

For the year ended December 31, 2022, current income tax expense decreased by $78 million to $458 million, compared to current income tax expense of $536 million for the year ended December 31, 2021. Deferred income tax recovery increased by $406 million to $777 million, compared to deferred income tax recovery of $371 million for the year ended December 31, 2021. The decrease in current income tax expense was primarily due to lower taxable income within our residential mortgage insurer. The increase in deferred income tax recovery was primarily due to an increase in deferred tax assets at our nuclear technology services operation. A deferred tax asset of $392 million was recorded in 2022 within our nuclear technology services operations as a result of the partnership determining there was sufficient positive evidence to support the probability of future taxable profit within the business due to significant cumulative earnings in the operations for three consecutive years, a forecast of positive future earnings supported by long-term customer contracts and planned future growth opportunities, and an expectation that the tax attributes will be utilized prior to expiry.

Summary of Results

Quarterly results

Total revenues and net income (loss) for the eight most recent quarters were as follows:

(US$ MILLIONS, except per unit amounts)	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1
Revenues	**$13,405**	$14,399	$13,506	$13,758	$14,640	$14,711	$14,607	$13,427
Direct operating costs	**(12,209)**	(13,016)	(12,330)	(12,466)	(13,292)	(13,549)	(13,678)	(12,591)
General and administrative expenses	**(336)**	(403)	(398)	(401)	(395)	(361)	(306)	(298)
Interest income (expense), net	**(858)**	(941)	(932)	(865)	(805)	(717)	(556)	(460)
Equity accounted income (loss), net	**48**	31	28	25	36	38	41	50
Impairment reversal (expense), net	**(780)**	(44)	(7)	—	(49)	(20)	78	—
Gain (loss) on acquisitions/dispositions, net	**4,477**	41	87	81	17	11	—	—
Other income (expense), net	**(344)**	(101)	138	129	(127)	(214)	(218)	(99)
Income (loss) before income tax	**3,403**	(34)	92	261	25	(101)	(32)	29
Income tax (expense) recovery								
Current	**(171)**	(211)	(267)	(126)	(172)	(132)	(75)	(79)
Deferred	**252**	294	216	68	182	168	387	40
Net income (loss)	**$ 3,484**	$ 49	$ 41	$ 203	$ 35	$ (65)	$ 280	$ (10)
Attributable to:								
Limited partners	**$ 488**	$ (15)	$ (16)	$ 25	$ (5)	$ (14)	$ 47	$ 8
Non-controlling interests attributable to:								
Redemption-exchange units	**457**	(14)	(16)	24	(4)	(13)	44	7
Special limited partner	**—**	—	—	—	—	—	—	—
BBUC exchangeable shares	**478**	(15)	(16)	25	(5)	(14)	46	1
Preferred securities	**17**	22	22	22	22	5	—	—
Interest of others in operating subsidiaries	**2,044**	71	67	107	27	(29)	143	(26)
	$ 3,484	$ 49	$ 41	$ 203	$ 35	$ (65)	$ 280	$ (10)
Basic and diluted earnings (loss) per limited partner unit [(1)]	**$ 6.57**	$ (0.20)	$ (0.22)	$ 0.34	$ (0.06)	$ (0.18)	$ 0.62	$ 0.10

(1) Average number of LP Units outstanding for the three months ended December 31, 2023 was 74.3 million and for the three months ended December 31, 2022 was 74.6 million.

Revenues and direct operating costs vary from quarter to quarter primarily due to acquisitions and dispositions of businesses, fluctuations in foreign exchange rates, business and economic cycles, weather and seasonality, broader economic factors, and commodity market volatility. Within our industrials segment, in our advanced energy storage operation, the demand for batteries in the aftermarket is typically higher in the colder seasons, and in our natural gas production, the ability to move heavy equipment safely and efficiently in Western Canadian oil and gas fields is dependent on weather conditions. Within our infrastructure services segment, work access services are impacted by seasonality in the industries they service; for example, most refineries tend to close down for turnarounds during the spring and fall. In addition, cold temperatures in the first and fourth fiscal quarters typically limit activity on maintenance and capital projects in cold climates. In our modular building leasing services, business activity peaks in the summer months while the fourth fiscal quarter is a seasonal low as deliveries typically reduce in the winter. Some of our business services activities are seasonal in nature and are affected by the general level of economic activity and related volume of services purchased by our clients. Our road fuels operation is impacted by changes in demand for fuel linked to seasonal weather changes and the bi-annual change in the fuel specifications. Mortgage insurance premiums underwritten at our residential mortgage insurer fluctuate based on the general seasonality and macroeconomic conditions affecting the Canadian housing market. Net income is impacted by periodic gains and losses on acquisitions, monetizations and impairments.

Review of Consolidated Financial Position

The following is a summary of the consolidated statements of financial position as at December 31, 2023 and December 31, 2022:

(US$ MILLIONS)	December 31, 2023	December 31, 2022	Change December 2023 vs December 2022
Assets			
Cash and cash equivalents	**$ 3,252**	$ 2,870	$ 382
Financial assets	**13,176**	12,908	268
Accounts and other receivable, net	**6,563**	7,278	(715)
Inventory and other assets	**5,321**	7,559	(2,238)
Property, plant and equipment	**15,724**	15,893	(169)
Deferred income tax assets	**1,220**	1,245	(25)
Intangible assets	**20,846**	23,953	(3,107)
Equity accounted investments	**2,154**	2,065	89
Goodwill	**14,129**	15,479	(1,350)
Total assets	**$ 82,385**	$ 89,250	$ (6,865)
Liabilities and equity			
Liabilities			
Accounts payable and other	**$ 18,378**	$ 20,430	$ (2,052)
Corporate borrowings	**1,440**	2,100	(660)
Non-recourse borrowings in subsidiaries of the partnership	**40,809**	44,593	(3,784)
Deferred income tax liabilities	**3,226**	3,698	(472)
	$ 63,853	$ 70,821	$ (6,968)
Equity			
Limited partners	**$ 1,909**	$ 1,408	$ 501
Non-controlling interests attributable to:			
Redemption-exchange units	**1,792**	1,318	474
Special limited partner	**—**	—	—
BBUC exchangeable shares	**1,875**	1,378	497
Preferred securities	**740**	1,490	(750)
Interest of others in operating subsidiaries	**12,216**	12,835	(619)
Total equity	**18,532**	18,429	103
Total liabilities and equity	**$ 82,385**	$ 89,250	$ (6,865)

Financial assets

Financial assets increased by $268 million to $13,176 million as at December 31, 2023, compared to $12,908 million as at December 31, 2022. The balance comprised marketable securities, loans and notes receivable, restricted cash, derivative assets and other financial assets. The increase was primarily due to higher mortgage receivables at our Australian residential mortgage lender due to growth of mortgage loan originations, combined with fair value movements on financial assets at our residential mortgage insurer. The increase was partially offset by the sale of public securities and other financial assets within our industrials and infrastructure services segments and the disposition of our nuclear technology services operation in November 2023.

The following table presents financial assets by segment as at December 31, 2023 and December 31, 2022:

(US$ MILLIONS)	Business services	Infrastructure services	Industrials	Corporate and other	Total
December 31, 2023	**$ 12,617**	**$ 159**	**$ 399**	**$ 1**	**$ 13,176**
December 31, 2022	$ 11,300	$ 615	$ 991	$ 2	$ 12,908

Accounts and other receivable, net

Accounts and other receivable, net decreased by $715 million to $6,563 million as at December 31, 2023, compared to $7,278 million as at December 31, 2022. The decrease was primarily due to the disposition of our nuclear technology services operation which decreased accounts and other receivable, net by $508 million, combined with other business dispositions completed during the year and the deconsolidation of our technology services operation as a result of a partial sale of our interest during the fourth quarter of 2023.

Inventory and other assets

Inventory and other assets decreased by $2,238 million to $5,321 million as at December 31, 2023, compared to $7,559 million as at December 31, 2022. The decrease was primarily due to dispositions of $1,743 million driven by the sale of our nuclear technology services operation and our automotive aftermarket parts remanufacturing operation during the year, combined with lower inventory costs at our road fuels operation.

Property, plant & equipment and intangible assets

Property, plant & equipment ("PP&E") decreased by $169 million to $15,724 million as at December 31, 2023, compared to $15,893 million as at December 31, 2022. The decrease was primarily due to regular depreciation expense of $2,049 million and dispositions of $2,021 million driven by the sale of our nuclear technology services operation in November 2023. These factors were partially offset by additions to PP&E of $3,669 million, driven by the add-on acquisition in our modular building leasing services completed in January 2023, growth capital expenditures at our fleet management and car rental services and offshore oil services. The impact of favorable foreign exchange movements and other factors increased PP&E by $232 million. As at December 31, 2023, PP&E included $1,296 million of right-of-use assets (2022: $1,490 million).

Intangible assets decreased by $3,107 million to $20,846 million as at December 31, 2023, compared to $23,953 million as at December 31, 2022. The decrease was primarily due to dispositions of $2,447 million driven by the sale of our nuclear technology services operation and regular amortization expense of $1,730 million. These factors were partially offset by additions of $662 million and the impact of foreign exchange movements of $408 million.

Capital expenditures represent additions to PP&E and certain intangible assets. Included in capital expenditures are maintenance capital expenditures, which are required to sustain the current performance of our operations, and growth capital expenditures, which are made for incrementally new assets that are expected to expand existing operations. Within our business services segment, capital expenditures were primarily related to terminal expansions at our road fuels operation, maintenance and improvements on hospital facilities and new hospital equipment at our healthcare services and maintenance and expansion of the fleet at our fleet management and car rental services. Within our infrastructure services segment, capital expenditures were primarily related to vessel dry-docking costs and additions at our offshore oil services, and fleet investment at our modular building leasing services. Finally, within our industrials segment, capital expenditures were primarily related to expansions and equipment replacement at our advanced energy storage operation. We also include additions to intangible assets in our water and wastewater operation within capital expenditures due to the nature of its concession agreements. Maintenance and growth capital expenditures for the year ended December 31, 2023 were $833 million and $2.1 billion, respectively (2022: $816 million and $1.1 billion, 2021: $481 million and $864 million). Growth capital expenditures include fleet expansion capital expenditures at our fleet management and car rental services presented as cash used in operating activities.

Deferred income tax assets

Deferred income tax assets decreased by $25 million to $1,220 million as at December 31, 2023, compared to $1,245 million as at December 31, 2022. The decrease was primarily due to the derecognition of deferred tax assets on the disposition of our nuclear technology services operation, combined with the remeasurement of liabilities associated with certain leased hospitals within our healthcare services. The decrease was partially offset due to the recognition of previously unrecognized deferred tax assets at our advanced energy storage operation.

Equity accounted investments

Equity accounted investments increased by $89 million to $2,154 million as at December 31, 2023, compared to $2,065 million as at December 31, 2022. The increase was primarily due to the recognition of our technology services operation as an equity accounted investment following the partial disposition in December 2023 combined with additional capital provided to our work access services to support a deleveraging of its balance sheet. The increase was partially offset by the reclassification of our equity accounted interest in our graphite electrode operation to a financial asset.

Goodwill

Goodwill decreased by $1,350 million to $14,129 million as at December 31, 2023, compared to $15,479 million as at December 31, 2022. The decrease was primarily due to the disposition of our nuclear technology services operation and deconsolidation of our technology services operation, combined with an impairment expense of $605 million primarily related to our healthcare services due to revised expectations of hospital admissions and operating costs. The decrease was partially offset by goodwill acquired of $176 million from the recent add-on acquisition in our modular building leasing services.

Accounts payable and other

Accounts payable and other decreased by $2,052 million to $18,378 million as at December 31, 2023, compared to $20,430 million as at December 31, 2022. The decrease was primarily due to the dispositions completed during the year, combined with the remeasurement of liabilities related to certain leased hospitals within our healthcare services following the extinguishment of historical failed sale leaseback arrangements and the concurrent recognition of new failed sale leaseback arrangements with different counterparties for the same hospitals. These factors were partially offset by deferred revenues at our offshore oil services and higher accounts payable at our advanced energy storage operation.

Corporate and non-recourse borrowings

Borrowings are discussed in Item 5.B, “Liquidity and Capital Resources” below.

Deferred income tax liabilities

Deferred income tax liabilities decreased by $472 million to $3,226 million as at December 31, 2023, compared to $3,698 million as at December 31, 2022. The decrease was primarily due to the sale of a non-core division within our dealer software and technology services operation servicing the heavy equipment sector and a reduction of the deferred tax liability within our residential mortgage insurer in Canada.

Equity attributable to Unitholders

As at December 31, 2023, our capital structure comprised two classes of partnership units: LP Units and GP Units. LP Units entitle the holder to their proportionate share of distributions. GP Units entitle the holder the right to govern our financial and operating policies. See Item 10.B, “Memorandum and Articles of Association - Description of our Units and our Limited Partnership Agreement”.

The Holding LP’s capital structure comprises three classes of partnership units: managing general partner units held by our company, Special LP Units and Redemption-Exchange Units held by Brookfield. In its capacity as the holder of the Special LP Units of the Holding LP, the special limited partner is entitled to receive incentive distributions based on 20% of the growth in the market value of the Units quarter-over-quarter, but only after the market value exceeds the Incentive Distribution Threshold. The incentive distribution threshold as at December 31, 2023 was $31.53 per LP Unit. See Item 10.B, “Memorandum and Articles of Association - Description of the Holding LP Limited Partnership Agreement”.

In order to account for the dilutive effect of the special distribution which occurred on March 15, 2022, the incentive distribution threshold was reduced by one-third, commensurate with the distribution ratio of one (1) BBUC exchangeable share for every two (2) LP Units. Accordingly, the resulting incentive distribution threshold was $31.53 per LP Unit following the completion of the special distribution.

During the twelve months ended December 31, 2023, the total incentive distribution was $nil (2022: $nil).

BBUC’s share capital includes BBUC exchangeable shares held by Brookfield and public shareholders. Each BBUC exchangeable share has been structured with the intention of providing an economic return equivalent to one LP Unit, and BBUC targets to pay identical dividends on a per share basis to the distributions paid on each LP Unit. Each BBUC exchangeable share is exchangeable, at the BBUC shareholder’s option, for one LP Unit (subject to adjustment to reflect certain capital events) or its cash equivalent. During the year ended December 31, 2023, 1,135 BBUC exchangeable shares were exchanged into LP Units.

During the twelve months ended December 31, 2023, the partnership repurchased 331,875 LP Units (December 31, 2022: 2,525,490 LP Units).

During the twelve months ended December 31, 2023, Brookfield Corporation purchased 374,533 LP Units under our NCIB.

On August 15, 2023, the TSX accepted a notice filed by the partnership of its intention to renew a NCIB for its LP Units. Under the NCIB, the partnership is authorized to repurchase up to 5% of its issued and outstanding LP Units as at August 8, 2023, or 3,730,658 LP Units, including up to 14,522 LP Units on the TSX during any trading day.

On August 15, 2023, the TSX accepted a notice filed by BBUC, a consolidated subsidiary of the partnership, of its intention to renew the NCIB for BBUC exchangeable shares. Under the NCIB, BBUC is authorized to repurchase up to 5% of the issued and outstanding BBUC exchangeable shares as at August 8, 2023 or 3,647,745 BBUC exchangeable shares, including up to 7,702 BBUC exchangeable shares on the TSX during any trading day.

As at December 31, 2023 and December 31, 2022, the total number of Units outstanding are as follows:

UNITS	December 31, 2023	December 31, 2022
GP Units	**4**	4
LP Units	**74,281,763**	74,612,503
Non-controlling interests:		
Redemption-Exchange Units	**69,705,497**	69,705,497
BBUC exchangeable shares	**72,954,450**	72,955,585
Special LP Units	**4**	4

Segment Analysis

Our operations are organized into four operating segments which are regularly reviewed by the CODM for the purpose of allocating resources to the segment and to assess its performance. The key measures used by the CODM in assessing performance and in making resource allocation decisions are Adjusted EFO and Adjusted EBITDA.

Adjusted EFO is our segment measure of profit or loss reported in accordance with IFRS 8. The CODM uses Adjusted EFO to assess performance and make resource allocation decisions. Adjusted EFO is used by the CODM to evaluate our segments on the basis of return on invested capital generated by the underlying operations and is used by the CODM to evaluate the performance of our segments on a levered basis.

Adjusted EFO is calculated as net income and equity accounted income at our economic ownership interest in consolidated subsidiaries and equity accounted investments, respectively, excluding the impact of depreciation and amortization expense, deferred income taxes, transaction costs, restructuring charges, unrealized revaluation gains or losses, impairment reversals or expenses and other income or expense items that are not directly related to revenue generating activities. Our economic ownership interest in consolidated subsidiaries excludes amounts attributable to non-controlling interests consistent with how we determine net income attributable to non-controlling interests in our IFRS consolidated statements of operating results. In order to provide additional insight regarding our operating performance over the lifecycle of an investment, Adjusted EFO includes the impact of preferred equity distributions and realized disposition gains or losses, recorded in net income, other comprehensive income, or directly in equity, such as ownership changes. Adjusted EFO does not include legal and other provisions that may occur from time to time in the partnership's operations and that are one-time or non-recurring and not directly tied to the partnership's operations, such as those for litigation or contingencies. Adjusted EFO includes expected credit losses and bad debt allowances recorded in the normal course of the partnership's operations.

Adjusted EBITDA, a non-IFRS measure of operating performance, provides a comprehensive understanding of the ability of the partnership's businesses to generate recurring earnings and assists our CODM in understanding and evaluating the core underlying financial performance of our businesses. For further information on Adjusted EBITDA, see the "Reconciliation of Non-IFRS Measures" section of this MD&A.

The following table presents net income (loss), net income (loss) attributable to Unitholders and Adjusted EBITDA for the years ended December 31, 2023, 2022 and 2021:

	Year ended December 31,		
(US$ MILLIONS)	2023	2022	2021
Net income (loss)	**$ 3,777**	$ 240	$ 2,153
Net income (loss) attributable to limited partners	**$ 482**	$ 36	$ 258
Net income (loss) attributable to redemption-exchange units held by Brookfield Corporation	**451**	34	228
Net income (loss) attributable to special limited partner	**—**	—	157
Net income (loss) attributable to BBUC exchangeable shares	**472**	28	—
Net income (loss) attributable to Unitholders	**$ 1,405**	$ 98	$ 643
Adjusted EBITDA	**$ 2,491**	$ 2,254	$ 1,761

The following table presents Adjusted EFO by segment for the years ended December 31, 2023, 2022 and 2021:

	Year ended December 31,		
	2023	2022	2021
Business services	**$ 636**	$ 427	$ 397
Infrastructure services	**2,070**	513	396
Industrials	**492**	473	879
Corporate and other	**(335)**	(178)	(99)

Comparison of the years ended December 31, 2023 and December 31, 2022

Net income attributable to Unitholders for the year ended December 31, 2023 was $1,405 million, representing an increase of $1,307 million compared to a net income attributable to Unitholders of $98 million for the year ended December 31, 2022. Current year results include net gains primarily related to the sale of our nuclear technology services operation.

Adjusted EBITDA for the year ended December 31, 2023 was $2,491 million, representing an increase of $237 million compared to $2,254 million for the year ended December 31, 2022 as a result of increased contribution from our business services segment, improved performance of operations and contribution from recent acquisitions.

Comparison of the years ended December 31, 2022 and December 31, 2021

Net income attributable to Unitholders for the year ended December 31, 2022 was $98 million, representing a decrease of $545 million compared to a net income attributable to Unitholders of $643 million for the year ended December 31, 2021. Prior year results included net gains on the partial sale of our graphite electrode operation and public securities.

Adjusted EBITDA for the year ended December 31, 2022 was $2,254 million, representing an increase of $493 million compared to $1,761 million for the year ended December 31, 2021 reflecting increased contribution from our business services, industrials and infrastructure services segments.

The tables below provide each segment's results in the format that the CODM organizes its reporting segments to make resource allocation decisions and assess performance. Each segment is presented taking into account the partnership's economic ownership interest in operations accounted for using the consolidation and equity methods under IFRS. See "Reconciliation of Non-IFRS Measures" for additional discussion, including a reconciliation to the partnership's IFRS consolidated statements of operating results.

Business services

The following table presents Adjusted EFO and Adjusted EBITDA for our business services segment for the years ended December 31, 2023, 2022 and 2021:

	Year ended December 31,		
(US$ MILLIONS)	2023	2022	2021
Adjusted EFO	**$ 636**	$ 427	$ 397
Adjusted EBITDA	**$ 900**	$ 641	$ 561

The following table presents equity attributable to Unitholders for our business services segment as at December 31, 2023, 2022 and 2021:

(US$ MILLIONS)	2023	2022	2021
Total assets	**$ 38,066**	$ 37,939	$ 20,376
Total liabilities	**29,435**	28,436	14,275
Interests of others in operating subsidiaries	**5,213**	6,163	3,436
Equity attributable to Unitholders	**3,418**	3,340	2,665
Total equity	**$ 8,631**	$ 9,503	$ 6,101

Comparison of the years ended December 31, 2023 and December 31, 2022

Adjusted EFO in our business services segment for the year ended December 31, 2023 was $636 million, representing an increase of $209 million compared to $427 million for the year ended December 31, 2022. The increase in Adjusted EFO was primarily due to the factors described below, combined with gains recognized on the partial disposition of our technology services operation. The increase was partially offset by higher interest expense at our dealer software and technology services operation driven by an increase in our ownership and higher borrowings at our fleet management and car rental services.

Adjusted EBITDA in our business services segment for the year ended December 31, 2023 was $900 million, representing an increase of $259 million compared to $641 million for the year ended December 31, 2022. Results benefited from improved performance of our operations including increased contribution from our residential mortgage insurer. Current year results include a full year of contribution from our dealer software and technology services operation, rental car services operation and Australian residential mortgage lender which we acquired during 2022.

Our residential mortgage insurer contributed $217 million to Adjusted EBITDA for the year ended December 31, 2023 compared to $196 million for the year ended December 31, 2022. Resilient Canadian home prices contributed to higher insurance revenue recognition. Strong business performance also included higher investment income generated from reinvestment into higher yielding securities and lower losses on claims which remain below long-term historical levels. The business continues to generate strong cash flow and is well positioned to manage the impact of higher expected losses over time. Prior period results have been adjusted in accordance with the new IFRS 17 accounting standard that was adopted on January 1, 2023.

Our dealer software and technology services operation, which we acquired in July 2022, contributed $217 million to Adjusted EBITDA for the year ended December 31, 2023 compared to $89 million for the year ended December 31, 2022. The increase was primarily due to the impact of a full period of contribution in the current year and improved business performance driven by cost optimization initiatives and growth of core subscription revenue. Results also reflect the impact of our increased ownership compared to the prior period.

Our fleet management and car rental services contributed $142 million to Adjusted EBITDA for the year ended December 31, 2023 compared to $59 million for the year ended December 31, 2022. The increase was primarily due to a full period of contribution from the add-on acquisition of car rental services completed in October 2022. Increased contribution was supported by higher rental revenue, partially offset by reduced contribution from asset sales.

Our healthcare services contributed $54 million to Adjusted EBITDA for the year ended December 31, 2023 compared to $64 million for the year ended December 31, 2022. Performance remains challenged as a result of capped billing rates and higher labor and consumable costs.

Comparison of the years ended December 31, 2022 and December 31, 2021

Adjusted EFO in our business services segment for the year ended December 31, 2022 was $427 million, representing an increase of $30 million compared to $397 million for the year ended December 31, 2021. The increase in Adjusted EFO was primarily due to contributions from our 2022 acquisitions of our dealer software and technology services operation, our Australian residential mortgage lender and our payment processing services operation, combined with gains of $28 million recognized during the year on the sale of our digital cloud services operation and a financial asset measured at FVOCI.

Adjusted EBITDA in our business services segment for the year ended December 31, 2022 was $641 million, representing an increase of $80 million compared to $561 million for the year ended December 31, 2021. The increase in Adjusted EBITDA was primarily due to contributions from our recently completed acquisitions noted above.

Our dealer software and technology services operation, which we acquired on July 6, 2022, contributed $89 million of Adjusted EBITDA for the year ended December 31, 2022. Strong margin performance was driven by subscription-based revenue growth and the implementation of cost savings initiatives as part of our value creation plan. The business benefited from industry consolidation and growth with larger dealer customers.

Our residential mortgage insurer contributed $196 million to Adjusted EBITDA for the year ended December 31, 2022 compared to $265 million for the year ended December 31, 2021. The decrease in Adjusted EBITDA is due to the measurement differences of IFRS 17 adopted in the current period relative to IFRS 4 used to measure the results of the business in the prior year. Adjusted EBITDA of our residential mortgage insurer for the year ended December 31, 2022 as previously measured in accordance with IFRS 4 was $277 million, representing a $12 million increase compared to the prior year. Business performance continued to benefit from strong levels of earned premiums. The business remains well capitalized to manage the impact of higher losses and should continue to perform well as housing activity normalizes.

Our healthcare services contributed $64 million to Adjusted EBITDA for the year ended December 31, 2022 compared to $69 million for the year ended December 31, 2021. Results were impacted by temporarily high rates of surgery cancellations, reduced hospital admissions and higher operating costs coming out of the pandemic. Prior period results benefited from government viability funding which partially offset the impact of restrictions on elective surgeries.

Infrastructure services

The following table presents Adjusted EFO and Adjusted EBITDA for our infrastructure services segment for the years ended December 31, 2023, 2022 and 2021:

	Year ended December 31,		
(US$ MILLIONS)	2023	2022	2021
Adjusted EFO	**$ 2,070**	$ 513	$ 396
Adjusted EBITDA	**$ 853**	$ 872	$ 613

The following table presents equity attributable to Unitholders for our infrastructure services segment as at December 31, 2023, 2022 and 2021:

(US$ MILLIONS)	2023	2022	2021
Total assets	**$ 17,180**	$ 22,606	$ 16,380
Total liabilities	**10,874**	18,436	13,998
Interests of others in operating subsidiaries	**2,772**	2,582	1,297
Equity attributable to Unitholders	**3,534**	1,588	1,085
Total equity	**$ 6,306**	$ 4,170	$ 2,382

Comparison of the years ended December 31, 2023 and December 31, 2022

Adjusted EFO in our infrastructure services segment for the year ended December 31, 2023 was $2,070 million, representing an increase of $1,557 million compared to $513 million for the year ended December 31, 2022. The increase in Adjusted EFO was primarily due to a net gain recognized on the disposition of our nuclear technology services operation.

Adjusted EBITDA in our infrastructure services segment for the year ended December 31, 2023 was $853 million, representing a decrease of $19 million compared to $872 million for the year ended December 31, 2022. Increased contribution from our lottery services operation which we acquired in April 2022 was offset by reduced contribution from our nuclear technology services operation which we sold in November 2023.

Our lottery services operation contributed $140 million to Adjusted EBITDA for the year ended December 31, 2023, compared to $98 million for the year ended December 31, 2022. The increase is primarily due to the impact of a full period of contribution in the current year, supported by improved business performance relative to the prior year driven by higher volumes and resilient industry fundamentals. Cost optimization initiatives and easing inflationary pressures contributed to current year results.

Our modular building leasing services contributed $164 million to Adjusted EBITDA for the year ended December 31, 2023, compared to $158 million for the year ended December 31, 2022. Results benefited from increased sales of higher margin value-added products and services and an add-on acquisition completed during 2023, partially offset by reduced activity, primarily in the United Kingdom.

Our offshore oil services contributed $200 million to Adjusted EBITDA for the year ended December 31, 2023, compared to $208 million for the year ended December 31, 2022. The decrease was primarily due to lower contribution from FPSO and shuttle tanker operations, partially offset by our increased ownership interest following the completion of a recapitalization at the beginning of 2023.

Comparison of the years ended December 31, 2022 and December 31, 2021

Adjusted EFO in our infrastructure services segment for the year ended December 31, 2022 was $513 million, representing an increase of $117 million compared to $396 million for the year ended December 31, 2021. The increase in Adjusted EFO was primarily due to a full year of contribution from our modular building leasing services acquired on December 15, 2021 and our recently acquired lottery services operation. The increase was partially offset by higher interest expense at our nuclear technology services operation primarily due to increased borrowings.

Adjusted EBITDA in our infrastructure services segment for the year ended December 31, 2022 was $872 million, representing an increase of $259 million compared to $613 million for the year ended December 31, 2021. The increase was primarily due to contributions from our recent acquisitions noted above. Our modular building leasing services benefited from growth of higher margin products and services and increased demand in Germany and Asia-Pacific. Broader industry trends at our lottery services operation remained positive and the business continued to execute on initiatives to offset the impact of inflationary cost headwinds.

Our nuclear technology services operation contributed $314 million to Adjusted EBITDA for the year ended December 31, 2022, compared to $299 million for the year ended December 31, 2021. Contributions from recent add-on acquisitions and operational optimization initiatives benefited results during the year despite ongoing disruptions caused by the conflict in Ukraine.

Our work access services contributed $94 million to Adjusted EBITDA for the year ended December 31, 2022, compared to $84 million for the year ended December 31, 2021. Margin improvements as a result of pricing actions and cost reduction initiatives contributed to increased performance during the year.

Our offshore oil services contributed $208 million to Adjusted EBITDA for the year ended December 31, 2022, compared to $223 million for the year ended December 31, 2021. Higher shuttle tanker utilization was offset by reduced contribution from FPSO operations and decreased contribution from profit sharing-agreements tied to the oil price and production volumes during the year.

Industrials

The following table presents Adjusted EFO and Adjusted EBITDA for our industrials segment for the years ended December 31, 2023, 2022 and 2021:

	Year ended December 31,		
(US$ MILLIONS)	2023	2022	2021
Adjusted EFO	**$ 492**	$ 473	$ 879
Adjusted EBITDA	**$ 855**	$ 879	$ 713

The following table presents equity attributable to Unitholders for our industrials segment as at December 31, 2023, 2022 and 2021:

(US$ MILLIONS)	2023	2022	2021
Total assets	**$ 26,822**	$ 28,112	$ 27,315
Total liabilities	**20,436**	21,670	21,271
Interests of others in operating subsidiaries	**4,231**	4,090	3,989
Equity attributable to Unitholders	**2,155**	2,352	2,055
Total equity	**$ 6,386**	$ 6,442	$ 6,044

Comparison of the years ended December 31, 2023 and December 31, 2022

Adjusted EFO in our industrials segment for the year ended December 31, 2023 was $492 million, representing an increase of $19 million compared to $473 million for the year ended December 31, 2022. The increase in Adjusted EFO was primarily due to gains recognized on disposition of our automotive aftermarket parts remanufacturing operation and sale of public securities, partially offset by higher interest expense at our advanced energy storage operation and our engineered components manufacturing operation.

Adjusted EBITDA in our industrials segment for the year ended December 31, 2023 was $855 million, representing a decrease of $24 million compared to $879 million for the year ended December 31, 2022. Strong performance at our advanced energy storage operation was offset by reduced contribution from our graphite electrode operation and our Western Canadian energy related operations.

Our advanced energy storage operation contributed $559 million to Adjusted EBITDA for the year ended December 31, 2023, compared to $482 million for the year ended December 31, 2022. Increased demand of higher margin advanced battery volumes contributed to strong performance during the year. Strong commercial execution, favorable technology mix and cost optimization initiatives also benefited results.

Our engineered components manufacturing operation contributed $149 million to Adjusted EBITDA for the year ended December 31, 2023, compared to $141 million for the year ended December 31, 2022. Results included improved margin performance and contribution from recent add-on acquisitions, partially offset by the impact of reduced volumes.

Comparison of the years ended December 31, 2022 and December 31, 2021

Adjusted EFO in our industrials segment for the year ended December 31, 2022 was $473 million, representing a decrease of $406 million compared to $879 million for the year ended December 31, 2021. The decrease in Adjusted EFO was primarily due to gains recognized in the prior year on the partial dispositions of our graphite electrode operation and public securities.

Adjusted EBITDA in our industrials segment for the year ended December 31, 2022 was $879 million, representing an increase of $166 million compared to $713 million for the year ended December 31, 2021. The increase was primarily due to a full year of contribution from our engineered components manufacturing operation acquired on October 4, 2021, which contributed $141 million to Adjusted EBITDA for the year ended December 31, 2022 compared to $30 million for the year ended December 31, 2021. Strong margin performance as a result of cost reductions, commercial initiatives and material cost savings was offset by the impact of reduced volumes. Our advanced energy storage operation contributed $482 million to Adjusted EBITDA for the year ended December 31, 2022, compared to $484 million for the year ended December 31, 2021. Overall volumes were in line with prior year. Inflationary headwinds during the year were partially offset by cost saving initiatives, pricing actions and favorable technology mix of higher margin advanced batteries.

Corporate and other

The following table presents Adjusted EFO and Adjusted EBITDA for our corporate and other segment for the years ended December 31, 2023, 2022 and 2021:

	Year ended December 31,		
(US$ MILLIONS)	2023	2022	2021
Adjusted EFO	**$ (335)**	$ (178)	$ (99)
Adjusted EBITDA	**$ (117)**	$ (138)	$ (126)

The following table presents equity attributable to Unitholders for our corporate and other segment as at December 31, 2023, 2022 and 2021:

(US$ MILLIONS)	2023	2022	2021
Total assets	**$ 317**	$ 593	$ 148
Total liabilities	**3,108**	2,279	1,675
Equity attributable to preferred securities	**740**	1,490	15
Equity attributable to Unitholders	**(3,531)**	(3,176)	(1,542)
Total equity	**$ (2,791)**	$ (1,686)	$ (1,527)

Comparison of the years ended December 31, 2023 and December 31, 2022

Pursuant to our Master Services Agreement, we pay Brookfield a quarterly base management fee equal to 0.3125% (1.25% annually) of our total capitalization, plus debt with recourse, net of cash and other securities held by corporate entities. The management fees for the years ended December 31, 2023 and 2022 were $87 million and $94 million, respectively. General and administrative costs comprise management fees and corporate expenses, including audit and other expenses.

Adjusted EFO for the year ended December 31, 2023 included higher interest expense due to the impact of higher interest rates and higher distributions on preferred equity securities held by Brookfield Corporation.

Comparison of the years ended December 31, 2022 and December 31, 2021

Pursuant to our Master Services Agreement, we pay Brookfield a quarterly base management fee equal to 0.3125% (1.25% annually) of our total capitalization, plus debt with recourse, net of cash and other securities held by corporate entities. The management fees for the years ended December 31, 2022 and 2021 were $94 million and $92 million, respectively. General and administrative costs comprise management fees and corporate expenses, including audit and other expenses.

Adjusted EFO in our corporate and other segment was a loss of $178 million for the year ended December 31, 2022, compared to a loss of $99 million for the year ended December 31, 2021. Adjusted EFO for the year ended December 31, 2022 decreased included higher interest expense due to higher borrowings and the impact of higher rates combined with distributions on preferred equity securities held by Brookfield Corporation.

Reconciliation of Non-IFRS Measures

Adjusted EBITDA

To measure our performance, amongst other measures, we focus on Adjusted EBITDA. Adjusted EBITDA is a non-IFRS measure of operating performance presented as net income and equity accounted income at our economic ownership interest in consolidated subsidiaries and equity accounted investments, respectively, excluding the impact of interest income (expense), net, income taxes, depreciation and amortization expense, gains (losses) on acquisitions/dispositions, net, transaction costs, restructuring charges, revaluation gains or losses, impairment expenses or reversals, other income or expenses, and preferred equity distributions. Adjusted EBITDA excludes other income (expense), net as reported in our IFRS consolidated statements of operating results, because this includes amounts that are not related to revenue earning activities, and are not normal, recurring operating income or expenses necessary for business operations. Other income (expense), net includes revaluation gains and losses, transaction costs, restructuring charges, stand-up costs and business separation expenses, gains or loss on debt extinguishments or modifications, gains or losses on dispositions of property, plant and equipment, non-recurring and one-time provisions that may occur from time to time at one of the partnership's operations that are not reflective of normal operations, and other items. Our economic ownership interest in consolidated subsidiaries excludes amounts attributable to non-controlling interests consistent with how we determine net income attributable to non-controlling interests in our IFRS consolidated statements of operating results. Due to the size and diversification of our operations, including economic ownership interests that vary, Adjusted EBITDA is critical in assessing the overall operating performance of our business. When viewed with our IFRS results, we believe Adjusted EBITDA is useful to investors because it provides a comprehensive understanding of the ability of our businesses to generate recurring earnings which allows users to better understand and evaluate the underlying financial performance of our operations and excludes items we believe do not directly relate to revenue earning activities and are not normal, recurring items necessary for business operations. Our presentation of Adjusted EBITDA also gives investors comparability of our ongoing performance across periods.

Adjusted EBITDA has limitations as an analytical tool as it does not include interest income (expense), net, income taxes, depreciation and amortization expense, gains (losses) on acquisitions/dispositions, net, transaction costs, restructuring charges, revaluation gains or losses, impairment reversals or expenses and other income (expense), net. As a result of these limitations, Adjusted EBITDA 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, Adjusted EBITDA is a key measure that we use to evaluate the performance of our operations.

Adjusted EBITDA Reconciliations

The following table reconciles Adjusted EBITDA to net income (loss) for the year ended December 31, 2023.

(US$ MILLIONS)	Year ended December 31, 2023 Business services	Infrastructure services	Industrials	Corporate and other	Total
Net income (loss)	$ 602	$ 3,616	$ (245)	$ (196)	$ 3,777
Add or subtract the following:					
Depreciation and amortization expense	1,045	1,174	1,373	—	3,592
Impairment reversal (expense), net	656	(13)	188	—	831
Gain (loss) on acquisitions/dispositions, net	(720)	(3,916)	(50)	—	(4,686)
Other income (expense), net [(1)]	(138)	(90)	396	10	178
Income tax (expense) recovery	245	(6)	(218)	(76)	(55)
Equity accounted income (loss)	(25)	(51)	(56)	—	(132)
Interest income (expense), net	1,031	1,051	1,369	145	3,596
Equity accounted Adjusted EBITDA [(2)]	61	183	63	—	307
Amounts attributable to non-controlling interests [(3)]	(1,857)	(1,095)	(1,965)	—	(4,917)
Adjusted EBITDA	$ 900	$ 853	$ 855	$ (117)	$ 2,491

(1) Other income (expense), net corresponds to amounts that are not directly related to revenue earning activities and are not normal, recurring income or expenses necessary for business operations. The components of other income (expense), net include $247 million loss related to a fair value adjustment as a result of the reclassification of our graphite electrode operation as a financial asset, $93 million of net revaluation gains, $246 million of business separation expenses, stand-up costs and restructuring charges, $116 million in transaction costs, $446 million of net gains on debt modification and extinguishment, and $108 million of other expense.

(2) Equity accounted Adjusted EBITDA corresponds to the Adjusted EBITDA attributable to the partnership that is generated by our investments in associates and joint ventures accounted for using the equity method.

(3) Amounts attributable to non-controlling interests are calculated based on the economic ownership interests held by the non-controlling interests in consolidated subsidiaries.

The following table reconciles Adjusted EBITDA to net income (loss) for the year ended December 31, 2022.

	Year ended December 31, 2022				
(US$ MILLIONS)	Business services	Infrastructure services	Industrials	Corporate and other	Total
Net income (loss)	$ 244	$ (40)	$ 177	$ (141)	$ 240
Add or subtract the following:					
Depreciation and amortization expense	684	1,220	1,319	—	3,223
Impairment reversal (expense), net	76	125	(210)	—	(9)
Gain (loss) on acquisitions/dispositions, net	(9)	—	(19)	—	(28)
Other income (expense), net [(1)]	177	243	226	12	658
Income tax (expense) recovery	65	(391)	87	(80)	(319)
Equity accounted income (loss)	(36)	(47)	(82)	—	(165)
Interest income (expense), net	549	782	1,136	71	2,538
Equity accounted Adjusted EBITDA [(2)]	51	139	89	—	279
Amounts attributable to non-controlling interests [(3)]	(1,160)	(1,159)	(1,844)	—	(4,163)
Adjusted EBITDA	$ 641	$ 872	$ 879	$ (138)	$ 2,254

(1) Other income (expense), net corresponds to amounts that are not directly related to revenue earning activities and are not normal, recurring income or expenses necessary for business operations. The components of other income (expense), net include $251 million of net revaluation losses, $296 million of business separation expenses, stand-up costs and restructuring charges, $146 million in transaction costs, $36 million of net gains on the sale of property, plant and equipment and $1 million of other expense.

(2) Equity accounted Adjusted EBITDA corresponds to the Adjusted EBITDA attributable to the partnership that is generated by our investments in associates and joint ventures accounted for using the equity method.

(3) Amounts attributable to non-controlling interests are calculated based on the economic ownership interests held by the non-controlling interests in consolidated subsidiaries.

The following table reconciles Adjusted EBITDA to net income (loss) for the year ended December 31, 2021.

	Year ended December 31, 2021				
(US$ MILLIONS)	Business services	Infrastructure services	Industrials	Corporate and other	Total
Net income (loss)	$ 619	$ (329)	$ 1,953	$ (90)	$ 2,153
Add or subtract the following:					
Depreciation and amortization expense	465	705	1,113	—	2,283
Impairment reversal (expense), net	(13)	279	174	—	440
Gain (loss) on acquisitions/dispositions, net	—	—	(1,823)	—	(1,823)
Other income (expense), net [(1)]	(39)	51	17	5	34
Income tax (expense) recovery	184	(10)	52	(61)	165
Equity accounted income (loss)	(11)	79	(81)	—	(13)
Interest income (expense), net	239	360	849	20	1,468
Equity accounted Adjusted EBITDA [(2)]	30	123	85	—	238
Amounts attributable to non-controlling interests [(3)]	(913)	(645)	(1,626)	—	(3,184)
Adjusted EBITDA	$ 561	$ 613	$ 713	$ (126)	$ 1,761

(1) Other income (expense), net corresponds to amounts that are not directly related to revenue earning activities and are not normal, recurring income or expenses necessary for business operations. The components of other income (expense), net include $242 million of net revaluation gains, $168 million of business separation expenses, stand-up costs and restructuring charges, $60 million in transaction costs, $40 million of net losses on debt extinguishment/modification, and $8 million of other expenses.

(2) Equity accounted Adjusted EBITDA corresponds to the Adjusted EBITDA attributable to the partnership that is generated by our investments in associates and joint ventures accounted for using the equity method.

(3) Amounts attributable to non-controlling interests are calculated based on the economic ownership interests held by the non-controlling interests in consolidated subsidiaries.

Discussion of reconciling items

2023 vs. 2022

Depreciation and amortization expense includes depreciation of PP&E, amortization of intangible assets and depletion related to our energy assets. The depreciation and amortization expense in our infrastructure services segment is mainly due to the amortization of intangibles at our modular building leasing services and our lottery services operation, and the depreciation of vessels at our offshore oil services. The depreciation and amortization expense in our industrials segment is primarily related to the depreciation of PP&E and amortization of intangibles at our advanced energy storage operation and our engineered components manufacturing operation. Depreciation and amortization expense in our business services segment is primarily due to amortization of intangible assets in our dealer software and technology services operation. Depreciation and amortization expense is generally consistent period-over-period with large changes typically attributable to the addition or disposal of depreciable assets and the impact of foreign exchange movements.

Depreciation and amortization expense increased by $369 million to $3,592 million for the year ended December 31, 2023 compared to $3,223 million for the year ended December 31, 2022. The increase is primarily due to PP&E additions, combined with a full period of depreciation and amortization expense associated with business acquisitions completed in the prior year.

Impairment reversal (expense), net increased by $840 million to an impairment expense of $831 million for the year ended December 31, 2023 compared to an impairment reversal of $9 million in the year ended December 31, 2022. The net impairment expense in the current year relates to an impairment of goodwill recognized within our healthcare services due to revised expectations of hospital admissions and operating costs and an impairment of property, plant and equipment within our natural gas production due to a decline in forecast natural gas prices.

Gain (loss) on acquisitions/dispositions, net increased by $4,658 million to a net gain of $4,686 million for the year ended December 31, 2023 compared to a net gain of $28 million for the year ended December 31, 2022. The increase was primarily driven by a $3,902 million gain on the disposition of our nuclear technology services operation and the partial disposition of our technology services operation.

Equity accounted Adjusted EBITDA increased by $28 million to $307 million for the year ended December 31, 2023 compared to $279 million for the year ended December 31, 2022. The increase in equity accounted Adjusted EBITDA was primarily due to higher contributions from our work access services and equity accounted investments within our offshore oil services.

Amounts attributable to non-controlling interests increased by $754 million to $4,917 million for the year ended December 31, 2023 compared to $4,163 million for the year ended December 31, 2022. The increase in amounts attributable to non-controlling interests is primarily due to earnings generated from our recent acquisitions that were acquired alongside institutional partners combined with non-controlling interest's share of earnings from our other existing operations.

2022 vs. 2021

Depreciation and amortization expense includes depreciation of PP&E, amortization of intangible assets and depletion related to our energy assets. The depreciation and amortization expense in our infrastructure services segment is mainly due to the amortization of intangibles and depreciation at our nuclear technology services operation, the amortization of intangibles at our modular building leasing services and our lottery services operation, and the depreciation of vessels at our offshore oil services. The depreciation and amortization expense in our industrials segment is primarily related to the depreciation of PP&E and amortization of intangibles at our advanced energy storage operation and our engineered components manufacturing operation. Depreciation and amortization expense in our business services segment is primarily due to amortization of intangible assets in our dealer software and technology services operation. Depreciation and amortization expense is generally consistent period-over-period with large changes typically attributable to the addition or disposal of depreciable assets and the impact of foreign exchange movements.

Depreciation and amortization expense increased $940 million to $3,223 million for the year ended December 31, 2022 compared to $2,283 million for the year ended December 31, 2021. The increase in depreciation and amortization expense was primarily due to the amortization of intangible assets recognized on recent acquisitions.

Impairment reversal (expense), net decreased by $449 million to $9 million for the year ended December 31, 2022 compared to an impairment expense of $440 million for the year ended December 31, 2021. The net impairment reversal in the current year was primarily due to a reversal of previously recorded impairment on PP&E recorded in our natural gas production driven by an increase in forecast natural gas prices. Refer to our "Review of Consolidated Results of Operations" section of this MD&A for further information.

Gain (loss) on acquisitions/dispositions, net decreased by $1,795 million to a net gain of $28 million for the year ended December 31, 2022 compared to a net gain of $1,823 million for the year ended December 31, 2021. The decrease was primarily driven by gains recognized in the prior period within our industrials segment related to the partial dispositions of our graphite electrode operation and public securities. Refer to our "Review of Consolidated Results of Operations" section of this MD&A for further information.

Equity accounted Adjusted EBITDA increased by $41 million to $279 million for the year ended December 31, 2022 compared to $238 million for the year ended December 31, 2021. The increase in equity accounted Adjusted EBITDA was primarily due to higher contributions from our entertainment operation, combined with contributions from equity accounted investments within our recently acquired lottery services operation. Refer to our "Review of Consolidated Results of Operations" section of this MD&A for further information.

Amounts attributable to non-controlling interests increased by $979 million to $4,163 million for the year ended December 31, 2022 compared to $3,184 million for the year ended December 31, 2021. The increase in amounts attributable to non-controlling interests is primarily due to higher contributions from our recent acquisitions.

The following table reconciles equity attributable to LP Units, GP Units, Redemption-Exchange Units, BBUC exchangeable shares and Special LP Units to equity attributable to Unitholders for the periods indicated.

(US$ MILLIONS)	Year ended December 31, 2023	2022
Limited partners	**$ 1,909**	$ 1,408
General partner	**—**	—
Non-controlling interests attributable to:		
Redemption-exchange units	**1,792**	1,318
Special LP Units	**—**	—
BBUC exchangeable shares	**1,875**	1,378
Equity attributable to Unitholders	**$ 5,576**	**$ 4,104**

The following table is a summary of our equity attributable to Unitholders by segment as at December 31, 2023 and December 31, 2022. This is determined based on the partnership's economic ownership interest in the equity within each portfolio company. The partnership's economic ownership interest in the equity within each portfolio company excludes amounts attributable to non-controlling interests consistent with how the partnership determines the carrying value of equity in its consolidated statements of financial position. Equity attributable to Unitholders reconciles to limited partners, general partner, redemption-exchange units, special LP units and BBUC exchangeable shares in the consolidated statements of financial position.

(US$ MILLIONS)	Business services	Infrastructure services	Industrials	Corporate and other	Total
December 31, 2023	**$ 3,418**	**$ 3,534**	**$ 2,155**	**$ (3,531)**	**$ 5,576**
December 31, 2022	$ 3,340	$ 1,588	$ 2,352	$ (3,176)	$ 4,104

5.B LIQUIDITY AND CAPITAL RESOURCES

Liquidity and capital requirements are managed through cash flows from operations, use of credit facilities, opportunistically monetizing mature operations and refinancing existing debt. We aim to maintain sufficient financial liquidity to meet our ongoing operating requirements and to fund debt service payments, recurring expenses, required capital expenditures, and acquisition opportunities as they arise. In addition, an integral part of our strategy is to pursue acquisitions through Brookfield-led consortium arrangements with institutional partners or strategic partners, and to form partnerships to pursue acquisitions on a specialized or global basis. Brookfield has an established track record of leading such consortiums and partnerships and actively managing underlying assets to improve performance. Overall, our liquidity profile is strong, positioning us and our businesses well to take advantage of accretive investment opportunities.

Our principal sources of liquidity are financial assets, undrawn credit facilities, cash flows from operations, monetizations of businesses, and access to public and private capital markets.

The following table presents non-recourse borrowings in subsidiaries of the partnership by segment as at December 31, 2023 due over the next five years:

(US$ MILLIONS)	Business services	Infrastructure services	Industrials	Total borrowings
2024	$ 1,929	$ 372	$ 546	$ 2,847
2025	2,451	274	728	3,453
2026	1,483	450	3,280	5,213
2027	2,408	523	2,190	5,121
2028	840	4,194	3,528	8,562
Thereafter	8,504	3,367	4,487	16,358
Total - principal repayments	$ 17,615	$ 9,180	$ 14,759	$ 41,554
Deferred financing costs and other accounting adjustments	(305)	(203)	(237)	(745)
Total - December 31, 2023	**$ 17,310**	**$ 8,977**	**$ 14,522**	**$ 40,809**
Total - December 31, 2022	$ 15,929	$ 13,411	$ 15,253	$ 44,593

As at December 31, 2023, the partnership had non-recourse borrowings in subsidiaries of $40,809 million compared to $44,593 million as at December 31, 2022. Non-recourse borrowings in subsidiaries of the partnership are comprised the following:

(US$ MILLIONS)	December 31, 2023		December 31, 2022	
Term loans	**$**	**19,260**	$	23,279
Notes and debentures		**13,169**		12,380
Credit facilities (1)		**4,738**		6,365
Securitization program (2)		**2,705**		1,625
Project financing		**937**		944
Total non-recourse borrowings in subsidiaries of the partnership	**$**	**40,809**	$	44,593

(1) Includes borrowings made under subscription facilities of Brookfield-sponsored private equity funds.

(2) Our securitization program is related to the securitization of residential mortgages at our Australian residential mortgage lender, and securitization at our Indian non-banking financial services operation.

The partnership has non-recourse financing arrangements within its operating businesses that trade in public markets or are held at major financial institutions. The financing arrangements of the partnership's operating businesses totaled $40,809 million as at December 31, 2023, compared to $44,593 million as at December 31, 2022. The decrease of $3,784 million was primarily due to scheduled debt repayments, combined with the disposition of our nuclear technology services operation. We principally finance our assets at the operating company level with debt that is non-recourse to both the partnership and to our other operations and is generally secured against assets within the respective operating companies. Moreover, debt instruments at the operating company level do not cross-accelerate or cross-default to debt at other operating companies.

As at December 31, 2023, we have $42,249 million in total borrowings with an additional capacity of $9,200 million in undrawn credit facilities at the corporate and subsidiary level. This debt has varying maturities ranging from on demand to 57 years. The weighted average maturity of total borrowings as at December 31, 2023 was 6.1 years and the weighted average interest rate on debt outstanding was 8%, including the impact of hedges. Approximately 70% of our total borrowings are either fixed or naturally hedged.

The use of the credit facilities, term loans and debt securities is primarily related to ongoing operations, capital expenditures and to fund acquisitions. Interest rates charged on these facilities are based on market interest rates. Most of these borrowings are not subject to financial maintenance covenants, however, some are subject to fixed charge coverage, leverage ratios and minimum equity or liquidity covenants. All of the partnership's operations are currently in compliance with or have obtained waivers related to all material covenant requirements and the partnership continues to work with its businesses to monitor performance against such covenant requirements.

The partnership has bilateral credit facilities backed by large global banks that continue to be highly supportive of our business. The credit facilities are available in Euros, British pounds, Australian, U.S. and Canadian dollars. Advances under the credit facilities bear interest at the specified SOFR, SONIA, EURIBOR, CDOR (until CDOR is replaced with the applicable CORRA rate), BBSY, or bankers' acceptance rate plus 2.50%, or the specified base rate or prime rate plus 1.50%. The credit facilities require us to maintain a minimum tangible net worth and deconsolidated debt-to-capitalization ratio at the corporate level. The total capacity on the bilateral credit facilities is $2,300 million with a maturity date of June 29, 2028, and the partnership had $860 million available as at December 31, 2023.

The partnership also has a revolving acquisition credit facility with Brookfield that permits borrowings of up to $1 billion. The credit facility is guaranteed by the partnership, the Holding LP, the Holding Entities and certain of our subsidiaries. The credit facility is available in U.S. or Canadian dollars, and advances are made by way of SOFR, base rate, bankers' acceptance rate or prime rate loans. The credit facility bears interest at the specified SOFR or bankers' acceptance rate plus 3.45%, or the specified base rate or prime rate plus 2.45%. The credit facility requires us to maintain a minimum deconsolidated net worth and contains restrictions on the ability of the borrowers and the guarantors to, among other things, incur certain liens or enter into speculative hedging arrangements. The maturity date of the credit facility is April 27, 2028, and will automatically extend for a one-year period on April 27 of each year unless Brookfield provides written notice of its intention not to further extend the then prevailing maturity date. The total available amount on the credit facility will decrease to $500 million on April 27, 2024. As at December 31, 2023, the revolving acquisition credit facility remains undrawn.

The partnership also has deposit agreements with Brookfield whereby we may place funds on deposit with Brookfield and whereby Brookfield may place funds on deposit with the partnership. Any deposit balance due to the partnership is due on demand and bears interest at SOFR plus 40 basis points. Any deposit balance due to Brookfield is due on demand and bears interest at SOFR plus 160 basis points, subject to the terms of such interest more particularly described in the deposit agreement. As at December 31, 2023, the amount of the deposit from Brookfield was $nil (December 31, 2022: $nil) and the amount on deposit with Brookfield was $nil (December 31, 2022: $nil).

Brookfield entered into a commitment agreement with the partnership in 2022 to subscribe for up to $1.5 billion of perpetual preferred equity securities of subsidiaries of the partnership, whereby proceeds are available for us to draw upon for future growth opportunities as they arise. Brookfield has the right to cause the partnership to redeem the preferred securities at par to the extent of any proceeds received by BBUC or the partnership from the issuance of equity, incurrence of indebtedness or sale of assets. Brookfield has the right to waive its redemption option. As at December 31, 2023, the amount subscribed from subsidiaries of the partnership was $725 million with an annual dividend of 7% (2022: $1,475 million). On November 7, 2023, $750 million of preferred equity securities were redeemed with proceeds from the sale of our nuclear technology services operation. The remaining capacity on the commitment agreement with Brookfield is $25 million. For the year ended December 31, 2023, distributions of $83 million have been declared on the perpetual preferred equity securities (2022: $27 million)

The table below outlines the partnership's consolidated net debt-to-capital ratio as at December 31, 2023 and 2022:

(US$ MILLIONS, except as noted)	December 31, 2023	December 31, 2022
Corporate borrowings	**$ 1,440**	$ 2,100
Non-recourse borrowings in subsidiaries of the partnership	**40,809**	44,593
Cash and cash equivalents	**(3,252)**	(2,870)
Net debt	**$ 38,997**	$ 43,823
Total equity	**18,532**	18,429
Total capital	**$ 57,529**	$ 62,252
Net debt-to-capital ratio	**68%**	70%

The partnership's general partner has implemented a distribution policy pursuant to which we intend to make quarterly cash distributions in an initial amount currently anticipated to be approximately $0.25 per unit on an annualized basis. On February 1, 2024, the Board of Directors declared a quarterly distribution in the amount of $0.0625 per unit payable on March 28, 2024 to Unitholders of record as at the close of business on February 29, 2024.

In order to account for the dilutive effect of the special distribution which occurred on March 15, 2022, the incentive distribution threshold was reduced by one-third, commensurate with the distribution ratio of one (1) BBUC exchangeable share for every two (2) LP Units. Accordingly, the resulting incentive distribution threshold was $31.53 as at December 31, 2023. During the twelve months ended December 31, 2023, the total incentive distribution was $nil (2022: $nil).

Cash Flow

We believe that we have sufficient access to capital resources and will continue to use our available liquidity and capital resources to fund our operations and to finance anticipated acquisitions and other material cash requirements. Our future capital resources include cash flow from operations, borrowings, proceeds from asset monetizations and proceeds from potential future equity issuances, if any.

As at December 31, 2023, we had cash and cash equivalents of $3,252 million, compared to $2,870 million as at December 31, 2022 and $2,588 million as at December 31, 2021. The net cash flows for the years ended December 31, 2023, 2022 and 2021 were as follows:

	Year ended December 31,		
(US$ MILLIONS)	2023	2022	2021
Cash flow provided by (used in) operating activities	**$ 2,130**	$ 1,011	$ 1,693
Cash flow provided by (used in) financing activities	**(4,371)**	18,070	7,063
Cash flow provided by (used in) investing activities	**2,537**	(18,721)	(8,926)
Impact of foreign exchange on cash	**86**	(78)	15
Change in cash and cash equivalents	**$ 382**	$ 282	$ (155)

Cash flow provided by (used in) operating activities

Total cash flow provided by operating activities for the year ended December 31, 2023 was $2,130 million compared to $1,011 million provided for the year ended December 31, 2022. The cash provided by operating activities during the year ended December 31, 2023 was primarily attributable to the cash generated by our advanced energy storage operation, our dealer software and technology services operation, and our modular building leasing services.

Total cash flow provided by operating activities for the year ended December 31, 2022 was $1,011 million compared to $1,693 million provided for the year ended December 31, 2021. The cash flow provided by operating activities during the year ended December 31, 2022 was primarily attributable to cash generated by our advanced energy storage operation, our residential mortgage insurer, our nuclear technology services operation, our engineered components manufacturing operation and our lottery services operation.

Cash flow provided by (used in) financing activities

Total cash flow used in financing activities was $4,371 million for the year ended December 31, 2023, compared to $18,070 million cash flow provided by financing activities for the year ended December 31, 2022. During the year ended December 31, 2023, our financing activities included distributions and capital paid to others who have interests in operating subsidiaries of $4,428 million, which was primarily related to distributions of proceeds from the sale of our nuclear technology services operation and the sale of a non-core division in our dealer software and technology services operation, combined with distributions of proceeds from the syndication of investments to institutional investors. Financing activities also included net repayment of corporate borrowings of $660 million, net repayments on non-recourse borrowings of $237 million, which comprised primarily repayments at our advanced energy storage operation partially offset by borrowings at our Australian residential mortgage lender and our modular building leasing services, and distributions and capital paid to preferred security holders of $837 million. This was partially offset by capital provided by others who have interests in operating subsidiaries of $2,093 million for the year ended December 31, 2023, which was primarily related to capital contributions from institutional investors used to repay short-term financing arrangements of Brookfield-sponsored private equity funds.

Total cash flow provided by financing activities was $18,070 million for the year ended December 31, 2022, compared to $7,063 million cash flow provided by financing activities for the year ended December 31, 2021. During the year ended December 31, 2022, financing activities included net proceeds from borrowings of $13,901 million, which comprised primarily of borrowings received to fund the acquisitions of our dealer software and technology services operation and our lottery services operation. Other contributing factors included an increase in net borrowings at our nuclear technology services operation, our Australian residential mortgage lender to acquire financial assets and at our engineered components manufacturing operation. For the year ended December 31, 2021, capital provided by others who have interests in operating subsidiaries was $5,719 million which primarily related to capital contributions to fund the acquisitions of our dealer software and technology services operation, our lottery services operation and our Australian residential mortgage lender. This was partially offset by distributions to others who have interests in operating subsidiaries of $2,586 million for the year ended December 31, 2022, primarily as a result of the dividend distribution received from a non-recourse financing related to our investment in our nuclear technology services operation and distributions of proceeds from investment syndications to institutional partners.

Cash flow provided by (used in) investing activities

Total cash flow provided by investing activities was $2,537 million for the year ended December 31, 2023, compared to $18,721 million used for the year ended December 31, 2022. Our cash flows provided by investing activities were primarily related to dispositions completed during the period including net proceeds from the sale of our nuclear technology services operation and the sale of a non-core division in our dealer software and technology services operation. The cash provided by investing activities were partially offset by cash outflows related to the completion of an add-on acquisition in our modular building leasing services in January 2023, and capital expenditures of property, plant and equipment and intangible assets primarily within our industrials and infrastructure services segments.

Total cash flow used in investing activities was $18,721 million for the year ended December 31, 2022, compared to $8,926 million used for the year ended December 31, 2021. Our investing activities were primarily related to the 2022 acquisitions of our dealer software and technology services operation, our lottery services operation, our Australian residential mortgage lender, our payment processing services operation and the add-on acquisitions at our nuclear technology services operation and fleet management and car rental services. Other contributing factors include the acquisition of property, plant and equipment and intangible assets primarily within our industrials and infrastructure services segments. This was partially offset by the net sales of corporate bonds and marketable securities at our residential mortgage insurer during the year ended December 31, 2022.

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 partnership will fluctuate because of changes in market factors. Market risk includes the risk of changes in interest rates, foreign currency exchange rates, equity prices and commodity prices.

Financial instruments held by the partnership that are subject to market risk include loans and notes receivable, other financial assets, borrowings, derivative contracts, such as interest rate and foreign currency contracts, and marketable securities.

Price risk

As at December 31, 2023, the partnership is exposed to price risk arising from marketable securities and other financial assets, with a balance of $5,578 million (2022: $6,052 million). A 10% change in the fair value of these assets would impact the consolidated statements of comprehensive income by $558 million (2022: $605 million).

Interest rate risk

Interest rate risk is defined for these purposes as the risk that the fair value or future cash flows of a financial instrument held by the partnership will fluctuate because of changes in interest rates. The partnership monitors interest rate fluctuations and may enter into interest rate derivative contracts to mitigate the impact from interest rate movements. A 50 basis point increase in interest rates is expected to decrease pre-tax net income by $53 million, and a 50 basis point decrease in interest rates is expected to increase pre-tax net income by $53 million. A 50 basis point increase in interest rates is expected to increase other comprehensive income by $60 million, and a 50 basis point decrease in interest rates is expected to decrease other comprehensive income by $60 million.

Foreign currency risk

We have operations in international markets denominated in currencies other than the U.S. dollar, primarily the Australian dollar, the Canadian dollar and the Brazilian real. 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. We structure our operations such that foreign operations are primarily conducted by entities with a functional currency which is the same as the economic environment in which the operations take place. As a result, the net income impact to the partnership of currency risk associated with financial instruments is limited as its financial assets and liabilities are generally denominated in the same currency as the functional currency of the subsidiary that holds the financial instrument. However, we are exposed to foreign currency risk on the net assets of the partnership's foreign currency denominated operations and foreign currency denominated debt. We manage foreign currency risk through hedging contracts, typically foreign exchange forward contracts. There is no assurance that hedging strategies, to the extent used, will fully mitigate the risk.

The table below outlines the impact on pre-tax net income and other comprehensive income of a 10% increase to the exchange rates relative to the U.S. dollar:

	2023		2022		2021	
(US$ MILLIONS)	**OCI**	**Net Income**	**OCI**	**Net Income**	**OCI**	**Net Income**
USD/AUD	**$ 84**	**$ —**	$ 85	$ 1	$ 85	$ (12)
USD/CAD	**115**	**10**	144	4	83	(21)
USD/BRL	**23**	**(1)**	48	—	36	1
USD/EUR	**109**	**(19)**	92	(94)	(4)	(324)
USD/Other	**111**	**59**	121	(71)	108	74

See also Note 4, "Fair Value of Financial Instruments", Note 26, "Derivative Financial Instruments" and Note 27, "Financial Risk Management" in our consolidated financial statements included in this Form 20-F.

To the extent that we believe it is economical to do so, our strategy is to hedge all or a portion of our equity investments and/or cash flows exposed to foreign currencies by the partnership. The partnership's foreign currency hedging policy includes leveraging any natural hedges that may exist within our operations, utilizing local currency debt financing to the extent possible, and utilizing derivative contracts to minimize any residual exposures where natural hedges are insufficient.

The following table presents a summary as at December 31, 2023 of our Unitholder equity by functional currency and our derivative contract net investment hedges:

	Net Unitholder Equity by Functional Currency						
(US$ MILLIONS)	CAD	AUD	BRL	GBP	EUR	INR	Other
Unitholder equity	$ 1,463	$ 932	$ 757	$ 344	$ 1,143	$ 188	$ 749
Net investment hedges	(307)	(102)	(523)	—	(51)	(99)	—

As at December 31, 2023, approximately 17% of our Unitholder equity with foreign currency exposure was hedged using derivative contracts.

Commodity price risk

As certain of the partnership's operating subsidiaries are exposed to commodity price risk, the fair value of financial instruments will fluctuate as a result of changes in commodity prices. A 10 basis point increase or decrease in commodity prices, as it relates to financial instruments, is not expected to have a material impact on the partnership's net income.

Our commodity exposure is primarily in our industrials segment. We hedge this exposure where appropriate.

Related Party Transactions

We entered into a number of related party transactions with Brookfield as described in Item 7.B, "Related Party Transactions" of this Form 20-F as well as in Note 25 in our consolidated financial statements included in this Form 20-F.

Critical Accounting Policies, Estimates and Judgments

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 our partnership's annual consolidated financial statements are outlined below.

For further reference on accounting policies, critical judgments and estimates, see our "Material Accounting Policies" contained in Note 2 of our annual consolidated financial statements as at December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021, included in this Form 20-F.

Business combinations

The partnership accounts for business combinations using the acquisition method of accounting. The allocation of fair values to assets acquired and liabilities assumed through an acquisition requires numerous estimates that affect the valuation of certain assets and liabilities acquired including discount rates, customer attrition rates and estimates of future operating costs, revenues, commodity prices, capital costs and other factors. The determination of the fair values may remain provisional during the measurement period 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 of the reporting date, the partnership will disclose that fact in the consolidated financial statements, including observations on the estimates and judgments made as of the reporting date.

Determination of control

The partnership consolidates an investee when it controls the investee, with control existing if, and only if, the partnership has power over the investee; exposure or rights to variable returns from its involvement with the investee; and the ability to use that power over the investee to affect the amount of the partnership's returns.

In determining if the partnership has power over an investee, judgments are made when identifying which activities of the investee are relevant in significantly affecting returns of the investee and the extent of existing rights that give the partnership the current ability to direct the relevant activities of the investee. Judgments are made as to the amount of potential voting rights that provide voting powers, the existence of contractual relationships that provide voting power and the ability for the partnership to appoint directors. The partnership enters into voting agreements which provide it the ability to contractually direct the relevant activities of the investee (referred to as "power" within IFRS 10, *Consolidated financial statements*). In assessing if the partnership has exposure or rights to variable returns from its involvement with the investee, judgments are made concerning whether returns from an investee are variable and how variable those returns are on the basis of the substance of the arrangement, the magnitude of those returns and the magnitude of those returns relative to others, particularly in circumstances where the partnership's voting interest differs from the ownership interest in an investee. In determining if the partnership has the ability to use its power over the investee to affect the amount of its returns, judgments are made when the partnership is an investor as to whether the partnership is a principal or agent and whether another entity with decision making rights is acting as the partnership's agent. If it is determined that the partnership is acting as an agent, as opposed to a principal, the partnership does not control the investee.

Common control transactions

IFRS 3 does not include specific measurement guidance for the acquisition of a business from an entity that is under common control. Accordingly, the partnership has developed an accounting policy to account for such transactions taking into consideration other guidance in the IFRS framework and pronouncements of other standard-setting bodies. The partnership's policy is to record assets and liabilities recognized as a result of an acquisition of a business from an entity that is under common control at the carrying values in the transferor's financial statements.

Indicators of impairment

Judgment is applied when determining whether indicators of impairment exist when assessing the carrying values of the partnership's assets, including the determination of the partnership's ability to hold financial assets, the estimation of a cash-generating unit's future revenues and direct costs, the determination of discount rates, and when an asset's or cash-generating unit's carrying value is above its recoverable amount.

For some of the partnership's assets, forecasting the recoverability and economic viability of property and equipment requires an estimate of reserves. The process for estimating reserves is complex and requires significant interpretation and judgment. It is affected by economic conditions, production, operating and development activities, and is performed using available geological, geophysical, engineering and economic data.

Revenue recognition

Judgment is applied when certain of the partnership's subsidiaries measure the progress towards complete satisfaction of the performance obligations applicable to a contract when accounting for their contract revenue. The stage of completion is measured by reference to actual costs incurred to date as a percentage of estimated total costs for each contract. Significant assumptions are required to estimate the total contract costs and the recoverable variation works that affect the stage of completion and the contract revenue, respectively. In making these estimates, management has relied on past experience or the work of experts, where necessary.

Judgment is also applied where certain of the company's subsidiaries generate revenues from contracts with multiple performance obligations. The partnership applies judgment in order to identify and determine the number of performance obligations, estimate the total transaction price, determine the allocation of the transaction price to each identified performance obligation, and determine the appropriate method and timing of revenue recognition.

Financial instruments

Judgments inherent in accounting policies relating to derivative financial instruments relate to applying the criteria to the assessment of the effectiveness of hedging relationships and estimates and assumptions used in determining the fair value of financial instruments, such as: equity or commodity prices; future interest rates; the creditworthiness of the partnership relative to its counterparties; the credit risk of the partnership's counterparties; estimated future cash flows; discount rates and volatility utilized in option valuations.

Decommissioning liabilities

Decommissioning costs will be incurred at the end of the operating life of some of the partnership's oil and gas facilities, mining properties and manufacturing facilities. These obligations are typically many years in the future and require judgment to estimate. The estimate of decommissioning costs can vary in response to many factors including changes in relevant legal, regulatory, and environmental requirements, the emergence of new restoration techniques or experience at other production sites. Inherent in the calculations of these costs are assumptions and estimates including the ultimate settlement amounts, inflation factors, discount rates, and timing of settlements.

Insurance contracts

Critical judgments applied in the application of IFRS 17 in the years ended December 31, 2023 and 2022

The partnership has applied critical judgments and estimates in the application of IFRS 17, including: (i) estimates and underlying assumptions in determining fulfillment cash flows related to the liability for remaining coverage; (ii) discount rate used to account for time value of money for all cash flows; (iii) the estimated risk adjustment for non-financial risk; (iv) timing of revenue recognition for the liability for remaining coverage; (v) estimated cash flows for settling claims; and (vi) estimated recoveries including recoveries from real estate included in the liability for incurred claims, based on third party property appraisals or other types of third party valuations deemed to be appropriate for a particular property in the event of default.

Critical judgments applied in the application of IFRS 4 in the year ended December 31, 2021

The partnership has applied critical estimates for its residential mortgage insurer, including: (i) timing of revenue recognition for deferred insurance premiums; (ii) insurance loss reserves representing the amount needed to provide for the expected ultimate net cost of settling claims; (iii) the fair value of subrogation rights related to real estate based on third party property appraisals or other types of third party valuations deemed to be more appropriate for a particular property; and (iv) estimated deferred policy acquisition costs to be amortized over the term of the policy.

Measurement of expected credit losses

The partnership exercises judgment when determining expected credit losses on financial assets. Judgment is applied in the determination of probability-weighted expected cash flows, the probability of default of borrowers, and in selecting forward looking information to determine increase in credit risk and other risk parameters.

Uncertainty of income tax treatments

The partnership applies IFRIC 23. The interpretation requires an entity to assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings and to exercise judgment in determining whether each tax treatment should be considered independently or whether some tax treatments should be considered together. The decision should be based on which approach provides better predictions of the resolution of the uncertainty. An entity is required to make its assessment assuming that the taxation authority with the right to examine any amounts reported to it will examine those amounts and will have full knowledge of all relevant information when doing so.

Other

Other estimates and assumptions utilized in the preparation of the partnership's consolidated financial statements are: depreciation and amortization rates and useful lives; estimation of recoverable amounts of assets and cash-generating units for impairment assessment of long-lived assets and goodwill; and the ability of the partnership to utilize tax losses and other tax measurements.

Other critical judgments include the determination of the functional currency of the partnership's subsidiaries.

New Accounting Policies Adopted

The partnership has applied certain new and revised standards issued by the IASB that are effective for the period beginning on or after January 1, 2023.

(i) IFRS 17 - Insurance Contracts

The partnership adopted IFRS 17 effective January 1, 2023 with a transition date of January 1, 2022. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts. It replaces IFRS 4, *Insurance Contracts* ("IFRS 4") and related interpretations. The adoption of IFRS 17 only impacted the reported results of the partnership's residential mortgage insurer. The partnership has recast its 2022 annual consolidated financial statements for the adoption of IFRS 17. The years ended December 31, 2023 and 2022 are presented in accordance with IFRS 17.

(ii) Amendments to IAS 12 Income taxes ("IAS 12")

In May 2021, IAS 12 was amended to clarify that the initial recognition exception does not apply to the initial recognition of transactions that give rise to equal taxable and deductible temporary differences. The partnership adopted these amendments on January 1, 2023 and the adoption did not have a material impact on the partnership's consolidated financial statements.

In May 2023, IAS 12 was amended to clarify requirements relating to International Tax Reform - Pillar Two model rules. The amendments (i) introduce a temporary exception to the accounting for deferred taxes arising from the implementation of the Pillar Two model rules published by the Organization for Economic Co-operation and Development ("OECD") and (ii) require additional disclosures. The amendments became effective immediately upon their issue and retrospectively in accordance with IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors* except for some targeted disclosure requirements which become effective for annual reporting periods beginning on or after January 1, 2023. The partnership operates in countries which have enacted new legislation to implement the global minimum top-up tax. The partnership has applied a temporary mandatory relief from recognizing and disclosing information related to the top-up tax and will account for it as a current tax when it is incurred. The newly enacted legislation is effective from January 1, 2024 and there is no current tax impact for the year ended December 31, 2023. The global minimum top-up tax is not anticipated to have a significant impact on the financial position of the partnership.

(iii) Amendments to IAS 1 Presentation of financial statements ("IAS 1")

The amendments aim to provide accounting policy disclosures that are more useful by replacing the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies and adding guidance on how to apply the concept of materiality in making decisions about accounting policy disclosures.

The partnership adopted these amendments on January 1, 2023 and the adoption did not have a material impact on the partnership's consolidated financial statements.

Future Changes in Accounting Policies

(i) Amendments to IAS 1 – Presentation of financial statements ("IAS 1")

The amendments clarify how to classify debt and other liabilities as current or non-current. The amendments to IAS 1 apply to annual reporting periods beginning on or after January 1, 2024. The partnership is currently assessing the impact of these amendments.

There are currently no other future changes to IFRS with expected material impacts on the partnership.

Off-Balance Sheet Arrangements

In the normal course of operations, our operating subsidiaries have bank guarantees, insurance bonds and letters of credit outstanding to third parties. As at December 31, 2023, the total outstanding amount was approximately $1.7 billion. If these letters of credit or bonds are drawn upon, our operating subsidiaries will be obligated to reimburse the issuer of the letter of credit or bonds. The partnership does not conduct its operations, other than those of equity accounted investments, through entities that are not consolidated in the consolidated financial statements and has not guaranteed or otherwise contractually committed to support any material financial obligations not reflected in the consolidated financial statements.

Our construction operation and other operations may be called upon to give, in the ordinary course of business, guarantees and indemnities in respect of the performance of controlled entities, associates and related parties of their contractual obligations. Any known losses have been brought to account.

In the normal course of operations, our operating subsidiaries will 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. In addition, we have also entered into indemnity agreements with Brookfield that relate to certain construction projects in the Middle East region that have been in place for several years. Under these indemnity agreements, Brookfield has agreed to indemnify us or refund us, as appropriate, for the receipt of payments relating to such projects.

From time to time, we may be contingently liable with respect to litigation and claims that arise in the normal course of operations. In our construction operation, this may include litigation and claims from clients or subcontractors, in addition to our associated counterclaims. On an ongoing basis, we assess the potential impact of these events. We have determined that the potential loss amount of these claims cannot be measured and is not probable at this time.

Contractual Obligations

An integral part of our partnership's strategy is to participate with institutional investors in Brookfield-sponsored private equity funds that target acquisitions that suit Brookfield private equity's profile. In the normal course of business, the partnership may make commitments to Brookfield-sponsored private equity funds to participate in these target acquisitions in the future, if and when identified. For information regarding our partnership's commitments in respect of pending acquisitions, see Item 4.A, "History and Development of the Company".

In the ordinary course of business, we enter into contractual arrangements that may require future cash payments. The table below outlines our undiscounted contractual obligations as at December 31, 2023:

	Payments as at December 31, 2023				
(US$ MILLIONS)	Total	< 1 Year	1-2 Years	3-5 Years	5+ Years
Borrowings	**$ 42,993**	$ 2,847	$ 3,449	$ 16,438	$ 20,259
Lease liabilities	**1,844**	307	294	547	696
Interest expense	**15,312**	2,817	2,655	6,267	3,573
Decommissioning liabilities	**777**	11	10	23	733
Pension obligations	**424**	30	30	95	269
Commitments for capital expenditures (1)	**1,259**	949	262	48	—
Total	**$ 62,609**	$ 6,961	$ 6,700	$ 23,418	$ 25,530

(1) Includes $1.2 billion of contractual commitments in the form of shipbuilding contracts at our offshore oil services. The capital expenditures relate to a customer contract and will be funded by proceeds to be contractually received from the customer.

5.C RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES, ETC.

Not applicable.

5.D TREND INFORMATION

See Item 5.A, "Operating Results".

5.E CRITICAL ACCOUNTING ESTIMATES

See Item 5.B, "Liquidity and Capital Resources-Critical Accounting Policies, Estimates and Judgments".

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

6.A DIRECTORS AND SENIOR MANAGEMENT

Governance

As required by law, our Limited Partnership Agreement provides for the management and control of our company by a general partner rather than a board of directors and officers. The BBU General Partner serves as our company's general partner and has a board of directors. The BBU General Partner has sole responsibility and authority for the central management and control of our company, which is exercised through its board of directors. Accordingly, references herein to "our directors" and "our board" refer to the board of directors of the BBU General Partner.

The following table presents certain information concerning our current board of directors as of the date of this Form 20-F:

Name, Municipality of Residence and Independence [1]	Age	Position with the BBU General Partner	Principal Occupation
Cyrus Madon Oakville, Ontario, Canada (Not Independent)	58	Executive Chairman	Executive Chairman, Brookfield Private Equity Group
Jeffrey Blidner Toronto, Ontario, Canada (Not Independent)	75	Director	Vice Chair, Brookfield Corporation
Stephen Girsky New York, New York, USA (Not Independent)	61	Director	Chief Executive Officer, Nikola Corporation
David Hamill [2] [3] Ipswich, Queensland, Australia (Independent)	66	Director	Corporate Director
Anne Ruth Herkes[2] Munich, Germany (Independent)	67	Director	Corporate Director
John Lacey [2] Thornhill, Ontario, Canada (Independent)	80	Lead Director	Chairman, Doncaster Consolidated Ltd.
Don Mackenzie [3] Pembroke Parish, Bermuda (Independent)	63	Director	Chairman and Owner of New Venture Holdings
Patricia Zuccotti [3] Kirkland, Washington, USA (Independent)	76	Director	Corporate Director

(1) The business address for each of the directors is 73 Front Street, 5th Floor, Hamilton HM 12, Bermuda.
(2) Member of the governance and nominating committee. John Lacey is the chair of the governance and nominating committee.
(3) Member of the audit committee. Patricia Zuccotti is the chair of the audit committee and is our audit committee financial expert.

Set forth below is biographical information for our directors.

Cyrus Madon. Mr. Madon is the Executive Chairman of our board of directors and the board of directors of BBUC. Mr. Madon is also a Managing Partner of Brookfield Asset Management and the Executive Chairman of Brookfield Asset Management's Private Equity Group. Mr. Madon previously served as the Chief Executive Officer of our company. Mr. Madon joined Brookfield in 1998 as Chief Financial Officer of Brookfield's real estate brokerage business. During his tenure, Mr. Madon has held a number of senior roles across the organization, including head of Brookfield's corporate lending business. Mr. Madon began his career at PricewaterhouseCoopers where he worked in Corporate Finance and Recovery, both in Canada and the United Kingdom. Mr. Madon holds a Bachelor of Commerce degree from Queen's University and is on the board of the C.D. Howe Institute.

Jeffrey Blidner. Mr. Blidner is a Vice Chair of Brookfield Corporation and is the former Chief Executive Officer of Brookfield's Private Funds Group. Mr. Blidner currently serves as the Chair of the general partner of Brookfield Renewable Partners L.P. (and of Brookfield Renewable Corporation) and of the general partner of Brookfield Property Partners L.P. Mr. Blidner also serves as a director of the BBU General Partner (and of BBUC), Brookfield, and the general partner of Brookfield Infrastructure Partners L.P. (and of Brookfield Infrastructure Corporation). Prior to joining Brookfield in 2000, Mr. Blidner was a senior partner at a Canadian law firm where his practice focused on merchant banking transactions, public offerings, mergers and acquisitions, management buy-outs and private equity transactions. Mr. Blidner received his LLB from Osgoode Hall Law School and was called to the Bar in Ontario as a Gold Medalist. Mr. Blidner is not considered an independent director because of his role at Brookfield.

Stephen Girsky. Mr. Girsky is president and CEO of Nikola Corporation, a publicly traded company that designs zero-emissions transportation and energy supply and infrastructure solutions. Mr. Girsky served as managing director of VectoIQ, LLC, an independent advisory firm based in New York. He served as president and CEO of VectoIQ Acquisition Corp. I, from January 2018 until the consummation of its business combination with Nikola Corporation. Mr. Girsky served in a number of capacities at General Motors Co., including Vice Chairman, and was previously the president of Centerbridge Industrial Partners and a Managing Director at Morgan Stanley. He is on the board of directors at Nikola Corporation, BBUC, and Clarios. Mr. Girsky previously served on the board of directors of U.S. Steel and General Motors. He also served as the lead director of Dana Holdings Corp. Mr. Girsky received a Bachelor of Science degree in mathematics from the University of California at Los Angeles and a Master of Business Administration from the Harvard Business School. Mr. Girsky is not considered an independent director because of his role consulting for Brookfield on its acquisition of Clarios.

David Hamill. Dr. Hamill is a professional director and 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. Dr. Hamill also serves on the board of directors of BBUC. Dr. Hamill retired from the Queensland Parliament in February 2001 and since that time has served as a non-executive director or chairman of a range of listed and private companies as well as not-for-profit and public sector entities. Dr. Hamill also serves on the board of directors of Dalrymple Bay Infrastructure Limited. Dr. Hamill holds a Bachelor of Arts (Honors) 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.

Anne Ruth Herkes. Ms. Herkes is a senior Advisor at ELC-Euringer Leadership Consulting, an executive search firm and leadership consulting company. She previously was Deputy Chair of the board of directors of Merck Finck Privatbankiers AG, an asset and wealth management bank based in Munich. She serves on the board of directors of Quintet (S.A.) Europe Private Bank in Luxembourg, where she is also a member of the remuneration and nomination and audit committees, and the asset management forum. Previously she served on the board of Kreditanstalt fuer Wiederaufbau, Germany's third largest bank. She is a member of the International Advisory Board of Asia House, an independent think tank and advisory service in London. Ms. Herkes in her former career served as State Secretary at the German Federal Ministry for Economic Affairs and as Ambassador to Qatar. Ms. Herkes also serves on the board of directors of BBUC.

John Lacey. Mr. Lacey is Chairman of Doncaster Consolidated Ltd., Doncaster Foundation and a director of Whittington Investments Ltd. Mr. Lacey also serves on the board of directors of BBUC. Mr. Lacey was previously the Chairman of the board of directors of Alderwoods Group, Inc., an organization operating funeral cemeteries within North America, until 2006. Mr. Lacey is the former President and Chief Executive Officer of The Oshawa Group (now part of Sobeys Inc.) and a former director of Loblaw Companies Limited, George Weston Ltd., and TELUS Corporation.

Don Mackenzie. Mr. Mackenzie 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. Mr. Mackenzie also serves on the board of directors of BBUC. Prior to moving to Bermuda in 1990, Mr. Mackenzie worked in the software and sales sector. Mr. Mackenzie 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. Mr. Mackenzie has a Bachelor of Commerce from Queens University and a Master of Business Administration from Schulich School of Business of York University.

Patricia Zuccotti. Ms. Zuccotti is a director of the general partner of Brookfield Renewable Partners L.P. (and of Brookfield Renewable Corporation), where she is the Chair of the Audit Committee. Ms. Zuccotti also serves on the board of directors of BBUC, where she is the Chair of the Audit Committee. She served as Senior Vice President, Chief Accounting Officer and Controller of Expedia, Inc. from October 2005 to September 2011. Prior to joining Expedia, Ms. Zuccotti was the Director, Enterprise Risk Services of Deloitte & Touche LLP from June 2003 until October 2005. Ms. Zuccotti is a Certified Public Accountant (inactive) and received her Master of Business Administration, majoring in accounting and finance, from the University of Washington and a Bachelor of Arts, majoring in political science, from Trinity College.

Our Management

The Service Providers, subsidiaries of the Asset Management Company, which is owned approximately 75% by Brookfield Corporation and approximately 25% by Brookfield Asset Management, provide management services to us pursuant to our Master Services Agreement. Brookfield has built its business platform through the integration of formative portfolio acquisitions and single asset transactions over several decades and throughout all phases of the business cycle. The Service Providers' investment and asset management professionals are complemented by the depth of transactional and operational expertise throughout our operating segments which specialize in business services and industrial operations, generating significant returns. Members of Brookfield's senior management and other individuals from Brookfield's global affiliates are drawn upon to fulfill the Service Providers' obligations to provide us with management services under our Master Services Agreement.

In February 2024, we announced the appointment of Anuj Ranjan as Chief Executive Officer. Mr. Ranjan was previously the Global Head of Business Development for Brookfield Asset Management and President of Brookfield Asset Management's Private Equity business, where he was instrumental in developing and implementing our business' growth strategy. Mr. Ranjan succeeds Cyrus Madon, who was named Executive Chairman of our board of directors. As Executive Chairman, Mr. Madon will offer guidance and strategic direction to Mr. Ranjan as he leads the growth of our company. Jeffrey Blidner, who previously served as Chair of the board of directors, stepped down from that role and continues as a member of the board of directors.

The following table presents certain information concerning the core senior management team that are principally responsible for our operations and their positions with the Service Providers.

Name	Age	Years of Experience	Years at Brookfield	Position with one of the Service Providers
Cyrus Madon	58	35	25	Executive Chairman
Anuj Ranjan	45	24	18	Chief Executive Officer
Jaspreet Dehl	47	25	13	Chief Financial Officer

Set forth below is biographical information for Mr. Ranjan and Ms. Dehl. Mr. Madon's biographical information is included in the biographical information for directors section above.

Anuj Ranjan. Mr. Ranjan is the Chief Executive Officer of our company. He also serves as a Managing Partner of Brookfield Asset Management. Mr. Ranjan joined Brookfield in 2006 and has held various positions within Brookfield and its affiliates, including in the areas of mergers & acquisitions, private equity and real estate. He also established Brookfield Asset Management's India and Middle East operations. Prior to joining Brookfield, Mr. Ranjan was a principal at a real estate investment firm. Mr. Ranjan holds a Master of Business Administration degree from Ivey Business School at Western University and Bachelor of Science degree from the University of Alberta.

Jaspreet Dehl. Ms. Dehl is the Chief Financial Officer of our company. Ms. Dehl is also a Managing Partner of Brookfield Asset Management. Since joining Brookfield in 2011, Ms. Dehl has held a number of senior finance positions, including within Brookfield's Private Equity Group and in Brookfield's Private Funds Group. Prior to joining Brookfield, Ms. Dehl was part of the Financial Advisory Services practice at Deloitte, specializing in corporate restructuring services and transaction execution services to private equity clients. Ms. Dehl is a Chartered Professional Accountant and holds a bachelor's degree in economics from Wilfrid Laurier University. In 2022, Ms. Dehl received the distinction of Fellow (FCPA) by the Chartered Professional Accountant's Association of Ontario.

Our Master Services Agreement

The Service Recipients have entered into a Master Services Agreement pursuant to which the Service Providers have agreed to provide or arrange for other Service Providers to provide management and administration services to our company and the other Service Recipients. Pursuant to the Master Services Agreement, BBUC receives management services comparable to the services currently provided to our company by the Service Providers. BBUC is responsible for its proportionate share of the base management fee pursuant to the Master Services Agreement.

The following is a summary of certain provisions of our Master Services Agreement. Because this description is only a summary of our Master Services Agreement, it does not necessarily contain all of the information that you may find useful. We therefore urge you to review our Master Services Agreement in its entirety. Our Master Services Agreement is filed as exhibit to this Form 20-F and is also available on our SEDAR+ profile at www.sedarplus.ca. See also Item 10.C, "Material Contracts", Item 10.H, "Documents on Display" and Item 19., "Exhibits".

Appointment of the service providers and services rendered

Under our Master Services Agreement, the Service Recipients have appointed the Service Providers to provide or arrange for the provision by an appropriate Service Provider of the following services:

- providing overall strategic advice to the applicable Service Recipients including advising with respect to the expansion of their business into new markets;
- 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 equivalent governing bodies of the operating businesses;
- making recommendations with respect to the exercise of any voting rights to which the Service Recipients are entitled in respect of the operating businesses;
- making recommendations with respect to the payment of dividends or other distributions by the Service Recipients, including distributions by our company 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, including making recommendations with respect to, and supervising the making of all tax elections, determinations and designations, the timely calculation and payment of taxes payable and the filing of all tax returns due, by each Service Recipient, and overseeing the preparation of the Service Recipients' annual consolidated financial statements and quarterly interim financial statements;
- making recommendations in relation to and effecting, when requested to do so, 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 governing body may from time to time agree;
- arranging for individuals to carry out the functions of principal executive, accounting and financial officers for our company only for purposes of applicable securities laws; and
- providing individuals to act as senior officers of the Service Recipients as agreed from time to time, subject to the approval of the relevant board of directors or its equivalent governing body.

Notwithstanding the foregoing, all investment advisory services (as defined in our Master Services Agreement) must be provided solely to the Holding LP.

The Service Providers' activities are subject to the supervision of the board of directors or equivalent governing body of BBU 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 our Master Services Agreement, we pay a quarterly base management fee to the Service Providers equal to 0.3125% (1.25% annually) of the total capitalization of our group. For purposes of calculating the base management fee, the total capitalization of our group is equal to the quarterly volume-weighted average trading price of a unit on the principal stock exchange for the units (based on trading volumes) multiplied by the number of units outstanding at the end of the quarter (assuming full conversion of the Redemption-Exchange Units into units), plus the value of securities of the other Service Recipients (including the BBUC exchangeable shares) that are not held by our group, plus all outstanding third-party debt with recourse to a Service Recipient, less all cash held by such entities. BBUC pays its proportionate share of such fee. BBUC's proportionate share of the base management fee is calculated on the basis of the value of BBUC's business relative to that of the partnership. For any quarter in which the BBU General Partner determines that there is insufficient available cash to pay the base management fee as well as the next regular distribution on our units, the Service Recipients may elect to pay all or a portion of the base management fee in our units or Redemption-Exchange Units, subject to certain conditions. The aggregate base management fee for the year ended December 31, 2023 was $87 million.

Brookfield has established and manages a number of private investment entities, managed accounts, joint ventures, consortiums, partnerships and investment funds whose investment objectives include the acquisition of businesses similar to those that we operate and Brookfield may in the future establish similar funds. Brookfield Corporation has agreed that it will offer our company the opportunity to take up Brookfield's share of any acquisition through these consortium arrangements or by one of these entities that involves the acquisition of business services and industrial operations that are suitable for us, subject to certain limitations. To the extent that under any other arrangement involving Brookfield we are obligated to pay a base management fee (directly or indirectly through an equivalent arrangement) to the Service Providers (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 generally 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 Providers (or any other affiliate) (for which there is a separate credit mechanism under the Holding LP 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.

The only services that are currently contemplated to be provided by Brookfield that would not give rise to an offsetting reduction in the base management fee described above are in connection with the provision of insurance and information technology support where the Service Recipients and other members of the Brookfield group participate in group-wide centralized programs, together with other Brookfield affiliates, in order to benefit from economies of scale. While not currently contemplated, it is also possible that a Brookfield affiliate could be retained to provide operations or development services that are outside the scope of the Master Services Agreement, such as services related to residential land development, in which case any such fees would not result in offsetting reductions to the base management fee.

Pursuant to our Master Services Agreement, there may be instances in which an employee of Brookfield provides services in addition to those contemplated by our Master Services Agreement to the BBU General Partner, our company or any of our subsidiaries, or vice versa. In such cases, all or a portion of the compensation paid to an employee who provides services to the other party may be allocated to such other party.

Reimbursement of expenses and certain taxes

The relevant Service Recipient will reimburse the Service Providers for all other out-of-pocket fees, costs and expenses incurred in connection with the provision of the services including those of any third party. Such out-of-pocket fees, costs and expenses are expected to include, among other things: (i) fees, costs and expenses relating to any debt or equity financing; (ii) 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 by the Service Providers 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 a Service Recipient; and (vi) any other fees, costs and expenses incurred by the Service Providers that are reasonably necessary for the performance by the Service Providers of their duties and functions under our Master Services Agreement. However, the Service Recipients are not required to reimburse the Service Providers for the salaries and other remuneration of their management, personnel or support staff who carry out any services or functions for such Service Recipients or overhead for such persons.

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 asset or business that is made or that is proposed to be made by us. Such additional fees, expenses and costs represent out-of-pocket costs associated with investment activities that will be undertaken pursuant to our Master Services Agreement.

The Service Recipients are also required to pay or reimburse the Service Providers for all sales, use, value added, goods and services, harmonized sales, withholding or other similar taxes or customs duties or other governmental charges levied or imposed by reason of our Master Services Agreement, any service agreement or any agreement our Master Services Agreement contemplates, other than income taxes, corporation taxes, capital taxes or other similar taxes payable by the Service Providers, which are personal to the Service Providers.

Assignment

Our Master Services Agreement may not be assigned by the Service Providers without the prior written consent of our company except that (i) any Service Provider may subcontract or arrange for the provision of services by another Service Provider, provided that the Service Providers remain responsible for any services provided by such other Service Provider, and (ii) any of the Service Providers may assign the agreement to an affiliate or to a person that is its successor by way of merger, amalgamation, consolidation or acquisition of the business of the Service Provider.

Termination

Our Master Services Agreement continues in perpetuity until terminated in accordance with its terms. However, the Service Recipients may terminate our Master Services Agreement upon written notice of termination from the BBU General Partner to the Service Providers if any of the following occurs:

- any of the Service Providers 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 such Service Provider;
- any of the Service Providers engages in any act of fraud, misappropriation of funds or embezzlement against any Service Recipient that results in material harm to the Service Recipients;
- any of the Service Providers is grossly negligent in the performance of its obligations under the agreement and such gross negligence results in material harm to the Service Recipients; or
- certain events relating to the bankruptcy or insolvency of each of the Service Providers.

The Service Recipients have no right to terminate for any other reason, including if any of the Service Providers or Brookfield experiences a change of control. The BBU General Partner may only terminate our Master Services Agreement on behalf of our company with the prior unanimous approval of our independent directors.

Our Master Services Agreement expressly provides that our Master Services Agreement may not be terminated by the BBU General Partner due solely to the poor performance or the underperformance of any of our operations.

The Service Providers may terminate our Master Services Agreement upon written notice of termination to the Service Recipients 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 to the Service Providers 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 Providers may also terminate our Master Services Agreement upon the occurrence of certain events relating to the bankruptcy or insolvency of the Service Recipients.

If our Master Services Agreement is terminated, the Licensing Agreement, the Relationship Agreement and any of Brookfield Corporation's obligations under the Relationship Agreement will also terminate.

Indemnification and limitations on liability

Under our Master Services Agreement, the Service Providers have not assumed and do 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 Providers. In addition, under our Master Services Agreement, the Service Providers and the related indemnified parties will not be liable to the Service Recipients for any act or omission, except for conduct that involved bad faith, fraud, willful misconduct, gross negligence or in the case of a criminal matter, conduct that the indemnified person knew was unlawful. The maximum amount of the aggregate liability of the Service Providers or any of their affiliates, or of any director, officer, agent, subcontractor,

contractor, delegate, member, partner, shareholder, employee or other representative of the Service Providers or any of their affiliates, will be equal to the amounts previously paid by the Service Recipients in respect of services pursuant to our Master Services Agreement in the two most recent calendar years. The Service Recipients have agreed to indemnify the Service Providers, their affiliates, directors, officers, agents, subcontractors, delegates, 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 any and all actions, suits, investigations, proceedings or claims of any kind whatsoever, whether arising under statute or action of a governmental authority or in connection with our respective businesses, investments and activities or in respect of or arising from our Master Services Agreement or the services provided by the Service Providers, 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, 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 Providers or their affiliates from engaging in other business activities or sponsoring, or providing services to, third parties that compete directly or indirectly with the Service Recipients.

Other services

Brookfield may provide services to our operating businesses which are outside the scope of our Master Services Agreement under arrangements that are on market terms and conditions and pursuant to which Brookfield will receive fees. The services that may be provided under these arrangements include financial advisory, operations and maintenance, development, operating management and other services.

6.B COMPENSATION

The directors of the BBU General Partner also serve as directors of BBUC. The BBU General Partner pays to each of our directors (other than Messrs. Cyrus Madon and Jeffrey Blidner) $150,000 per year for serving on our board of directors and various board committees. The BBU General Partner does not pay any compensation in connection with Messrs. Madon's or Blidner's board service. The BBU General Partner pays the chair of the audit committee an additional $20,000 per year and the lead independent director an additional $10,000 per year. In addition, effective January 1, 2024, the directors of the BBU General Partner who regularly reside outside Bermuda and the east coast of North America will also receive an additional annual stipend of $15,000. This payment recognizes the time it takes these directors to travel long distances to attend all regularly scheduled meetings and is in addition to reimbursement for travel and other out-of-pocket expenses. To the extent the director also serves on the board of directors of another publicly traded entity managed by Brookfield (other than BBUC) that holds the majority of its meetings in Bermuda, this annual stipend will be split evenly between the BBU General Partner and the other Brookfield-managed entity.

In coordination with BBUC, the governance and nominating committee will periodically review board compensation in relation to its peers and other similarly sized companies and is responsible for approving changes in compensation for non-employee directors.

The BBU General Partner currently does not have any employees. Pursuant to our Master Services Agreement, the Service Providers will provide or arrange for other service providers to provide day-to-day management and administrative services for our company, the Holding LP and the Holding Entities. The fees payable to the Service Providers under our Master Services Agreement are set forth under Item 7.B, "Related Party Transactions - Our Master Services Agreement - Management Fee".

Pursuant to our Master Services Agreement, members of Brookfield's senior management and other individuals from Brookfield's global affiliates are drawn upon to fulfill obligations under our Master Services 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 company or the BBU General Partner. Instead, they continue to be compensated by Brookfield.

Pursuant to our Master Services Agreement, there may be instances in which an employee of Brookfield provides services in addition to those contemplated by our Master Services Agreement to the BBU General Partner, our company or any of our subsidiaries, or vice versa. In such cases, all or a portion of the compensation paid to an employee who provides services to the other party may be allocated to such other party.

6.C BOARD PRACTICES

Board Structure, Practices and Committees

The structure, practices and committees of our board of directors, including matters relating to the size 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 the BBU General Partner's bye-laws. Our board of directors is responsible for supervising the management, control, power and authority of the BBU General Partner and our company except as required by applicable law or the bye-laws of the BBU General Partner. The following is a summary of certain provisions of those bye-laws that affect our governance."

Size, independence and composition of the board of directors

Our board of directors may consist of between three (3) and eleven (11) directors or such other number of directors as may be determined from time to time by a resolution of the BBU General Partner's shareholders and subject to its bye-laws. Our board is currently set at eight (8) directors, a majority of whom are independent. In addition, the BBU General Partner's bye-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).

Our board mirrors the board of BBUC, except that there are two additional non-overlapping board members who serve on the board of BBUC to assist with, among other things, resolving any conflicts of interest that may arise from BBUC's relationship with our partnership.

Lead independent director

Our independent directors have selected John Lacey to serve as the lead independent director. The lead independent director's primary role is to facilitate the functioning of the board (independently of the Service Providers and Brookfield) and to maintain and enhance the quality of our corporate governance practices. The lead independent director presides over the private sessions of our independent directors that take place following each meeting of the board and conveys the results of these meetings to the Executive Chairman of the board. In addition, the lead independent director is available, when appropriate, for consultation and direct communication with unitholders or other stakeholders of our company.

Unitholders and other interested parties may communicate with any member of the board, including its Executive Chairman, as well as the lead independent director and the independent directors as a group by contacting the Corporate Secretary's Office at 73 Front Street, 5th Floor, Hamilton HM 12, Bermuda.

Term Limits and Board Renewal

The governance and nominating committee reviews and assesses the qualifications of candidates to join our board of directors with the goal, among other things, of reflecting a balance between the experience that comes with longevity of service on the board and the need for renewal and fresh perspectives.

Our board of directors does not have a mandatory age for the retirement of directors and there are no term limits nor any other mechanisms in place that operate to compel board turnover. While we believe that mandatory retirement ages, director term limits and other board turnover mechanisms are overly prescriptive, periodically adding new voices to our board of directors can help us adapt to a changing business environment. As such, the governance and nominating committee reviews the composition of our board of directors on a regular basis in relation to approved director criteria and skill requirements and recommends changes as appropriate.

Board of Directors Diversity Policy

The BBU General Partner is committed to enhancing the diversity of our board of directors. Our deep roots in many global jurisdictions inform our perspective on diversity and the BBU General Partner's view is that our board of directors should reflect a diversity of backgrounds relevant to our strategic priorities. This includes (but is not limited to) such factors as diversity based on gender, race and ethnicity, as well as diversity of business expertise and international experience.

To achieve the BBU General Partner board of directors' diversity goals, it has adopted the following written policy:

- Appointments to our board of directors will be based on merit, having due regard for the benefits of diversity on our board of directors, so that each nominee possesses the necessary skills, knowledge and experience to serve effectively as a director;

- In the director identification and selection process, diversity on our board of directors, including the factors referenced above, will influence succession planning and be a key criterion in identifying new candidates for our board of directors; and
- The BBU General Partner has an ongoing gender diversity target of ensuring at least 30% of the directors on our board of directors are women.
- The BBU General Partner intends to fulfill its gender diversity target when the next vacancy on the board of directors is filled.

The governance and nominating committee is responsible for implementing our board of directors diversity policy, monitoring progress towards the achievement of its objectives and recommending to the board any necessary changes that should be made to the policy.

Election and removal of directors

Our board of directors is appointed by shareholders of BBU General Partner and each of our current directors will serve until the earlier of his or her death, resignation, removal from office or until a successor is appointed. Vacancies on the board of directors may be filled and additional directors may be added by a resolution of the BBU 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 the BBU General Partner's shareholders. 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 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 board of directors will hold 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 the governance and nominating committee

Our governance and nominating committee has approved a conflicts policy which addresses the approval requirement 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 company;
- any material amendment to our Master Services Agreement, our Limited Partnership Agreement or the Holding LP 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 our Master Services Agreement;
- co-investments by us with Brookfield;
- 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, our Master Services Agreement.

Our conflicts policy requires the transactions described above to be approved by our governance and nominating committee. Pursuant to our conflicts policy, our governance and nominating committee 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. The conflicts policy can be amended at the discretion of our governance and nominating committee. See Item 7.B, "Related Party Transactions - Conflicts of Interest and Fiduciary Duties".

Service contracts

There are no service contracts with directors that provide benefits upon termination of office or services.

Transactions in which a director has an interest

A director who directly or indirectly has an interest in a contract, transaction or arrangement with the BBU General Partner, our company 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 generally 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 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 no transaction approved by the board of directors will 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 the BBU General Partner and our company at the time it is approved.

Transactions requiring unitholder approval

Limited partners have consent rights with respect to certain fundamental matters and related party transactions (in accordance with MI 61-101) and on any other matters that require their approval in accordance with applicable securities laws and stock exchange rules. See Item 10.B, "Memorandum and Articles of Association - Description of the Holding LP Limited Partnership Agreement - Amendment of the Holding LP Limited Partnership Agreement, Opinion of Counsel and Limited Partner Approval and Withdrawal of the Managing General Partner".

Corporate Governance Disclosure

The BBU General Partner's board of directors encourages sound corporate governance practices designed to promote the well-being and ongoing development of our company, including advancing the best interests of our company.

The BBU General Partner's board of directors is of the view that its corporate governance policies and practices, outlined below, are comprehensive and consistent with the guidelines for corporate governance adopted by Canadian securities administrators. The board is also of the view that these policies and practices are consistent with the requirements of the NYSE and the applicable provisions under the Sarbanes-Oxley Act.

Board of Directors of the BBU General Partner

Mandate of the Board of Directors

The BBU General Partner's board of directors oversees the management of our company's affairs directly and through two existing standing committees. The responsibilities of the board of directors and each committee are set out in written charters, which are reviewed and approved annually.

In fulfilling its mandate, the board is, among other things, responsible for the following:

- assessing the principal risks of our company's business and reviewing, approving and monitoring the systems in place to manage these risks;
- reviewing and approving the reports issued to the unitholders, including annual and interim financial statements; and
- promoting the effective operation of the board of directors.

Meetings of the Board of Directors

The BBU General Partner's board of directors meets at least four times each year, with additional meetings held to consider specific items of business or as deemed necessary. Meeting frequency and agenda items may change depending on the opportunities or risks faced by our company. The board is responsible for its agenda. Prior to each board meeting, the Executive Chairman of the board discusses agenda items for the meeting with Brookfield. At all quarterly meetings, the independent directors hold meetings without the presence of management and the directors that are not independent.

Director Orientation and Education

New directors are provided with comprehensive information about our company and its affiliates. Arrangements are made for specific briefing sessions from appropriate senior personnel to help new directors better understand our strategies and operations. They also participate in the continuing education measures discussed below.

The board of directors receives annual operating plans for each of our strategic business units and more detailed presentations on particular strategies. Existing directors are invited to join the orientation sessions for new directors as a refresher. The directors are also invited to participate in guided tours of our various operational facilities. They have the opportunity to meet and participate in work sessions with management to obtain insight into the operations of our company and our affiliates. Directors are regularly briefed to help better understand industry-related issues such as accounting rule changes, transaction activity, capital markets initiatives, significant regulatory developments, as well as trends in corporate governance.

Director Expectations

The BBU General Partner's board of directors has adopted a Charter of Expectations for Directors, which applies to non-Brookfield-employed directors, which outlines the basic duties and responsibilities of directors and the expectations our company places on them in terms of professional and personal competencies, performance, behavior, security ownership, conflicts of interest and resignation events. Among other things, the Charter of Expectations for Directors outlines the role of non-Brookfield-employed directors in stakeholder engagement and the requirement of directors to attend board meetings and review meeting materials in advance.

A director who directly or indirectly has an interest in a contract, transaction or arrangement with our company or certain of its affiliates is required to disclose the nature of his or her interest to the full board. Directors are also expected to submit their resignations to the Executive Chairman of the board if they have been absent without leave from three consecutive meetings of the board or if they become involved in a legal dispute, regulatory or similar proceedings, take on new responsibilities or experience other changes in personal or professional circumstances that could adversely impact our company or their ability to serve as director.

Audit committee

Our board of directors is required to maintain an audit committee that operates pursuant to a written charter. The audit committee consists solely of independent directors and each member is financially literate, which is defined under our audit committee charter to mean having 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 our financial statements. Not more than 50% of the audit committee members may be residents of any one jurisdiction (other than Bermuda and any other jurisdiction designated by the board of directors from time to time). See Item 6.A, "Directors and Senior Management - Governance" for the names of our audit committee members.

The audit committee is responsible for assisting and advising our board of directors with respect to:

- our accounting and financial reporting processes;
- the integrity and audits of our financial statements;
- our compliance with legal and regulatory requirements;
- the qualifications, performance and independence of our independent accountants; and
- our data protection, privacy and cybersecurity program.

The audit committee is responsible for engaging our independent auditors, reviewing the plans and results of each audit engagement with our independent auditors, approving professional services provided by our independent accountants, considering the range of audit and non-audit fees charged by our independent auditors and reviewing the adequacy of our internal accounting controls.

Governance and nominating committee

Our board of directors is required to maintain at all times a governance and nominating committee that operates pursuant to a written charter. The governance and nominating committee consists solely of independent directors and not more than 50% of the governance and nominating committee members may be residents of any one jurisdiction (other than Bermuda and any other jurisdiction designated by the board of directors from time to time).

The governance and nominating committee has approved a conflicts policy which addresses the approval and other requirements for transactions in which there is a greater potential for a conflict of interest to arise. The governance and nominating committee may be required to approve any such transactions. See "Transactions Requiring Approval by the Governance and Nominating Committee".

The governance and nominating 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 the BBU General Partner's shareholders. The governance and nominating committee is responsible for assisting and advising the board of directors with respect to matters relating to the general operation of the board of directors, our governance, the governance of the BBU General Partner and the performance of the board of directors. The governance and nominating committee is responsible for reviewing and making recommendations to the board of directors of the BBU General Partner concerning the remuneration of directors and committee members and any changes in the fees to be paid pursuant to our Master Services Agreement.

Board of Directors, Committees and Director Evaluation

The BBU General Partner's board of directors believes that a regular and formal process of evaluation improves the performance of the board as a whole, its committees and individual directors. Each year, a survey is sent to directors regarding the effectiveness of the board and its committees, inviting comments and suggestions on areas for improvement. The results of this survey are reviewed by the governance and nominating committee, which makes recommendations to the board as required. Each director also receives a list of questions for completing a self-assessment. The Executive Chairman of the board also holds private interviews with each director annually to discuss the operations of the board and its committees and to provide any feedback on the individual director's contributions.

Board of Directors and Management Responsibilities

The BBU General Partner's board of directors has developed a written position description for the Chair of the board (now renamed as Executive Chairman), which sets out the Executive Chairman's key responsibilities, including duties relating to chairing board meetings, setting board meeting agendas, ensuring that all directors receive the information required for the performance of their duties, ensuring that appropriate committee structures are in place, working with the chief executive officer and other members of senior management to monitor progress on strategic planning, policy implementation and succession planning.

The board has also developed a written position description for each of the chair of the audit committee and the chair of the governance and nominating committee which sets out key responsibilities, including, as applicable, duties relating to reviewing and approving the agenda for each committee meeting, presiding over all committee meetings, consulting or meeting with the Executive Chairman or others as part of the agenda and meeting preparation process, reporting to the board on committee activities and presenting recommendations on matters requiring board approval.

The board has also developed a written position for the lead independent director of our company which sets out key responsibilities, including duties relating to corporate governance matters, the activities of the other independent directors, consulting and communicating directly with shareholders of our company and other stakeholders when appropriate, chairing private sessions of independent directors following every board meeting and calling meetings of independent directors if necessary.

The board has also developed a written position description for the chief executive officer which sets out the key responsibilities of the chief executive officer, including duties relating to managing the business and affairs of our company, presenting a business plan to the board for approval annually, establishing and maintaining risk assessment processes and procedures, proposing operating plans to the board annually and acting as a primary spokesperson for our company.

Code of Business Conduct and Ethics

Our board of directors has adopted a Code of Business Conduct and Ethics, which incorporates by reference a Positive Work Environment Policy and provides guidelines to ensure that all employees, including directors, respect our commitment to conducting business relationships with respect, openness and integrity. Management provides regular instructions and updates to the Code of Business Conduct and Ethics to our employees, as appropriate, and has provided training and e-learning tools to support the understanding of the Code of Business Conduct and Ethics throughout the organization. Employees may report activities which they feel are not consistent with the spirit and intent of the Code of Business Conduct and Ethics through a hotline or through a designated ethics reporting website (in each case on an anonymous basis), or alternatively, to designated members of management. Monitoring of calls and of the ethics reporting website is managed by Navex, an independent third party. The audit committee is to be notified of any significant reports of activities that are not consistent with the Code of Business by Brookfield's internal auditor. If the audit committee considers it appropriate, it will notify the governance and nominating committee and/or the board of such reports.

The board promotes the highest ethical business conduct. The board has taken measures to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or our core senior management team has a material interest. Any director with a material interest in a transaction declares his or her interest and refrains from voting on such matter. Significant related party transactions, if any, are reviewed and approved by an independent committee made up of independent directors who may be advised by independent counsel and independent advisors.

Personal Trading Policy

Brookfield has adopted a personal trading policy (the "Brookfield Trading Policy") that applies to the directors and employees of Brookfield and its controlled public affiliates, including our company and BBUC. The Brookfield Trading Policy sets forth basis guidelines for trading in the securities of Brookfield, our company and BBUC and prohibits trading on the basis of material non-public information. The Brookfield Trading Policy features "blackout" periods during which insiders and other persons who are subject to the policy are prohibited from trading in the securities of Brookfield, our company and BBUC. Regular trading blackout periods will generally commence at the close of business on the last business day of a quarter and end on the beginning of the first business day following the earnings call discussing the quarterly results. Our company has adopted the Brookfield Trading Policy, which applies to our company's and BBUC's directors, officers, and employees, and the directors, officers and employees of their respective subsidiaries. See Item 16J., "Insider Trading Policies".

Director unit ownership requirements

The BBU General Partner believes that our directors can better represent our unitholders if they have economic exposure to our company themselves. Our company expects that directors should hold sufficient number of our units such that the acquisition costs of units held by such directors are equal to at least two times their annual retainer (the "Unit Ownership Requirement"), as determined by the board of directors from time to time.

Our directors are required to purchase our units on an annual basis in an amount not less than 20% of the Unit Ownership Requirement until such requirement has been met. Our directors are required to achieve the Unit Ownership Requirement within five years of joining the board. In the event of an increase in the annual retainer fee, our directors will have two years from the date of the change to comply with the Unit Ownership Requirement. In the case of directors who have served on our board less than five years at the date of the change, such directors will be required to comply with the Unit Ownership Requirement by the date that is the later of: (i) the fifth anniversary of their appointment to the board and (ii) two years following the date of the change in retainer fee.

Status as Foreign Private Issuer

Because we qualify as a foreign private issuer under SEC rules, we are permitted to follow the corporate governance practices of Bermuda (the jurisdiction in which we are organized) in lieu of the NYSE corporate governance requirements that would otherwise be applicable to us. We currently follow the same corporate governance practices as would be applicable to U.S. domestic limited partnerships. However, we may in the future elect to follow Bermuda law for certain corporate governance practices, as permitted by the rules of NYSE, in which case our unitholders would not be afforded the same protection as provided under NYSE corporate governance standards. Following our home country governance practices as opposed to the requirements that would otherwise apply to a limited partnership listed on the NYSE may provide less protection than is accorded to investors of U.S. domestic issuers.

Indemnification and Limitations on Liability

Our Limited Partnership Agreement

The laws of Bermuda permit the partnership agreement of a limited partnership, such as our company, 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 the laws of Bermuda prohibit indemnification against personal liability that may be imposed under specific provisions of the laws of Bermuda. The laws of Bermuda also permit 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.

The BBU General Partner's bye-laws

The laws of Bermuda permit the bye-laws of an exempted company, such as the BBU General Partner, to provide for the indemnification of its officers, directors and shareholders and any other person designated by our 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 the laws of Bermuda prohibit indemnification against personal liability that may be imposed under specific provisions of Bermuda law, such as the prohibition under the Bermuda Companies Act 1981 to indemnify liabilities arising from fraud or dishonesty. The BBU General Partner's bye-laws provide that, as permitted by the laws of Bermuda, it will pay or reimburse an indemnified person's expenses in advance of a final disposition of a proceeding for which indemnification is sought.

Under the BBU General Partner's bye-laws, the BBU 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 operations 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 the BBU General Partner's bye-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. The BBU General Partner's bye-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

We have obtained insurance coverage under which our directors 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, including certain liabilities under securities laws. The insurance applies in certain circumstances where we may not indemnify directors and officers for their acts or omissions.

6.D EMPLOYEES

The BBU General Partner does not have any employees. Our company has entered into a Master Services Agreement with the Service Providers, pursuant to which each Service Provider and certain other affiliates of Brookfield provide, or arrange for other Service Providers to provide, day-to-day management and administrative services for our company, the Holding LP and the Holding Entities.

As at December 31, 2023, our consolidated operating companies had approximately 72,000 employees, including approximately 31,000 employees in our business services segment, approximately 31,000 employees in our industrials segment and approximately 10,000 employees in our infrastructure services segment. Our employees are primarily based in the United States (19%), Europe (16%), Australia (21%), Asia (10%), Brazil (18%), the United Kingdom (6%) and Canada (3%). Our company believes that its employees are critical to its success and its relationships with its employees and with any labor organizations that represent its employees are good.

6.E SHARE OWNERSHIP

Our directors and officers and their associates, each beneficially own, directly or indirectly, or exercise control and direction over, our units representing in the aggregate less than 1% of our issued and outstanding units on a fully exchanged basis.

The Unit Option Plan

Our company has adopted a Unit Option Plan to enable our company to grant options to eligible persons should it be considered desirable to do so. The plan provides for the issuance of our units (or delivery of our units purchased in the open market) on the exercise of an option with a value equal to the amount, if any, by which the fair market value of a unit on the date of exercise exceeds the exercise price of the option.

The Unit Option Plan allows for the issuance of up to 5 million units, representing approximately 5% of the number of units (on a fully exchanged basis) outstanding. When our units are issued to a participant upon the exercise of an option, the number of units issued to the participant in respect of the in-the-money amount of the option will be deducted from the maximum number of units issuable under the Unit Option Plan.

The maximum number of our units issuable to any one person under the Unit Option Plan is 5% of the outstanding units (on a fully exchanged, non-diluted basis) less the aggregate number of our units reserved for issuance to such person under any other security-based compensation arrangement of our company. The number of our units issuable to insiders, at any time, under the Unit Option Plan and all other security-based compensation arrangements of our company cannot exceed 10% of the issued and outstanding units (on a fully exchanged basis). The number of our units issued to insiders, within any one-year period, under the Unit Option Plan and all other security-based compensation arrangements of our company cannot exceed 10% of the issued and outstanding units (on a fully exchanged basis).

The exercise price of an option under the Unit Option Plan is established at the time such option is granted, which shall be in U.S. dollars and shall not be less than the fair market value on the date of grant of such option (based on the closing price of a unit on the NYSE on the last trading day preceding the date of grant), and shall, in all cases, be not less than such amount required by applicable regulatory authorities from time to time. If the approval date for options to be granted falls within a blackout period, the effective grant date for such options will be no earlier than six business days after the date on which the blackout period ends, and the exercise price for such options shall not be less than the volume-weighted average price of a unit on the NYSE for the five business days preceding the effective grant date.

Our board of directors may determine vesting terms for options and may determine that an option shall be vested and exercisable in installments. Unless otherwise specified in the option agreement or other agreement with the participant, options become vested as to 20% on the first anniversary date after the grant and as to 20% on each subsequent anniversary date up to and including the fifth anniversary date of the grant. Our board of directors may determine the maximum period following the grant date during which a vested option may be exercised, subject to the provision that options shall not be exercisable later than 10 years after the date of grant, provided that, if an option would otherwise expire during a blackout period or within 10 days after the end of the blackout period, to the extent permitted by applicable law, the term of such option shall automatically be extended until 10 days after the end of the blackout period. To the extent permitted by law, our board of directors may, from time to time, delegate to an administrative committee or the chair thereof all or any of the powers conferred on our directors under the Unit Option Plan.

Eligible persons under the Unit Option Plan are: (i) officers or employees of our company or any affiliate of our company whose location of employment is within the United States, without regard to that individual's tax residence or citizenship and for which our units constitute "service recipient stock" within the meaning of Section 409A of the U.S. Internal Revenue Code; (ii) officers or employees of our company or any affiliate of our company whose location of employment is within the United Kingdom or any jurisdiction other than the United States, Australia or Canada, without regard to that individual's tax residence or citizenship; and (iii) any other persons (other than non-employee directors) so designated by our board of directors, subject to applicable laws and regulations. Options may not be assigned; however, the foregoing does not prohibit a holder from directing payments under the Unit Option Plan to his or her legal representative.

All options immediately cease to be exercisable if the holder ceases to be an eligible person under the Unit Option Plan for any reason, except termination without cause or due to a holder's death, retirement or continuous leave of absence as a result of disability or leave authorized by statute. If the holder's employment is terminated without cause or due to a continuous leave of absence as a result of disability or leave authorized by statute, the holder has 60 days after the holder's termination date to exercise vested options and options which have not vested by the termination date are cancelled on the termination date. If the holder's employment is terminated for cause, by resignation, or by a continuous leave of absence other than as a result of disability or leave authorized by statute, all options whether vested or not vested by the termination date are cancelled on the termination date. If the holder retires, vested options remain exercisable until the original expiry date and options which have not vested by the termination date are cancelled on the termination date. If the holder dies, the holder's legal representatives have six months to exercise vested options.

Our board of directors may make the following types of amendments to the Unit Option Plan without seeking unitholder approval: (i) amendments of a "housekeeping" or administrative nature, including any amendment for the purpose of curing any ambiguity, error or omission in the Unit Option Plan or to correct or supplement any provision of the Unit Option Plan that is inconsistent with any other provision of the Unit Option Plan; (ii) amendments necessary to comply with the provisions of applicable law (including the rules, regulations and policies of the TSX and the NYSE); (iii) amendments necessary for awards to qualify for favorable treatment under applicable tax laws; (iv) amendments to the vesting provisions of the Unit Option Plan or any option; (v) amendments to the termination or early termination provisions of the Unit Option Plan or any option, whether or not such option is held by an insider, provided any such amendment does not entail an extension beyond the original expiry date; and (vi) amendments necessary to suspend or terminate the Unit Option Plan.

Unitholder approval is required for certain amendments to the Unit Option Plan, including: (i) any amendment to increase the number of our units issuable under the Unit Option Plan, including an increase to a fixed maximum number of units or a change from a fixed maximum number of units to a fixed maximum percentage; (ii) any amendment to the Unit Option Plan that increases the length of the period after a blackout period during which options may be exercised; (iii) any amendment which would result in the exercise price for any option granted under the Unit Option Plan being lower than the fair market value of our units at the time the option is granted; (iv) any amendment which reduces the exercise price of an option, except in connection with any change in our outstanding units by reason of any stock dividend or split, recapitalization, reorganization, amalgamation, consolidation, merger or other corporate change; (v) any amendment expanding the categories of eligible person which may permit the introduction or reintroduction of non-employee directors on a discretionary basis or any amendment to remove or exceed the insider participation limit; (vi) any amendment extending the term of an option beyond its original expiry date, or a date beyond the permitted automatic extension in the case of an option expiring during a blackout period; (vii) any amendment which would permit Options to be transferable or assignable other than for normal estate settlement purposes; (viii) any amendment to the amendment provisions; and (ix) amendments required to be approved by unitholders under applicable law (including the rules, regulations and policies of the TSX and the NYSE).

6.F DISCLOSURE OF A REGISTRANT'S ACTION TO RECOVER ERRONEOUSLY AWARDED COMPENSATION

Not applicable.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

7.A MAJOR SHAREHOLDERS

As at February 28, 2024, there are 74,281,764 units of our company outstanding, or 216,941,710 units on a fully exchanged basis, assuming exchange of the Redemption-Exchange Units and BBUC exchangeable shares.

As at February 28, 2024, 9,527 of our outstanding units were held by holders of record in the United States, not including units of our company held of record by DTC. As at February 28, 2024, DTC was the holder of record of 20,706,992 units.

As at February 28, 2024, 24,152,026 of our outstanding units were held by holders of record in Canada, not including units of our company held of record by CDS. As at February 28, 2024, CDS was the holder of record of 29,408,970 units.

The following table presents information regarding the beneficial ownership of our units by Brookfield and other persons or entities that have reported beneficial ownership in our units of 5% or more (based on reports filed under Section 13 of the U.S. Exchange Act):

	Units Outstanding		
Name and Address	**Units Owned[(1)]**	**Percentage[(2)]**	
Brookfield Corporation			
Suite 300, Brookfield Place, 181 Bay Street			
Toronto, Ontario M5J 2T3	142,109,155	74.3 %	(3)(4)
CI Investments Inc.			
Second Floor, 15 York Street			
Toronto, Ontario M5J 0A3	4,359,046	5.9 %	(5)

(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) The percentages shown are based on 74,281,764 units outstanding as at February 28, 2024 and in the case of Brookfield Corporation, 116,950,373 additional units upon exchange of all of the Redemption-Exchange Units and BBUC exchangeable shares beneficially owned by Brookfield Corporation.

(3) Consists of 25,158,782 units in our company, 69,705,497 Redemption-Exchange Units in Brookfield Business L.P. and 47,244,876 BBUC exchangeable shares. In addition, Brookfield owns 4 special LP Units in Brookfield Business L.P. and Brookfield has an indirect general partnership interest in the BBU General Partner. See also the information contained in this Form 20-F under Item 10.B, "Memorandum and Articles of Association - Description of our Units and our Limited Partnership Agreement". In addition, BAM Partners Trust (the "BN Partnership") may be deemed a beneficial owner of such units. BN Partnership is a trust established under the laws of Ontario and is the sole owner of the Class B limited voting shares of Brookfield Corporation. The BN Partnership has the ability to appoint one half of the board of directors of Brookfield Corporation and approve all other matters requiring shareholder approval of Brookfield Corporation with no single individual or entity controlling the BN Partnership. As such, the BN Partnership may be deemed to have indirect beneficial ownership of 142,109,155 of our units.

(4) Brookfield Corporation's economic interest in our partnership is approximately 65.5% on a fully exchanged basis (assuming exchange of all issued and outstanding Redemption-Exchange Units and BBUC exchangeable shares).

(5) Based on the Schedule 13G/A filed by CI Investments Inc. on February 14, 2024, CI Investments Inc. held an aggregate 4,359,046 of our units, representing approximately 5.9% of the total 74,281,764 units outstanding as at February 28, 2024.

Our major unitholders have the same voting rights as all other holders of our units.

7.B RELATED PARTY TRANSACTIONS

RELATIONSHIP WITH BROOKFIELD

Brookfield is a leading global alternative asset manager with significant assets under management and a long history of owning, managing and operating assets, businesses and investment vehicles across various industries, sectors, geographies and strategies. Brookfield offers a range of public and private investment products and services, and invests its own capital alongside its client accounts. Brookfield shares are listed on the NYSE and TSX under the symbols "BN" and "BN.A", respectively.

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 from Brookfield and other public and private investment vehicles and programs that Brookfield currently manages and participates in, and may in the future manage and participate in Brookfield Accounts and to pursue our vision of being a leading owner and operator of business services and industrial operations on a global basis that is managed within Brookfield's broader investment platform. 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 as an independent, stand-alone entity. We describe below these relationships as well as actual and potential conflicts of interest (and the methods for managing and resolving them) and other material considerations arising from our relationship with Brookfield.

See also the information contained in this Form 20-F under Item 3.D, "Risk Factors – Risks Relating to Our Relationship with Brookfield", Item 5.A, "Operating Results – Related Party Transactions", Item 6.A, "Directors and Senior Management", Item 6.C, "Board Practices" and Item 7.A, "Major Shareholders" and Note 25 to our audited consolidated financial statements for the years ended December 31, 2023, 2022 and 2021, respectively.

Relationship Agreement

Our company, the Holding LP, the Holding Entities, the Service Providers and Brookfield have entered into the Relationship Agreement, that governs aspects of the relationship among them. BBUC, being a controlled subsidiary of our company, is automatically entitled to the benefits and subject to certain obligations under the Relationship Agreement. Pursuant to the Relationship Agreement, Brookfield has agreed that we will serve as the flagship public company for its business services and industrial operations and the primary entity through which Brookfield owns and operates these businesses on a global basis. Brookfield has a strong track record of leading Brookfield Accounts and actively managing underlying assets to improve performance. Currently, Brookfield manages, among others, Brookfield Capital Partners IV, a $4.0 billion fund, Brookfield Capital Partners V, an $8.5 billion fund, Brookfield Capital Partners VI, a $10 billion fund, and Brookfield Special Investments, a $2.2 billion fund. Brookfield is the manager of each such Brookfield Account and typically commits to invest approximately 25% to 35% of the capital of each account alongside third-party investors. It is currently intended that our group will be allocated such commitments to Brookfield Accounts that are suitable for our group's investment mandate and, in this fashion, our group will participate in future business services and industrial operations acquisitions identified by Brookfield and that are allocated to such accounts (i.e., our group would fund Brookfield's participation in such accounts with respect to business services and industrial operations investments made by such accounts).

An integral part of our group's strategy is to pursue acquisitions through consortium arrangements with institutional partners, strategic partners or financial sponsors and to form partnerships to pursue acquisitions on a specialized or global basis. Brookfield has also established and manages a number of private investment entities, managed accounts, joint ventures, consortiums, partnerships and investment funds whose investment objectives include the acquisition of businesses similar to those that our group operates and Brookfield may in the future establish similar funds. Nothing in the Relationship Agreement will limit or restrict Brookfield from establishing or advising these or similar entities or limit or restrict any such entities from carrying out any acquisition. Brookfield has agreed that it will offer our group the opportunity to take up Brookfield's share of any acquisition through these consortium arrangements or by one of these entities that involves the acquisition of business services and industrial operations that are suitable for us, subject to certain limitations. Our group expects to invest in and/or alongside funds created, managed and sponsored by Brookfield. To the extent that our group invests in or alongside funds created, managed or sponsored by Brookfield, our group may pay a base management fee (directly or indirectly through an equivalent arrangement) on a portion of our group's capital that is comparable to the base management fee payable pursuant to our Master Services Agreement. In this case, the base management fee payable for each quarter pursuant to the Master Services Agreement generally will be reduced on a dollar-for-dollar basis by our group's proportionate share of the comparable base management fee (or equivalent amount) under such other arrangement for that quarter. The payment of base management fees under such other arrangements will not have any impact on the incentive distribution amount that Brookfield may be entitled to receive from Holding LP. Brookfield may be entitled to performance or incentive distributions in respect of funds created, managed or sponsored by Brookfield, and we may invest in or alongside such funds. To the extent that any Holding Entity or any operating business pays to Brookfield any comparable performance or incentive distribution, the amount of any future incentive distributions payable in respect of our group's Special LP Units will be reduced in an equitable manner to avoid duplication of distributions; however, any such comparable performance or incentive distribution will not result in a reduction to the base management fee payable pursuant to the Master Services Agreement.

Under the terms of the Relationship Agreement, our company, the Holding LP and the Holding Entities have acknowledged and agreed that Brookfield carries on a diverse range of businesses worldwide, and that except as explicitly provided in the Relationship Agreement, the Relationship Agreement does not in any way limit or restrict Brookfield from carrying on its business.

Our group's ability to grow depends in part on Brookfield identifying and presenting us with acquisition opportunities. Brookfield's commitment to our group and our group's ability to take advantage of opportunities is subject to a number of limitations such as our group's financial capacity, the suitability of the acquisition in terms of the underlying asset characteristics and its fit with our group's strategy, limitations arising from the tax and regulatory regimes that govern our group's affairs and certain other restrictions. Under the terms of the Relationship Agreement, our company, the Holding LP and the Holding Entities have acknowledged and agreed that, subject to providing our group the opportunity to participate on the basis described above, Brookfield may 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 company, the Holding LP and the Holding Entities have acknowledged and agreed that some of these entities may have objectives that overlap with our group's objectives or may acquire business services and industrial operations that could be considered appropriate acquisitions for our group, and that Brookfield may have financial incentives to assist those other entities over our group. If any of the Service Providers determines that an opportunity is not suitable for our group, Brookfield may still pursue such opportunity on its own behalf. Our company, the Holding LP and the Holding Entities have further acknowledged and agreed that nothing in the Relationship Agreement will limit or restrict: (i) Brookfield's ability to make any investment recommendation or take any other action in connection with its public securities businesses; (ii) Brookfield from investing in any loans or debt securities or from taking any action in connection with any loan or debt security notwithstanding that the underlying collateral comprises or includes business services and industrial operations provided that the original purpose of the investment was not to acquire a controlling interest in such business services and industrial operations; or (iii) Brookfield from acquiring or holding an investment of less than 5% of the outstanding shares of a publicly traded company or from carrying out any other investment in a company or real estate portfolio where the underlying assets do not principally constitute business services and industrial operations.

Due to the foregoing, our group expects to compete from time to time with other affiliates of Brookfield or other third parties for access to the benefits that we expect to realize from Brookfield's involvement in our group's business. This includes not only the allocation of acquisition opportunities but also the allocation of capital investment (e.g., co-investment) within such opportunities. Brookfield allocates co-investment opportunities on a case-by-case basis as they arise. Brookfield may, without notice to us, determine to provide priority rights with respect to all or a select geographic, industry or other subset of future co-investment opportunities generally to certain other affiliates of Brookfield or other third parties pursuant to contracts or informal arrangements with such persons. For example, under one of these arrangements Brookfield may offer an initial priority allocation of each co-investment opportunity located outside of the United States and Canada to certain person(s), without making the opportunity to co-invest in such transaction available to us. In such a scenario, we would be less likely to be offered co-investment opportunities outside of the United States and Canada (or may be offered lesser amounts of such co-investment opportunities) than we might otherwise have received in the absence of such arrangements. In sum, we do not have any contractual or other right with respect to co-investment opportunities and should not expect that we will be offered any co-investment opportunities except in the sole discretion of Brookfield.

In the event of the termination of our Master Services Agreement, the Relationship Agreement would also terminate, including Brookfield's commitments to provide our group with acquisition opportunities, as described above.

Under the Relationship Agreement, our company, the Holding LP and the Holding Entities have agreed that none of Brookfield nor any affiliate, director, officer, employee, contractor, agent, advisor, member, partner, shareholder or other representative of Brookfield, will be liable to our group for any claims, liabilities, losses, damages, costs or expenses (including legal fees) arising in connection with the business and activities in respect of or arising from the Relationship Agreement, except to the extent that the claims, liabilities, losses, damages, costs or expenses (including legal fees) are determined to have resulted from the person's bad faith, fraud, willful misconduct or gross negligence, or in the case of a criminal matter, action that the person knew to have been unlawful. The maximum amount of the aggregate liability of Brookfield, or any of its affiliates, or of any director, officer, employee, contractor, agent, advisor, member, partner, shareholder 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 our Master Services Agreement.

Master Services Agreement

The Service Recipients have entered into a Master Services Agreement pursuant to which the Service Providers have agreed to provide oversight of the business and provide the services of senior officers to our company. In addition, the Service Providers have agreed to provide investment advisory services to Holding LP, including services relating to acquisitions and dispositions, financings, business planning and strategy, and oversight of investments, as well as supervision of various day to day management and administration activities. In exchange for providing these services, the Service Providers are entitled to a base management fee, which for the year ended December 31, 2023 was approximately $87 million. For a detailed description of our Master Services Agreement, see Item 6.A "Directors and Senior Management - Our Master Services Agreement". For components of the management fee, see Item 6.A "Directors and Senior Management - Our Master Services Agreement - Management Fee".

Incentive Distributions

The Asset Management Company is an indirect holder of Redemption-Exchange Units and Special LP Units of Holding LP and holds an approximate 51.6% interest in Holding LP through Managing General Partner Units held by our partnership. As a result of holding Special LP Units, the Asset Management Company is entitled to receive from Holding LP incentive distributions calculated as (a) 20% of the growth in the market value of our units quarter-over-quarter (but only after the market value exceeds the “Incentive Distribution Threshold”, which as of December 31, 2023 was $31.53, and adjusted at the beginning of each quarter to be equal to the greater of (i) our unit’s market value for the previous quarter and (ii) the Incentive Distribution Threshold at the end of the previous quarter) multiplied by (b) the number of units and other economically equivalent securities of the Service Recipients (which includes the BBUC exchangeable shares) outstanding at the end of the quarter (and assuming full conversion of the Redemption-Exchange Units into units). For the purposes of calculating incentive distributions, the market value of our units (and other economically equivalent securities of the Service Recipients) is equal to the quarterly volume-weighted average price of our units on the principal stock exchange for our units (based on trading volumes). The incentive distribution amount, if any, is calculated at the end of each calendar quarter and paid concurrently with any other distributions by Holding LP in accordance with Holding LP Limited Partnership Agreement. In the event that there is a decline in our units’ market value during any quarter, there will be no repayment or clawback of any incentive distribution amounts previously received by the Asset Management Company from Holding LP and no further incentive distributions will be payable by Holding LP unless and until the previous “Incentive Distribution Threshold” is exceeded. The Incentive Distribution Threshold will be adjusted in accordance with the Holding LP Limited Partnership Agreement in the event of transactions with a dilutive effect on the value of the units, including any quarterly cash distribution above the initial amount of $0.0625 per unit. For any quarter in which our group determines that there is insufficient cash to pay the incentive distribution, our group may elect to pay all or a portion of this distribution in Redemption-Exchange Units or may elect to defer all or a portion of the amount distributable for payment from available cash in future quarters. Our group believes these arrangements will create an incentive for the Asset Management Company to manage our group in a way that helps us achieve our group’s goal of creating value for our unitholders and BBUC shareholders through capital appreciation while providing a modest distribution yield. For a further explanation of incentive distributions, see Item 10.B, “Memorandum and Articles of Association - Description of the Holding LP Limited Partnership Agreement - Distributions”. The aggregate incentive distribution for the year ended December 31, 2023 was $nil and the Incentive Distribution Threshold as at December 31, 2023 was $31.53 per unit. In order to account for the dilutive effect of the special distribution which occurred on March 15, 2022, the incentive distribution threshold was reduced by one-third, commensurate with the distribution ratio of one (1) BBUC exchangeable share for every two (2) units. There will be no increase to the base management fee or incentive distribution currently paid by Holding LP to the Service Providers, other than as may result from an increase in the trading price of the units or BBUC exchangeable shares after reflecting the dilutive effect of the special distribution.

The Asset Management Company may, at its sole discretion, elect to reinvest incentive distributions in exchange for Redemption-Exchange Units or our units.

The Asset Management Company may be entitled to performance or incentive distributions in respect of funds created, managed or sponsored by the Asset Management Company, and we may invest in or alongside such funds. To the extent that any Holding Entity or any operating business pays to the Asset Management Company any comparable performance or incentive distribution, the amount of any future incentive distributions payable in respect of our Special LP Units will be reduced in an equitable manner to avoid duplication of distributions; however, any such comparable performance or incentive distribution will not result in a reduction to the base management fee payable pursuant to the Master Services Agreement.

BBU General Partner Distributions

Pursuant to our Limited Partnership Agreement, the BBU General Partner is entitled to receive a general partner distribution equal to its pro rata share of the total distributions of our company, which is less than 0.01%. See Item 10.B “Memorandum and Articles of Association - Description of the Holding LP Limited Partnership Agreement - Distributions”.

Deposit Agreements

We have in place deposit agreements with Brookfield whereby we may place funds on deposit with Brookfield and whereby Brookfield may place funds on deposit with our partnership. Any deposit balance due to our partnership is due on demand and bears interest at SOFR plus 40 basis points. Any deposit balance due to Brookfield is due on demand and bears interest at SOFR plus 160 basis points, subject to the terms of such interest more particularly described in the deposit agreement. As at December 31, 2023, the amount of the deposit from Brookfield was $nil. For the year ended December 31, 2023, we paid interest expense of $nil on these deposits.

Credit Facilities

Our partnership has bilateral credit facilities in the amount of $2.3 billion backed by global banks. The credit facilities are available in Euros, British pounds, Australian, U.S. and Canadian dollars. Advances under the credit facilities bear interest at the specified SOFR, SONIA, EURIBOR, CDOR (until CDOR is replaced with the applicable CORRA rate), BBSY or bankers' acceptance rate plus 2.50%, or the specified base rate or prime rate plus 1.50%. The bilateral credit facilities require our partnership to maintain a minimum tangible net worth and deconsolidated debt to capitalization ratio at the corporate level. The maturity date of the facilities is June 29, 2028.

On October 17, 2023, we entered into the fifth amended and restated credit agreement with Brookfield to borrow up to $1 billion until but excluding April 27, 2024, and $500 million for the period from and including April 27, 2024 until the maturity date, to help fund new acquisitions and investments (the "revolving acquisition credit facility"). As at December 31, 2023, there have been no draws under this credit facility.

The revolving acquisition credit facility is available in U.S. or Canadian dollars, and advances are made by way of SOFR, base rate, bankers' acceptance rate or prime rate loans. The credit facility bears interest at the specified SOFR, bankers' acceptance rate, base rate or prime rate plus an applicable margin that is subject to adjustment from time to time. The revolving acquisition credit facility also requires our partnership to maintain a minimum deconsolidated net worth and contains restrictions on the ability of the borrowers and the guarantors to, among other things, incur liens, engage in certain mergers and consolidations or enter into speculative hedging arrangements. The maturity date of the revolving acquisition credit facility is April 27, 2028, which date will automatically extend for a one-year period on April 27 of each year unless Brookfield provides written notice of its intention not to further extend the then prevailing maturity date.

A wholly-owned subsidiary of BBUC has agreed to fully and unconditionally guarantee the obligations of the partnership under the partnerships $2.3 billion bilateral credit facilities with global banks and its $1 billion revolving acquisition credit facility with Brookfield.

Brookfield Commitment Agreement

On February 4, 2022, Brookfield entered into the Brookfield commitment agreement with our partnership, which was amended on May 5, 2022 and November 7, 2023, pursuant to which Brookfield agreed to subscribe for up to $1.5 billion of perpetual preferred equity securities of subsidiaries of the partnership. As at December 31, 2023, the amount subscribed from subsidiaries of the partnership was $725 million with an annual dividend of 7% (2022: $1,475 million). On November 7, 2023, $750 million of perpetual preferred equity securities were redeemed with proceeds from the sale of our nuclear technology services operation. Brookfield will have the right to cause BBUC or our partnership to redeem the preferred securities at par to the extent of any net proceeds received by BBUC or our partnership from the issuance of equity, incurrence of indebtedness or sale of assets. Brookfield has the right to waive its redemption option. The remaining capacity available on the commitment agreement with Brookfield is $25 million.

Voting Agreement

We and Brookfield have determined that it is advisable for us to have control over certain of the entities through which we hold our operating businesses. Accordingly, we have entered into voting agreements to provide us, through the BBU General Partner, with voting rights over the specified entities.

Pursuant to the voting agreements, voting rights with respect to any of the specified entities will be voted in accordance with the direction of our company or one of the Holding Entities with respect to certain matters, typically including: (i) the election of directors; (ii) any sale of all or substantially all of its assets; (iii) 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; (iv) 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; (v) any amendment to its governing documents; or (vi) any commitment or agreement to do any of the foregoing.

Our group has determined that it is desirable for BBUC to have control over certain of the entities through which it holds its interest in our healthcare services, our dealer software and technology services operation, and our water and wastewater operation, referred to as the "BBUC Voting Agreements".

Each of the BBUC Voting Agreements provides a subsidiary of BBUC with the right to appoint or replace the general partner, managing member or board of directors, as applicable, of the entities through which BBUC holds its interest in our healthcare services, our dealer software and technology services operation, and our water and wastewater operation. In addition, certain of the BBUC Voting Agreements require that voting rights with respect to certain matters at these entities be voted in accordance with the direction of BBUC.

Partnership Registration Rights Agreement

Our partnership has entered into a customary registration rights agreement with Brookfield (the “partnership registration rights agreement”) pursuant to which we have agreed that, upon the request of Brookfield, we will file one or more registration statements to register for sale under the U.S. Securities Act or one or more prospectuses to qualify the distribution in Canada of any of our units held by Brookfield (including units acquired pursuant to the Redemption-Exchange Mechanism). Under the partnership registration rights agreement, we will not be required to file a U.S. registration statement or a Canadian prospectus unless Brookfield requests that units having a value of at least $50 million be registered or qualified. In the partnership registration rights agreement, we have agreed to pay expenses in connection with such registration and sales, except for any underwriting discounts, commissions, or fees attributable to the sale of the units, which will be borne by the selling unitholder, and to indemnify Brookfield for, among other things, material misstatements or omissions in the registration statement and/or prospectus.

BBUC Registration Rights Agreement

BBUC, the partnership and Brookfield entered into a registration rights agreement (the “BBUC registration rights agreement”), comparable to the partnership registration rights agreement existing between Brookfield and the partnership. Under the BBUC registration rights agreement, BBUC agrees that, upon the request of Brookfield, BBUC will file one or more registration statements or prospectuses to register for sale and qualify for distribution under applicable securities laws any of the BBUC exchangeable shares held by Brookfield. In the BBUC registration rights agreement, BBUC had agreed to pay expenses in connection with such registration and sales and to indemnify Brookfield for material misstatements or omissions in the registration statement.

Licensing Agreement

Other than the limited license under the Licensing Agreement, we do not have a legal right to the “Brookfield” name and the Brookfield logo. Brookfield may terminate the Licensing Agreement immediately upon termination of our Master Services Agreement and it may be terminated in the circumstances described under Item 4.B, “Business Overview - Intellectual Property”.

Preferred Shares of Certain Holding Entities

Brookfield previously provided $5 million of working capital to CanHoldco and two of our other subsidiaries for a total of $15 million, through a subscription for preferred shares of such entities. These preferred shares are entitled to receive a cumulative preferential cash dividend equal to 5% of their redemption value as and when declared by the board of directors of the applicable entity. The preferred shares are redeemable following the twentieth anniversary of the date of issue. The preferred shares will be entitled to vote with the common shares of the applicable entity and will have an aggregate of 1% of the votes to be cast in respect of the applicable entity.

Redemption-Exchange Mechanism

Brookfield has the right to require the Holding LP to redeem all or a portion of the Redemption-Exchange Units for cash, subject to our company’s right to acquire such interests for our units as described below. Brookfield may exercise its right of redemption by delivering a notice of redemption to the Holding LP and our company.

A holder of Redemption-Exchange Units who delivers a notice of redemption will receive, on the redemption-exchange date and subject to our company’s right to acquire such interests (in lieu of redemption) in exchange for our units, cash in an amount equal to the market value of one of our units (as determined by reference to the five day volume-weighted average trading price of our units on the principal stock exchange for our units based on trading volumes) multiplied by the number of units to be redeemed. Upon its receipt of the redemption notice, our company will have a right to elect, at its sole discretion, to acquire all (but not less than all) Redemption-Exchange Units presented to the Holding LP for redemption in exchange for units of our company on a one-for-one basis. Upon a redemption, the holder’s right to receive distributions with respect to the Redemption-Exchange Units so redeemed will cease.

The date of exchange specified in any redemption notice may not be less than five business days nor more than twenty business days after the date upon which the redemption notice is received by the Holding LP and our company. At any time prior to the applicable redemption-exchange date, any holder of Redemption-Exchange Units who delivers a redemption notice will be entitled to withdraw such redemption notice.

Brookfield’s aggregate limited partnership interest in our company is approximately 65.9% as of the date of this Form 20-F if Brookfield exercised its redemption right on the Redemption-Exchange Units in full and our company exercised our right to acquire such interests in exchange for our units.

Indemnification Arrangements

Subject to certain limitations, Brookfield and its directors, officers, agents, subcontractors, contractors, delegates, members, partners, shareholders and employees generally benefit from indemnification provisions and limitations on liability are included in our Limited Partnership Agreement, the BBU General Partner's bye-laws, BBUC's articles, the Holding LP Limited Partnership Agreement, our Master Services Agreement and other arrangements with Brookfield. See Item 7.B, "Related Party Transactions - Our Master Services Agreement", Item 10.B, "Memorandum and Articles of Association - Description of our units and our Limited Partnership Agreement - Indemnification; Limitations on Liability" and Item 10.B, "Memorandum and Articles of Association - Description of our units and our Limited Partnership Agreement - Indemnification; Limitations on Liability".

Other Services

Brookfield may provide services to our operating businesses which are outside the scope of our Master Services Agreement under arrangements that are on market terms and conditions and pursuant to which Brookfield will receive fees. The services that may be provided under these arrangements include financial advisory, operations and maintenance, development, operating management and other services. Pursuant to our conflict of interest guidelines, those arrangements generally require prior approval by a majority of the independent directors, which may be granted in the form of general guidelines, policies, procedures and/or parameters. See Item 7.B "Related Party Transactions — Conflicts of Interest and Fiduciary Duties".

Other Related Party Transactions

From time to time, Brookfield and its related entities may purchase securities sold by the partnership and its affiliates as part of public offerings of such securities. Such purchases are typically made at the market price of such securities less any underwriting fee.

RELATIONSHIP WITH BBUC

Each BBUC exchangeable share is structured with the intention of providing an economic return equivalent to one unit (subject to adjustment to reflect certain capital events). BBUC targets paying dividends per BBUC exchangeable share that are identical to the distributions on each unit, and each BBUC exchangeable share is exchangeable at the option of the holder for one unit (subject to adjustment to reflect certain capital events) or its cash equivalent (the form of payment to be determined at the election of our group). We hold a 75% voting interest in BBUC through our ownership of the class B shares, and own all of the class C shares, which entitle us to all of the residual value in BBUC after payment in full of the amount due to holders of BBUC exchangeable shares and class B shares and subject to the prior rights of holders of BBUC preferred shares.

BBUC acquired its business from us in connection with the special distribution. In addition, the following agreements and arrangements exist between us and BBUC.

Credit Support

The partnership has bilateral credit facilities in the amount of $2,300 million backed by global banks. The credit facilities are available in Euros, British pounds, Australian, U.S. and Canadian dollars. Advances under the credit facilities bear interest at the specified SOFR, SONIA, EURIBOR, CDOR (until CDOR is replaced with the applicable CORRA rate), BBSY or bankers' acceptance rate plus 2.50%, or the specified base rate or prime rate plus 1.50%. The bilateral credit facilities require the partnership to maintain a minimum tangible net worth and deconsolidated debt to capitalization ratio at the corporate level. The maturity date of the facilities is June 29, 2028. As at December 31, 2023, the amount drawn by the partnership on the bilateral credit facilities was $1,440 million.

In addition, the partnership has a revolving acquisition credit facility with Brookfield that permits borrowings of up to $1.0 billion. The revolving acquisition credit facility is available in U.S. or Canadian dollars, and advances are made by way of SOFR, base rate, bankers' acceptance rate or prime rate loans. The credit facility bears interest at the specified SOFR, or bankers' acceptance rate base rate or prime rate plus an applicable margin that is subject to adjustment from time to time. The revolving acquisition credit facility also requires our partnership to maintain a minimum deconsolidated net worth and contains restrictions on the ability of the borrowers and the guarantors to, among other things, incur liens, engage in certain mergers and consolidations or enter into speculative hedging arrangements. The maturity date of the revolving acquisition credit facility is April 27, 2028, which date will automatically extend for a one-year period on April 27 of each year unless Brookfield provides written notice of its intention not to further extend the then prevailing maturity date. The total available amount on the credit facility will decrease to $500 million on April 27, 2024. As at December 31, 2023, the revolving acquisition facility remains undrawn.

A wholly-owned subsidiary of BBUC has agreed to fully and unconditionally guarantee the obligations of our partnership under the $2,300 million bilateral credit facilities with global banks and our partnership's $1.0 billion revolving acquisition credit facility with Brookfield.

Subscription Agreement

BBUC will enter into subscription agreements with our partnership from time to time, pursuant to which BBUC will subscribe for such number of units necessary to satisfy its obligations in respect of requests for exchange made by BBUC exchangeable shareholders, as and when they arise, or a redemption of BBUC exchangeable shares by BBUC, in each case at a price per unit equal to the NYSE closing price of one unit on the date that the applicable request for exchange is received by our transfer agent, or the NYSE closing price of one unit on the trading day immediately preceding the announcement of a redemption, as the case may be.

Subordinated Credit Facilities

A subsidiary of BBUC is party to two credit agreements with our partnership, one as borrower and one as lender, each providing for a ten-year revolving $1 billion credit facility (unless terminated by the lender in accordance with the agreement after the fifth anniversary) to facilitate the movement of cash within our group. One credit facility permits the BBUC subsidiary to borrow up to $1 billion from our partnership and the other constitutes an operating credit facility that permits our partnership to borrow up to $1 billion from the BBUC subsidiary.

The credit facilities are available by way of U.S. advances that bear interest based on the U.S. base rate or U.S. dollar SOFR, or Canadian dollar advances that bear interest based on the Canadian prime rate or Canadian dollar bankers' acceptance rate, in each case plus an applicable margin that is subject to adjustment from time to time. In addition, each credit facility contemplates potential deposit arrangements pursuant to which the lender thereunder would, with the consent of a borrower, deposit funds on a demand basis to such borrower's account at the rate of interest specified in such deposit arrangement. As at December 31, 2023, the amount outstanding on deposit was approximately $225 million in which the BBUC subsidiary is the lender, and $90 million deposit in which the BBUC subsidiary is the borrower.

Equity Commitment Agreement

Our partnership has provided BBUC with an equity commitment in the amount of $2 billion. The equity commitment may be called by BBUC in exchange for the issuance of a number of class C shares or BBUC preferred shares, as the case may be, to our partnership, corresponding to the amount of the equity commitment called divided (i) in the case of a subscription for class C shares, by the volume-weighted average of the trading price for one BBUC exchangeable share on the principal stock exchange on which the BBUC exchangeable shares are listed for the five (5) days immediately preceding the date of the call, and (ii) in the case of a subscription for preferred shares, $25.00. The equity commitment will be available in minimum amounts of $10 million and the amount available under the equity commitment will be reduced permanently by the amount so called. Before funds may be called on the equity commitment, a number of conditions precedent must be met, including that our partnership continues to control BBUC and has the ability to elect a majority of BBUC's board of directors.

BBUC Voting Agreements

See Item 7.B, "Related Party Transactions - Voting Agreements" for a description of the BBUC voting agreements.

Licensing Agreement

BBUC is automatically entitled to the benefits and certain obligations under the Licensing Agreement by virtue of the fact that BBUC is a controlled subsidiary of the partnership.

Conflicts of Interest and Fiduciary Duties

Fiduciary Duties

The BBU General Partner, the Holding LP General Partner and the other Brookfield entities that provide investment advisory services are required to exercise their powers and carry out their functions as managers or general partners of the relevant Brookfield Accounts honestly and in good faith, and to provide investment advice that is in the best interest of those Brookfield Accounts, in each case, subject to and after taking into account, any modifications of the fiduciary duties that might otherwise be owed to us and our unitholders, including with respect to conflicts of interest considerations, and other terms and conditions of the agreements and conflicts of interest protocols approved by the BBU General Partner's independent directors or relevant independent body of other Brookfield Accounts, as applicable. Our Limited Partnership Agreement and the Holding LP Limited Partnership Agreement, or together the Limited Partnership Agreements, contain various provisions that modify the scope of the fiduciary duties that are owed to us and our unitholders. These duties include the duties of care and loyalty. In the absence of provisions in the Limited Partnership Agreements of our company and the Holding LP to the contrary, the duty of loyalty would generally prohibit the BBU General Partner and the Holding LP General Partner from taking any action or engaging in any transaction as to which it has a conflict of interest. However, because a key element of the strategy of our investment activities, and of Brookfield Accounts in which we invest, is to leverage Brookfield's experience, expertise, broad reach, relationships and position in the market for investment opportunities and deal flow, financial resources, access to capital markets and operating needs, the independent directors of our BBU General Partner have agreed that such strategy will give rise to numerous conflicts of interest considerations, as set out in more detail herein. Brookfield believes that this is in the best interests of our group and those of Brookfield Accounts in which we invest, even though being part of this broader platform, as well as activities of and other considerations relating to Brookfield Accounts, gives rise to actual and potential conflicts of interest between our group, our unitholders and Brookfield Accounts in which we invest, on the one hand, and Brookfield and/or other Brookfield Accounts, on the other hand, that may not be resolved in the most favorable manner to the interests of our group and/or of Brookfield Accounts in which we invest. See "Conflict of Interest" below for further discussion of these considerations. Further, when managing or resolving conflicts of interest, neither of the Limited Partnership Agreements impose limitations on the discretion of the independent directors or the factors which they may consider in managing or resolving any such conflicts.

These modifications to the fiduciary duties may be 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 managed or resolved in a manner that is not the most favorable to the interests of our group, our unitholders and/or Brookfield Accounts in which we invest. We believe that it was 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, the strategy underlying our investment activities (as described herein) and the potential conflicts of interest created thereby. Without modifying those duties, the ability of the BBU General Partner and Holding LP 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. Prospective investors are encouraged to seek the advice of independent legal counsel in evaluating the conflicts involved in an investment in our units and the operation of our group.

Bermuda partnership legislation provides that, subject to any express provision of the Limited Partnership Agreement to the contrary, a limited partner of a limited partnership in that capacity does not owe any fiduciary duty in exercising any of its rights or authorities or otherwise in performing any of its obligations under the Limited Partnership Agreement to the limited partnership or any other partner. The Limited Partnership Agreement imposes no such fiduciary duty.

Conflicts of Interest

Brookfield is a global alternative asset manager with significant assets under management and a long history of owning, managing and operating assets, businesses and investment vehicles across various industries, sectors, geographies and strategies. As noted throughout this Form 20-F, a key element of the strategy of our investment activities, and of Brookfield Accounts in which we invest, is to leverage Brookfield's experience, expertise, broad reach, relationships and position in the market for investment opportunities and deal flow, financial resources, access to capital markets and operating needs. Brookfield believes that this is in the best interests of our group and of Brookfield Accounts in which we invest. However, being part of this broader platform, as well as activities of and other considerations relating to Brookfield Accounts, gives rise to actual and potential conflicts of interest between our group, our unitholders and Brookfield Accounts in which we invest, on the one hand, and Brookfield and/or other Brookfield Accounts, on the other hand, that may not be managed or resolved in the most favorable manner to the interests of our group and/or of Brookfield Accounts in which we invest.

Brookfield's activities include, among others: (i) investment and asset management; (ii) managing and investing proprietary as well as insurance and reinsurance capital; (iii) sponsoring, offering and managing private and public investment vehicles that invest in the global fixed income, currency, commodity, equities, private equity and other markets; and (iv) developing, constructing, owning, managing, operating and servicing real estate, renewable power, infrastructure and other companies and assets, including among others residential, commercial, storage and mixed-use real estate, data centers, transportation facilities, electric utilities, industrial and manufacturing facilities, energy companies, metals and mining companies, timberlands and agrilands, natural gas pipelines, and other assets; providing capital and financing solutions, as well as financial advisory, business development and other financial services; and other activities (collectively, "Brookfield Activities"). It is expected that our group and Brookfield Accounts in which we invest will benefit from Brookfield's expertise, market positioning and connectivity that arise from Brookfield Activities. At the same time, in the ordinary course of its business, Brookfield's and other Brookfield Accounts' interests are expected to conflict with the interests of our group and Brookfield Accounts in which we invest, notwithstanding Brookfield's direct or indirect participation in our group, our group's investments and Brookfield Accounts in which we invest. While Brookfield expects that its expertise as a global real asset operator will directly impact the ability of our group and the Brookfield Accounts in which we invest to identify, access and assess investment opportunities, and that we and the Brookfield Accounts' investments will benefit from the greater Brookfield ecosystem, there can be no assurance of any such successful collaboration or synergies. A lack of successful collaboration or synergies, whether as a result of concerns related to conflicts or otherwise, could impact our group's ability to successfully implement its strategies or achieve its investment objectives.

As discussed above, investors should note that the Limited Partnership Agreements contain provisions that, subject to applicable law, (i) reduce or modify the duties (including fiduciary or other duties owed to us and our unitholders) to which Brookfield would otherwise be subject, (ii) waive obligations or consent to conduct of Brookfield that might not otherwise be permitted pursuant to such duties and (iii) limit the remedies of unitholders with respect to breaches of such duties. Additionally, our Limited Partnership Agreement contains exculpation and indemnification provisions that, subject to the specific exceptions therein, provide that Brookfield and its affiliates and our directors will be held harmless and indemnified for matters relating to the operation of our group, including matters that may involve one or more potential or actual conflicts of interest. The governing documents of Brookfield Accounts in which we invest contain similar provisions.

The discussion below describes certain conflicts of interest considerations that are expected to arise between Brookfield Activities (as defined above), on the one hand, and Brookfield's management of us and Brookfield Accounts in which we invest, on the other hand. These conflicts of interest are not a complete list or explanation of all actual and potential conflicts of interest that could arise. While Brookfield acts in good faith to manage or resolve conflicts considerations in a manner that is fair and equitable taking into account the facts and circumstances known to it at the time, there can be no assurance that any recommendation or determination made by Brookfield will be the most beneficial or favorable to us or Brookfield Accounts in which we invest, or would not have been different if additional information were available to it. Conflicts of interest considerations generally will be managed or resolved (i) in accordance with (A) the principles summarized herein and as described in the relevant Brookfield Form ADV and (B) Brookfield's policies for addressing conflicts of interest considerations that arise in managing its business activities, including our Conflicts Protocols that have been approved by our independent directors; or (ii) alternatively, in Brookfield's sole discretion, in a manner specifically approved by our independent directors.

U.S. federal and state securities laws may impose liability under certain circumstances on persons that fail to act in good faith. Notwithstanding anything to the contrary in the above-referenced provisions, nothing in our Limited Partnership Agreement is intended to, or will, constitute a waiver of any rights or remedies that the Brookfield Account or the investors may have under such laws.

As described further below under "Management and Resolution of Conflicts", our Conflicts Protocols were put in place in recognition of the benefit to our group of our relationship with Brookfield and our intent to seek to maximize the benefits from this relationship. The protocols generally provide for potential conflicts to be managed or resolved on the basis of transparency and, in certain circumstances, third-party validation and approvals. Addressing conflicts of interest is complex, and it is not possible to predict all of the types of conflicts that may arise over time. Accordingly, the Conflicts Protocols focuses on addressing the principal activities that are expected to give rise to potential and/or actual conflicts of interest, including our investment activities, our participation in Brookfield Accounts, transactions with Brookfield (and Brookfield Accounts), and engagements of Brookfield affiliates. Pursuant to our Conflicts Protocols, certain conflicts of interest do not require the approval of the BBU General Partner's independent directors provided they are addressed in accordance with pre-approved parameters, while other conflicts require the specific approval of the BBU General Partner's independent directors. By acquiring our units, each investor will be deemed to have acknowledged the existence of these actual and potential conflicts of interest and to have waived any and all claims with respect to them and any actions taken or proposed to be taken in respect of them. Conflicts may not be managed or resolved in a manner that is favorable to our group, Brookfield Accounts in which we invest or our unitholders. Prospective investors are encouraged to seek the advice of independent legal counsel in evaluating the conflicts involved in an investment in our units and the operation of our group.

As described elsewhere herein, we pursue investment opportunities and investments in various ways, including indirectly through investments in Brookfield Accounts or directly by investing alongside Brookfield Accounts or otherwise. Any references in this Item 7.B "Related Party Transactions — Conflicts of Interest and Fiduciary Duties" to our investments, assets, expenses, portfolio companies or other terms should be understood to mean such terms held, incurred or undertaken directly by us or indirectly by us through our investment in one or more Brookfield Accounts.

Our group will generally be provided with voting rights over investments that it participates in. These voting rights will be exercised by Brookfield personnel, on behalf of all Brookfield-managed vehicles that are invested in such investments alongside our group. As a result, our group will consolidate the underlying assets of such other Brookfield-managed vehicles into our group's financial records and calculation of its assets under management, despite the fact that our group does not hold 100% of the assets of such other Brookfield-managed vehicles. Furthermore, Brookfield will rely on the financial records and calculation of assets under management prepared by our group for purposes of completing its own financial records, and will not reimburse our group for the expenses associated with such calculation and preparation. See "Voting Agreement" section above for more information.

ALLOCATION OF INVESTMENT OPPORTUNITIES

- **Allocation of Investment Opportunities**. Brookfield provides investment advice and performs related services for itself and other Brookfield Accounts (including, among others, for its own account and/or accounts that are being seeded and/

or incubated), which are similar to the advice provided and services performed by Brookfield for our group and Brookfield Accounts in which we invest. Certain Brookfield Accounts have (and additional future Brookfield Accounts will in the future have) investment mandates that overlap with those of our group and Brookfield Accounts in which we invest, and will compete with and/or have priority over our group (and Brookfield Accounts in which we invest) in respect of particular investment opportunities. As a result, certain opportunities sourced by Brookfield that would otherwise be suitable for our group (and/or Brookfield Accounts in which we invest) are not expected to be available to us, we (and/or the Brookfield Accounts in which we invest) will receive a smaller allocation of such opportunities than would otherwise have been the case, or we will receive an allocation of such opportunities on different terms than Brookfield or other Brookfield Accounts which may be less favorable to our group (and Brookfield Accounts in which we invest) than otherwise would have been the case.

Further to the foregoing, Brookfield manages and participates in, and will in the future manage and participate in, Brookfield Accounts that have or will have overlapping investment mandates with our group (and Brookfield Accounts in which we invest). By way of example only, these include Brookfield Accounts that focus on (i) equity and debt investments; (ii) secondary investments, which include, among other things, third-party general partner-led recapitalizations of assets and/or investment vehicles (including closed-end funds, joint ventures and other vehicles) where the third-party general partner maintains day-to-day asset management responsibilities, investments in pooled investment vehicles managed by third parties and co-investments alongside such investment vehicles, structured solutions and/or preferred equity investments in assets managed by third-party general partners, recapitalization of third-party managed investment vehicles (in whole or in part), and related separately managed accounts; (iii) startup investments in early stage technology businesses and growth investments in later-stage technology-enabled service companies; (iv) investments that contribute to the transition to a net-zero emissions global economy; and (v) private equity and private equity-related investments (including among others provision of capital solutions to third-parties). In addition, Brookfield expects to continue to manage and participate in new businesses and strategies. Each Brookfield Account generally has priority with respect to investment opportunities that meet its investment mandate.

It is expected that our group will invest in Brookfield Accounts that are deemed to be suitable and appropriate for its investment mandate, taking into account portfolio construction related considerations (including availability of capital for investment), as determined by Brookfield from time to time in its sole discretion and as approved by the BBU General Partner's independent directors.

Investment opportunities generally will be allocated pursuant to (and in accordance with) Brookfield Accounts' investment priorities (if any). Under certain circumstances, where the investment mandate of our group (or of Brookfield Accounts in which we invest) overlaps with the investment mandate of one or more other Brookfield Accounts, any investment opportunity that is suitable for our group (or a Brookfield Account in which we invest) and one or more other Brookfield Account(s) may be allocated among our group (or a Brookfield Account in which we invest) and such other Brookfield Account(s) on a basis that Brookfield determines in good faith is fair and equitable taking into account one or more factors (the "Allocation Factors"), as it deems relevant in its discretion including (among others): (i) the size, nature and type of the investment opportunity (including the risk and return profiles of the opportunity, expected holding period and other attributes) as well as its fit within each Brookfield Account's investment focus; (ii) the nature of the investment focus, objectives, strategies and target rates of return of our group (or a Brookfield Account in which we invest) and such other Brookfield Account(s), as adjusted from time to time over the life of our group (and such Brookfield Accounts in which we invest) and such other Brookfield Account(s); (iii) the geographic location of the investment opportunity, and Brookfield's determination of the appropriateness of the risks of investing in such location for our group (and such Brookfield Accounts in which we invest) and such other Brookfield Account(s); (iv) the relative amounts of capital available for investment; (v) principles of diversification of assets and portfolios (*e.g.*, sector, geographic, risk and/or asset concentration considerations); (vi) expected future capacity of our group (or a Brookfield Account in which we invest) and such other Brookfield Account(s); (vii) cash and liquidity needs, including for active pursuit of pipeline, follow-on, staged draw investments (including funding obligations with respect to such investments that are contingent upon achievement of certain milestones) by our group (or a Brookfield Account in which we invest) and such other Brookfield Account(s); (viii) the availability of other appropriate or similar investment opportunities; (ix) the extent to which the investment professionals involved in managing our group (or a Brookfield Account in which we invest) or such other Brookfield Account(s) participated in the sourcing and/or diligencing of the investment opportunity and as a result their knowledge and understanding of the investment opportunity; (x) the management of any actual or potential conflict of interest; and/or (xi) other considerations deemed relevant by Brookfield (including, among others, legal, regulatory, tax, structuring, compliance, investment-specific, timing and similar considerations). To the extent that Brookfield determines that an overlap situation is likely to be recurring for particular types of investment opportunities, Brookfield could (but will not be required to) determine to apply the Allocation Factors in accordance with a formulaic or other systematic approach for any period of time, as it deems appropriate in its sole discretion.

The determination of whether an investment is within the scope of the investment mandate of our group (or of a Brookfield Account in which we invest) or is more suitable for another Brookfield Account will be made in the discretion of Brookfield. Further, if Brookfield determines that investment opportunities in respect of a particular sector (which can be comprised of multiple industries) or region are expected (in the fullness of time) to exceed the investment limitations (or appropriate portfolio concentration) of one or more Brookfield Account(s), Brookfield may sponsor, act as general partner and/or manager to, and otherwise participate in, sidecar vehicles that participate in such opportunities, and such opportunities and any investment opportunity related thereto (e.g., follow-on investment opportunities) will be allocated between our group (or a Brookfield Account in which we invest) and the applicable sidecar vehicle on a basis that Brookfield believes is fair and equitable taking into account various factors that it deems relevant in its discretion, including the Allocation Factors (which may include allocating investment opportunities in accordance with a formula or other systematic approach that Brookfield determines to be fair and equitable at the time such sector- or region-specific sidecar fund is formed).

From time to time, in applying the principles described above, Brookfield could determine that an investment opportunity will be shared among two or more Brookfield Accounts by causing one Brookfield Account to acquire certain portions of the investment opportunity while one or more other Brookfield Accounts acquire other portions. In such cases, given its varying economic interests in different Brookfield Accounts, Brookfield will face conflicts of interests in valuing portions of an investment opportunity that is allocated among different Brookfield Accounts, in particular where a portion of the opportunity is to be allocated to a Brookfield Account in which Brookfield has a larger economic interest relative to the other Brookfield Account that is participating in the opportunity. Brookfield will value the portion of the opportunity allocated to each Brookfield Account (which will impact the purchase price paid by such Brookfield Account) and allocate transaction expenses among such Brookfield Accounts in accordance with its fiduciary duties to the Brookfield Accounts, consistent with each Brookfield Account's governing documents and Brookfield's internal policies and procedures, in particular those relating to the underwriting and valuation of investment opportunities and allocation of fees and expenses. Notwithstanding the foregoing, Brookfield generally will not, unless otherwise required to pursuant to applicable law and/or regulation, seek independent review, opinion, support and/or appraisal for such allocation and/or valuation determinations, including in situations where Brookfield has different economic interests in the participating Brookfield Account(s). See also "Determinations of Value" below. Among other things, if one Brookfield Account is unable to make an additional investment in a particular asset in which it has previously invested, such investment opportunity could be allocated to another Brookfield Account. In such circumstances, the liabilities (including certain expenses related to the investment) will be allocated across such Brookfield Accounts, though there may not be a clear delineation between the expenses and liabilities attributable to each Brookfield Account's portion, and as a result, one of the Brookfield Accounts could be responsible for more than its share of any shared expenses.

The process for making allocation determinations is inherently subjective and the factors considered by Brookfield in allocating investments among our group (or a Brookfield Account in which we invest) and other Brookfield Accounts are expected to change over time (including to consider new, additional factors) and one or more different factors are likely to be emphasized or be considered less relevant with respect to different investments depending on the then-existing facts-and-circumstances deemed relevant by Brookfield and taking into account the broader facts and circumstances and portfolio construction considerations applicable to each Brookfield Account. In some cases, this will result in certain transactions being shared among two or more Brookfield Accounts (including, for example, on a rotational, pro rata or other basis), while in other cases it will result in one or more Brookfield Accounts being excluded from an investment entirely. In some instances, Brookfield may receive new, different or additional information regarding an investment opportunity during the course of performing continued due diligence on such investment opportunity. To the extent such investment opportunity had already been allocated to one or more Brookfield Accounts pursuant to the allocation methodology described above, Brookfield is not obligated to reconsider its allocation decision, and could elect not to do so, including in cases where structuring work has already been undertaken with respect to the initial allocation or changing the allocation would otherwise be costly or burdensome.

Since certain Brookfield Accounts represent Brookfield's proprietary investments activities, the fact that investment opportunities deemed unsuitable for our group (or a Brookfield Account in which we invest) could be pursued by Brookfield itself presents a conflict of interest when making such suitability determination. Brookfield will make such suitability determination in a manner consistent with its fiduciary duties to our group (and/or a Brookfield Account in which we invest), but will not be required to disclose to the BBU General Partner’s board of directors or the unitholders the specific instances in which Brookfield has pursued an investment on a proprietary basis after having deemed it unsuitable for our group (or a Brookfield Account in which we invest). Additionally, from time to time, Brookfield may identify an investment opportunity that could otherwise be suitable for our group (or a Brookfield Account in which we invest), but which, as a result of the particular facts and circumstances surrounding such investment opportunity at such time, Brookfield determines is not appropriate for our group (or a Brookfield Account in which we invest) and instead invests on its own behalf (for example, if such investment opportunity falls within a sector, industry or geography that is relatively new to Brookfield and therefore Brookfield determines it does not have sufficient expertise, knowledge or scale to invest prudently on behalf of our group (or a Brookfield Account in which we invest)). In such cases, subsequent similar investment opportunities could be allocated to our group (or a Brookfield Account in which we invest), even when the original similar investment opportunities were pursued by Brookfield on a proprietary basis.

In addition, it is possible that there will be a period of time when both a successor Brookfield Account (in which we invest) and a predecessor fund of such Brookfield Account (in which we have a different level of investment) have capital available to make new investments, particularly because the predecessor Brookfield Account will have recycled capital available to invest. In such instances, Brookfield will determine the extent to which the predecessor account will invest such available capital (including reinvest its recycled capital) in new investments, which could result in investments being allocated to the predecessor account, rather than the successor account, using its available capital in order to make such investments. Brookfield will make such determinations and allocate investments among successor and predecessor accounts taking into account the factors described above (including, in particular, the pipeline of investment opportunities, recycled capital and portfolio construction considerations). In making such allocation decisions, Brookfield may allocate an investment opportunity to a predecessor account even if such opportunity could have been allocated entirely to the successor account, or may, in its discretion, allocate an investment opportunity to both accounts on a shared basis. Decisions to allocate an investment opportunity among predecessor and successor accounts (or both) will be made at the time the investment opportunity arises, and, in Brookfield’s discretion, may or may not be revisited in the event of further developments in investment diligence, pipeline attrition, changes in available capital and other factors.

Moreover, it is possible that prospective investment opportunities may be re-allocated (in whole or in part) among Brookfield Accounts (including Brookfield Account(s) in which we invest) in circumstances that, due to timing (e.g., a delay of certain regulatory approvals or other third party consents) or other considerations, such prospective investment opportunity becomes more suitable for a different Brookfield Account than the one it was originally allocated (or expected to be allocated) to, as determined by Brookfield in its discretion. In such circumstances, if a Brookfield Account is ultimately allocated the full investment opportunity, and such investment is completed, then such Brookfield Account will reimburse the Brookfield Account that was originally allocated (or expected to be allocated) the opportunity for deposits or other costs or expenses incurred. However, in the instance that such prospective investment opportunity is not completed, both Brookfield Accounts will bear the costs actually borne by them in connection with such prospective investment opportunity.

Further, Brookfield may be offered a future investment opportunity related to, or arising from, an existing investment (including opportunities that align with and/or are otherwise synergistic with existing investments), and such future investment opportunity may be allocated to a different Brookfield Account than the one that holds the original investment (which could be our group or a Brookfield Account in which we are invested) because of timing (e.g., too late in the term of the Brookfield Account in which we are invested or it is otherwise capped from pursuing follow-on investments), portfolio construction, priority, or other considerations, such as lack of required capital. These subsequent investments may dilute or otherwise adversely affect the interests of the Brookfield Account that holds the existing investment (including our group (or a Brookfield Account in which we invest)).

As a result of the foregoing, opportunities sourced by Brookfield that would otherwise be suitable for our group and Brookfield Accounts in which we invest may not be available to our group (or a Brookfield Account in which we invest) in their entirety and/or our group (or a Brookfield Account in which we invest) may receive a smaller allocation of such opportunities than would otherwise have been the case. See “Allocation of Co-Investments” below. Approval from our unitholders or of the independent directors will not be required in connection with such allocation determinations. However, as noted throughout this Form 20-F, it is a key element of our group’s strategy to leverage Brookfield’s experience, expertise, broad reach, relationships and position in the market for investment opportunities, deal flow, financial resources, access to capital markets and operating needs, which we believe is in the best interests of our group and Brookfield Accounts in which we invest.

For the avoidance of doubt, any investment opportunity allocated to our group (or a Brookfield Account in which we invest) may not ultimately be made by our group (or a Brookfield Account in which we invest), or may be made in an amount that was less than initially allocated to our group (or a Brookfield Account in which we invest), due to portfolio construction or other similar considerations (including the time remaining under the Brookfield Account's term, the availability of capital (or lack thereof), any applicable investment limitations or other concentration considerations), as determined by Brookfield in its discretion. As a result, our group (or a Brookfield Account in which we invest) may not invest the full amount of any investment opportunity that was allocated to it.

From time to time, our group (or a Brookfield Account in which we invest) may fund deposits or incur other costs and expenses in respect of an investment opportunity that is ultimately shared with or made entirely by another Brookfield Account. In such cases, such other Brookfield Account would be expected to reimburse our group (or the applicable Brookfield Account in which we invest) for such deposits or other costs or expenses. Any such reimbursements are expected, but not guaranteed, to include interest and other expenses related to borrowings, regardless of whether our group (or the applicable Brookfield Account in which we invest) actually borrowed to fund such deposit or other costs or expenses, which interest will generally be set at a rate aligned with such Brookfield Account's loan facility, the preferred return of such Brookfield Account or another rate determined by Brookfield to be reasonably applicable (which rate may be higher or lower than the rate applicable to the reimbursing Brookfield Account's loan facility). The approval of investors, BBU General Partner's independent directors and/or Brookfield Accounts' limited partner advisory committees will not be required in connection with such transactions.

- **Incentive to Allocate Investment Opportunities to Co-Investment Vehicles and Other Brookfield Accounts.** Brookfield will generally have different economic interests in different Brookfield Accounts, including among other things because certain Brookfield Accounts are wholly-owned by Brookfield; Brookfield makes different capital commitments to different Brookfield Accounts; certain Brookfield Accounts pay carried interest at different rates, and/or are more (or less) likely to generate any carried interest at all (or to generate carried interest earlier (or later) in time); and/or because certain Brookfield Accounts charge management fees that are calculated based on their amount of capital deployed. As a result, there could be circumstances in which the aggregate economic benefit to Brookfield from allocating an investment opportunity in whole or in part to another Brookfield Account (including, for example, a co-investment vehicle) is (or is expected to be) greater than if the particular investment were allocated to our group (or a Brookfield Account in which we invest). For example, Brookfield is not required to offset certain transaction fees, break-up fees and other fees against management fees charged to certain co-investment vehicles. Similarly, given its varying economic interests in different Brookfield Accounts, Brookfield will face conflicts of interests in valuing portions of an investment opportunity that is allocated among different Brookfield Accounts, in a particular where a portion of the opportunity is to be allocated to a Brookfield Account in which Brookfield has a significantly larger economic interest relative to the other Brookfield Account that is participating in the opportunity. Notwithstanding the foregoing, Brookfield will make allocation and valuation decisions in accordance with its fiduciary duties to Brookfield Accounts, consistent with each Brookfield Account's governing documents and Brookfield's internal policies and procedures.

In addition, Brookfield anticipates entering into formal or informal arrangements (including with one or more co-investors and/or strategic investors) pursuant to which Brookfield benefits economically, directly or indirectly, from offering co-investment opportunities to such investors. Such arrangements will grant certain rights not offered to other investors, including, (a) reducing fees and/or incentive compensation (or providing a rebate thereof) in respect of their investment in a Brookfield Account and (b) offering priority co-investment opportunities alongside a Brookfield Account with a minimum target allocation and reducing fees and/or incentive compensation (or providing a rebate thereof) where such minimum targets are not met. In connection with such arrangements, Brookfield could agree to provide reduced fees and/or incentive compensation (or a rebate thereof), including in respect of such investors' investments in Brookfield Accounts, in the instance that such investor is not allocated its full allocation of co-investment opportunities. As a result of any such circumstances, in certain circumstances Brookfield will be incentivized to allocate a greater portion of an investment opportunity to a co-investor than it would otherwise allocate in the absence of such economic circumstances. In addition, Brookfield's allocation of any co-investment opportunities could benefit Brookfield in other ways, including increased investments by such investors in one or more Brookfield Accounts.

- **Allocation of Co-Investments.** Investing in our group (and our investment in any Brookfield Account) does not entitle any unitholder to co-investment opportunities, and unitholders will not have any right to receive co-investments. Unitholders will generally be exposed to co-investment opportunities only indirectly to the extent a Brookfield Account in which we invest allocates a co-investment opportunity to our group.

To the extent Brookfield determines, in its discretion, that an investment opportunity that is to be offered to and executed by our group (or a Brookfield Account in which we invest), in accordance with "Allocation of Investment Opportunities" above, exceeds the amount appropriate for our group (or a Brookfield Account in which we invest), which will, in some cases, as determined by Brookfield in its discretion, be less than the maximum concentration permitted under the relevant Brookfield Account's governing agreement, Brookfield may, in its sole and absolute discretion, offer to one or more investors and/or one or more third parties, including, in each case, Brookfield Accounts, our group (as an investor in a Brookfield Account) or Brookfield employees, the ability to participate in such opportunity as a co-investor on such terms and conditions as Brookfield determines. In addition, Brookfield could offer and in the past has offered potential co-investment opportunities to investors that are potentially of strategic benefit to the applicable investment opportunity, including our group (as an investor in a Brookfield Account) and/or other Brookfield Accounts (collectively, "Strategic Co-Investors"). Co-investment opportunities may be offered to Strategic Co-Investors irrespective of whether the available investment opportunity exceeds the amount that would otherwise be appropriate for our group (or a Brookfield Account in which we invest), and therefore, participation of a Strategic Co-Investor will reduce the amount of the investment opportunity available to our group (or that Brookfield Account).

Where Brookfield determines to offer a co-investment opportunity to one or more investors and/or one or more third parties (including, in each case, Brookfield Accounts, our group (as an investor in a Brookfield Account) or Brookfield employees), Brookfield generally has broad discretion in determining to whom and in what relative amounts to allocate co-investment opportunities. Co-investment opportunities may, and typically will, be offered to some but not other investors or to third parties who are not investors (including, in each case, Brookfield Accounts, our group (as an investor in a Brookfield Account) or Brookfield employees). To the extent Brookfield determines to allocate co-investment opportunities to investors, decisions regarding whether and to which investors to offer co-investment opportunities are made at the discretion of Brookfield and will be based on a number of factors, including an investor's expressed interest in co-investments, the size of an investor's capital commitment to Brookfield Accounts, an investor's willingness to pay fees, carry or broken deal expenses, whether an investor has a history of participating in co-investment opportunities with Brookfield, whether an investor has demonstrated, or has the potential to demonstrate, a long-term and/or continuing commitment to the potential success of Brookfield and/or Brookfield Accounts, an investor's contractual rights (if any) to co-investment opportunities that are made available, the jurisdiction of the investor, the investor's impact on tax, regulatory, legal and similar considerations, the overall strategic value to Brookfield of offering a co-investment opportunity to such investor, and Brookfield's assessment of an investor's ability to timely execute and fund the co-investment opportunity. A decision regarding the allocation of a co-investment opportunity will be made based on the then-existing facts-and-circumstances and then-existing factors deemed relevant by Brookfield in its sole discretion (including factors that require subjective decision-making by Brookfield), and could be different from those used in determining the allocation of any other co-investment opportunity, including based on tax, regulatory, legal and similar considerations. For the avoidance of doubt, Brookfield and our group will generally be offered co-investment opportunities directly and/or in their capacity as investors in Brookfield Accounts, and Brookfield's portion of any co-investment opportunity may be made through any affiliate, Brookfield Insurance Account (as defined below) or Oaktree Account (as defined below).

To the extent potential co-investors determine not to participate in a co-investment opportunity offered to them, there may be excess opportunity available. In such circumstances, Brookfield will allocate such excess in its sole discretion and Brookfield Accounts (including our group) and/or other co-investors, including investors who are not investors in the relevant Brookfield Account, may assume such excess in lieu of offering it to other investors (including our group). Conversely, Brookfield (on behalf of our group) and/or other potential co-investors may determine that they will not, or cannot, participate (either at all or up to their full proportionate amount) in a co-investment opportunity offered to them. As a result, our group's aggregate percentage interest in certain investments may be different than its proportionate share of the applicable Brookfield Account had it only satisfied the Brookfield commitment with respect to such investments. Brookfield also may assign our group's right to participate in a co-investment opportunity to any other individual or entity, including other Brookfield Accounts.

In addition, but subject to the foregoing, Brookfield may also, without notice to the investors or BBU General Partner's independent directors, determine to provide priority rights with respect to all or a select geographic, industry or other subset of co-investment opportunities generally to certain investors (including other Brookfield Accounts, but not to our group and/or other similarly situated investors) pursuant to contracts or other arrangements with such investors. Brookfield may form and manage one or more investment vehicles or accounts through which investors participate in co-investment opportunities. Inclusion in, and the terms of, such a program will be determined by Brookfield in its discretion, which may include some or all of the factors described above. Except to the extent an investor has entered into an agreement with Brookfield pursuant to which Brookfield has granted such investor a right with respect to co-investment opportunities, investors should be aware that they have no such right, and should not expect that they will be offered any co-investment opportunities.

The allocation of a co-investment opportunity may give rise to certain additional potential conflicts of interest, including that Brookfield may allocate such co-investment opportunity in a manner that benefits Brookfield other than as a result of receiving fees and/or incentive compensation from a co-investor (including by allocating such co-investment opportunity to a person in order to encourage such person to enter into a relationship with, or expand its relationship with, Brookfield) and that, if the co-investment opportunity is granted with respect to an existing investment, the amount paid directly or indirectly by investors participating in such co-investment opportunity to Brookfield in respect of such investment will be determined by Brookfield.

Historical allocation decisions are not necessarily indicative of future allocation decisions and the actual number of co-investment opportunities made available to our group directly or indirectly as an investor in Brookfield Accounts may be significantly higher or lower than those made available to it historically. In addition, in certain circumstances our group (or a Brookfield Account in which we invest) will bear costs related to unconsummated co-investments. See "Co-Investment Expenses" and "Facilitation of Investments and Co-Investments" below. Notwithstanding the foregoing incentives, Brookfield endeavors at all times to allocate co-investment opportunities in a fair and equitable manner consistent with its fiduciary duties and disclosures set out in the relevant Brookfield Account's governing documents.

Our group's returns with respect to co-investment opportunities may exceed its returns generally, or with respect to the Brookfield Accounts in which we invest or other specific investments made by such Brookfield Accounts, particularly for co-investment opportunities whose investments are not subject to any (or are subject to reduced) management fees, carry distributions or similar compensation payable to Brookfield. Additionally, the form of consideration paid by co-investors may be different from the form of consideration paid by our group (or a Brookfield Account in which we invest) in connection with a co-investment opportunity (for example, the co-investors and/or our group (or a Brookfield Account in which we invest) may participate in the investment using securities), which would also be expected to create conflicts of interest.

In addition, there is no requirement that any co-investment be made or disposed of at the same time or on the same terms for each co-investor or as those of the relevant Brookfield Account. For example, investors (including our group) may participate in co-investment opportunities at different times (e.g., our group (or a Brookfield Account in which we invest) could provide interim debt or equity financing or otherwise facilitate a co-investment in advance of co-investors' participation in such co-investment opportunity), which will impact returns realized by co-investors. When our group (or a Brookfield Account in which we invest) holds an investment alongside co-investors, our group (or a Brookfield Account in which we invest) may also provide certain guarantees under financing or refinancing arrangements (including non-recourse carve-out, environmental, and interest and expenses guarantees) on behalf of the entire investment, while co-investors may bear their pro rata shares of any amounts to be paid via such guarantees through a backstop indemnity to our group (or a Brookfield Account in which we invest). If such a guarantee is required to be funded, our group (or a Brookfield Account in which we invest) will be responsible for the entire amount and will separately be required to seek to collect the co-investor's portion from the co-investment vehicle. In some cases, our group (or a Brookfield Account in which we invest) may make a follow-on investment with respect to an investment (or an investment may otherwise seek to raise additional capital) and co-investors or other Brookfield Accounts that have also participated in the investment may elect not to participate in such follow-on investment or capital raise or may not be offered the opportunity to participate in such follow-on investment or capital raise. Furthermore, in connection with a co-investment, co-investors may receive certain governance rights, minority protections and/or additional liquidity rights that would not otherwise be afforded to the investors in respect of their investment in such co-investment opportunity through our group (or a Brookfield Account in which we invest).

In the event Brookfield and/or our group participates in co-investment opportunities, Brookfield may determine that it and/or our group (as applicable) fund all or a portion of its capital contributions in respect thereof using securities without the consent of any other co-investors. Brookfield will make such determination with respect to the form of its and/or our group's funding in its sole discretion, taking into account factors it deems relevant under the circumstances and with a view to facilitating the consummation of the applicable transaction, including, but not limited to: (a) whether the relevant Brookfield Account and its co-investors are capable of funding the applicable investment in cash, (b) whether the applicable contribution of securities is expected to be attractive to the seller of the applicable asset, and/or (c) whether the applicable contribution of securities is expected to be accretive to the applicable co-investor(s). Such determination to fund using securities may be in Brookfield's interest alone, as opposed to the interests of the unitholders and other co-investors, and it is possible that such determination could lead to adverse consequences, including a lower likelihood of transaction execution and/or a higher purchase price for the asset. Brookfield, in its sole discretion, will determine the value of its contributed securities, which could be based on the volume weighted average price of the shares over a certain period of time, the closing price of the shares as of the applicable transaction closing date, or such other valuation it deems fair and reasonable under the circumstances. See also "Allocation of Investment Opportunities" above and "Determinations of Value" below. Furthermore, in the event that a Brookfield Account (including our group) participates in co-investment opportunities, Brookfield may determine to not dispose of their portion of such co-investment at the same time or on the same terms as other investors (including our group or a Brookfield Account in which we invest), which may create conflicts of interests. For example, if Brookfield determines to sell one Brookfield Account's investment later than our group (or a Brookfield Account in which we invest), when selecting a potential purchaser of the applicable investment for our group (or a Brookfield Account in which we invest), Brookfield may be incentivized (as a result of its interest as a co-investor) to take into consideration any such purchaser's strategic value to the applicable portfolio company and the impact on the future value of the portfolio company rather than solely obtaining the highest purchase price in respect of the interests of our group (or a Brookfield Account in which we invest) interests. Further, Brookfield determining to hold a Brookfield Account's interest in a portfolio company for longer than our group (or a Brookfield Account in which we invest) may result in a smaller pool of potential buyers or a decreased purchase price as a result of potential buyers being required to buy less than all of the applicable portfolio company and to have a large minority owner post-acquisition. While Brookfield believes that such conflicts are mitigated by its significant commitment to our group (and the Brookfield Accounts in which we invest) and its potential entitlement to an incentive allocation/carried interest that is tied to the performance of our group (and the Brookfield Accounts in which we invest), such conflicts of interest are nonetheless present.

- **Co-Investment Expenses.** Co-investors (including (a) third-party co-investors that invest in a co-investment opportunity offered by our group, and (b) our group to the extent it co-invests in an opportunity offered by a Brookfield Account in which it invests) will typically bear their pro rata share of fees, costs and expenses related to their co-investments, including those incurred in connection with the discovery, investigation, development, acquisition or consummation, ownership, maintenance, monitoring, hedging, financing and disposition of their co-investments.

Brookfield will endeavor to allocate such fees, costs and expenses among our group and its co-investors (or a Brookfield Account in which we invest and its co-investors, including our group) on a *pro rata* basis. Notwithstanding the foregoing, third-party co-investors (including co-investors that contractually committed to participate in the co-investment opportunity through a co-investment vehicle or program managed by Brookfield) are generally not expected to pay or otherwise bear fees, costs and expenses related to unconsummated co-investment opportunities (collectively referred to as "broken deal fees, costs and expenses"), and, in such cases, our group (or a Brookfield Account in which we invest) is likely to bear fees, costs and expenses attributable to potential co-investors even if our group (or a Brookfield Account in which we invest) could not (for investment concentration limits or otherwise) complete the full investment on its own. This will be the case for a number of reasons, including because, at the time that the co-investment opportunity ceases to be pursued, third-party co-investors (a) were not yet identified (or their anticipated allocation was not yet identified), (b) were not yet committed to the potential investment, or (c) did not contractually agree to bear such fees, costs and expenses. Notwithstanding the foregoing, in all instances, Brookfield (in its capacity as a co-investor or a prospective co-investor alongside our group) and our group (in its capacity as a co-investor or prospective co-investor alongside a Brookfield Account in which it invests) will bear their pro rata share of broken deal fees, costs and expenses based on the amount they committed to co-invest as of the time a binding offer is made with respect to the potential investment. For the avoidance of doubt, Brookfield (in its capacity as a co-investor or prospective co-investor alongside our group) and our group (in its capacity as a co-investor or prospective co-investor alongside a Brookfield Account in which it invests) will not bear the broken-deal fees, costs and expenses relating to (a) any portion of an excess opportunity that it agrees to support (via a backstop or similar arrangement) with a view to syndication of such portion of the excess opportunity to third-party co-investors, and (b) its pro-rata share of an investment opportunity in its capacity as co-investor or prospective co-investor to the extent the opportunity ceases to be pursued prior to a binding offer in respect of the opportunity having been made.

- **Facilitation of Investments and Co-Investments**. From time to time, in order to facilitate investment activities in a timely and efficient manner, Brookfield, our group or another Brookfield Account will fund deposits or incur other costs and expenses (including, among other things, by use of loan facilities and/or issuance of guarantees or letters of credit) in respect of an investment that ultimately will be shared with or made entirely by our group, another Brookfield Account (including a Brookfield Account in which we invest), or co-investors; and/or Brookfield and/or our group (including a Brookfield Account in which we invest) could fund obligations and/or incur other costs and expenses in order to facilitate an investment that is ultimately shared with co-investors. These financing arrangements are provided to facilitate investments that Brookfield has determined to be in our best interests (or the best interests of Brookfield Accounts in which we invest). But for these forms of support, our group or Brookfield Accounts in which we invest could lose access to investment opportunities (if, for example, a Brookfield Account has not yet completed its fundraising and has insufficient capital to consummate the opportunity, or if co-investors have not yet been identified for an excess investment opportunity). Brookfield believes that facilitating investments in this manner and by investors that are part of Brookfield's platform or that have demonstrated a consistent and long term commitment to Brookfield (including our group and other Brookfield Accounts) provides benefits overall to our group (and Brookfield Accounts in which we invest) and improves the attractiveness of our units through the ability to participate in and benefit from these synergistic arrangements. These arrangements, however, give rise to conflicts of interest considerations.

Under these arrangements, the relevant ultimate investor (whether our group, another Brookfield Account or co-investors) will be expected to reimburse the relevant financing provider (whether Brookfield, our group or another Brookfield Account) for the deposits and other fees, costs and expenses incurred, as well as carrying charges applicable to such funding activity pursuant to the terms agreed to with such investor. Such investor is expected to repay any amounts that come due and payable under loan facilities or letters of credit issued for its benefit, although there can be no assurance that any such investor will bear such fees, costs and expenses or not default on its obligations to repay such amounts, in which case, such amounts would be borne disproportionately by the financing provider. In certain situations, such as short-term funding durations, these arrangements will not include any interest or other compensation payable to the party funding the investment, as deemed appropriate by Brookfield, in its discretion, under the circumstances.

From time to time, Brookfield will agree to support via a backstop (or similar arrangement) a portion of an excess investment opportunity that has been allocated to our group (or a Brookfield Account in which we invest) to facilitate the closing of such investment, with a view to syndication of such backstopped portion of the excess investment opportunity to third-party co-investors prior to or following closing. Brookfield's backstopped portion of the investment opportunity will be reduced to the extent the investment is further syndicated to third-party co-investors or additional proceeds from the investment become available (for example, our group (or a Brookfield Account in which we invest) could use debt proceeds on the investment or proceeds from the sale of a portion of the investment to reduce Brookfield's backstopped portion).

In certain situations, our group (or a Brookfield Account in which we invest) will close the investment transaction (in whole or in part) using funding from its loan facilities (or similar credit arrangements) prior to the completion of syndication to co-investors, and Brookfield will take nominal ownership of its backstopped portion of the investment at such time. Brookfield (or a third-party co-investor) will repay its pro rata portion of the amounts that come due and payable under such loan facilities in connection with the backstopped portion of the investment from such closing date. Alternatively, in situations where our group (or a Brookfield Account in which we invest) is not able to close on Brookfield's backstopped portion of the investment transaction (in whole or in part) using funding from its loan facilities (or similar credit arrangements) prior to the completion of syndication to co-investors, Brookfield could choose to fund the backstopped portion (in whole or in part) at closing. To the extent our group (or a Brookfield Account in which we invest) becomes able to use funding from its loan facilities, we (or a Brookfield Account in which we invest) may reimburse Brookfield (via a loan or a similar financing arrangement) for the backstopped portion of the investment that Brookfield has already funded on equivalent terms as if such backstopped portion had been paid using funding from the loan facilities at closing. In addition, our group (or a Brookfield Account in which we invest) is permitted to provide interim debt or equity financing (including among others emergency funding or as part of a follow-on investment) for the purpose of bridging a potential co-investment or a follow-on investment related to an existing co-investment (including prior to allocating and/or syndicating the co-investment or follow-on investment, as applicable, to co-investors) but only to the extent that our group (or a Brookfield Account in which we invest) would have been permitted to make such investment. In connection with any such financing, our group (or a Brookfield Account in which we invest) could incur fees, costs and expenses, including among others in connection with borrowing and/or hedging activities (e.g., hedging of currency, interest rate or other exposures). To the extent the potential investment is not consummated, these fees, costs and expenses will be treated as broken deal fees, costs and expenses (see "Co-Investment Expenses" above). In addition, to the extent the investment is consummated, the terms of the sale or transfer of such investment to co-investors may not be favorable to our group (or a Brookfield Account in which we invest) and may result in better terms for such co-investors than our group (or a Brookfield Account in which we invest) had when it made (or facilitated) the investment. For example, there is no guarantee that any co-investor will ultimately agree to bear its pro rata portion of the fees, costs and/or expenses associated with any such hedging or borrowing activities, in which case our group (or a Brookfield Account in which we invest) would bear a greater amount of expenses than if they were allocated on a pro rata basis. Similarly, if an investment depreciates during the period when our group (or a Brookfield Account in which we invest) holds it, co-investors may negotiate a lower price and we (or a Brookfield Account in which we invest) may take a loss on the portion of an investment we were holding on behalf of (or with a view to syndication to) co-investors (including with respect to fees, costs and expenses and/or carry costs related to an investment). In these types of situations, our group (or a Brookfield Account in which we invest) may nonetheless sell the investment to co-investors on the terms negotiated (and agreed to with) by such co-investors at the relevant time in the event that Brookfield determines it is in our best interest, for example out of a desire to reduce our exposure to such investment or to include other participants in the investment.

- **Client and Other Relationships**. Brookfield and Oaktree (as defined below) each have long-term relationships with a significant number of developers, institutions, corporations and other market participants and their advisers (collectively, "Brookfield Client Relationships"). These Brookfield Client Relationships may hold or may have held investments similar to the investments that are held and pursued by our group and Brookfield Accounts in which we invest, including certain investments that may represent appropriate investment opportunities for our group and Brookfield Accounts in which we invest. These Brookfield Client Relationships may compete with our group (or a Brookfield Account in which we invest) for investment opportunities. Brookfield will seek to maintain such Brookfield Client Relationships, including after the establishment of new Brookfield Accounts in which we invest. In determining whether to pursue a particular opportunity on behalf of our group (or a Brookfield Account in which we invest), the BBU General Partner could consider these relationships, and there may be certain potential opportunities which are not pursued on behalf of our group (or a Brookfield Account in which we invest) in view of such relationships. In addition, our group (or a Brookfield Account in which we invest) could invest or enter into joint ventures or other similar arrangements with Brookfield Client Relationships in particular investments, and the relationship with such clients may influence the decisions made by the BBU General Partner with respect to such investments.

- **Conflicts with Secondary Funds.** Brookfield sponsors, manages and invests in certain Brookfield Accounts that focus on making secondary investments (such Brookfield Accounts, "Secondary Funds"), including investments in pooled investment vehicles managed by third parties ("Third Party Vehicles"), recapitalizations of Third Party Vehicles and related investments (collectively, "Secondary Investments"). These Secondary Investments are subject to significant governance, control and/or minority protection rights in favor of the Secondary Funds. Our group, Brookfield Accounts in which we invest and their portfolio investments are expected to compete with such Third Party Vehicles for investment opportunities and are expected to manage competing assets. For example, in a competitive auction process, the Third Party Vehicles, on the one hand, and our group and/or Brookfield Accounts in which we invest, on the other hand, could be potential bidders. Similarly, Third Party Vehicles could invest in an asset that competes with an asset held by our group or a Brookfield Account in which we invest for tenants, market share or other matters.

In order to mitigate potential conflicts of interest in these situations, Brookfield may but will not be obligated to take one or more of the following actions (as it determines in its sole discretion): (i) causing the Secondary Fund to remain passive in, or recuse itself from, a situation in which it is otherwise entitled to vote, which would mean that the Secondary Fund defers to the decision or judgment of the Third Party Vehicle or third-party investor(s) in its managed vehicles with respect to certain decisions; (ii) causing the Secondary Fund to hold only non-controlling interests in an investment without governance rights; (iii) referring the matter to one or more persons that is not affiliated with Brookfield; (iv) consulting with and seeking the consent of our group's independent directors, the advisory committee of the Brookfield Account in which we are invested, the limited partners of the Secondary Fund and/or the advisory committee of the Secondary Fund (as deemed appropriate by Brookfield) on such matter; or (v) establishing ethical screens or information barriers (which can be temporary and of limited purpose) designed to separate Brookfield investment professionals to act independently on behalf of the Secondary Fund, on the one hand, and our group and/or the Brookfield Accounts in which we invest, on the other hand, in each case with support of separate legal counsel and other advisers.

At all times, Brookfield will endeavor to treat all Brookfield Accounts fairly, equitably and in an impartial manner. However, there can be no assurance that any action or measure pursued by Brookfield will be feasible or effective in any particular situation, or that its own interests won't influence its conduct, and it is possible that the outcome for the Brookfield Account will be less favorable than otherwise would have been the case if Brookfield did not face these conflicts of interest. In addition, the actions and measures that Brookfield pursues are expected to vary based on the particular facts and circumstances of each situation and, as such, there will be some degree of variation and potentially inconsistency in the manner in which these situations are addressed.

- **Pursuit of Investment Opportunities by Certain Non-Controlled Affiliates**. Certain companies affiliated with Brookfield (a) are controlled, in whole or in part, by persons other than Brookfield or entities controlled by it, including, for example, joint ventures or similar arrangements with third parties where Brookfield does not have complete control or (b) do not coordinate or consult with Brookfield with respect to investment decisions (together, "Non-Controlled Affiliates"). Such Non-Controlled Affiliates are likely to have investment objectives which overlap with our group's or Brookfield Accounts in which we invest and conflicts are likely to arise therefrom. For example, from time to time such Non-Controlled Affiliates or investment vehicles managed by such Non-Controlled Affiliates will pursue investment opportunities which are suitable for our group or Brookfield Accounts in which we invest but which are not made available to us or such Brookfield Accounts since such Non-Controlled Affiliates do not consult with and/or are not controlled by Brookfield.

CONFLICTS RELATING TO INVESTMENTS

As noted throughout this Form 20-F, our group is expected to benefit from its affiliation with Brookfield and Brookfield's expertise and resources. Brookfield believes that operating within its integrated investment platform is in the best interests of all of its clients, including our group and Brookfield Accounts in which we invest. However, being part of the broader Brookfield platform gives rise to actual and potential conflicts.

- **Advice to Other Brookfield Accounts May Conflict with our group's Interests.** In light of the extensive scope of Brookfield's investment and related business activities: (i) Brookfield and its personnel will give advice, and take actions, with respect to current or future Brookfield Accounts (including proprietary accounts of Brookfield) that could compete or conflict with the advice Brookfield gives to our group and/or Brookfield Accounts in which we are invested, or that will involve a different timing or nature of action than that taken with respect to our group and/or Brookfield Accounts in which we are invested, and (ii) investments by Brookfield Accounts and/or Brookfield could have the effect of diluting or otherwise disadvantaging the values, prices and/or investment strategies of our group and/or Brookfield Accounts in which we are invested. For example, when another Brookfield Account either manages or implements a portfolio decision ahead of, or contemporaneously with, portfolio decisions for our group and/or Brookfield Accounts in which our group is invested, market impact, liquidity constraints and/or other factors could result in us receiving less favorable results, paying higher transaction costs, or being otherwise disadvantaged.

In making certain decisions with regard to our investments or those of Brookfield Accounts in which we are invested that compete with or differ from the interests of one or more other Brookfield Accounts, Brookfield could face certain conflicts of interest between the interests of our group (and/or Brookfield Accounts in which we are invested) and the interests of such other Brookfield Accounts. These potential conflicts will be exacerbated in situations where Brookfield is entitled to higher fees from other Brookfield Accounts than from us and/or Brookfield Accounts in which we are invested, where portfolio managers making an allocation decision are entitled to higher performance-based compensation from other Brookfield Accounts than from us and/or Brookfield Accounts in which we are invested, where Brookfield (and/or the Related-Party Investor) has larger proprietary investments in other Brookfield Accounts than in our group and/or Brookfield Accounts in which we are invested, or where there are capacity constraints with respect to a particular strategy or opportunity as a result of, for example, position limits and/or regulatory reporting obligations applicable to Brookfield. In addition, as an investment changes over time, additional conflicts of interest are expected to arise, including as a result of earlier investment allocation decisions. Brookfield will determine the appropriate investment decision for our group, each Brookfield Account in which we are invested, and other Brookfield Accounts taking into account the mandate and interests of such accounts (where applicable) and, when applicable, in accordance with Brookfield's investment allocation protocols and such Brookfield Accounts' governing documents. The investment and divestment decisions made with respect to other Brookfield Accounts may be made without regard to the interests of our group and/or Brookfield Accounts in which we are invested, even where such decisions are informed by our (direct or indirect) investment activities and/or adversely affect us (directly or indirectly).

In addition, certain Brookfield Accounts (and/or portfolio companies of such Brookfield Accounts) may provide investment banking and other advisory services to third parties with respect to assets in which our group (or a Brookfield Account in which we invest) may be invested or seek to invest. The interests of such Brookfield Accounts (and/or portfolio companies of such Brookfield Accounts) in such circumstances could conflict with those of our group (or a Brookfield Account in which we invest), and our group (or a Brookfield Account in which we invest) could compete with such Brookfield Accounts in pursuing certain investments.

Different business units and teams within Brookfield may take views, and make decisions or recommendations, that are different than other areas of Brookfield. Different portfolio management teams Brookfield may make decisions or take (or refrain from taking) actions with respect to Brookfield Accounts they advise in a manner that may be different than or adverse to our group (or a Brookfield Account in which we invest). Such teams might not share information with the portfolio management team of our group (or a Brookfield Account in which we invest), including as a result of certain information barriers.

In particular, Brookfield Accounts that focus on making secondary investments are expected to invest in Third Party Vehicles. While such Brookfield Accounts are expected to negotiate for certain control rights over (and to offer strategic advice to) such Third Party Vehicles, such Third Party Vehicles will not be "Brookfield Accounts" and will not be considered "affiliates" of Brookfield for purposes of the provisions of the governing documents that limit the ability of our group (or a Brookfield Account in which we invest) to transact with Brookfield affiliates. As a result, our group (and Brookfield Accounts in which we invest) will not be restricted from purchasing investments from, selling investments to, or otherwise transacting with or alongside such third-party funds or other investment vehicles. The interests of such Brookfield Accounts and the Third Party Vehicles in which they invest may conflict with those of our group (or a Brookfield Account in which we invest), including in circumstances in which such other Brookfield Accounts exercise (or decline to exercise) control rights over, or otherwise offer strategic advice to, such Third Party Vehicles in a manner that differs from Brookfield's advice to our group (or a Brookfield Account in which we invest).

- **Allocation of Personnel**. Brookfield will devote such time as it deems necessary to conduct the business affairs of our group and each Brookfield Account in which we invest in an appropriate manner. However, the various teams and personnel working on one Brookfield Account will also work on matters related to other Brookfield Accounts. Accordingly, conflicts may arise in the allocation of personnel among our group and other Brookfield Accounts and such other strategies. For example, certain of the investment professionals who are expected to devote their business time to our group are also contractually required to, and will, devote substantial portions of their business time to the management and operation of other Brookfield Accounts, and such circumstances may result in conflicts of interest for such portfolio managers and/or other personnel who are in a similar position.

- **Integrated Investment Platform, Information Sharing and related Trading Restrictions**. As noted elsewhere herein, Brookfield is a global alternative asset manager with significant assets under management and a long history of owning, managing and operating assets, businesses and investment vehicles across various industries, sectors, geographies and strategies. Except as otherwise noted, Brookfield generally manages its investment and business lines in an integrated fashion with no information barriers that other firms may implement to separate certain investment teams so that one team's activities won't restrict or otherwise influence the other's. Brookfield believes that managing its investment and asset management platforms in an integrated fashion is in the best interests of Brookfield Accounts, including our group and Brookfield Accounts in which we invest, by enabling them to leverage Brookfield's experience, expertise, broad reach, relationships and position in the market for investment opportunities and deal flow, financial resources, access to capital markets and management and operating needs. Among other things, Brookfield will have access to information across its platform relating to business operations, trends, budgets, customers or users, assets, funding and other metrics that Brookfield has or acquires through its management of Brookfield Accounts and/or its own business and investment activities that is used by Brookfield to identify and/or evaluate potential investments for our group and Brookfield Accounts in which we invest and to facilitate the management of investments, including through operational improvements. Conversely, Brookfield uses data and information that it has or acquires in connection with activities on behalf of our group or a Brookfield Account in which we invest for the benefit of other Brookfield Accounts' (including Brookfield proprietary accounts') business and investment activities. From time to time, Brookfield expects to commission third-party research, at the expense of our group or a Brookfield Account in which we invest, in connection with its diligence of an investment opportunity for our group or such Brookfield Account or in connection with its investment, and such research is expected to subsequently be available to other Brookfield Accounts and Oaktree Accounts (who will generally not be required to compensate our group or the applicable Brookfield Account in which we invest for the benefit they receive from such research). Such benefits could be material and Brookfield will have no duty, contractual, fiduciary or otherwise, to keep such information confidential from, or not use such information in connection with the business and investment activities of itself, other Brookfield Accounts and/or their portfolio companies.

Brookfield believes that managing its broader investment and asset management platform in an integrated fashion, which includes sharing of information and data obtained through the platform, provides Brookfield Accounts with greater transaction sourcing, investment and asset management capabilities, and related synergies, including the ability to better anticipate macroeconomic and other trends, and make more informed decisions for Brookfield Accounts (including our group and Brookfield Accounts in which we invest).

At the same time, this level of integration results in certain regulatory, legal, contractual and other considerations that, under certain circumstances, restrict certain activities that would not otherwise arise if Brookfield managed its platform in a different fashion (e.g., in a walled environment) and that Brookfield is required to manage in the ordinary course. For example, from time to time, our ability (and the ability of Brookfield Accounts in which we are invested) to buy or sell certain securities will be restricted by applicable securities laws, regulatory requirements, information held by Brookfield, contractual obligations applicable to Brookfield, and potential reputational risks relating to Brookfield and Brookfield Accounts (including our group and Brookfield Accounts in which we invest), as well as Brookfield's internal policies designed to comply with these and similar requirements. As a result, from time to time, Brookfield will not engage in transactions or other activities for, or enforce certain rights in favor of, our group (and/or Brookfield Accounts in which we are invested) due to Brookfield's activities outside our group (and/or Brookfield Accounts in which we are invested), regulatory requirements, policies, and reputational risk assessments.

Brookfield will possess material, non-public information about companies that will limit our (and Brookfield Accounts') ability to buy and sell securities related to those companies (or, potentially, other companies) during certain times. For example, Brookfield makes control investments in various companies and assets across its platform and its personnel take seats on boards of directors of, or have board of directors observer rights with respect to, portfolio companies in which Brookfield invests (including on behalf of Brookfield Accounts in which we are invested). In addition, Brookfield often obtains confidential information relating to investment opportunities that it considers across its platform. As a result, Brookfield will be limited and/or restricted in its ability to trade in securities of companies about which it has material non-public information, even if the information was not obtained for the benefit of the Brookfield Account that is restricted from making the investment. This will adversely affect our ability to make and/or dispose of certain investments during certain times.

Furthermore, Brookfield, Brookfield businesses that are separated by information barriers (e.g., PSG and Oaktree) and their accounts, and Brookfield Accounts (including our group) are deemed to be affiliates for purposes of certain laws and regulations. As such, it is anticipated that, from time to time, Brookfield, Brookfield businesses that are separated by information barriers and their accounts, and Brookfield Accounts will have positions (which in some cases will be significant) in one or more of the same issuers. As such, Brookfield needs to aggregate such investment holdings for certain securities laws purposes (including trading restrictions under Rule 144 under the U.S. Securities Act, complying with reporting obligations under Section 13 of the U.S. Exchange Act and the reporting and short-swing profit disgorgement obligations under Section 16 of the U.S. Exchange Act) and other regulatory purposes (including: (i) public utility companies and public utility holding companies; (ii) bank holding companies; (iii) owners of broadcast licenses, airlines, railroads, water carriers and trucking concerns; (iv) casinos and gaming businesses; and (v) public service companies (such as those providing gas, electric or telephone services)). Consequently, activities by Brookfield, Brookfield businesses that are separated by information barriers, and/or other Brookfield Accounts could result in earlier public disclosure of investments by our group and/or Brookfield Accounts that we are invested in, restrictions on transactions by our group and/or Brookfield Accounts that we are invested in (including the ability to make or dispose of certain investments at certain times), adverse effects on the prices of investments made by our group and/or Brookfield Accounts that we are invested in, potential short-swing profit disgorgement, penalties and/or regulatory remedies, or otherwise create conflicts of interests for our group and/or Brookfield Accounts that we are invested in.

As a result of the foregoing, Brookfield could restrict, limit or reduce the amount of our group's investments (or investments of Brookfield Accounts that we are invested in) under certain circumstances. In addition, certain of the investments made by our group or Brookfield Accounts in which we invest could become subject to legal and/or other restrictions on transfer following their acquisition. When faced with the foregoing limitations, Brookfield will generally avoid exceeding the threshold because exceeding the threshold could have an adverse impact on the ability of Brookfield to efficiently conduct its business activities. Brookfield could also reduce our (and Brookfield Accounts') interest in, or restrict our group (or Brookfield Accounts in which we are invested) from participating in, an investment opportunity that has limited availability or where Brookfield has determined to cap its aggregate investment in consideration of certain regulatory or other requirements so that other Brookfield Accounts that pursue similar investment strategies are able to acquire an interest in the investment opportunity. Brookfield could determine not to engage in certain transactions or activities which may be beneficial to us (or Brookfield Accounts in which we are invested) because engaging in such transactions or activities in compliance with applicable law would result in significant cost to, or administrative burden on, Brookfield or create the potential risk of trade or other errors.

In addition, certain potential conflicts considerations will arise for Brookfield in managing its investment and asset management platform in an integrated fashion. For example, in seeking to manage business activities efficiently across all Brookfield Accounts, Brookfield could determine, in its discretion, to apply certain restrictions during certain times to certain Brookfield Accounts, but not to others, taking into account the relevant facts and circumstances it deems appropriate. Moreover, while Brookfield will have or obtain information from across the platform (including all Brookfield Accounts and/or their portfolio companies, strategies, businesses and operations), Brookfield also will use such information for the benefit of its own business and investment activities as well as those of Brookfield Accounts.

Brookfield believes that it will be better able to anticipate macroeconomic and other trends, and otherwise make more informed investment and other decisions for Brookfield Accounts (including our group and the Brookfield Accounts in which we invest) as a result of its access to (and rights regarding) the data and information that it has or obtains through the business and investment activities of all Brookfield Accounts and their portfolio companies. Brookfield will also make investment and other decisions for Brookfield Accounts (including itself, our group, Brookfield Accounts in which we invest, other Brookfield Accounts and their portfolio companies) on the basis of information Brookfield has or obtains through all Brookfield Accounts' investment activities. Brookfield believes that using this data and information from across Brookfield Accounts and their portfolio companies will provide overall benefits to, and improve Brookfield's management of, Brookfield Accounts (including our group and the Brookfield Accounts in which we invest), including their investment activities. For example, data analytics based on inputs from a portfolio company of one Brookfield Account could inform business decisions for another Brookfield Account. In addition, aggregating data provides Brookfield with opportunities to obtain bulk discounts for Brookfield Accounts (including our group, Brookfield Accounts in which we invest, other Brookfield Accounts and their portfolio companies) on products and services if that data shows significant demand across multiple Brookfield Accounts and/or portfolio companies. Any such discounts would be allocated among Brookfield Accounts and their portfolio companies on a fair and equitable basis as determined by Brookfield in its sole discretion, with Brookfield able to make corrective allocations should it determine subsequently that such corrections were necessary or advisable.

This practice gives rise to conflicts of interest, however, because in some cases, this will result in certain Brookfield Accounts and/or portfolio companies taking positions that are different from, and potentially adverse to, positions taken for our group, Brookfield Accounts in which we are invested or their portfolio companies, or result in certain Brookfield Accounts and/or portfolio companies benefiting from the business and investment activities of our group and/or Brookfield Accounts in which we invest (or vice versa). For example, Brookfield's ability to invest on behalf of another Brookfield Account in a particular company could be enhanced by information obtained from a portfolio company of our group or Brookfield Accounts in which we invest in the same or a related industry. Such investments can be expected to provide a material benefit to certain Brookfield Accounts and portfolio companies (including proprietary Brookfield accounts) without compensation or other benefits to, or participation by the Brookfield Accounts (including our group and/or Brookfield Accounts in which we invested) whose information is being used, because Brookfield shares information regarding Brookfield Accounts and their investors, and the benefits received by certain Brookfield Accounts (and/or Brookfield) will not offset management fees or otherwise be shared with our group, Brookfield Accounts in which we invest or their investors.

As a result, Brookfield has an incentive to pursue and manage investments for our group and Brookfield Accounts in which we invest that have data and information that can be utilized in a manner that benefits Brookfield's broader business platform, including investments that Brookfield would not otherwise have invested in or investments on terms less favorable than Brookfield otherwise would have sought in the ordinary course. Brookfield has implemented policies and procedures designed to mitigate conflicts of interest and address certain regulatory requirements and contractual restrictions with respect to its use and sharing of data and information. Brookfield is also subject to contractual obligations and legal limitations on its use and sharing of data and information. Such policies and procedures, obligations and limitations generally reduce synergies across Brookfield's various activities and negatively affect Brookfield's and the Brookfield Accounts' ability to pursue and manage investment opportunities that would otherwise be available to Brookfield or the Brookfield Accounts if such policies and procedures were not implemented. From time to time, these policies and procedures also will result in our group or the Brookfield Accounts in which we invest having reduced investment opportunities or investment flexibility, or otherwise restrict our group, the Brookfield Accounts in which we invest or Brookfield in its management and investment activities with respect to such information, such as the ability of our group, the Brookfield Accounts in which we invest or a portfolio company to make certain investments.

While Brookfield will manage its investment and asset management platform in an integrated basis, there is no assurance that the investment professionals managing the investment activities of our group and/or Brookfield Accounts in which we invest will have access to and/or knowledge of all information that Brookfield is privy to at any given point in time. Conversely, operating in an integrated environment may provide Brookfield with access to and knowledge of information that Brookfield may have obtained in connection with an investment for another Brookfield Account, which may provide benefits to such other Brookfield Accounts that would not exist but for its position within Brookfield's platform. Brookfield will not be under any obligation or other duty to make all such information available for the benefit of our group, Brookfield Accounts in which we invest and/or any portfolio companies.

Regardless of the existence of information barriers, Brookfield will not have any obligation or other duty to make available for the benefit of any Brookfield Account (including our group and/or Brookfield Accounts in which we invest or their investments) any information regarding Brookfield's broader investment activities, strategies or views, or the activities, strategies or views used for other Brookfield Accounts. Brookfield may share any information relating to a Brookfield Account or its investments with its affiliates, including those that are managed independently (in accordance with information barriers and related protocols). Furthermore, to the extent that Brookfield has access to analyses, models and/or information developed by other parts of Brookfield and/or its personnel, Brookfield will not be under any obligation or other duty to effect transactions on behalf of our group, any Brookfield Account in which we invest or its investments in accordance with such analysis and models and in some cases (such as research) may be prohibited from disseminating information between areas within Brookfield. In the event Brookfield does not share certain information with a Brookfield Account's investment team, such Brookfield Account may make investments or other decisions that differ from those it would have made if its investment team had such information, which may be disadvantageous to the Brookfield Account.

- **Trade Errors.** Brookfield will not be responsible for any losses resulting from any trade errors made by Brookfield in respect of the investments of our group or the Brookfield Accounts in which we invest, except to the extent such parties are liable pursuant to the applicable governing documents of the Brookfield Accounts in which we invest. Trade errors might include, for example, keystroke errors that occur when entering trades into an electronic system or typographical or drafting errors related to derivatives contracts or similar agreements. Investors should assume that trade errors (and similar errors or deviations from accuracy or correctness in the trade process) will occur and that Brookfield will not be responsible for any resulting losses, even if such loss results from negligence (but not gross negligence), unless it has breached its standard of care as set out in applicable laws or regulations as well as the applicable limited partnership agreement, investment management agreement, prospectus or other offering document of the Brookfield Accounts in which we invest.

- **Data Management**. To the extent it deems necessary or appropriate, in its sole discretion, Brookfield may provide data management services to us and our investments and/or other Brookfield Accounts and their portfolio companies (collectively, "Data Holders"). Such services could include, among other things, assistance with obtaining, analyzing, curating, processing, packaging, organizing, mapping, holding, transforming, enhancing, marketing and selling data for monetization through licensing and/or sale arrangements with third parties and/or directly with Data Holders. To the extent provided, these services would be subject to the limitations discussed below and applicable contractual and/or legal obligations or limitations, including on the use of material non-public information. Moreover, where an arrangement is with our group or one of our investments, we would directly or indirectly bear our appropriate share of related compensation. In addition, in Brookfield's sole discretion, data from one Data Holder may be pooled with data from other Data Holders, subject to applicable laws and regulations (including privacy laws and regulations), and any revenues arising from such pooled data sets would be allocated among Brookfield and the applicable Data Holders on a fair and equitable basis as determined by Brookfield in its sole discretion, with Brookfield able to make corrective allocations should it determine subsequently that such corrections were necessary or advisable.

Brookfield's compensation for any data management services could include a percentage of the revenues generated through any licensing and/or sale arrangements, fees, royalties and cost and expense reimbursement (including start-up costs and allocable overhead associated with personnel working on relevant matters (including salaries, benefits and other similar expenses)). This compensation will not offset management or other fees or otherwise be shared with the Data Holders, our group, other Brookfield Accounts, their portfolio companies or unitholders. Brookfield may share the products from its data management services within Brookfield (including other Brookfield Accounts and/or their portfolio companies) at no charge and, in such cases, the Data Holders are not expected to receive any financial or other benefit from having provided their data to Brookfield. The provision of data management services will create incentives for Brookfield to pursue and make investments that generate a significant amount of data, including on behalf of our group and Brookfield Accounts in which we are invested. While all investments will be within our (or the relevant Brookfield Account's) investment mandate and consistent with our (or the relevant Brookfield Account's) investment objectives, they could include investments that Brookfield might not otherwise have made or investments on terms less favorable than Brookfield otherwise would have sought to obtain had it not been providing data management services.

- **Terms of an Investment by a Brookfield Account May Benefit or Disadvantage Another Brookfield Account.** From time to time, in making investment decisions for our group (or a Brookfield Account in which we invest) or another Brookfield Account, Brookfield will face certain conflicts of interest between the interests of our group (or a Brookfield Account in which we invest), on the one hand, and the interests of the other Brookfield Account. For example, subject to applicable law and any limitations contained in the governing documents, Brookfield from time to time could cause our group (or a Brookfield Account in which we invest) to invest in securities, bank loans or other obligations of companies or properties affiliated with or advised by Brookfield or in which Brookfield Accounts have an equity, debt or other interest, or to engage in investment transactions that result in other Brookfield Accounts getting an economic benefit, being relieved of obligations or divested of investments. For example, from time to time, our group (or a Brookfield Account in which we invest) could make debt or equity investments in entities which are expected to use the proceeds of such investment to repay loans from another Brookfield Account. Depending on the circumstance, such other Brookfield Account would benefit if our group (or a Brookfield Account in which we invest) invested more money, thus providing sufficient funds to repay such other Brookfield Account, or it would benefit if the loans remained outstanding and such Brookfield Account continued to receive payment under the existing loans, if the loans were on attractive terms (including an attractive interest rate) from the perspective of such Brookfield Account. Alternatively, from time to time another Brookfield Account is in the position of making an investment that could be used to repay loans from our group (or a Brookfield Account in which we invest) (which could occur earlier than otherwise expected for our group (or a Brookfield Account in which we invest)), which would present the opposite conflict. Similarly, such conflicts are also present in other situations. For example, in certain circumstances, a Brookfield Account will pursue a take-private, asset purchase or other material transaction with an issuer in which our group (or a Brookfield Account in which we invest) is invested, which will result in a benefit to our group (or a Brookfield Account in which we invest). In situations where the activities of our group (or a Brookfield Account in which we invest) enhance the profitability of other Brookfield Accounts with respect to their investment in and activities relating to companies, Brookfield could take the interests of such other Brookfield Accounts into consideration in connection with actions it takes on behalf of our group (or a Brookfield Account in which we invest). See "Investments with Related Parties," below.

Additionally, there may be instances where our group (or a Brookfield Account in which we invest) or another Brookfield Account or one of their investments may enter into agreements with third parties (or invest in assets or portfolio companies that have pre-existing agreements with third parties) that restrict the ability of other Brookfield Accounts (including our group or a Brookfield Account in which we invest) to engage in potentially competitive actions, such as developing competing assets within a defined geographical area, which could adversely impact our group's (or of a Brookfield Account in which we invest's) investment opportunities. In cases where our group (or a Brookfield Account in which we invest) or one of its investments has entered into such a restriction, our group (or a Brookfield Account in which we invest) may from time to time seek to induce its counterparty to waive such restriction for the benefit of another Brookfield Account. No consent or notification will be provided to the unitholders or the BBU General Partner's board of directors in these situations.

- **Conflicts among Portfolio Companies and Brookfield Accounts**. There will be conflicts between our group, Brookfield Accounts in which we invest and/or one of our (direct or indirect) investments, on the one hand, and other Brookfield Accounts and/or one or more of their investments, on the other hand. For example, a portfolio company of another Brookfield Account may be a competitor, customer, service provider or supplier of one or more of our (direct or indirect through a Brookfield Account) investments. There may also be circumstances where a tenant or a prospective tenant in connection with an investment may also be interested in or eligible to be a tenant or prospective tenant at a property owned by another Brookfield Account. In such circumstances, the other Brookfield Account and/or portfolio company thereof are likely to take actions that have adverse consequences for our group, Brookfield Accounts in which we are invested and/or one of our (direct or indirect) investments, such as seeking to increase their market share to our detriment, withdrawing business from our investment in favor of a competitor that offers the same product or service at a more competitive price, or increasing prices of their products in their capacity as a supplier to our (direct or indirect) investment, or commencing litigation against our (direct or indirect) investment. In addition, in such circumstances, Brookfield may not pursue certain actions on behalf of our group, Brookfield Accounts in which we are invested or our (direct or indirect) portfolio companies, which could result in a benefit to another Brookfield Account (or vice versa). Brookfield has implemented policies and procedures designed to mitigate such potential conflicts of interest. Such policies and procedures could reduce the business activity among the portfolio companies of Brookfield Accounts, which would negatively affect portfolio companies of our group (or a Brookfield Account in which we invest) and, therefore, our group, or a Brookfield Account in which we invest, as a whole. Another Brookfield Account or portfolio company thereof may nonetheless continue to take such actions that have adverse consequences for our group (or a Brookfield Account in which we invest) or its portfolio companies, and Brookfield will not have any obligation or duty in this regard.
- **Investments with Related Parties**. In light of the extensive scope of Brookfield's activities, in certain circumstances we will invest (directly or indirectly through a Brookfield Account) in assets or companies in which Brookfield and/or other Brookfield Accounts (including a co-investment account) hold an equity or debt position or in which Brookfield or another Brookfield Account invests (either in equity or debt positions) subsequent to our investment. For example, from time to time, Brookfield and/or another Brookfield Account (including a co-investment account) will: (a) enter into a joint transaction with us (or a Brookfield Account in which we invest); (b) in their discretion, invest alongside us (or a Brookfield Account in which we invest) in order to facilitate an investment (e.g., to the extent there is excess capacity) or to facilitate compliance with specific legal, regulatory or similar requirements; (c) be borrowers of certain investments or lenders in respect of our group (or a Brookfield Account in which we invest); and/or (d) invest in different levels of an issuer's capital structure. As a result of the various conflicts and related issues described herein, we (or a Brookfield Account in which we invest) could sustain losses during periods in which Brookfield or other Brookfield Accounts achieve profits generally or with respect to particular investments, or could achieve lower profits or higher losses than would have been the case had the conflicts described herein not existed.

Brookfield and other Brookfield Accounts invest in a broad range of asset classes throughout the corporate capital structure, including debt positions (either junior or senior to the positions of our group (or a Brookfield Account in which we invest)) and equity securities (either common or preferred). It is possible that our group (or a Brookfield Account in which we invest) or one or more of its portfolio companies will hold an interest in one part of a company's capital structure while another Brookfield Account or one or more of its portfolio companies holds an interest in another. In situations where such company or property is experiencing distress or bankruptcy, such conflicts of interest will be exacerbated. In such scenarios, other Brookfield Accounts or other consortiums, including Brookfield, Brookfield Insurance Accounts, Oaktree or Oaktree Accounts, could hold interests that are more senior in priority to that of our group (or a Brookfield Account in which we invest) and could seek to take over such company or property. In such circumstances, Brookfield Accounts, Brookfield Insurance Accounts, Oaktree and/or Oaktree Accounts that participate in such asset could take actions that are adverse to the interests of our group (or a Brookfield Account in which we invest). Alternatively, our group (or a Brookfield Account in which we invest) may make an investment in a company in which Brookfield or another Brookfield Account invests and such company may already be experiencing (or may in the future experience) distress or bankruptcy. Our group (or a Brookfield Account in which we invest) may, or may not, be successful in managing it out of such distress. The conflicts between such parties and our group (or a Brookfield Account in which we invest) will be more pronounced where the asset is near default on existing loans and our group (or a Brookfield Account in which we invest) may not have the ability to call additional capital or use reserves or other sources of capital in order to sustain its position in the asset (either because our group (or a Brookfield Account in which we invest) is out of available Commitments or other limitations). In this case, Brookfield, Brookfield Insurance Accounts, Brookfield Accounts, Oaktree and/or Oaktree Accounts could, for a relatively small investment, obtain a stake in such company or take over the management of (and risk relating to) such company to the detriment of our group (or a Brookfield Account in which we invest).

The interests of Brookfield Accounts and other consortium members in certain investments could differ from those of our group (or a Brookfield Account in which we invest) and could be acquired at different times, at different prices, with a different view (including different investment objectives and other considerations) and be subject to different terms and conditions. Furthermore, to the extent that our group (or a Brookfield Account in which we invest) acquires an interest in assets or companies subsequent to another Brookfield Account, it is possible that participation by our group (or a Brookfield Account in which we invest) could result in a direct or indirect financial benefit to such Brookfield Account which would not have otherwise obtained. In addition, Brookfield Accounts and other consortium members could dispose of their interests in applicable investments at different times and on different terms than our group (or a Brookfield Account in which we invest), including in situations where Brookfield Accounts facilitated an investment with a view to reselling their portion of such investment to third-parties following the closing of the transaction (which could, in certain situations, result in the Brookfield Account receiving compensation for (or related to) such sale) or where Brookfield Accounts and/or such consortium members seek to reallocate capital to other opportunities, de-risk of exposures, or otherwise manage their investments differently than our group (or a Brookfield Account in which we invest), which could have an adverse effect on the value and/or liquidity of the investment of our group (or of a Brookfield Account in which we invest). In any such circumstances, such Brookfield Accounts or other consortium members will likely sell interests at different values, and possibly higher values, than our group (or a Brookfield Account in which we invest) will be able to when disposing of the applicable investment. Where our group (or a Brookfield Account in which we invest) invests alongside another Brookfield Account, our group (or a Brookfield Account in which we invest) may desire to manage its investment differently than such Brookfield Account, but may be restrained from doing so because of the Brookfield Account.

Moreover, from time to time, we, a Brookfield Account in which we are invested, and/or another Brookfield Account could jointly acquire a portfolio of assets with a view to dividing up the assets between them in accordance with their investment mandates. In this circumstance, Brookfield will determine the terms and conditions relating to the investment, including the purchase price associated with each asset, which price may not represent the price we (or a Brookfield Account in which we are invested) would have paid if the transaction had involved the acquisition only of the assets we (or the Brookfield Account in which we are invested) ultimately retain. In certain circumstances, our group (or a Brookfield Account in which we are invested) could have residual liability for assets that were allocated to Brookfield or another Brookfield Account, including potential tax liabilities. Additionally, from time to time, Brookfield will seek to sell assets on behalf of our group (or a Brookfield Account in which we are invested) and one or more other Brookfield Accounts together, including because Brookfield deems it to be in the best interests of our group (or a Brookfield Account in which we are invested) and each participating Brookfield Account to do so and/or because it believes our group (or a Brookfield Account in which we are invested) and each applicable Brookfield Account would generate excess value as part of a joint portfolio or platform sale. In this circumstance, Brookfield will determine the terms and conditions relating to such disposition, including the manner of sale, the ultimate sale price associated with each property and/or other asset and the allocation of the sale price among our group (or a Brookfield Account in which we are invested) and the other participating Brookfield Accounts, which will be based on one or more factors, as deemed appropriate by Brookfield in its discretion, including among others internal carrying values of the relevant assets, appraisals and/or valuations of the relevant assets, the advice of external consultants and/or advisers, and/or the values attributed to the various assets by one or more of the bidders for the portfolio. Notwithstanding the foregoing, Brookfield's ultimate allocation of the sale price among our group (or a Brookfield Account in which we are invested) and the other participating Brookfield Accounts could be different than any one particular factor utilized in its determination, including the values attributed to the various assets by the ultimate purchaser of the assets. These types of transactions will not require the approval of the unitholders. Furthermore, from time to time, we, a Brookfield Account in which we are invested, Brookfield and/or a Brookfield Account will jointly enter into a binding agreement to acquire an investment. If Brookfield or such Brookfield Account is unable to consummate the investment, we (or a Brookfield Account in which we are invested) could be subject to additional liabilities, including the potential loss of any deposit or the obligation to fund the entire investment. Similarly, to the extent that indebtedness in connection with an investment is structured such that both our group (or a Brookfield Account in which we are invested), Brookfield and/or another Brookfield Account are jointly responsible on a cross-collateralized, joint borrower, joint guarantor or similar basis for the repayment of the indebtedness, the failure of Brookfield and/or the other Brookfield Account to repay such indebtedness or meet other obligations could result in our group (or a Brookfield Account in which we are invested) being required to fund more than their *pro rata* share of the indebtedness.

If Brookfield or another Brookfield Account participates as a lender in borrowings by our group, a Brookfield Account in which we are invested or portfolio companies, Brookfield's (or the other Brookfield Account's) interests may conflict with the interests of our group, the Brookfield Account in which we are invested and/or the applicable portfolio company. In this situation, our group's assets may be pledged to such Brookfield Account as security for the loan. In its capacity as a lender, Brookfield or the relevant Brookfield Account may act in its own interest, without regard for the interests of our group, the Brookfield Account in which we are invested, our portfolio companies or the unitholders, which may materially and adversely affect our group, the Brookfield Account in which we are invested and our portfolio companies, and, in certain circumstances such as an event of default, ultimately may result in realization of assets held by our group or a Brookfield Account in which we are invested at a loss, including loss of the entire investment.

In situations in which Brookfield and/or another Brookfield Account holds an interest in an investment that differs from that of our group and/or the Brookfield Account in which we are invested, conflicts of interest will arise in connection with, among other things, the following: (i) the nature, timing and terms of each Brookfield Account's investment, (ii) the allocation of control and other governance rights among the Brookfield Accounts, (iii) the strategic objectives and/or timing underlying each Brookfield Account's investments, (iv) differing disposition rights, views and/or needs for all or part of an investment, (v) resolution of liabilities in connection with an investment among the Brookfield Accounts, (vi) allocation of jointly held resources (e.g., intellectual property, pooled funds, etc.), and/or (vii) other considerations related to the investment. In certain situations, Brookfield Accounts will invest in follow-on investments of other Brookfield Accounts (including our group and Brookfield Accounts in which we invest). Where certain Brookfield Accounts and other Brookfield Accounts (including our group and Brookfield Accounts in which our group invests) hold different interests in an investment, there will be conflicts from various factors, including, among other things, investments in different levels of the capital structure, different measurements of control, different risk profiles, different rights with respect to disposition alternatives, different investment objectives, strategies and horizons, different target rates of return, rights in connection with co-investors and/or other factors. Brookfield will resolve these matters in a fair and reasonable manner consistent with its fiduciary duty to each account. However, there can be no assurance that Brookfield will resolve these matters in any particular manner or that it would resolve these matters in the same manner that it would have resolved them had these conflicts considerations not arisen.

As noted above, from time to time our group and/or a Brookfield Account in which we are invested, on the one hand, and other Brookfield Accounts (including Brookfield proprietary accounts and/or co-investment accounts), on the other hand, will invest in different classes or types of securities of the same company (or other assets, instruments or obligations issued by such company) or otherwise on different terms thereby creating divergent interests. If the company or asset experiences financial distress, bankruptcy or a similar situation, a Brookfield Account's interest (including interest of our group or a Brookfield Account in which we are invested) may be subordinated or otherwise adversely affected by virtue of another Brookfield Account's involvement and actions relating to their investment to the extent their interest is more senior to, or has different contractual rights than, the interest of our group and/or the Brookfield Account in which we are invested. In these situations, Brookfield will face conflicts in managing each side's investment with a view to maximizing its value and, in connection therewith, pursuing or enforcing rights or activities. At all times, Brookfield will seek to treat each Brookfield Account (including our group and/or the Brookfield Account in which we are invested) fairly, equitably and consistent with its investment mandate in pursuing and managing these investments. However, these factors could result in our (direct and indirect) interests and those of Brookfield and other Brookfield Accounts being managed differently under certain circumstances and our group and/or the Brookfield Account in which we are invested realizing different returns (including, possibly lower returns) on their investment than Brookfield and/or other Brookfield Accounts on theirs.

In addition, Brookfield is expected to advise other Brookfield Accounts with respect to different parts of the capital structure of an investment. As a result, Brookfield could pursue or enforce rights or activities, or refrain from pursuing or enforcing rights or activities, with respect to a particular investment in which our group and/or a Brookfield Account in which we are invested has a position. Our group and/or a Brookfield Account in which we are invested could be negatively affected by these activities, and transactions on behalf of our group and/or a Brookfield Account in which we are invested could be executed at prices or terms that are less favorable than would otherwise have been the case. In addition, in the event that Brookfield and/or other Brookfield Accounts hold voting securities of an issuer in which we (directly or indirectly) hold loans, bonds, or other credit-related securities, Brookfield or such other Brookfield Accounts could have the right to vote on certain matters that could have an adverse effect on the positions held by our group or Brookfield Accounts in which we invest.

As a result of the various conflicts and related issues described above, we could sustain (direct or indirect) losses during periods in which Brookfield or other Brookfield Accounts achieve profits generally or with respect to particular holdings, or could achieve lower profits or higher losses than would have been the case had the conflicts described above not existed.

In order to mitigate potential conflicts of interest in these situations, Brookfield could but will not be obligated to take one or more actions on behalf of itself, our group and/or other Brookfield Accounts, including one or more of the following (as it determines in its sole discretion): (i) forbearance of rights, such as causing Brookfield, our group and/or other Brookfield Accounts to remain passive in a situation in which it is otherwise entitled to vote, which could mean that Brookfield, our group, a Brookfield Account in which we are invested and/or other Brookfield Accounts (as applicable) defer to the decision or judgment of an independent, third-party investor in the same class of securities with respect to decisions regarding defaults, foreclosures, workouts, restructurings, and/or similar matters, including actions taken by a trustee or administrative or other agent of the investment, such as a release, waiver, forgiveness or reduction of any claim for principal or interest, extension of maturity date or due date of any payment of any principal or interest, release or substitution of any material collateral, release, waiver, termination or modification of any material provision of any guaranty or indemnity, subordination of any lien, and release, waiver or permission with respect to any covenants; (ii) causing Brookfield, our group, a Brookfield Account in which we are invested and/or other Brookfield Accounts to hold only non-controlling interests in any such investment; (iii) referring the matter to one or more persons that is not affiliated with Brookfield, such as a third-party loan servicer, administrative agent or other agent to review and/or approve of an intended course of action; (iv) consulting with investors and/or seeking approval of the independent directors of the BBU General Partner on such matter (and similar bodies of other accounts); (v) establishing ethical screens or information barriers (which can be temporary and of limited purpose) designed to separate Brookfield investment professionals to act independently on behalf of our group (or a Brookfield Account in which we are invested), on the one hand, and Brookfield and/or other Brookfield Accounts, on the other hand, in each case with support of separate legal counsel and other advisers; (vi) seeking to ensure that Brookfield, our group, a Brookfield Account in which we are invested, and/or other Brookfield Accounts own interests in the same securities or financial instruments and in the same proportions so as to preserve an alignment of interests; and/or (vii) causing Brookfield, our group, a Brookfield Account in which we are invested, and/or other Brookfield Accounts to divest of an investment that it otherwise could have held on to, including without limitation causing our group (or a Brookfield Account in which we are invested) to sell its position to Brookfield or another Brookfield Account (or vice versa).

At all times, Brookfield will endeavor to treat all Brookfield-managed accounts (including our group and any Brookfield Account in which we are invested) fairly, equitably and in an impartial manner and consistent with its investment mandate in pursuing and managing in these investments. However, there can be no assurance that any action or measure pursued by Brookfield will be feasible or effective in any particular situation, or that its own interests won't influence its conduct, and it is possible that the outcome for our group (or a Brookfield Account in which we are invested) will be less favorable than otherwise would have been the case if Brookfield did not face these conflicts of interest. In addition, the actions and measures that Brookfield pursues are expected to vary based on the particular facts and circumstances of each situation and, as such, there will be some degree of variation and potentially inconsistency in the manner in which these situations are addressed. Furthermore, from time to time Brookfield intends to enter into a voting agreement with one or more other Brookfield Accounts alongside which our group (or a Brookfield Account in which we are invested) is invested, which, among other things, would allocate (upon such Brookfield Account's election), directly or indirectly, certain voting rights of Brookfield with respect to our group (or a Brookfield Account in which we are invested) or with respect to one or more properties or portfolio companies to such affiliates. However, for the avoidance of doubt, Brookfield will in all circumstances control our group (or a Brookfield Account in which we are invested).

From time to time, Brookfield may declare a distribution-in-kind of an investment of a Brookfield Account in which our group is invested or a portion thereof. Pursuant to any such distribution-in-kind, the investors in the Brookfield Account (including third-party investors, other Brookfield Accounts and Brookfield personnel that are invested in the relevant Brookfield Account) will receive their pro rata portions of the distribution, and Brookfield will receive a portion of the distribution in respect of its incentive distributions (if applicable). Upon receipt of such interests, certain recipients (including other Brookfield Accounts and Brookfield personnel) generally will be free to sell its interests in their sole discretion, which may have an adverse impact on the value and/or liquidity of other recipients' (including our group's) interests. For the avoidance of doubt, the value of the investment upon a distribution in-kind to investors (and the value used for determining Brookfield's entitlement to incentive distributions) may exceed the value ultimately received by investors (including our group) when they dispose of such interests for cash. In addition, each recipient will likely sell its interests at a different value, and it is possible that other Brookfield Accounts and Brookfield personnel are able to sell their interests at higher prices than other investors (including our group) are able to. It is likely that certain investors will elect to have Brookfield dispose of such interests for cash on their behalf while Brookfield will retain the securities for certain Brookfield Accounts (or vice versa), which may exacerbate the risks and conflicts identified herein. In the event of a partial distribution-in-kind, other Brookfield Accounts and Brookfield personnel will be free to sell the interests that they received in advance of any sales by our group (or a Brookfield Account in which our group is invested) of the remaining portion of the investment, which may adversely impact the value and/or liquidity of our group's or the relevant Brookfield Account's remaining position and may be at higher prices than our group or the relevant Brookfield Account in which our group is invested ultimately sells the remaining portion of the investment. Additionally, in connection with any restructuring of a Brookfield Account in which we are invested or any of its investments (such as the formation of a continuation vehicle or participation in other similar transactions), Brookfield may charge management fees and receive incentive distributions in connection with any continuation vehicle or similar structure established to hold the investments for a longer term. As a result, such transactions will result in conflicts of interest in determining whether to utilize a continuation vehicle when structuring a Brookfield Account's exit from any investment, and there can be no assurance that such conflicts of interest will be resolved in a manner favorable to the Brookfield Account in which we are invested or to investors who do not elect to participate.

- **Definitions of "Investment" and "Disposition"**. The governing documents of Brookfield Accounts in which we invest generally provide that an "investment" of such account typically includes any direct or indirect investment in companies or other assets. The governing documents generally further note that Brookfield has discretion regarding whether to treat assets or securities that have been acquired as part of a portfolio of assets, portfolio of companies or a platform as separate investments or as a single investment. Further to the foregoing, a single investment could include a collection of related assets and/or multiple securities (whether acquired in a single transaction or over time), a series of investments in a portfolio company's securities (including investments made in different parts of an issuer's capital structure in a single transaction or over time), investments acquired as a portfolio and/or portfolios (whether acquired in a single transaction or over time) via an asset aggregation strategy or otherwise, in each case as reasonably determined by Brookfield.

Brookfield will use its discretion in determining whether multiple assets and/or multiple securities are considered a single "investment" for purposes of the governing documents of the Brookfield Accounts in which we invest, taking into account all factors and circumstances it deems relevant to such determination. As a general matter, Brookfield expects to consider each series of related assets and/or securities as a single "investment". However, even when a series of assets and/or securities are treated as a single investment for certain purposes, Brookfield may still treat such assets and/or securities as multiple investments for other purposes of the governing documents (to the extent that Brookfield believes that doing so is consistent with the intention of the relevant provisions of such governing documents). For example, Brookfield could determine to assess each asset within a portfolio on a "look-through" basis for the purpose of certain definitions while treating the portfolio as a single "investment" in the relevant Brookfield Account's investor reporting and for other purposes of its governing documents, including for purposes of calculating and charging management fees. For the avoidance of doubt, Brookfield will determine whether or not to apply such a "look-through" approach on a case-by-case basis based on the relevant facts and circumstances, and expects that it will take different approaches to different investments.

The treatment of assets and/or securities as a single "investment" will affect the calculation of the management fee in certain circumstances, in particular in cases in which one or more assets or securities forming part of the "investment" are subject to a "disposition" or partial disposition (since an investment that has been subject to a disposition or partial disposition generally is no longer included in the calculation of the management fee (or included at a reduced amount) after the commitment period of the Brookfield Accounts in which we invest). The governing documents of the Brookfield Accounts in which we invest generally define "disposition" to include a situation in which an investment has been written down to zero, and also provide that in the case of a disposition of all or any part of an investment, the remaining portion will be treated as a separate investment for purposes of calculating the relevant Brookfield Account's management fee. However, if a collection of assets or securities is treated as a single investment, and one or more of those assets or securities is written down to zero, Brookfield will use its discretion, taking into account all relevant facts and circumstances, in determining whether to treat such event as a partial disposition and therefore reduce the management fees payable by the relevant Brookfield Account.

Furthermore, in connection with a series of investments made in different parts of a portfolio company's capital structure that is treated as a single investment, certain of such investments (for example, investments in the equity of the company) over time could be written down to a fair value of zero, while other investments (for example, investments in debt issued by the company) retain some value. In such cases, Brookfield expects to treat such series of investments as a single "investment" and does not expect to treat such investment as being written down to zero or as having been subject to a partial disposition. As a result, Brookfield will continue to collect management fees on the full amount of capital deployed in the investment (even in situations where a substantial majority of the relevant Brookfield Account's original investment was made in securities that have been written down to zero, for example in equity of a company that has been subject to bankruptcy, so long as the Brookfield Account holds other securities in the portfolio company that retain value).

In addition, from time to time an asset or security held by a Brookfield Account in which we invest will be substituted or exchanged for another asset or security, including potentially in connection with or as a result of a refinancing or other repayment, reorganization, merger, foreclosure, deed-in-lieu or other exchange or arrangement, whether or not in bankruptcy. In such cases, the governing documents of the Brookfield Accounts in which we invest generally provide Brookfield with discretion as to whether or not to treat such transaction as a "disposition" or partial disposition, and as a result whether the amount invested in such original asset or security will continue to be counted in full or in part towards the applicable Brookfield Account's funded commitments and therefore be subject to management fees. For example, to the extent a Brookfield Account in which we invest holds debt securities that are converted to equity pursuant to a bankruptcy proceeding, Brookfield does not expect to treat such event as a full or partial disposition (even if the relevant Brookfield Account in which we invest also held equity in such portfolio company, as part of the same investment, that was written down to zero in such bankruptcy proceeding).

For these reasons, Brookfield will be conflicted in its determination of whether assets and/or securities are treated as a single "investment" and whether or not a full or partial "disposition" has occurred, and Brookfield will have an incentive to exercise its discretion such that the fees payable to it would not be reduced. Moreover, Brookfield will not be obligated to (and, in certain circumstances, does not expect to) resolve such conflict in favor of the investors, but rather will resolve it based on its determination, taking into account the relevant facts and circumstances of whether the assets and/or securities are part of a single investment and whether a full or partial disposition has occurred. For the avoidance of doubt, Brookfield's determinations are not subject to consent of any investor (or BBU General Partner's independent directors or the limited partner advisory committee of any Brookfield Account), including any determination by Brookfield to treat assets and/or securities as a single "investment" and that a full or partial "disposition" has not occurred such that the management fees payable by the Brookfield Accounts in which we are invested are not reduced under the relevant facts and circumstances (as described herein).

Even in circumstances in which Brookfield determines to treat assets and/or securities as multiple "investments" for purposes of the calculation of management fees, in certain cases (in particular, where the portfolio was acquired as a single portfolio with an aggregate purchase price), Brookfield will use its discretion (and, at times, will make reasonable estimates) in attributing a portion of the purchase price and additional capital invested into the assets or portfolio following the initial acquisition to individual assets and/or securities (which will affect the amount by which management fees are reduced upon the realization or write down to zero of an individual asset within the portfolio). Brookfield will be similarly conflicted in making such attribution.

In addition, in certain situations, Brookfield could determine to write an investment down to zero for a period of time and subsequently increase its value above zero due to changed circumstances. In such cases, the management fees will resume and be calculated on the basis of the investment's original "funded commitments", beginning with the period that the investment is no longer written down to zero.

- **Insurance and Reinsurance Capital**. Brookfield currently manages, and expects in the future to manage, one or more Brookfield Accounts that focus on investing insurance- and reinsurance-related capital (including, for the avoidance of doubt, Brookfield Reinsurance Partners ("BN Re", and together with any other insurance and reinsurance-related Brookfield Accounts, the "Brookfield Insurance Accounts"). Among other things, Brookfield Insurance Accounts are expected to invest in securities of issuers affiliated with Brookfield Accounts, including securities issued by portfolio companies such as investment grade, high-yield and other debt securities, and certain equity investments. For example, from time to time, Brookfield Insurance Accounts could invest in asset-backed securities, commercial mortgage backed securities, and other debt securities and instruments issued by our group, Brookfield Accounts in which we invest and/or their investments (as part of a Brookfield Account's financing of an underlying investment). Brookfield Insurance Accounts could also provide financing to parties that purchase investments from our group or Brookfield Accounts in which we invest.

Brookfield Insurance Accounts' investments generally will be made on terms determined to be arm's length market terms (based on terms negotiated with third-party investors or terms that Brookfield otherwise determines to be consistent with arm's length market terms). However, Brookfield Insurance Accounts' investments in debt securities and/or instruments will result in Brookfield Insurance Accounts and other Brookfield Accounts being invested in different levels of an issuer's capital structure. To the extent a Brookfield Insurance Account is invested in an asset held by our group or a Brookfield Account in which we invest indirectly via a structure that is not controlled by or affiliated with Brookfield, such investment will generally not be considered an affiliate transaction. For the avoidance of doubt, interest, fees and other amounts earned by Brookfield Insurance Accounts in respect of these investments will not offset or otherwise reduce the management fees payable to Brookfield by our group or Brookfield Accounts in which we invest. These situations will give rise to conflicts of interests and potential adverse impacts on our group and/or Brookfield Accounts in which we invest, which are described in more detail (including as to the manner in which Brookfield will manage these situations) in "Investments with Related Parties" above.

Because Brookfield manages Brookfield Insurance Accounts, certain transactions (such as, for example, cross trades or other transactions involving a Brookfield Account, on the one hand, and a Brookfield Insurance Account, on the other hand) present conflicts of interest. No transaction involving our group or Brookfield Accounts in which we invest (or a portfolio company), on the one hand, and a Brookfield Insurance Account, on the other hand, will require approval by the BBU General Partner's independent directors or advisory committee of a Brookfield Account in which our group is invested, unless otherwise determined by Brookfield in its sole discretion.

- **Brookfield Capital Solutions**. Brookfield Capital Solutions ("BCS") is a separate business within Brookfield that focuses on: (i) sourcing investment opportunities for Brookfield Accounts (including our group and Brookfield Accounts in which our group invests) and their respective portfolio investments; (ii) maintaining relationships with the capital markets community in an effort to help Brookfield Accounts (including our group and Brookfield Accounts in which our group invests) and their respective portfolio investments to, among other things, raise debt and equity capital and optimize capital structures through creative financing solutions generally on terms and conditions that are viewed as fair, reasonable and equitable from the perspective of Brookfield, Brookfield Accounts (including our group and Brookfield Accounts in which our group invests) and their respective portfolio investments, as applicable; and (iii) structuring capital solutions in an effort to enhance, among other things, the ability to syndicate, place or otherwise transfer loans, securities and other financial instruments arising from financings where Brookfield Accounts (including our group and Brookfield Accounts in which our group invests) and/or their respective portfolio investments are borrowers/issuers and/or lenders/creditors (the "BCS Business").

The BCS Business is conducted via subsidiaries of BN Re, which is economically linked to Brookfield. The BCS business includes (among others): (i) a securities broker and dealer registered with the SEC and admitted to membership in FINRA, and (ii) a subsidiary that provides a variety of services with respect to non-security financial instruments, including loans, such as sourcing/originating, arranging, underwriting, structuring, and distributing/syndicating loans, debt advisory services and other similar services. Fees received by the BCS Business are not applied to reduce management fees payable by Brookfield Accounts and are not otherwise shared with Brookfield Accounts (including our group and Brookfield Accounts in which our group invests) and/or their respective portfolio investments that are recipients of the services.

Among others, BCS performs the following services: (i) underwriting firm and best efforts offerings of securities and non-security instruments on a referral basis; (ii) the resale of securities under Rule 144A under the Securities Act on a referral basis; (iii) merger and acquisition and corporate finance advisory services; (iv) private placements of securities and non-security instruments; (v) nonexchange member arranging for transactions in listed securities by an exchange member, on a referral basis; (vi) trading securities for its own account; (vii) broker or dealer selling corporate debt securities on a referral basis; and (viii) broker or dealer selling interests in mortgages, receivables or other asset-backed securities on a referral basis. The BCS Business is expected to, from time to time, expand the services that it performs and the activities in which it engages. In addition, Brookfield could in the future develop new businesses, such as providing additional investment banking, advisory, and other services to corporations, financial sponsors, management, or other persons, which could be part of the BCS Business.

Any such services could relate to transactions that could give rise to investment opportunities that are suitable for Brookfield Accounts (including our group and Brookfield Accounts in which our group invests) and/or their portfolio investments or, alternatively, that preclude investment opportunities for Brookfield Accounts (including our group and Brookfield Accounts in which our group invests) and/or their portfolio investments (including because the BCS Business's participation could change the tax characteristics of an investment opportunity for Brookfield Accounts). The BCS Business will not be obligated to decline any such engagements in order to make an investment opportunity available to any Brookfield Account (including our group and Brookfield Accounts in which our group invests) and/or their portfolio investments. It is also possible that Brookfield will come into the possession of information through BCS that limits the ability of Brookfield Accounts (including our group and Brookfield Accounts in which our group invests) and/or their portfolio companies to engage in potential transactions.

Underwriting services are provided to existing and potential portfolio investments of Brookfield Accounts (including our group and Brookfield Accounts in which our group invests) as well as to third parties on occasion. Where the BCS Business serves as underwriter with respect to a portfolio company's securities, a Brookfield Account will generally be subject to a "lock-up" period following the offering under applicable regulations or agreements during which time its ability to sell any securities that it continues to hold is restricted. This could prejudice such Brookfield Account's ability to dispose of such securities at an opportune time.

Syndication services include, among other things, identifying potential third-party investors (including potential syndication participants and/or financing counterparties), assisting in structuring the transaction so that it will be more marketable to third-party investors and/or financing counterparties, preparing marketing materials, performing outreach, executing on a syndication and sell-down strategy, arranging financing and providing post-closing support to Brookfield Accounts (including our group and Brookfield Accounts in which our group invests) and/or their respective portfolio investments. These services could be required (and the BCS Business will be compensated for providing them) even in situations where ultimately there is no allocation, syndication, sell-down to third-party investors or financing (e.g., when it is unclear at the outset of negotiating a transaction whether there will be sufficient capacity (or demand) to provide the full amount of the financing sought by the borrower or issuer (or its sponsor).

Generally, the role of the BCS Business in a syndication of securities and/or non-security financial instruments (including loans) for portfolio investments is that of a co-manager and not as lead underwriter, but it could also serve in such capacity from time to time. The BCS Business can also resell corporate debt or equity securities to Brookfield Accounts (including our group or Brookfield Accounts in which our group invests) or otherwise assist in structuring or facilitating the initial resales of debt or equity securities under Rule 144A of the Securities Act, or pursuant to a private placement exemption from Securities Act registration.

In addition to capital raising services, the BCS Business also provides capital markets and debt advisory services to portfolio investments of Brookfield Accounts (including our group and Brookfield Accounts in which our group invests), including in respect of restructurings and work-outs. The BCS Business will generally be engaged either by the borrower or issuer (or its sponsor) and receive its fees and expense reimbursement directly from the borrower or issuer (or its sponsor) for services rendered.

A framework for the provision of services by the BCS Business to our group, a Brookfield Account in which we invest or to existing or potential portfolio investments and the allocated compensation, including the process to ensure that all fee terms will reflect then-current arm's length market terms, will be subject to the review and consent of BBU's General Partner, but not the review by or consent of the Brookfield Account's limited partner advisory committee or investors. Individual mandates entered into pursuant to such framework approved by the independent directors of BBU's General Partner will not be subject to review by or consent of the independent directors of BBU's General Partner, the Brookfield Account's limited partner advisory committee or investors. In general, fees that are received by the BCS Business in connection with its provision of merger and acquisition transaction advisory services to our group or a Brookfield Account in which we invest (or its portfolio investments) are applied to reduce management fees owed to Brookfield from our group or such Brookfield Account in which we invest. However, fees received by the BCS Business in connection with the provision of private placement, underwriting, arranging, structuring, syndication, origination, sourcing, collateral management, administration, debt advisory, commitment, facility, float or other services (including other broker-dealer services such as facilitating initial resales of debt or equity securities under Rule 144A under the Securities Act) are not applied to reduce management fees (or otherwise be shared with our group or the Brookfield Accounts in which we invest).

The relationship between Brookfield, on the one hand, and the BCS Business, on the other hand, gives rise to conflicts of interest considerations, both in connection with (i) engagements by Brookfield Accounts (including our group and Brookfield Account in which we invest) and/or their respective portfolio investment of the BCS Business for services, and/or (ii) participation by Brookfield Accounts (including our group and Brookfield Accounts in which we invest) in an investment opportunity issued (or originated) by a third-party issuer (or borrower) in respect of which the BCS Business provides services. Such conflicts considerations include, but are not limited to: (i) in connection with Brookfield Accounts' or their respective portfolio investments' engagement of the BCS Business for services, the terms of the engagement (including the compensation to be paid to the BCS Business, which is expected to include fees and expense reimbursement); and (ii) in connection with Brookfield Accounts' participation in an investment opportunity issued (or originated) by a third-party issuer (or borrower) in respect of which the BCS Business provides services, the BCS Business' interest in the transaction, including its entitlement to remuneration in respect thereof.

Moreover, in circumstances where a third-party issuer (or borrower) becomes distressed and the participants in an offering undertaken by such issuer (or borrower), including our group or Brookfield Accounts in which we invest, have a valid claim against the underwriter, Brookfield would have a conflict in determining whether to commence litigation or other proceedings against the BCS Business. In addition, because of the relationships that the BCS Business has with other non-affiliate broker-dealers, in circumstances where a non-affiliate broker-dealer has underwritten an offering, the issuer of which becomes distressed, Brookfield will also have a conflict in determining whether to bring a claim, taking into account the entirety of Brookfield's relationship with the broker-dealer.

Brookfield maintains policies and procedures designed to address and to seek to mitigate these conflicts considerations. Among other things: (i) the engagement by Brookfield Accounts (including our group and Brookfield Accounts in which we invest) or their respective portfolio investments) of the BCS Business for services will be in accordance with the requirements for affiliated services for the relevant account, including the determination of the compensation to be paid to the BCS Business in that respect; and (ii) each engagement of the BCS Business for services by Brookfield Accounts (including our group or Brookfield Accounts in which we invest) and/or investment by Brookfield Accounts (including our group or Brookfield Accounts in which we invest) in a BCS originated/syndicated investment opportunity will be subject to review and approval by Brookfield's Investment Committee for the relevant account and/or the portfolio management team managing portfolio investments of the account, which is comprised of different personnel from those managing the BCS Business, to ensure that the engagement and/or investment is suitable and appropriate for the relevant account's investment mandate, as well as the Conflicts Committee to ensure that the conflicts considerations relating to the engagement and/or investment are appropriately addressed.

However, there can be no assurance that the terms agreed to will reflect then-current arm's length terms, be as favorable to the relevant Brookfield Account or portfolio investment as otherwise would be the case if BCS was not part of the underwriter syndicate, be the same as those that other Brookfield Accounts or their portfolio investments receive in other transactions or be benchmarked in any manner. In some circumstances, the terms agreed to may be better than then-current arm's length terms; in other cases, these terms may be worse. In selecting counterparties for any particular transaction and negotiating the terms (including fees) with such counterparties, Brookfield will do so in accordance with its fiduciary duty to act in the best interests of the relevant Brookfield Account taking into account the totality of the circumstances, but will not be required to (and is not expected to) cause the Brookfield Account (or portfolio investment thereof) to select counterparties solely on the basis of the fees and other financial terms offered by the counterparties. In cases where Brookfield Accounts or their portfolio investments agree to pay counterparties a higher fee than may have been offered by other prospective counterparties, BCS (and other co-managers) will accordingly also receive higher compensation. While Brookfield personnel advising the Brookfield Account or its portfolio investment with respect to its engagement of an underwriting syndicate are expected to be distinct from the personnel who manage the BCS Business, they will generally be aware of BCS's interest in the transaction, and – like Brookfield personnel across the organization – will be compensated in part with incentive compensation tied to the performance of Brookfield's publicly traded affiliates, certain of which will be impacted by revenue generated by the BCS Business, and/or otherwise hold economic interests in such affiliates.

The BCS Business expects to provide services (including financing, capital markets, and advisory services) to third parties from time to time. Such third parties could include competitors of Brookfield Accounts (including our group and Brookfield Accounts in which we invest) and/or their respective portfolio investments. Services to third parties in this manner present additional conflicts of interest. For example, the BCS Business could act as placement agent or underwriter of securities for a third party that could be acquired by a Brookfield Account. The BCS Business also could come into possession of information that it (and Brookfield) is prohibited from acting on (including on behalf of our group or a Brookfield Account in which our group is invested) or disclosing to Brookfield as a result of applicable confidentiality requirements or applicable law, even though such action or disclosure would be in the best interest of Brookfield Accounts (including our group and Brookfield Accounts in which we invest) and/or respective portfolio investments.

- **Structuring of Investments and Subsidiaries**. Brookfield is the largest unitholder in our group and is entitled to receive management fees and other compensation from our group. As a result, Brookfield will take its interests into account structuring Brookfield Accounts' investments and other operations, while also taking into account the interests of the relevant Brookfield Accounts. In that regard, at the end of the term of a Brookfield Account in which we invest, Brookfield may cause all of the investors' interests to be redeemed in whole, rather than dissolving or cancelling the Brookfield Account with the relevant authority. Similarly, Brookfield may undertake transactions involving subsidiary entities of a Brookfield Account in which we invest that result in such subsidiaries winding up via a series of loans and repayments that may leave such subsidiaries in existence and owned by Brookfield or its affiliate, but no longer owned by the Brookfield Account in which we invest, after such Brookfield Account's term or the realization of the relevant investment. Brookfield may also cause subsidiaries of Brookfield Accounts to lend proceeds to Brookfield (without interest), with such proceeds ultimately paid back to the Brookfield Accounts. Brookfield may also take all or a portion of distributions to which it is entitled (in respect of the Brookfield commitment or incentive distributions) in the form of an interest-free loan from Brookfield Accounts that is later erased. Brookfield may also implement various other strategies and structures over time based on its own interests and objectives.

From time to time, Brookfield may implement bespoke structures for one or a group of investors, including our group, other Brookfield Accounts and third-party investors, to facilitate their participation in particular investments in a manner that addresses tax, regulatory or other concerns (such as forming an alternative investment vehicle for an individual investor). These structures will generally require additional expenses to be borne by the relevant Brookfield Accounts and such expenses are generally shared among all investors in such accounts. In light of the time and expense required in connection with bespoke structures, in some cases Brookfield may make such structures available only to certain investors even when other similarly-situated investors could also benefit from them. Brookfield will decide in its discretion which investors will benefit from such bespoke structuring based on factors such as the amount of an investor's investment, contractual agreements with such unitholders and the particular tax, regulatory or other circumstances applicable to an investor. Investors for whom Brookfield engages in such bespoke structuring are expected to benefit from more favorable tax or other outcomes than other similarly-situated investors who do not benefit from such structuring.

- **Restrictions on Our Group's Activities**. Brookfield is subject to certain protocols, obligations and restrictions in managing our group and Brookfield Accounts in which we invest, including conflicts-management protocols, aggregated regulatory reporting obligations and other regulatory restrictions such as real estate investment trust affiliate rules and regulations (which also apply with respect to certain Brookfield businesses that are separated by an information barrier, including PSG and Oaktree (in each case, as defined and described above)) and certain investment-related restrictions, which could in certain situations have an adverse effect on our group.

- **Buying and Selling Assets**. Subject to certain exceptions, such as the transfer of an investment among Brookfield Accounts where such accounts are intended to co-invest alongside each other in the investment or are ultimately intended to invest in different assets that are acquired as part of a portfolio of assets or platform, without obtaining the approval of the BBU General Partner's independent directors or a Brookfield Account's limited partner advisory committee (as applicable), our group or Brookfield Accounts in which we invest will not invest (directly or indirectly) in any securities issued by, or acquire investments from or sell investments to, other Brookfield Accounts (excluding, for this purpose, any portfolio companies of Brookfield Accounts). Brookfield may offer an investment to co-investors after a Brookfield Account (including our group or a Brookfield Account in which we invest) has closed on such investment, even if not originally acquired with the intent to offer the investment as a co-investment opportunity. Such sales to co-investors do not require the approval of the BBU General Partner's independent directors or a Brookfield Account's limited partner advisory committee (as applicable). These purchases and sales could give rise to conflicts of interest, including with respect to the consideration offered and the obligation of such accounts. Additionally, Brookfield may, in its discretion, determine not to pursue a transaction on behalf of a Brookfield Account (including our group or a Brookfield Account in which we invest) that would otherwise be within the investment objective of the Brookfield Account if the approval of the BBU General Partner's independent directors or a Brookfield Account's limited partner advisory committee (as applicable) would be required in connection with such transaction and, in such circumstance, other Brookfield Accounts may pursue and invest in such transaction.

- **Financing to Counterparties of Brookfield Account**s. There may be situations in which a Brookfield Account or a Brookfield Insurance Account will offer and/or commit to provide financing to one or more third parties that are expected to bid for and/or purchase an investment (in whole or in part) from our group or a Brookfield Account in which we are invested. This type of financing could be provided through pre-arranged financing packages arranged and offered by a Brookfield Account or a Brookfield Insurance Account to potential bidders in the relevant sales process or otherwise pursuant to bilateral negotiations between one or more bidders and Brookfield and/or the Brookfield Account. For example, where our group or a Brookfield Account in which we are invested seeks to sell an investment (in whole or in part) to a third party in the normal course, a Brookfield Account or a Brookfield Insurance Account may offer the third party debt financing to facilitate its bid and potential purchase of the investment.

This type of arrangement will only be offered in situations in which Brookfield believes it is neutral to or provides benefits to our group or the Brookfield Account in which we are invested by supporting third parties in their efforts to successfully bid for and/or acquire our investments. However, acquisition financing arranged and offered by Brookfield Accounts or Brookfield Insurance Accounts also creates potential conflicts of interest. In particular, such account's participation as a potential lender in the sales process could create an incentive to select a third-party bidder that uses financing arranged by a Brookfield Account or Brookfield Insurance Account to our potential detriment.

In order to mitigate potential conflicts of interest in these situations, Brookfield generally will seek to take one or more of the following actions (as it determines in its sole discretion) in satisfaction of its duties to our group or the Brookfield Account in which we are invested: (i) offer investments for sale in the normal course via competitive and blind bidding processes designed to maximize the sales value for our group or the Brookfield Account in which we are invested, (ii) engage one or more independent advisers, such as sell-side bankers, on behalf of our group or the Brookfield Account in which we are invested to administer and facilitate a commercially fair and equitable sales process, (iii) consult with and/or seek approval of the BBU General Partner's independent directors or investors in the Brookfield Account in which we are invested (or their advisory committee), as applicable, with respect to a recommended and/or intended course of action; (iv) establish ethical screens or information barriers (which can be temporary and of limited purpose) to separate the Brookfield investment professionals that act on behalf of our group or the Brookfield Account in which we are invested, on the one hand, from the Brookfield investment professionals that act on behalf of the other Brookfield Account or Brookfield Insurance Account arranging and offering the acquisition financing, on the other hand, and (v) such other actions that Brookfield deems necessary or appropriate taking into account the relevant facts-and-circumstances. However, there can be no assurance that any particular action will be feasible or effective in any particular situation, or that Brookfield's own interests won't influence its conduct, and it is possible that the outcome for our group or the Brookfield Account in which we are invested will be less favorable than otherwise would have been the case if Brookfield did not face these conflicts of interest. In addition, the actions that Brookfield pursues are expected to vary based on the particular facts and circumstances of each situation and, as such, there will be some degree of variation and potentially inconsistency in the manner in which these situations are addressed.

In addition, in certain situations Brookfield may accept a bid for an investment from a bidder that received acquisition financing from a Brookfield Account or Brookfield Insurance Account that is at a lower price than an offer that it received from a party that has independent financing sources. For example, although price is often the deciding factor in selecting whom to sell an investment to, other factors frequently influence the seller, including, among other things, closing conditions, lack of committed financing sources, regulatory or other consent requirements, and such other factors that increase the risk of the higher-priced bidder being able to complete or close the transaction under the circumstances. Brookfield could therefore cause our group or a

Brookfield Account in which we are invested to sell an asset to a third party that has received financing from another Brookfield Account or Brookfield Insurance Account even when such third party has not offered the most attractive price.

In exercising its discretion hereunder, Brookfield will seek to ensure that our group or the Brookfield Account in which we are invested obtains the most favorable sale package (including sales price and certainty and speed of closing) on the basis of a commercially fair and equitable sales process. However, no sale of an investment (in whole or in part) involving acquisition financing provided by a Brookfield Account will require approval by our group or the unitholders.

- **Linked Transactions/Arrangements**. Brookfield from time to time contracts with third parties for various linked business transactions and/or arrangements (e.g., agreements to supply power to a third party while at the same time agreeing to procure technology services from such third party) as a part of broader business or other similar relationships with such third parties. Such transactions and/or arrangements (and related benefits) generally will be for the benefit of Brookfield's broader business platform and will be allocated in accordance with Brookfield's allocation policies and procedures in a fair and reasonable manner. In connection with these transactions and/or arrangements, Brookfield will allocate certain transactions (e.g., power supply agreements) among various Brookfield Accounts, including our group and Brookfield Accounts in which we are invested, and may in connection therewith commit our group and such Brookfield Accounts to purchase and/or backstop certain services or products provided by such third parties. In addition, Brookfield expects to receive discounts and other special economic benefits in respect of the services and/or products provided by the third parties, which will be allocated among Brookfield and various Brookfield Accounts in a fair and reasonable manner, including Brookfield and Brookfield Accounts that do not participate in providing goods and/or services to the third parties.

- **Investments by Brookfield Personnel**. Brookfield personnel that participate in Brookfield's advisory business activities, including partners, members, shareholders, directors, officers and other employees of Brookfield ("Brookfield Personnel"), are permitted to buy and sell securities or other investments for their own accounts (including through Brookfield Accounts) or accounts of their family members, including trusts and other controlled entities. Positions may be taken by such Brookfield Personnel that are the same, different from, or made at different times than positions taken directly or indirectly for us and Brookfield Accounts in which we are invested. To reduce the possibility of (a) potential conflicts between our investment activities and those of Brookfield Personnel, and (b) our activities being materially adversely affected by personal trading activities described above, Brookfield has established policies and procedures relating to personal securities trading. To this end, Brookfield Personnel that participate in managing our investment activities are generally restricted from engaging in personal trading activities (unless such activities are conducted through accounts over which Brookfield Personnel have no influence or control), and other Brookfield Personnel generally must pre-clear proposed personal trades. In addition, Brookfield's policies include prohibitions on insider trading, front running, trading in securities that are on Brookfield's securities watch list, trading in securities that are subject to a black-out period and other restrictions.

- **Investments by the Related-Party Investor.** The Related-Party Investor's investments include, among other things, interests in companies that Brookfield Accounts (including our group and Brookfield Accounts that we invest in) have invested in, are investing in, and/or will in the future invest in, including in certain cases investments made alongside Brookfield Accounts.

There is no information barrier between the personnel managing the Related-Party Investor's activities and the rest of Brookfield (with the exception of Oaktree and PSG, which are walled off). Brookfield has adopted protocols designed to ensure that the Related-Party Investor's activities do not materially conflict with or adversely affect the activities of our group (or any other Brookfield Account) and to ensure that the interests of Brookfield Accounts (including our group and Brookfield Accounts that we invest in are, to the extent feasible, prioritized relative to the Related-Party Investor's interests, including among others in connection with the allocation of investment opportunities and the timing of execution of investments.

- **Brookfield's Public Securities Group**. Brookfield is an active participant, as agent and principal, in the global fixed income, currency, commodity, equities and other markets. Certain of Brookfield's investment activities are managed independently of, and carried out without any reference to, the management of our group and other Brookfield Accounts. For example, Brookfield invests, trades or makes a market in the equity, debt or other interests of certain investments without regard to the impact of such activities on us, other Brookfield Accounts and their portfolio companies. In particular, Brookfield's Public Securities Group ("PSG") manages investment funds and accounts that invest in public debt and equity markets. There is currently an information barrier in place pursuant to which Brookfield and PSG manage their investment operations independently of each other and do not generally share information relating to such activities. Consequently, Brookfield and PSG generally do not consult each other about, or have awareness of, investment decisions made by the other, and neither is subject to any internal approvals over its investment decisions by any person who would have knowledge of the investment decisions of the other. As a result, PSG will not share with

Brookfield investment opportunities that would otherwise be suitable for our group or any other Brookfield Account, and our group (or Brookfield Accounts in which we invest) will have no rights with respect to such opportunities. In addition, in certain circumstances, funds and/or accounts managed by PSG will hold an interest in one of our (or Brookfield Accounts') investments (or potential investments). In such situations, PSG funds and/or accounts may benefit from our activities (and the activities of Brookfield Accounts in which we invest). In addition, as a result of different investment objectives and views, PSG is likely to manage its interests in a way that is different from our group and Brookfield Accounts in which we invest (including, for example, by investing in different portions of an issuer's capital structure, short selling securities, voting securities in a different manner, and/or selling its interests at different times than us or Brookfield Accounts in which we invest).

The potential conflicts of interest described herein are magnified as a result of the information sharing barrier because Brookfield's investment teams generally will not be aware of, and will not have the ability to manage, such conflicts. Brookfield has discretion at any time, and without notice to our unitholders, to remove or modify such information barrier. In the event that the information barrier is removed or modified, Brookfield would be subject to certain protocols, obligations and restrictions in managing our group and other Brookfield Accounts, including, for example, conflicts-management protocols and certain potential investment-related restrictions.

- **Oaktree**. Brookfield holds a significant interest in Oaktree Capital Group, LLC (together with its affiliates, "**Oaktree**"). Oaktree is a global investment manager with significant assets under management, emphasizing an opportunistic, value-oriented and risk-controlled approach to investments in credit, private equity, real assets and listed equities. Brookfield and Oaktree operate their respective investment businesses largely independently pursuant to an information barrier, with each remaining under its current brand and led by separate management and investment teams.

It is expected that Brookfield, Brookfield Accounts (including our group and Brookfield Accounts that we are invested in) and their portfolio companies will engage in activities and have business relationships that give rise to conflicts (and potential conflicts) of interest between them, on the one hand, and Oaktree, Oaktree-managed funds and accounts (collectively, "**Oaktree Accounts**") and their portfolio companies, on the other hand. For so long as Brookfield and Oaktree manage their investment operations independently of each other pursuant to an information barrier, Oaktree, Oaktree Accounts and their respective portfolio companies generally will not be treated as affiliates of our group, Brookfield, Brookfield Accounts and their portfolio companies, and conflicts (and potential conflicts) considerations, including in connection with allocation of investment opportunities, investment and trading activities, and agreements, transactions and other arrangements entered into with Oaktree, Oaktree Accounts and their portfolio companies, generally will be managed as summarized herein.

There is (and in the future will continue to be) some degree of overlap in investment strategies and investments pursued by our group, Brookfield Accounts in which we invest (in both cases, directly and indirectly) and Oaktree Accounts. Nevertheless, Brookfield generally does not expect to coordinate or consult with Oaktree with respect to investment activities and/or decisions. This absence of coordination and consultation, and the information barrier described above, will in some respects mitigate conflicts of interests between our group and Brookfield Accounts in which we invest, on the one hand, and Oaktree Accounts, on the other hand; however, these same factors also will give rise to certain conflicts and risks in connection with our and Oaktree's investment activities, and make it more difficult to mitigate, ameliorate or avoid such situations. For example, because Brookfield and Oaktree are not expected to coordinate or consult with each other about investment activities and/or decisions, and neither Brookfield nor Oaktree is expected to be subject to any internal approvals over its investment activities and decisions by any person who would have knowledge and/or decision-making control of the investment decisions of the other, Oaktree Accounts will be entitled to pursue investment opportunities that are suitable for our group and Brookfield Accounts that we invest in, but which are not made available to us or those Brookfield Accounts. Our group and Brookfield Accounts that we invest in, on the one hand, and Oaktree Accounts, on the other hand, are also expected to compete, from time to time, for the same investment opportunities. Such competition could, under certain circumstances, adversely impact the purchase price of our (direct and/or indirect) investments. Oaktree will have no obligation to, and generally will not, share investment opportunities that may be suitable for our group and Brookfield Accounts that we invest in with Brookfield, and our group and Brookfield Accounts that we invest in will have no rights with respect to any such opportunities.

In addition, Oaktree will not be restricted from forming or establishing new Oaktree Accounts, such as additional funds or successor funds. Moreover, Brookfield expects to provide Oaktree, from time to time, with (a) access to marketing-related support, including, for example, strategy sessions, introductions to investor relationships and other marketing facilitation activities, and (b) strategic oversight and business development support, including general market expertise and introductions to market participants such as portfolio companies, their management teams and other relationships. Certain such Oaktree Accounts could compete with or otherwise conduct their affairs without regard as to whether or not they adversely impact our group and/or Brookfield Accounts that we invest in. Oaktree Accounts will be permitted to make investments of the type that are suitable for our group and Brookfield Accounts that we invest in without the consent of Brookfield. From time to time, our group and/or Brookfield Accounts that we invest in, on the one hand, and Oaktree Accounts, on the other hand, are expected to purchase or sell an investment from each other, as well as jointly pursue one or more investments. In addition, from time to time, Oaktree Accounts are expected to hold an interest in an investment held by (or potential investment of) our group and/or Brookfield Accounts that we invest in, and/or subsequently purchase (or sell) an interest in an investment held by (or potential investment of) our group and/or Brookfield Accounts that we are invested in, including in different parts of the capital structure. For example, we (or a Brookfield Account that we are invested in) may hold the equity of a portfolio company of an Oaktree Account. In such situations, Oaktree Accounts could benefit from our (direct or indirect) activities. Conversely, our group and/or Brookfield Accounts that we are invested in could be adversely impacted by Oaktree's activities. In addition, as a result of different investment objectives, views and/or interests in investments, it is expected that Oaktree will manage certain Oaktree Accounts' interests in a way that is different from the interests of our group and/or Brookfield Accounts that we are invested in (including, for example, by investing in different portions of an issuer's capital structure, short selling securities, voting securities or exercising rights it holds in a different manner, and/or selling its interests at different times than our group and/or Brookfield Accounts that we are invested in), which could adversely impact our (direct and/or indirect) interests. Oaktree and Oaktree Accounts are also expected to take positions, give advice and provide recommendations that are different, and potentially contrary to those which are taken by, or given or provided to, our group and/or Brookfield Accounts that we are invested in, and are expected to hold interests that potentially are adverse to those held by our group (directly or indirectly). our group and/or Brookfield Accounts that we are invested in, on the one hand, and Oaktree Accounts, on the other hand, will in certain cases have divergent interests, including the possibility that the interests of our group and/or Brookfield Accounts that we are invested in are subordinated to Oaktree Accounts' interests or are otherwise adversely affected by Oaktree Accounts' involvement in and actions related to the investment. Oaktree will not have any obligation or other duty to make available for the benefit of our group and/or Brookfield Accounts that we are invested in any information regarding its activities, strategies and/or views.

Oaktree may provide similar information, support and/or knowledge to Brookfield, and the conflicts (and potential conflicts) of interest described above will apply equally in those circumstances.

The potential conflicts of interest described herein are expected to be magnified as a result of the lack of information sharing and coordination between Brookfield and Oaktree. Investment teams managing the activities of our group and/or Brookfield Accounts that we are invested in are not expected to be aware of, and will not have the ability to manage such conflicts. This will be the case even if they are aware of Oaktree's investment activities through public information.

Brookfield and Oaktree may decide, at any time and without notice to our group or our unitholders, to remove or modify the information barrier between Brookfield and Oaktree. In the event that the information barrier is removed or modified, it would be expected that Brookfield and Oaktree will adopt certain protocols designed to address potential conflicts and other considerations relating to the management of their investment activities in a different or modified framework.

Breaches (including inadvertent breaches) of the information barrier and related internal controls by Brookfield and/or Oaktree could result in significant consequences to Brookfield (and Oaktree) as well as have a significant adverse impact on our group and/or Brookfield Accounts that we are invested in, including, among other things, potential regulatory investigations and claims for securities laws violations in connection with our direct and/or indirect investment activities. These events could have adverse effects on Brookfield's reputation, result in the imposition of regulatory or financial sanctions, negatively impact Brookfield's ability to provide investment management services to Brookfield Accounts, all of which could result in negative financial impact to the investment activities of our group and/or Brookfield Accounts that we are invested in.

To the extent that the information barrier is removed or otherwise ineffective and Brookfield has the ability to access analysis, models and/or information developed by Oaktree and its personnel, Brookfield will not be under any obligation or other duty to access such information or effect transactions on behalf of our group and/or Brookfield Accounts that we are invested in in accordance with such analysis and models, and in fact may be restricted by securities laws from doing so. Brookfield may make investment decisions that differ from those it would have made if it had pursued such information, which may be disadvantageous to us and/or Brookfield Accounts that we are invested in.

Brookfield may from time to time engage Oaktree, Oaktree Accounts and/or their portfolio companies to provide certain services to Brookfield Accounts and their portfolio companies, including without limitation non-investment management related services and other services that would otherwise be provided by third-party service providers or Brookfield, as the case may be. For example, an Oaktree Account may be a lender to an investment owned by our group or a Brookfield Account in which we invest, or an alternative investment fund manager ("AIFM") owned by Brookfield and Oaktree may serve as an AIFM of our group or a Brookfield Account in which we invest and provide services such as risk management. If engaged by our group or a Brookfield Account in which we invest, such AIFM may provide such services at different rates than those charged to our group or the Brookfield Accounts in which we invest or their affiliates than it will charge to the Oaktree Accounts. While Brookfield will determine in good faith what rates and expenses it believes are acceptable for the services being provided to Brookfield Accounts (including based on similar services provided, or previously provided, to other Brookfield Accounts and/or rates approved by other Brookfield Accounts), there can be no assurances that the rates and expenses charged to our group (or a

Brookfield Account in which we invest) will not be greater than those that would be charged in alternative circumstances. Each such engagement will be in accordance with disclosures set out in the governing documents and this 20-F and in the applicable governing documents. Companies in which our group (or a Brookfield Account in which we invest) has invested may enter into lease agreements and other similar agreements with Oaktree, Oaktree Accounts and/or their portfolio companies. In addition, Brookfield could be retained by Oaktree or a portfolio company thereof to perform services that it also provides to Brookfield Accounts in which we invest. The rates charged by Brookfield for such services to Oaktree are expected to be different than (and could be less than) those charged to the Brookfield Accounts in which we invest.

This does not purport to be a complete list or explanation of all actual or potential conflicts that could arise as a result of the Oaktree acquisition, and additional conflicts not yet known by Brookfield or Oaktree may arise in the future and those conflicts will not necessarily be resolved in favor of our group's interests (or the interests of Brookfield Accounts in which we are invested). Because of the extensive scope of both Brookfield's and Oaktree's activities and the complexities involved in combining certain aspects of existing businesses, the policies and procedures to identify and resolve such conflicts of interest will continue to be developed over time.

- **Cross Trades and Principal Trades**. When permitted by applicable law and subject to and in accordance with the terms of the governing documents of the applicable Brookfield Account, Brookfield may (but is under no obligation to) cause our group (or a Brookfield Account in which we invest) to acquire or dispose of investments in cross trades between our group (or a Brookfield Account in which we invest) and other Brookfield Accounts or effect principal transactions where Brookfield causes our group (or a Brookfield Account in which we invest) to purchase investments from or sell investments to Brookfield, provided that any such transaction be approved to the extent required by the governing documents and applicable law. Under our governing documents, where our group engages in cross trades with other Brookfield Accounts or effects principal transactions with Brookfield, such transactions are subject to the approval of the independent directors (subject to certain exceptions), which approval is deemed to constitute the approval of, and binding upon, our group. Our independent directors have generally approved cross trades between our group and other Brookfield Accounts provided they are executed in accordance with parameters described in this 20-F. Principal trades between our group and Brookfield Accounts are generally subject to approval by our independent directors on a case-by-case basis. Similarly, we (and other investors in Brookfield Accounts in which we invest) have generally approved cross trades between such Brookfield Accounts and other Brookfield Accounts provided they are executed in accordance with parameters described in the applicable Brookfield Accounts' governing documents, while principal trades between such Brookfield Accounts and other Brookfield Accounts are subject to their investors' consent on a case-by-case basis (which is generally obtained via their limited partner advisory committees or other analogous bodies), which approvals will be deemed to constitute the approval of, and be binding upon, the Brookfield Account in which we invest. Whether a transaction is a "principal trade" under the Advisers Act, and therefore requires independent approval (i.e., by our independent directors on our behalf or the limited partner advisory committee of a Brookfield Account on such account's behalf), depends on the precise structure of such transaction. In certain circumstances, Brookfield will structure a transaction in a manner so that it is not considered a "principal trade".

There may be potential conflicts of interest or regulatory issues relating to these transactions which could limit Brookfield's decision to engage in these transactions for our group (or a Brookfield Account in which we invest). In connection with a cross trade or a principal transaction, Brookfield and its affiliates have a potentially conflicting division of loyalties and responsibilities regarding our group (or a Brookfield Account in which we invest) and the other parties to the trade and have developed policies and procedures in relation to such transactions and conflicts. However, there can be no assurance that such transactions will be effected, or that such transactions will be effected in the manner that is most favorable to our group (or a Brookfield Account in which we invest) as a party to any such transaction. By virtue of its investment, a unitholder consents to our group (or a Brookfield Account in which we invest) entering into cross trades and, subject to consent by the independent directors (or by the limited partner advisory committee or other analogous body in the case of a transaction entered into by a Brookfield Account in which we invest), principal transactions to the fullest extent permitted under applicable law. For the avoidance of doubt, acquisitions or dispositions among certain portfolio companies of our group (or a Brookfield Account in which we invest) and portfolio companies owned by other Brookfield Accounts, PSG, Oaktree or Non-Controlled Affiliates will not be treated as cross trades or principal transactions and will not require the approval of the independent directors or any other consent. See "Affiliated Services and Transactions" below.

- **Excess Funds Liquidity Arrangement with Related Parties**. We have an arrangement in place with Brookfield pursuant to which we lend Brookfield excess funds from time to time and it lends us excess funds from time to time. This arrangement is intended to enhance the use of excess funds between us and Brookfield when the lender has excess funds and the borrower has a business need for the capital (including, without limitation, to fund operating and/or investment activities and/or to pay down higher cost capital), and provides: (i) to the lender, a higher rate of return on the funds than it otherwise would be able to achieve in the market and (ii) to the borrower, a lower cost of funds than it otherwise would be able to obtain in the market.

Brookfield, in its capacity as our service provider, determines when it is appropriate for us to lend excess funds to, or borrow excess funds from, Brookfield. Brookfield has similar arrangements with other affiliates for whom it serves in one or more capacities, including (among others) promoter, principal investor and investment manager. It is therefore possible that, from time to time and to the extent that Brookfield determines this to be in the best interests of the parties: (i) funds that are placed on deposit with Brookfield by our group will, in the discretion of Brookfield on a case-by-case basis, be lent on to other affiliates of Brookfield and (ii) funds that are placed on deposit with Brookfield by other Brookfield affiliates will, in the discretion of Brookfield on a case-by-case basis, be lent on to our group. Because the interest rates charged are reflective of the credit ratings of the applicable borrowers, any loans by Brookfield to its affiliates, including our group (as applicable), generally will be at higher interest rates than the rates then applicable to any balances deposited with Brookfield by our group or other Brookfield affiliates (as applicable). These differentials are approved according to protocols described below. Accordingly, Brookfield also benefits from these arrangements and will earn a profit as a result of the differential in lending rates.

Amounts we lend to or borrow from Brookfield pursuant to this arrangement generally are repayable at any time upon either side's request, and Brookfield generally ensures that the borrower has sufficient available capital from another source in order meet potential repayment demands. As noted above, Brookfield determines the interest rate to be applied to borrowed/loaned amounts taking into account each party's credit rating and the interest rate that would otherwise be available to it in similar transactions on an arms' length basis with unrelated parties.

Conflicts of interest arising for Brookfield under this arrangement have been approved by the BBU General Partner's independent directors in accordance with our Conflicts Protocols for managing and resolving potential conflicts of interest.

- **Arrangements with Brookfield**. Our relationship with Brookfield involves a number of arrangements pursuant to which Brookfield provides various services to our group, including access to financing arrangements and investment opportunities, and our group supports Brookfield Accounts and their portfolio companies in various ways. Certain of these arrangements were effectively determined by Brookfield in the context of the spin-off, and could contain terms that are less favorable than those which otherwise might have been negotiated between unrelated parties. However, Brookfield believes that these arrangements are in the best interests of our group and Brookfield Accounts in which we invest.

Circumstances may arise in which these arrangements will need to be amended or new arrangements will need to be entered into, and conflicts of interest between our group and Brookfield will arise in negotiating such new or amended arrangements. Any such negotiations will be subject to review and approval by BBU General Partner's independent directors.

Brookfield is generally entitled to share in the returns generated by our operations, which creates an incentive for it to assume greater risks when making decisions for our group than it otherwise would in the absence of such arrangements. In addition, our investment in and support of Brookfield Accounts and their portfolio companies provides Brookfield with certain ancillary benefits, such as satisfying Brookfield's commitment to invest in such accounts (which Brookfield would otherwise need to satisfy from different sources), assisting Brookfield in marketing Brookfield Accounts and facilitating more efficient management of their portfolio companies' operations.

- **Limited Liability of Brookfield**. The liability of Brookfield and its officers and directors is limited under our arrangements with them, and we have agreed to indemnify Brookfield and its officers and directors 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 Brookfield's own account, or may give rise to legal claims for indemnification that are adverse to the interests of our unitholders. U.S. federal and state securities laws may impose liability under certain circumstances on persons that fail to act in good faith. Notwithstanding anything to the contrary in these arrangements, nothing in these arrangements is intended to, or will, constitute a waiver of any rights or remedies that a Brookfield Account or any investors may have under such laws.

DECISIONS MADE AND ACTIONS TAKEN THAT MAY RAISE POTENTIAL CONFLICTS OF INTEREST

- **Reputational Considerations**. Given the nature of its broader platform, Brookfield has an interest in preserving its reputation, including with respect to our status as a publicly traded vehicle and, in certain circumstances, such reputational considerations may conflict with the interests of our group (or a Brookfield Account in which we are invested). Brookfield will likely make decisions on behalf of our group (or a Brookfield Account in which we are invested) for reputational reasons that it may not be directly aligned with the interests of investors or consistent with the determination Brookfield otherwise would have made absent its interest in Brookfield's broader reputation. For example, Brookfield may limit transactions and activities on behalf of our group (or a Brookfield Account in which we are invested) for reputational or other reasons, including where Brookfield is providing (or may provide) advice or services to an entity involved in such activity or transaction, where another Brookfield Account is or may be engaged in the same or a related activity or transaction to that being considered on behalf of our group (or a Brookfield Account in which we are invested), where another Brookfield Account has an interest in an entity involved in such activity or transaction, or where such activity or transaction on behalf of or in respect of our group (or a Brookfield Account in which we are invested) could affect Brookfield, Brookfield Accounts or their activities. Additionally, by way of example, Brookfield may take into account the potential environmental and/or social impact when making decisions regarding the selection, management and disposal of investments and make take additional actions with respect to an investment motivated by environmental and social considerations beneficial to the reputation of Brookfield's broader platform. Such decisions and actions may result in our group (or a Brookfield Account in which we are invested) achieving lower financial returns had Brookfield not engaged in such decisions and actions. Conversely, while ESG considerations are integrated into Brookfield investment process, Brookfield may determine in any particular situation to take actions to preserve financial returns of our group (or a Brookfield Account in which we invest), notwithstanding any adverse ESG impact on the investments of our group (or a Brookfield Account in which we invest).

- **Warehoused Investments and Initial Investments**. Brookfield (or our group) may purchase one or more warehoused investments on behalf of a Brookfield Account in which we invest. Brookfield or our group, as applicable, is expected to sell each warehoused investment to a Brookfield Account in which we invest either prior to or following the initial closing of the account for a purchase price equal to the cost to Brookfield or our group, as applicable, with respect to such warehoused investment, including any expenses attributable thereto and taking into account the impact of any currency fluctuations, plus an annually compounded rate of return on the capital deployed by Brookfield or our group, as applicable, as set out in the relevant Brookfield Account's governing documents, in respect of such warehoused investments, net of any cash distributions received by Brookfield or our group, as applicable, with respect to such warehoused investment (but the cost of carry will not in any event be reduced below zero). Brookfield Accounts in which we invest may make initial investments. The purchase price (and any related deposits and expenses) of any initial investment may be funded by amounts borrowed pursuant to a loan facility. Notwithstanding the foregoing, if upon the initial closing of the Brookfield Account in which we invested, there has been a significant event relating to any initial investment or warehoused investment (such as a partial realization or a material change in value), Brookfield may, in its discretion, exclude such initial investment or warehoused investment from being purchased by the Brookfield Account in which we invest or adjust the interests of investors in such Brookfield Account in, or the purchase price of, such initial investment or warehoused investments. In addition, Brookfield may hold an initial closing of a Brookfield Account in which we invest in respect of the Brookfield commitment (which may be satisfied by our group) to establish a subscription backed loan facility to facilitate the purchase of certain initial investments by the Brookfield Account in which we invest; provided, however, that if upon the initial closing, there has been a significant event relating to any initial investment (such as a partial realization or a material change in value), Brookfield may, in its discretion, adjust the interests of investors in such Brookfield Account in, or the purchase price of, such initial investments. If an initial investment is funded using such a subscription backed loan facility, a Brookfield Account in which we invest will be responsible for payments of any interest thereon. In the event a Brookfield Account in which we invest is unable to purchase a warehoused investment from Brookfield or our group, or Brookfield or our group is unable to sell a warehoused investment to a Brookfield Account in which we invest for any legal, tax, regulatory or other reason, then such investment will not be treated as a warehoused investment for purposes of the governing documents and Brookfield or our group will be permitted to own, syndicate, sell or take any other action with respect to such investment even if such actions benefit Brookfield.

Certain conflicts of interest are inherent in the foregoing transactions between Brookfield or our group and Brookfield Accounts in which we invest, including in respect of the terms of the agreement between Brookfield or our group, as applicable, and the Brookfield Account in which we invest regarding the sale of the warehoused investment (including as to representations, warranties, indemnities and remedies therein). In addition, where Brookfield or our group acquires a warehoused investment for a Brookfield Account in which we invest, the Brookfield Account in which we invest will generally be obligated to purchase such warehoused investment from Brookfield or our group regardless of any subsequent events affecting the value of such asset or deficiencies in such warehoused investment discovered after its acquisition by Brookfield or our group. Although the prices at which warehoused investments are expected to be acquired by a Brookfield Account in which we invest will be determined based on the formula described above, (a) such prices may not be as favorable as those in a negotiated transaction with a third party and (b) under circumstances, such prices may be adjusted to reflect significant events relating to any warehoused investment. Moreover, a Brookfield Account in which we invest will acquire the warehoused investments through privately negotiated transactions with Brookfield or our group, in which prior due diligence may be limited and the persons controlling the Brookfield Account in which we invest may be conflicted in such transactions. As a result, there is no guarantee that the terms of such transactions will be as favorable as those that could be obtained from a third party or that the properties and interests that will comprise the warehoused investments will not carry with them undisclosed liabilities, which could have a material adverse effect on the value of our group (or a Brookfield Account in which we invest).

In connection with the warehoused investments, Brookfield Accounts in which we invest will be indemnified by Brookfield or our group, as applicable, for claims made with respect to breaches of certain representations, warranties or covenants. Such indemnification is limited, however, and the Brookfield Account in which we invest is not entitled to any other indemnification in connection with the warehoused investments. Brookfield Accounts in which we invest are subject to the risk that Brookfield or our group may experience material financial distress and be unable to satisfy one or more of these obligations. In addition, Brookfield Accounts in which we invest are reliant on Brookfield and therefore Brookfield Accounts in which we invest may choose to enforce less vigorously their rights under these arrangements, which could have a material adverse effect on their value. U.S. federal and state securities laws may impose liability under certain circumstances on persons that fail to act in good faith. Notwithstanding anything to the contrary in the above, nothing in the these arrangements is intended to, or will, constitute a waiver of any rights or remedies that a Brookfield Account or any investors may have under such laws.

- **Material, Non-Public Information; Trading Restrictions; Information Not Made Available**. The ability of our group and the Brookfield Accounts in which we invest to buy or sell certain securities or take other actions is expected to be restricted in certain circumstances, including by applicable securities laws, regulatory requirements, contractual obligations and/or reputational risk considerations applicable to Brookfield (and/or its internal policies designed to comply with these and similar requirements). For example, Brookfield will possess material, non-public information about issuers that would limit the ability of our group and the Brookfield Accounts in which we invest to buy and sell securities related to those issuers.

Furthermore, Brookfield (including PSG, Oaktree and any other Brookfield businesses that are separated by information barriers) and other Brookfield Accounts (including our group and Brookfield Accounts in which we invest) are deemed to be affiliates for purposes of certain laws and regulations (notwithstanding that PSG, Oaktree and other such Brookfield businesses will generally not be treated as affiliates under the governing documents of our group or the Brookfield Accounts in which we invest) and it is anticipated that, from time to time, our group and Brookfield Accounts in which we invest will each have positions (which in some cases will be significant) in one or more of the same issuers. As such, Brookfield may need to aggregate certain investment holdings, including holdings of Brookfield Accounts, for certain securities laws purposes (including trading restrictions under Rule 144 under the Securities Act, complying with reporting obligations under Section 13 of the Exchange Act and the reporting and short-swing profit disgorgement obligations under Section 16 of the Exchange Act) and other regulatory purposes (including: (a) public utility companies and public utility holding companies; (b) bank holding companies; (c) owners of broadcast licenses, airlines, railroads, water carriers and trucking concerns; (d) casinos and gaming businesses; and (e) public service companies (such as those providing gas, electric or telephone services)). Consequently, activities by one Brookfield Account could result in earlier public disclosure of investments by other Brookfield Accounts, restrictions on transactions of other Brookfield Accounts (including the ability to make or dispose of certain investments at certain times), adverse effects on the prices of investments made by Brookfield Accounts, potential short-swing profit disgorgement, penalties and/or regulatory remedies, or otherwise create conflicts of interests for our group and the Brookfield Accounts in which we invest.

As a result of the foregoing, Brookfield may restrict, limit or reduce the amount of investments made on behalf of Brookfield Accounts (including our group and Brookfield Accounts in which we invest). In addition, certain investments may become subject to legal or other restrictions on transfer following their acquisition. When faced with the foregoing limitations, Brookfield will generally seek to avoid exceeding the threshold because exceeding the threshold could have an adverse impact on the ability of Brookfield to conduct its business activities. Brookfield may also reduce certain Brookfield Accounts' interest in, or from participating in, an investment opportunity that has limited availability or where Brookfield has determined to cap its aggregate investment in consideration of certain regulatory or other requirements so that other Brookfield Accounts that pursue similar investment strategies are able to acquire an interest in the investment opportunity. Brookfield could determine not to engage in certain transactions or activities which may be beneficial to Brookfield Accounts (including our group or Brookfield Accounts in which we invest) because engaging in such transactions or activities in compliance with applicable law would result in significant cost to, or administrative burden on, Brookfield and/or other Brookfield Accounts or create the potential risk of trade or other errors.

Brookfield (including PSG, Oaktree and any other Brookfield businesses that are separated by information barriers) may become subject to additional restrictions on its business activities that could have an impact on the activities of our group or the Brookfield Accounts in which we invest. In addition, Brookfield may restrict investment decisions and activities on behalf of our group or certain, but not all, Brookfield Accounts in which we invest (in addition to other Brookfield Accounts sponsored, managed or advised by Brookfield, PSG or Oaktree).

- **Affiliated Services and Transactions.** Where it deems appropriate, relevant and/or necessary, in its sole discretion, Brookfield will perform or will engage its affiliates and/or related parties to provide a variety of different services and products in connection with the operation and/or management of our group, Brookfield Accounts in which we invest, and/or their investments, potential investments and/or investment entities, that would otherwise be provided by independent third parties, including (among others): lending and loan special servicing, arranging, negotiating and managing financing, refinancing, hedging, derivative, managing workouts and foreclosures and other treasury and capital markets arrangements; investment banking (including participation by Brookfield-affiliated broker dealers in the underwriting and syndications of securities, loans and other financial instruments issued by our group (or a Brookfield Account in which we invest) and/or portfolio companies); investment support, including investment backstop, guarantees and similar investment support arrangements; advisory, consulting, brokerage, market research, appraisal, valuation, risk management, assurance, and audit services (including related to investments, assets, commodities, good and services); acting as alternative investment fund manager and/or other similar type of manager in jurisdictions where such services are necessary and/or beneficial and services relating to the use of entities that maintain a permanent residence in certain jurisdictions; financial planning, cash flow modeling and forecasting, consolidation, reporting, books and records, bank account and cash management, controls and other financial operations services; transaction support, assisting with review, underwriting, analytics, due diligence and pursuit of investments and potential investments; anti-bribery and corruption, anti-money laundering and "know your customer" reviews, assessments and compliance measures; investment onboarding (including training employees of investments on relevant policies and procedures relating to risks); legal, compliance, regulatory, tax and corporate secretarial services; fund administration, accounting and reporting (including coordinating, supervising and administering onboarding, due diligence, reporting and other administrative services, including those associated with the third party fund administrator and placement agents of our group (or of Brookfield Accounts in which we invest)) and client onboarding (including review of subscription materials and coordination of anti-bribery and corruption, anti-money laundering or "know your customer" reviews and assessments); preparation and review of fund documents, negotiation with prospective investors and other services that would be considered organizational expenses of a Brookfield Account if performed by a third party; portfolio company and asset/property operations and management (and oversight thereof); data generation, data analytics, data analysis, data collection and data management services; participation in and/or advice on a range of activities by strategic and/or operations professionals with established industry expertise, including among others in connection with (or with respect to) the origination, identification, assessment, pursuit, coordination, execution and consummation of investment opportunities, including project planning, engineering and other technical analysis, securing site control, preparing and managing approvals and permits, financial analysis and managing related-stakeholder matters; real estate, leasing and/or asset/facility management; development management (including pre-development, market and site analysis, modeling, zoning, entitlements, land use, pre-construction, community and government relations, design, environmental review and approvals, securing and administering compliance with governmental agreements, government approvals and incentive programs, permitting, site safety planning and construction); marketing (including of power or other output by an underlying asset/portfolio company); environmental and sustainability services; the placement and provision of various insurance policies and coverage and/or reinsurance thereof, including via risk retention, insurance captives and/or alternative insurance solutions; system controls; human resources, payroll and welfare benefits services; health, life and physical safety, security, operations, maintenance and other technical specialties; supply and/or procurement of power, energy and/or other commodities/goods/products; information technology services, risk management and innovation (including cyber/digital security and related services); all services contemplated by a Rate Schedule; other operational, back office, administrative and governance related services; oversight and supervision of the provision, whether by a Brookfield affiliate/related party or a third-party, of the above-referenced services and products; and any other services that Brookfield deems appropriate, relevant and/or necessary in connection with the operations and/or management of our group, Brookfield Accounts in which we invest, and/or their investors, investments, potential investments and/or the investment entities (such services, collectively, "Affiliated Services"). The types of Affiliated Services that Brookfield provides will not remain fixed and are expected to change and/or evolve over time as determined by Brookfield in its sole discretion.

Some of these services give rise to additional conflicts of interest considerations because they are similar to the services provided by Brookfield to our group (or Brookfield Accounts in which we invest). However, Brookfield deems these services to be appropriate for and value enhancing to the operations and/or management of investments, potential investments, our group, and Brookfield Accounts in which we invest, and these services otherwise would be provided by third parties engaged to provide the services. Amounts charged to our group (or a Brookfield Account in which we invest) and/or investments for Affiliated Services will be in addition to other compensation payable to Brookfield, will not be shared with our group (or Brookfield Accounts in which we invest) and/or the unitholders (or be offset against other compensation payable to Brookfield), will increase the overall costs and expenses borne indirectly by investors in our group (and Brookfield Accounts in which we invest), and are expected to be substantial.

The fee potential, both current and future, inherent in a particular transaction could be an incentive for Brookfield to seek to refer or recommend a transaction to our group (or a Brookfield Account in which we are invested). Furthermore, providing services or products to our group (or a Brookfield Account in which we invest) and its investments is expected to enhance Brookfield's relationships with various parties, facilitate additional business development and enable Brookfield to obtain additional business and generate additional revenue.

To the extent Brookfield (including any of its affiliates and/or personnel, other than portfolio companies of other Brookfield Accounts) provides an Affiliated Service, the amount charged for such service will be: (a) at a rate no greater than the applicable rate for such service as agreed to with our group (or a Brookfield Account in which we are invested) pursuant to an affiliated services rate schedule ("Rate Schedule"), (b) at a rate for the relevant service that Brookfield reasonably believes is consistent with an arm's length market rate (the "Affiliate Service Rate"); (c) at cost (including an allocable share of internal costs), plus an administrative fee of 5-10%, or (d) at any other rates with consent from the independent directors (with respect to services provided to our group) or the advisory committees of Brookfield Accounts in which we invest (with respect to services provided to such Brookfield Accounts). A portion of any fees paid to Brookfield affiliates in accordance with the Rate Schedule may be paid as a pass-through of payroll costs for the Brookfield personnel providing such services (in which case the amount payable as a fee in accordance with the Rate Schedule will be reduced on a dollar-for-dollar basis). To the extent Brookfield charges an Affiliate Service Rate or cost plus an administrative fee in respect an Affiliated Service, the Affiliate Services Rate or cost (as applicable) will be determined as set out in more detail in this 20-F. For the avoidance of doubt, Brookfield has discretion to decide when to charge cost plus an administrative fee of 5% instead of using the Rate Schedule or the Affiliate Service Rate, including in situations where cost plus 5% results in a higher fee.

With respect to Affiliated Services, the costs of personnel managing day to day operations of an investment (collectively, "**Operating Personnel**"), in each case whether employed by Brookfield or a third-party and whether performing services on site or off site, will be charged to the investment at cost (including an allocable share of internal costs) in addition to the fees that are prescribed by the Rate Schedule or the Affiliate Service Rate, as applicable. For the avoidance of doubt, the fees so charged will not be reduced by the costs of Operating Personnel. The passed-through costs of such Operating Personnel are often substantial, and in certain cases, are expected to exceed the amount of fees charged in accordance with the Rate Schedule or the Affiliate Services Rate, as applicable.

In certain cases, Brookfield will oversee and/or supervise third-party service providers who provide services that, if performed by Brookfield, would be charged to a Brookfield Account in which we invest in accordance with the Rate Schedule and/or the Affiliate Service Rate; in such cases, Brookfield may charge, (i) fees that, when combined with the fees charged by the third party services provider, are at a rate equal to or less than those set out in the Rate Schedule, or (ii) at cost (including an allocable share of internal costs) plus an administrative fee of 5% in addition to the third-party service provider's fees, which amounts may in the aggregate exceed the rates set forth on the Rate Schedule.

If an Affiliated Service is charged at the Affiliate Service Rate, Brookfield will determine the Affiliate Service Rate in good faith at the time of engagement based on one or more factors, including, among others: (i) the rate that one or more comparable service providers (which may or may not be a competitor of Brookfield) charge third-parties for the similar services on an arm's length basis; (ii) market knowledge (which could be based on internal knowledge or inquiries with one or more market participants); (iii) the rate charged by Brookfield to one or more third-parties for similar services (or the methodology used by Brookfield to set such rate); (iv) advice of and/or information provided by one or more third-party agents, consultants and/or other market participants, including fee data and benchmark analyses (which could be based on proprietary models that utilize various inputs, assumptions and/or estimates deemed relevant by the third-party); (v) commodity or other rate forecasting; (vi) the rate agreed to pursuant to a competitive arm's length bidding process (which may not reflect the lowest rate bid during the process, but that is inherent in an engagement that is deemed by Brookfield to be in the best interests of our group (or a Brookfield Account in which we are invested) and/or their investments taking into account the totality of factors relating thereto); (vii) the rate required to meet certain regulatory requirements or qualify for particular governmental programs; (viii) in the case of services which Brookfield provides as part of a syndicate, such as investment banking or brokerage services, the rate that is negotiated and/or determined by a third-party member of the syndicate; (ix) the rate that a third-party agreed to provide the service at pursuant to a term sheet or similar agreement or understanding; and/or (x) other subjective and/or objective metrics deemed relevant by Brookfield (in its sole discretion) in determining an arm's length market rate for a particular service.

For the avoidance of doubt, the costs to be paid in respect of Affiliated Services and therefore an expense of our group (or a Brookfield Account in which we invest) (whether such Affiliated Services are provided in accordance with a Rate Schedule, at the Affiliate Service Rate, cost plus an administrative fee, or otherwise) will include, among other components: (i) personnel compensation costs and expenses (e.g., salary, benefits (including, among others, paid time off)), (ii) short- and long-term incentive compensation (including management promote, incentive fee and/or other performance-based compensation), (iii) costs and expenses of professional development, professional certifications, professional fees, training, business travel (including, among others, transportation, lodging and meals) and related matters, (iv) an allocable share of corporate costs and expenses associated with employment, including (among others) office rent, human resources personnel, talent acquisition fees and expenses, and office services costs, and (v) an allocable share of technology costs and expenses associated with employment of personnel, including, among others, information technology hardware, human resources technology, computing power and/or storage, software, cybersecurity, and related costs. These costs and expenses are expected to be substantial and will, in certain cases, be based on estimates made by Brookfield, both in respect of the total amount of costs and expenses relating to a particular service as well as the shares of such costs and expenses allocable to Brookfield Accounts (including, among others, Brookfield and our group (or a Brookfield Account in which we are invested)). To the extent Brookfield retains the services of a third-party consultant, agent or other market participant to advise on or otherwise assist in determining an Affiliate Service Rate and/or the estimated costs and expenses of providing an Affiliated Service to a Brookfield Account, the fees and costs (including expenses) of such third-party will be borne by such Brookfield Account.

At all times, Brookfield will endeavor to determine the costs and expenses and/or the Affiliate Service Rate applicable with respect to a particular Affiliated Service, in a fair, reasonable and impartial manner. However, there can be no assurance that any such determination will accurately reflect the actual cost and/or arm's length market rate of an Affiliated Service in any particular situation, that Brookfield's own interests won't influence its determination, and/or that a different methodology would not have also been fair, reasonable and/or yield a different (including more accurate) result. Among other things, the determination of cost and expenses generally will be based on estimates (which are inherently subjective) and, in determining an Affiliate Service Rate, there are variances in the marketplace for similar services based on an array of factors that affect rates for services, including, among others, loss leader pricing strategies, other marketing and competitive practices, integration efficiencies, geographic market differences, and the quality of the services provided. As a result, there can be no assurances that the amounts charged by Brookfield for any Affiliated Service will not be greater (or lower) than the rate that would be charged had Brookfield determined the rate via a different methodology or engaged a similarly-situated third-party service provider to provide the services. The Affiliate Service Rate charged for any Affiliated Service at any given time following the relevant engagement could be higher (or lower) than the then-current market rate for the service because the market rate has decreased (or increased) over time. However, Brookfield generally will not adjust (i.e., decrease or increase) the Affiliate Service Rate in any particular case. Brookfield's methodology of estimating the costs and expenses attributable to a particular Affiliated Service could be higher (or lower) than the actual cost of providing the service, particularly as Brookfield will rely on estimates of costs and expenses (including, among others, estimates of budgets, expected services, relative sizes (or other metric) of assets and/or businesses, and/or time periods) and blended rates of employees. However, unless otherwise determined by Brookfield, in its sole discretion, the associated charges to our group (or a Brookfield Account in which we invest) and/or an investment will not be subject to true-up once the relevant Affiliated Services are completed or periodically throughout the services period.

Where Affiliated Services are in place prior to our group's (or a Brookfield Account's in which we are invested) ownership of an investment and cannot be amended without the consent of an unaffiliated third party, our group (or a Brookfield Account in which we invest) will inherit the pre-existing rates for such Affiliated Services until (X) such time at which third-party consent is no longer required, or (Y) our group (or a Brookfield Account in which we invest) seeks consent from the unaffiliated third party to amend such rates. Accordingly, while Brookfield could seek consent of the unaffiliated third party to amend any pre-existing fee rates, Brookfield will be incentivized to seek to amend the pre-existing fee arrangement in certain circumstances and dis-incentivized to do so in others. For example, Brookfield will be incentivized to seek consent to amend the rate in circumstances where the amended fee would be higher than the pre-existing rate, and conversely could choose not to (and will not be required to) seek consent to amend any pre-existing fee rates if the amended rate would be lower than the pre-existing rate.

From time to time, Brookfield will terminate Affiliated Services arrangements entered into between our group (or a Brookfield Account in which we invest) (and/or its investment(s)), on the one hand, and Brookfield and/or other Brookfield Accounts (and/or their investment(s)), on the other hand, including prior to the expected termination or expiration of the arrangements. In such instances, Brookfield will endeavor to act fairly and reasonably taking into account the interests of our group (or a Brookfield Account in which we invest) (and/or its investment(s)) as well as its counterparties and the applicable facts and circumstances at such time. However, there can be no assurance that any such termination will be effected in such manner as it otherwise would have been had the counterparty not been a Brookfield related entity and/or that Brookfield's own interests won't influence the manner of such termination. In particular, Brookfield could determine to waive and/or otherwise negotiate certain terms relating to the termination, including early termination fees and related provisions, in a manner that it would not have pursued if the counterparty were not a Brookfield related entity. In addition, it is possible that our group (or a Brookfield

Account in which we invest) or a particular investment could bear a larger portion of the termination costs than it otherwise would have if Brookfield did not face the conflicts of interest considerations discussed herein.

For the avoidance of doubt, the foregoing procedures and limitations regarding compensation for transactions will not apply to transactions for services and/or products between the investments of our group (or a Brookfield Account in which we invest) and portfolio companies of another Brookfield Account, PSG, Oaktree, Oaktree Account and/or a Non-Controlled Affiliate, which are described in further detail in "Transactions with Portfolio Companies" (though Brookfield could nonetheless determine, in its sole discretion, to apply a Rate Schedule, an Affiliate Service Rate and/or an estimated cost plus an administrative fee methodology in these situations).

Historically, certain Affiliated Services were performed by Brookfield (including by its direct personnel, operating partners, servicers, brokers and/or other third-party vendors) without being charged to our group (or a Brookfield Account in which we are invested) and/or its investments. Brookfield believes that providing these Affiliated Services results in increased focus, attention, efficiencies and related synergies that facilitate alignment of interest and the ability to offer customized solutions and value creation that would not be available from third-party providers. While Brookfield believes that the cost of the Affiliated Services will be reasonable, the extensive and specialized nature of services could result in such costs being higher than those charged for similar services (to the extent available) by third-party providers. Brookfield generally will not evaluate alternative providers or otherwise benchmark the costs of such Affiliated Services. While Brookfield believes that this enhances the overall services that Brookfield provides to our group (and Brookfield Accounts in which we invest) and its investments in a cost-efficient manner, the arrangement gives rise to conflicts of interest considerations, including among others in connection with the methodologies employed to determine the cost and expenses of the services provided to our group (and Brookfield Accounts in which we invest) (and/or its investments) and/or the determination of the portion of the costs and expenses relating to support services to be allocated among our group (or Brookfield Accounts in which we invest) (and its investments), on the one hand, and other Brookfield Accounts (and their investments), on the other hand, including Brookfield.

In addition to the services discussed previously in this section, where it deems appropriate, relevant and/or necessary, in its sole discretion, Brookfield will engage our group to provide services to other Brookfield Accounts in which we invest, and investments of such other Brookfield Accounts. These engagements generally will be on a cost recovery basis, which may be lower than applicable market rates for the services or the rates that our group would charge a different counterparty for similar services. However, in light of the broader relationship between Brookfield and our group and the overall alignment of our interests, and our objective of maximizing the value of our investments and those of the Brookfield Accounts in which we invest, we believe such arrangements are in our overall best interests.

- **Allocation of Costs and Expenses**. In the ordinary course, Brookfield is required to decide whether costs and expenses (including, among others, those incurred in connection with Affiliated Services, Internal Audits and engagements of third-party service providers) are to be borne by our group (or a Brookfield Account in which we invest) and/or their investments or potential investments, on the one hand, or other Brookfield Accounts (including Brookfield), on the other hand, and/or whether such costs and expenses should be allocated among our group (or a Brookfield Account in which we invest) and other Brookfield Accounts (including Brookfield). These costs and expenses include organizational expenses, operating expenses and expenses charged to investments, including (among others) fees, costs and expenses payable to service providers, including related parties, affiliates of Brookfield and/or third-party service providers. Brookfield expects to allocate costs and expenses to or among the Brookfield Accounts (including our group (and Brookfield Accounts in which we invest) and/or Brookfield) that benefit from such costs and expenses in a fair and reasonable manner using its good faith judgment, which is inherently subjective. Additional detail regarding costs and expenses is set out, among others, in the "Affiliated Services and Transactions," "Service Providers," "Transfers and Secondments" and "Insurance" subsections in the Decisions Made and Actions Taken that may Raise Potential Conflicts of Interest section of this 20-F.

Brookfield generally will utilize one or more methodologies (that it determines, in its sole discretion, to be fair and reasonable) to determine (i) the costs and expenses relating to a particular service (that are not otherwise provided pursuant to a fixed rate) and (ii) the allocation of costs and expenses (including, among others, Affiliated Services and other fees charged by third-party service providers) among Brookfield Accounts (including our group (and Brookfield Accounts in which we invest) and/or Brookfield). These methodologies are expected to include, but are not limited to, one or more of the following: (i) quarterly, semi-annual, annual or other periodic estimates (including budgetary estimates) of (A) the amount of time spent by or to be spent by employees on provision of a service to one or more Brookfield Accounts, and/or (B) the level of effort required to provide a particular service relative to other services provided by the same employees (for instance, costs and expenses relating to financial reporting services could be allocated based on the estimated level of effort required for audited versus unaudited financial statements), and Brookfield is not required to subject such estimates to true-up once the relevant costs or expenses have been completed; (ii) the relative size (e.g., value or invested equity), number, output, complexity and/or other characteristic relating to the Brookfield Accounts, investments and/or potential investments to which the services relate; (iii) where services are provided by groups of employees, utilization of blended compensation rates across such employees; and/or (iv) any other methodology deemed fair and reasonable by Brookfield in determining (and/or estimating) the cost and expenses relating to the provision of a particular service.

The methodologies that Brookfield utilizes to determine the costs and expenses relating to a particular service and the allocation of costs and expenses (including, among others, Affiliated Services and other fees charged by third-party service providers) among Brookfield Accounts (including Brookfield) are expected to vary based on the particular facts and circumstances of each situation (including potentially analogous situations) and over time, and as such there will be some degree of variation in the manner in which situations are addressed (including similar situations over time). As a result of the foregoing, there can be no assurance that any such determination will accurately reflect the actual cost of a service in any particular situation, that Brookfield's own interests won't influence its determination, and/or that a different methodology would not have also been fair, reasonable and/or yield a different (including more accurate) result. Moreover, it is possible that our group (or a Brookfield Account in which we invest) and/or their investments or potential investments could be allocated a larger portion of costs and expenses relating to one or more services, including services provided by Brookfield Accounts (including Brookfield) and/or services that are provided to our group (or a Brookfield Account in which we invest) and other Brookfield Account(s), than they otherwise would have if Brookfield did not face the conflicts of interest considerations discussed herein. Among other things, the determination of costs and expenses generally will be based on estimates (which are inherently subjective) and/or blended rates determined by blending and averaging employee costs. As a result, there can be no assurances that the amounts charged by Brookfield to our group (or a Brookfield Account in which we invest) and/or their investments for any service will not be greater (or lower) than the amount that would be charged had Brookfield determined the costs and expenses relating to the service(s) and/or the allocation of such costs and expenses among Brookfield Accounts (including Brookfield) via a different methodology or engaged a similarly-situated third-party service provider to provide the services.

Costs and expenses that are suitable for only our group (or a Brookfield Account in which we invest) (and/or their investments or potential investments) or another Brookfield Account (and/or its investments) are expected to be allocated only to our group (or a Brookfield Account in which we invest) or such other Brookfield Account, as applicable. Notwithstanding anything in the foregoing to the contrary, in certain situations costs and expenses are expected to be allocated only to our group (or a Brookfield Account in which we invest) (and/or their investments) despite the fact that the incurrence of such costs and expenses did not or will not directly relate solely to our group (or a Brookfield Account in which we invest) and could, in fact, also benefit other Brookfield Accounts or not ultimately benefit our group (or a Brookfield Account in which we invest) (and/or their investments or potential investments) at all. For example, costs and expenses could be allocated to our group (or a Brookfield Account in which we invest) in respect of a specific legal, regulatory, tax, commercial and/or other matter, structure and/or negotiation that does not relate solely to our group (or a Brookfield Account in which we invest) and/or was addressed prior to the launch of Brookfield Accounts in which we invest, and Brookfield could determine to allocate all or a significant portion of such costs and expenses to our group (or a Brookfield Account in which we invest) based on factors that it deems reasonable in its sole discretion, regardless of the amount of capital raised for and/or number of investors (if any) who ultimately invest in, our group (or a Brookfield Account in which we invest) in connection with such matter, structure and/or negotiation, and regardless of the extent to which other Brookfield Accounts (including Brookfield) ultimately benefit from such matter, structure and/or negotiation. Costs and expenses incurred in connection with a matter, structure and/or negotiation unrelated to a Brookfield Account in which we invest could therefore be allocated to a Brookfield Account in which we invest even if such costs and expenses were incurred prior to the existence of a Brookfield Account in which we invest. Similarly, costs and expenses that are expected to be borne by a particular investor in a Brookfield Account in which we invest or a third party could be allocated to a Brookfield Account in which we invest to the extent such costs and expenses are not ultimately charged to or paid by such investor or third party, including, for example, costs and expenses related to a transfer of an interest in a Brookfield Account in which we invest, bespoke reporting and/or other arrangements.

In certain circumstances, in order to create efficiencies and optimize performance, Brookfield expects that one or more investments, potential investments, portfolio companies and/or assets of our group (or a Brookfield Account in which we invest) will share the operational, legal, financial, back-office and/or other resources of another investment, potential investment, portfolio company and/or asset of our group (or a Brookfield Account in which we invest) and/or other Brookfield Accounts, including Brookfield. Brookfield will determine the costs and expenses as well as the allocation of such costs and expenses among the relevant Brookfield Accounts (and/or their assets) utilizing the methodologies set forth above.

Where a potential investment is pursued on behalf of one or more Brookfield Accounts, including our group (or a Brookfield Account in which we invest), the Brookfield Account(s) that ultimately make(s) the investment will generally be allocated the costs and expenses related to such investment on a pro-rata basis based on their proportionate interests in the investment. In the case of a potential investment that is not consummated, Brookfield expects to allocate the broken deal costs and expenses relating to such potential investment among the Brookfield Account(s) that Brookfield expected to participate in such investment on a pro-rata basis based on their expected proportionate interests in the investment, provided that pro-rata interests that were expected to be allocated to (a) other Brookfield Accounts (including Brookfield) so as to facilitate a closing of the investment (i.e., with the expectation that such interests would be further syndicated to third-party investors post-closing) and (b) potential third-party co-investors that did not agree to bear broken deal costs and expenses, will be allocated to our group (or a Brookfield Account in which we invest) for purposes of allocating such broken deal costs and expenses. In any event, Brookfield's allocation of costs and expenses relating to a consummated or unconsummated investment may result in our group (or a Brookfield Account in which we invest) reimbursing other Brookfield Accounts (including Brookfield) for costs and expenses, or vice versa, so as to achieve an allocation of such costs and expenses that Brookfield determines, in its discretion, to be fair and reasonable, as described above.

Examples of broken deal costs and expenses include, but are not limited to, the following: (a) research costs and expenses, (b) fees and expenses of legal, financial, accounting, risk, technology, consulting or other advisers (including Brookfield) in connection with conducting due diligence or otherwise pursuing a particular non-consummated transaction, (c) fees and expenses in connection with arranging financing for a particular non-consummated transaction, (d) travel costs, (e) deposits or down payments that are forfeited in connection with, or amounts paid as a penalty for, a particular non-consummated transaction, and (f) other costs and expenses incurred in connection with activities related to a particular non-consummated transaction (including, for the avoidance of doubt, any relevant Affiliated Service). Brookfield intends to make allocation determinations in its discretion, and it may modify or change its allocation methodologies from time to time to the extent it determines such modifications or changes are necessary or advisable to achieve a fair and reasonable allocation, and such modifications or changes could result in our group (or a Brookfield Account in which we invest) and/or other Brookfield Accounts bearing less (or more) costs and expenses than it otherwise would have borne without such modifications and/or pursuant to a different allocation methodology.

The list of operating expenses included in our group's and Brookfield Accounts' disclosure documents is based on Brookfield's past experiences and current expectations of the types of costs and expenses to be incurred by our group (and Brookfield Accounts in which we invest). Additional and/or new costs and expenses are expected to arise over time and Brookfield will allocate such costs and expenses to our group (or a Brookfield Account in which we invest) (or among our group (and/or Brookfield Accounts in which we invest) and other Brookfield Accounts) as it determines, in its discretion, to be fair and reasonable. In addition, although organizational expenses of Brookfield Accounts in which our group invests generally are subject to a cap, certain costs and expenses that are to be borne as operating expenses, which are not subject to a cap, include costs and expenses related to organizational matters, such as costs and expenses relating to distributing and implementing applicable elections pursuant to any "most favored nations" clauses in side letters, and fees, costs and expenses of anti-bribery and corruption, anti-money laundering and/or "know your customer" compliance, tax diligence expenses and costs and expenses of ongoing related procedures. Brookfield has engaged a compliance consulting firm and could engage similar firms to provide services in connection with its investor relations operations, including the review of diligence and marketing materials; such costs and expenses incurred in relation to the formation and organization of Brookfield Accounts in which we invest will be treated as organizational expenses subject to the caps of such Brookfield Accounts, and thereafter in respect of the ongoing operation or administration of the Brookfield Accounts in which we invest will be treated as operating expenses.

- **Intangible Benefits and Discounts**. Brookfield and its personnel can be expected to receive certain benefits and/or perquisites arising or resulting from their activities on behalf of Brookfield Accounts (including our group and Brookfield Accounts in which we invest) which will not reduce management fees or otherwise be shared with Brookfield Accounts (including our group and Brookfield Accounts in which we invest), their investors and/or investments. Such benefits will inure exclusively to Brookfield and/or its personnel receiving them, even if they are significant or difficult to value and even though the cost of the underlying service is borne by Brookfield Accounts (including our group and/or Brookfield Accounts in which we invest) and/or their respective investments (as an expense). For example, certain affiliates may receive portions of fees paid by third parties that relate to transactions involving properties and/or tenants, such as a portion of broker commissions paid by sellers of properties, and portions of the insurance premiums and fees paid by tenants to insurance providers. In addition, airline travel or hotel stays incurred as expenses by Brookfield Accounts (including our group and Brookfield Accounts in which we invest) typically result in "miles" or "points" or credit in loyalty/status programs and such benefits and/or amounts will, whether or not de minimis or difficult to value, inure exclusively to Brookfield and/or such personnel (and not to our group, Brookfield Accounts in which we invest, investors and/or investments) even though the cost of the underlying service is borne by our group, Brookfield Accounts in which we invest and/or investments. Similarly, the volume of work that service providers receive from Brookfield results in discounts for such services that Brookfield will benefit from, while our group, the Brookfield Accounts in which we invest and/or their respective investments will not be able to benefit from certain discounts that apply to Brookfield. Brookfield and/or its employees will, from time to time, make or receive employment referrals for certain contacts and/or their family members, including those contacts that relate to Brookfield Accounts (including our group, Brookfield Accounts in which we invest, and investments). Such referrals may result in employment that benefits the contacts and/or their family members and the financial benefit of that employment will not be individually disclosed to Brookfield Accounts (including our group and Brookfield Accounts in which we invest) and/or shared with such

Brookfield Accounts, investors and/or investments. In addition, Brookfield has in the past and expects to continue to make available certain discount programs to its employees as a result of Brookfield's relationship with an investment (e.g., "friends and family" discounts), which discounts are not available to the investors. The size of these discounts on products and services provided by investments (and, potentially, customers or suppliers of such investments) could be significant. The potential to receive such discounts could provide an incentive for Brookfield to cause Brookfield Accounts (including our group and Brookfield Accounts in which we invest) and/or investments to enter into transactions that may or may not have otherwise been entered into in the absence of these arrangements and benefits. Financial benefits that Brookfield and its personnel derive from such transactions will generally not be shared with Brookfield Accounts (including our group and Brookfield Accounts in which we invest), investors and/or investments. Such discounts include, among others, the ability to lease units in multifamily buildings owned by Brookfield Accounts, stay at hotels owned by Brookfield Accounts, utilize services and/or programs offered by assets owned by Brookfield Accounts, in each case at significantly discounted rates. Brookfield also offers referral bonuses to its employees who refer customers to assets owned by Brookfield Accounts, including referrals of tenants to buildings. In certain cases, Brookfield will be engaged by the purchaser of an investment to provide various services, including operations and management services (and oversight thereof), with respect to such investment for an interim period following the disposition of such investments until such functions are fully transitioned to the purchaser's service providers. Any such services will be provided on rates agreed with the purchaser (which may be different from (and potentially higher than) the rates charged for Affiliated Services) and such compensation will not be shared with Brookfield Accounts (including our group or Brookfield Accounts in which we invest), including the Brookfield Account that sold the investment, or reduce management or other fees owed by Brookfield Accounts. For a discussion regarding the resolution of the conflicts of interest noted above, see "Management and Resolution of Conflicts" below.

- **Transactions with Portfolio Companies**. In addition to any Affiliated Services provided by Brookfield or our group (as described above), certain of our investments and/or portfolio companies of Brookfield Accounts in which we are invested will in the ordinary course of business provide services or goods to, receive services or goods from, lease space to or from, or participate in agreements, transactions or other arrangements with (including the purchase and sale of assets and other matters that would otherwise be transacted with independent third parties), portfolio companies owned by other Brookfield Accounts, PSG, Oaktree, Oaktree Accounts and Non-Controlled Affiliates. Some of these agreements, transactions and other arrangements would not have been entered into but for the affiliation or relationship with Brookfield and, in certain cases, are expected to replace agreements, transactions and/or arrangements with third parties. These agreements, transactions and other arrangements will involve payment and/or receipt of fees, expenses and other amounts and/or other benefits to or from the portfolio companies of such other Brookfield Accounts, PSG, Oaktree, Oaktree Accounts and Non-Controlled Affiliates (including, in certain cases, performance-based compensation). In certain cases, Brookfield's investment thesis with respect to an investment will include attempting to create value by actively facilitating relationships between the investment and portfolio companies or assets owned by other Brookfield Accounts, PSG, Oaktree, Oaktree Accounts and Non-Controlled Affiliates. In these and other cases, these agreements, transactions and other arrangements will be entered into either with active participation by Brookfield or the portfolio companies' management teams independent of Brookfield. While such arrangements and/or transactions and the fees or compensation involved have the potential for inherent conflicts of interest, Brookfield believes that the access to Brookfield (including portfolio companies of Brookfield Accounts and Oaktree Accounts) enhances our capabilities (and the capabilities of Brookfield Accounts in which we are invested) and is an integral part of our (and other Brookfield Accounts') operations. Each transaction will be entered into to satisfy a legitimate business need.

Portfolio companies of Brookfield Accounts and Oaktree Accounts generally are not Brookfield's and our group's affiliates for purposes of our governing agreements. As a result, the restrictions and conditions contained therein that relate specifically to Brookfield and/or our affiliates do not apply to arrangements and/or transactions among portfolio companies of Brookfield Accounts and/or Oaktree Accounts, even if we (or a Brookfield Account) have a significant economic interest in a portfolio company and/or Brookfield ultimately controls it. For example, in the event that a portfolio company of one Brookfield Account enters into a transaction with a portfolio company of another Brookfield Account (or an Oaktree Account), such transaction generally would not trigger potential cross trade, principal transaction and/or other affiliate transaction considerations.

In all cases in which Brookfield actively participates in such agreements, transactions or other arrangements, Brookfield will seek to ensure that the agreements, transactions or other arrangements are in the best interests of the applicable Brookfield Accounts' portfolio companies, with terms to be determined in good faith as fair, reasonable and equitable under the circumstances. However, there can be no assurance that the terms of any such agreement, transaction or other arrangement will be executed on an arm's length basis, be as favorable to the applicable portfolio company as otherwise would be the case if the counterparty were not related to Brookfield or be the same as those that other Brookfield Accounts' portfolio companies receive from the applicable counterparty, or be benchmarked in any manner. In some circumstances, our investments and portfolio companies of Brookfield Accounts in which we are invested may receive better terms from a portfolio company of another Brookfield Account or an Oaktree Account than from an independent counterparty. In other cases, these terms may be worse.

All such agreements, transactions or other arrangements described in this section are expected to be entered into in the ordinary course without obtaining consent of the BBU General Partner's independent directors or unitholders or of investors in other Brookfield Accounts and such arrangements will not impact the management fee payable to Brookfield or any fee for Affiliated Services payable to Brookfield or a Brookfield Account (i.e., the portfolio companies and Non-Controlled Affiliates will be free to transact in the ordinary course of their businesses without limitations, including by charging their ordinary rates for the relevant transactions).

Furthermore, Brookfield (or other Brookfield Accounts, Oaktree Accounts and/or their businesses) will from time to time make equity or other investments in companies or businesses that provide services to or otherwise contract with our group, Brookfield Accounts in which we are invested and/or their portfolio companies. In particular, Brookfield has in the past entered into, and expects to continue to enter into, relationships with companies in the technology, real assets services and other sectors and industries in which Brookfield has broad expertise and knowledge, whereby Brookfield or a Brookfield Account acquires an equity or other interest in such companies that may, in turn, transact with our group, Brookfield Accounts in which we are invested and/or their portfolio companies. For example, Brookfield (through an investment program referred to as Brookfield Technology Partners) invests in emerging technology companies that develop and offer technology products that are expected to be of relevance to our group, Brookfield Accounts in which we are invested and portfolio companies (as well as to third-party companies operating in similar sectors and industries). In connection with such relationships, Brookfield expects to refer, introduce or otherwise facilitate transactions between such companies and our group, Brookfield Accounts in which we are invested and portfolio companies, which would result in benefits to Brookfield (or Brookfield Accounts, Oaktree Accounts or their businesses), including via increased profitability of the relevant company, as well as financial incentives and/or milestones which benefit Brookfield Accounts or businesses (including through increased equity allotments), which are likely in some cases to be significant. Such financial incentives that inure to or benefit Brookfield and Brookfield Accounts pose an incentive for Brookfield to cause our group, Brookfield Accounts in which we are invested and/or their portfolio companies to enter into such transactions that may or may not have otherwise been entered into. Financial incentives derived from such transactions will generally not be shared with our group or unitholders. Furthermore, such transactions are likely to contribute to the development of expertise, reputational benefits and/or the development of new products or services by Brookfield (or Oaktree, Brookfield Accounts, Oaktree Accounts and/or their businesses), which Brookfield will seek to capitalize on to generate additional benefits that are likely to inure solely to Brookfield (or Oaktree, Brookfield Accounts, Oaktree Accounts and/or their businesses) and not to our group or the unitholders.

Brookfield (or the portfolio companies' management teams, as applicable) will seek to ensure that each transaction or other arrangement that our group, Brookfield Accounts in which we are invested and/or their portfolio companies enter into with these companies satisfies a legitimate business need of our group, the applicable Brookfield Account and/or the applicable portfolio company, with terms to be determined in good faith as fair, reasonable and equitable under the circumstances based on our group's, the applicable Brookfield Account and/or their portfolio companies' normal course process for evaluating potential business transactions and counterparties. In making these determinations, Brookfield or the management teams of the portfolio companies will take into account such factors that they deem relevant, which will include the potential benefits and synergies of transacting with a Brookfield related party. Brookfield may take its own interests (or the interests of other Brookfield Accounts or businesses) into account in considering and making determinations regarding these matters. In certain cases, these transactions will be entered into with active participation by Brookfield and in other cases by the portfolio companies' management teams independently of Brookfield. Moreover, any fees or other financial incentives paid to the relevant company will not offset or otherwise reduce the management fee or other compensation paid to Brookfield, will not otherwise be shared with our group or unitholders and will not be subject to the Affiliate Service Rates.

However, there can be no assurance that the terms of any such transaction or other arrangement will be executed on an arm's length basis, be as favorable to us, the applicable Brookfield Account or portfolio company as otherwise would be the case if the counterparty were not related to Brookfield, be benchmarked in any particular manner, or be the same as those that other Brookfield Accounts' or portfolio companies receive from the applicable counterparty. In some circumstances, our group, a Brookfield Account in which we are invested and portfolio companies may receive better terms (including economic terms) than they would from an independent counterparty. In other cases, these terms may be worse.

While these agreements, transactions and/or arrangements raise potential conflicts of interest, Brookfield believes that our access to Brookfield Accounts and their portfolio companies, as well as to Brookfield related parties and companies in which Brookfield has an interest enhances our, Brookfield Accounts' and portfolio companies' capabilities, is an integral part of our operations and will provide benefits to us, Brookfield Accounts and portfolio companies that would not exist but for our affiliation with Brookfield.

- **Transfers and Secondments.** From time to time, Brookfield facilitates transfers and/or secondments of personnel to (or from) our group, Brookfield Accounts in which we invest and/or their portfolio investments from (or to) Brookfield or another Brookfield Account (and/or its portfolio investments). A transfer refers to the termination of an employee's employment with their employer company and their transfer to a new employer company. A secondment refers to the temporary assignment of an employee from their employer company to another company, typically for a period of two years or less.

Such movements are designed to fill roles at the companies to which individuals are transferred and/or seconded and provide value to personnel (via facilitation of individual career development objectives), the companies to which personnel are transferred / seconded (via filling of essential roles with suitable candidates), and the companies from which personnel are transferred / seconded (via optimization of the workforce).

Brookfield has adopted policies designed to ensure that such personnel movements are effected in accordance with applicable legal and regulatory requirements and that the conflicts considerations that arise in connection therewith are appropriately resolved. Among other things, for each transfer or secondment, Brookfield will seek to ensure that: (a) the company to which an individual is transferred or seconded has a legitimate business need for the position that the individual is to fill, (b) the individual is suitable for the position that they are to fill; and (c) if the transfer or secondment is to a client account: (I) the position does not involve an activity that Brookfield, as manager of the client account, is required to perform; and (II) the compensation to be paid for the position by the company to which the individual is being transferred / seconded is within the market compensation range for such position (up to, and including, the top end of such market compensation range).

In connection with each transfer or secondment, the company to which an individual is transferred or seconded will bear the compensation and overhead expenses relating to the employee (including salary, benefits, and long-and short-term incentive compensation, among other things). As noted, Brookfield generally will seek to ensure that the compensation proposed to be paid for the position by the company to which the individual is being transferred or seconded is within the market compensation range for such position. In determining the market compensation range for the position, Brookfield generally will take into account factors that it deems relevant, including (among others): the company's industry and geography; compensation paid by the company (or one or more similar companies) to one or more employees filling comparable positions; compensation paid by the company (or one or more similar companies) to one or more employees recently hired to fill (or terminated from) comparable positions; independent compensation benchmarking data, such as a third-party market compensation study; and/or third-party (e.g., recruiter, compensation consultant or other adviser) guidance regarding the market compensation range for the position; and/or other objective and/or subjective factors deemed reasonable by Brookfield under the circumstances.

Where Brookfield takes into account independent compensation benchmarking data, such as a third-party market compensation study, Brookfield generally will rely on the most recent study that it is utilizing for recruitment and compensation benchmarking purposes in the relevant company's industry and/or geography. However, such compensation benchmarking data will, in certain cases, be from a different year than the year in which the transfer or secondment is effected because Brookfield and/or the relevant portfolio investment are not generally expected to participate in (and purchase) market studies every year, as the market does not generally vary significantly from year to year. In interim periods between market studies, Brookfield expects to use information such as changes in consumer price index, insight from recruitment efforts and/or other factors to adjust (as necessary) compensation ranges.

Secondments will be on a full-time or part-time basis, as determined by Brookfield taking into account relevant facts-and-circumstances. Generally, part-time secondments will be based on the amount of time Brookfield estimates that the individual will spend between the two (or more) Brookfield Accounts (i.e., the "secondment split"). These estimates will be based on subjective determinations, which could be based on the estimated number of days per week that the individual will spend working for each Brookfield Account or another estimate deemed fair and reasonable under the then-existing facts-and-circumstances. The compensation expenses recovered from the company to which an employee is seconded will be appropriately pro-rated based on: (a) the length of the secondment period during the applicable calendar year and (b) in the case of a part-time secondment, the secondment split.

For clarity, pursuant to the foregoing, Brookfield expects to, among other things, transfer and/or second certain of its employees to companies held by our group and Brookfield Accounts in which we invest. As noted, the companies to which such individuals are transferred and/or seconded to will bear the employees' applicable compensation expenses. In certain cases, Brookfield will advance compensation to such employees and be subsequently reimbursed by our group or the applicable Brookfield Accounts (and/or their respective investments). Any such compensation expenses borne by our group, the Brookfield Accounts in which we invest and/or their respective investments will not be credited against or otherwise reduce the management fee and incentive distributions that are payable to Brookfield. Additionally, the method for determining how (i) certain compensation arrangements are structured and valued (particularly with respect to the structure of various forms of incentive compensation that vest over time and whose value upon payment is based on estimates) and (ii) overhead expenses are allocated, in each case require certain judgments and assumptions, and as a result our group, Brookfield Accounts in which we invest and their respective investments may bear higher costs than they would have had such expenses been valued, allocated or charged differently.

Brookfield could benefit from arrangements where Brookfield employees are hired or retained by, or seconded to, one or more investments or a Brookfield affiliate on behalf of an investment (for example, in the case where an investment makes a fixed payment to Brookfield to compensate Brookfield for a portion of an employee's incentive compensation, but such employee does not ultimately collect such incentive compensation). Additionally, there could be a circumstance where an employee of Brookfield or a portfolio company of a Brookfield Account, PSG, Oaktree or an Oaktree Account may become an employee or secondee of one or more of portfolio companies of our group or a Brookfield Account in which we invest (or vice versa) and, in connection therewith, be entitled to retain unvested incentive compensation received from the company it is transferring or being seconded from. While such incentive compensation would be subject to forfeiture under other circumstances, given the prior employment by a Brookfield related company, such incentive compensation may continue to vest as if such employee continued to be an employee of the company from which it is transferring. The arrangements described herein will take place in accordance with parameters approved by the BBU General Partner's independent directors in the Conflicts Protocols, but will not be subject to approval by the unitholders, and such amounts will not be considered fees received by Brookfield or its affiliates that offset or otherwise reduce the management fee.

Brookfield may take its own interests into account in considering and making determinations regarding the matters outlined in this section as well as in "Transactions with Portfolio Companies" and "Affiliated Services and Transactions" above. Additionally, the aggregate economic benefit to Brookfield or its affiliates as a result of the transactions outlined herein and therein could influence investment allocation decisions made by Brookfield in certain circumstances (i.e., if the financial incentives as a result of such transactions are greater if the investment opportunity is allocated to one Brookfield Account rather than another). However, as noted elsewhere herein, Brookfield believes that our group's and the Brookfield Accounts in which we invest's access to Brookfield's broader asset management platform enhances our group's, such Brookfield Accounts' and portfolio investments' capabilities, is an integral part of our group's and such Brookfield Accounts' operations and will provide benefits to our group, Brookfield Accounts in which we are invested and their respective portfolio investments that would not exist but for their respective affiliations with Brookfield.

- **Protective Loans**. Brookfield may loan capital to our group or a Brookfield Account in which we invest in connection with an investment or potential investment if Brookfield determines in good faith that it is advisable to invest capital in an investment or potential investment and (x) for timing reasons it is not able to issue a capital call, (y) for Brookfield Accounts in which we invest, for any reason there are insufficient unfunded commitments that are able to be called for an existing investment or potential investment or (z) either the amount of such capital is immaterial or the time period during which such capital would be loaned by Brookfield is expected to be less than 30 days ("**Protective Loans**"). Any such Protective Loan will be made at a rate equal to that agreed to with the relevant Brookfield Account. In connection therewith, in the case of a Protective Loan pursuant to clauses (x) and (z) above, Brookfield will cause our group and/or the Brookfield Account in which we invest to repay such Protective Loan or, in the case of any other Protective Loan, offer to investors in the relevant Brookfield Account (including our group) the opportunity to acquire an interest in such Protective Loan. Brookfield's ability to make Protective Loans on the conditions noted above could give rise to conflicts of interest considerations. To the extent an investor does not have sufficient available capital to acquire an interest in such a Protective Loan, or chooses not to acquire such an interest, Brookfield will retain or syndicate such interest. Any Protective Loan may be repaid by the applicable investment in priority to any distributions to the relevant Brookfield Account, or be converted into an equity interest in such investment on a dollar-for-dollar basis using an appraisal or arm's length valuation. Brookfield will have no obligation to provide a Protective Loan, including where doing so would be beneficial to our group, Brookfield Accounts in which we invest, or an investment.

- **Possible Future Activities**. Brookfield expects to expand the range of services that it provides over time. Except as provided herein, Brookfield will not be restricted in the scope of its business or in the performance of any services (whether now offered or undertaken in the future) even if such activities could give rise to conflicts of interest, and whether or not such conflicts are described herein. Brookfield has, and will continue to develop, relationships with a significant number of companies, financial sponsors and their senior managers, including relationships with companies that hold or may have held investments similar to those that have been (or are intended to be) made by us and Brookfield Accounts that we are invested in as well as companies that compete with our direct and indirect investments. These companies may themselves represent appropriate investment opportunities for us or Brookfield Accounts in which we are invested or may compete with us for investment opportunities and other business activities.

- **Advisors**. Brookfield from time to time engages or retains strategic advisors, senior advisors, operating partners, executive advisors, consultants and/or other professionals who are not employees or affiliates of Brookfield, but which include former Brookfield employees as well as current and former officers of Brookfield portfolio companies (collectively, "**Consultants**"). Consultants generally have established industry expertise and are expected to advise on a range of investment-related activities, including by providing services that may be similar in nature to those provided by Brookfield's investment teams, such as sourcing, consideration and pursuit of investment opportunities, strategies to achieve investment objectives, development and implementation of business plans, and recruiting for portfolio companies, and to serve on boards of portfolio companies. Additionally, Brookfield's decision to initially perform certain services in-house for our group (or a Brookfield Account in which we are invested) at a particular point in time will not preclude a later decision to outsource such services, or any additional services, in whole or in part, to any Consultants, and Brookfield has no obligation to inform our group or any other Brookfield Account of such a change. Brookfield believes that these arrangements benefit its investment activities. However, they also give rise to certain conflicts of interest considerations.

Consultants are expected, from time to time, to receive payments from, or allocations of performance-based compensation with respect to, Brookfield, our group, Brookfield Accounts in which we are invested and portfolio companies. In such circumstances, payments from, or allocations or performance-based compensation with respect to, our group, Brookfield Accounts in which we are invested and/or portfolio companies generally will be treated as expenses of the applicable entity and will not, even if they have the effect of reducing retainers or minimum amounts otherwise payable by Brookfield, be subject to management fee offset provisions. Additionally, while Brookfield believes such compensation arrangements will be reasonable and generally at market rates for the relevant services provided, exclusive arrangements or other factors may result in such compensation arrangements not always being comparable to costs, fees and/or expenses charged by other third parties. In addition to any compensation arrangements, our group or a Brookfield Account in which we are invested may also generally bear its share of any travel costs or other out-of-pocket expenses incurred by Consultants in connection with the provision of their services. Accounting, network, communications, administration and other support benefits, including office space, may be provided by Brookfield, our group and/or a Brookfield Account in which we are invested to Consultants without charge, and any costs associated with such support may be borne by our group and/or such Brookfield Account.

Brookfield expects from time to time to offer Consultants the ability to co-invest alongside our group or Brookfield Accounts in which we are invested, including in those investments in which they are involved (and for which they may be entitled to receive performance-based compensation, which will reduce our returns), or otherwise participate in equity plans for management of a portfolio company or invest directly in our group (or a Brookfield Account in which we invest), or in a vehicle controlled by our group (or a Brookfield Account in which we invest), subject to reduced or waived management fees and/or carried interest distributions, including after the termination of their engagement (or other status) with Brookfield.

In certain cases, these persons are likely to have certain attributes of Brookfield "employees" (e.g., they have dedicated offices at Brookfield, receive access to Brookfield information, systems and meetings for Brookfield personnel, work on Brookfield matters as their primary or sole business activity, have Brookfield-related email addresses, business cards and titles, and/or participate in certain benefit arrangements typically reserved for Brookfield employees) even though they are not considered Brookfield employees, affiliates or personnel. In this scenario, a Consultant would be subject to Brookfield's compliance policies and procedures. Where applicable, Brookfield allocate to us, the Brookfield Accounts and/or portfolio companies the costs of such personnel or the fees paid to such personnel in connection with the applicable services, and such expenses or fees, to the extent allocated to a Brookfield Account, would generally be treated as expenses of such Brookfield Account. Payments or allocations to Consultants will not be subject to management fee offset provisions and can be expected to increase the overall costs and expenses borne indirectly by unitholders. There can be no assurance that any of the Consultants will continue to serve in such roles and/or continue their arrangements with Brookfield and/or any Brookfield Accounts or portfolio companies throughout the terms of the relevant Brookfield Accounts.

- **Transaction and Other Fees**. Brookfield and its employees may receive certain transaction fees, consulting fees, advisory fees, directors' fees, monitoring fees, or similar fees, in connection with investments or prospective investments. 100% of our group's or other Brookfield Account's proportionate share of such fees, net of applicable expenses, will be credited against future payments of the management fee. Such fees will not be subject to the Affiliate Service Rates described in "Affiliated Services and Transactions" above. For the avoidance of doubt, (a) the allocable share of such fees attributable to any investor (including any Brookfield Account and any co-investor) that does not pay management fees is not expected to be credited to such investor (and will be retained by Brookfield and/or its employees) and (b) to the extent that multiple Brookfield Accounts (including co-investment vehicles) participate in an investment, any fees received by Brookfield in respect of one Brookfield Account will not offset the management fee received by Brookfield from any other Brookfield Account (regardless of whether or not any amount of such fees is credited to the investors in such Brookfield Accounts, by means of a management fee offset or otherwise). As a result, Brookfield will be more incentivized to take any such fees where there is (or expected to be) significant co-investment alongside our group or a Brookfield Account in which we invest by co-investors that do not pay management fees.

- **Travel Expenses**. We will reimburse Brookfield for out-of-pocket travel expenses, including air travel (generally business class), car services, meals and hotels (generally business or luxury class accommodations), incurred in identifying, evaluating, sourcing, researching, structuring, negotiating, acquiring, making, holding, developing, operating, managing, selling or potentially selling, restructuring or otherwise disposing of proposed or actual investments of our group and/or of Brookfield Accounts in which we are invested (including fees for attendance of industry conferences, the primary purpose of which is sourcing investments), in connection with the formation, marketing, offering and management of our group and Brookfield Accounts in which we are invested. In addition, travel expenses incurred in the formation, marketing and offering of Brookfield Accounts in which we invest will generally be considered organizational expenses, including where such travel expenses relate to an existing or potential arrangement with any placement agent regarding the offering of interests in a Brookfield Account or the offering of a feeder fund of a Brookfield Account.

- **Service Providers**. In managing business activities, Brookfield, Brookfield Accounts and portfolio companies utilize and rely on various independent service providers, including attorneys, accountants, fund administrators, consultants, financial and other advisors, deal sources, lenders, brokers and outside directors. Brookfield relies on these service providers' independence from Brookfield for various purposes, including (among other things) audits of Brookfield Accounts and/or their portfolio companies as well as transaction related services, benchmarking analyses, fairness and similar opinions of value, and/or verification of arm's length terms, in each case designed to facilitate resolution of conflicts of interest considerations relating to transactions between Brookfield Accounts and/or their portfolio companies with Brookfield and/or other Brookfield Accounts and/or their portfolio companies.

Brookfield, Brookfield Accounts and their portfolio companies have various business relationships and engage in various activities with these service providers and/or their affiliates, which give rise to conflicts of interest considerations relating to the selection of the service providers. For example, service providers and/or their personnel could: (a) be investors in Brookfield, Brookfield Accounts and/or their portfolio companies, (b) provide services to multiple Brookfield business lines, Brookfield Accounts and/or their portfolio companies, (c) be engaged to provide various different types of services to Brookfield, Brookfield Accounts and portfolio companies, (d) provide certain services, such as introductions to prospective investors and/or counterparties, to Brookfield, Brookfield Accounts and portfolio companies at favorable rates or no additional cost, (e) be counterparties to transactions with Brookfield, Brookfield Accounts and/or their portfolio companies. In addition, certain service providers (particularly large global service providers, such as law firms, accounting firms and financial institutions) employ family members of personnel of Brookfield, Brookfield Accounts and/or their portfolio companies. Moreover, in the regular course of business, personnel of Brookfield, Brookfield Accounts and/or their portfolio companies give (or receive) gifts and entertainment to (or from) personnel of service providers.

Notwithstanding these relationships and/or activities with service providers, Brookfield has policies and procedures designed to address these conflicts of interest considerations and to ensure that its personnel select service providers for Brookfield, Brookfield Accounts and portfolio companies that they believe are appropriate for and in the best interests of Brookfield, Brookfield Accounts and/or their portfolio companies (as the case may be) in accordance with Brookfield's legal and regulatory obligations, provided that (for the avoidance of doubt) Brookfield often will not seek out the lowest-cost option when engaging such service providers as other factors or considerations typically prevail over cost.

Brookfield Accounts (including our group, Brookfield Accounts in which we invest, and other Brookfield Accounts) and their portfolio companies often engage common providers of goods and/or services. These common providers sometimes provide bulk discounts or other fee discount arrangements, which could be based on an expectation of a certain amount of aggregate engagements by Brookfield, Brookfield Accounts and portfolio companies over a period of time. Brookfield generally extends these fee discount arrangements to Brookfield, Brookfield Accounts and/or their portfolio companies in a fair and equitable manner.

In certain cases, a service provider (e.g., a law firm) will provide all Brookfield Accounts and their portfolio companies a bulk discount on fees that is applicable only prospectively (within an annual period) once a certain aggregate spending threshold has been met by the group during the relevant annual period. As a result, Brookfield Accounts and portfolio companies that engage the service provider after the aggregate spending threshold has been met will get the benefit of the discount and, as a result, pay lower rates than the rates paid by Brookfield Accounts and portfolio companies that engaged the same provider prior to the discount being triggered.

The engagement of common providers for Brookfield Accounts and their portfolio companies and the related fee discount arrangements give rise to conflicts of interest considerations. For example, as a result of these arrangements, Brookfield will face conflicts of interest in determining which providers to engage on behalf of Brookfield Accounts (including our group) and portfolio companies and when to engage such providers, including an incentive to engage certain providers for Brookfield Accounts (including our group) and portfolio companies because it will result in the maintenance or enhancement of a discounted fee arrangement that benefits Brookfield, other Brookfield Accounts and their portfolio companies. Notwithstanding these conflicts considerations, Brookfield makes these determinations in a manner that it believes is appropriate for and in the best interests of Brookfield Accounts (including our group and Brookfield Accounts in which we invest) and/or their portfolio companies taking into account all applicable facts and circumstances.

In the normal course, common providers (e.g., law firms) will staff engagements based on the particular needs of the engagement and charge such staff's then-applicable rates, subject to any negotiated discounts. While these rates will be the same as the rates such providers would charge Brookfield for the same engagement, Brookfield generally engages providers for different needs than Brookfield Accounts (including our group and Brookfield Accounts in which we invest) and/or their portfolio companies, and the total fees charged for different engagements are expected to vary.

In addition, as a result of the foregoing, the overall rates paid by our group, Brookfield Accounts in which we are invested and portfolio companies over a period of time to a common provider could be higher (or lower) than the overall rates paid to the same provider by Brookfield, other Brookfield Accounts and their portfolio companies.

These relationships, activities and discounts described herein are part of normal course business operations and are not considered additional fees received by Brookfield that would offset or otherwise reduce the fees (including management fees) owed by Brookfield Accounts and/or their portfolio companies to Brookfield.

- **Investment Platforms**. Brookfield Accounts (including our group and Brookfield Accounts in which we invest), alone or co-investing alongside other Brookfield Accounts or third parties, develop, organize and/or acquire assets that serve as a platform for investments in a particular sector, geographic area or other niche (such arrangements, "Investment Platforms"), including investments held in different proportions across various Brookfield Accounts. The management teams for such Investment Platforms ("Platform Management Teams") are owned and controlled by our group (or Brookfield Accounts in which we are invested), other Brookfield Accounts and/or third parties, and are established through recruitment, contract and/or the acquisition of one or more portfolio companies and/or assets. In certain cases, such as investments made by our group (or Brookfield Accounts in which we invest) alongside third parties, the executives, officers, directors, shareholders and other personnel of the relevant Platform Management Teams represent other financial investors with whom our group (or Brookfield Accounts in which we invest) and Brookfield are not affiliated and whose interests could conflict with the interests of our group (or Brookfield Accounts in which we invest) and/or have other interests that conflict with the interests of our group (or Brookfield Accounts in which we invest). In addition, Platform Management Teams are expected to provide services to, and facilitate investments by, other Brookfield Accounts, including investments in which our group (or Brookfield Accounts in which we invest) or an investment does not participate. The costs and expenses of Platform Management Teams will include, among others, overhead, personnel compensation, diligence and other operational costs and expenses incurred in connection with the development, organization, acquisition, support, and ongoing administration and management of the Platform Management Teams and related Investment Platforms. For the avoidance of doubt, compensation paid in respect of Platform Management Teams will include, among other components, incentive distributions, management promote, incentive fee and/or other performance-based compensation based on (or linked to) the profits of the relevant Investment Platforms, including profits realized in connection with the disposition of asset(s) and co-investments held alongside our group (or a Brookfield Account in which we invest).

Among other things, Platform Management Teams are expected to participate in and/or advise on a range of activities related to investments, potential investments and/or Investment Platforms given their strategic and/or operational expertise, including, among others, activities in connection with (or with respect to) the origination, identification, assessment, pursuit, coordination, execution and consummation of investment opportunities, such as project planning, engineering and other technical analysis, securing site control, preparing and managing approvals and permits, financial analysis and managing related-stakeholder matters. These services give rise to additional conflicts of interest considerations because they are similar to the services provided by Brookfield to our group (or a Brookfield Account in which we are invested). However, Brookfield deems these services to be appropriate for and value enhancing to the operations and/or management of investments and Investment Platforms and these services otherwise would be provided by third parties engaged to provide the services.

Our group (and Brookfield Accounts in which we are invested) bear their allocable share of Platform Management Teams' costs and expenses (as determined by Brookfield, in its sole discretion, to be fair and reasonable) and such costs and expenses are treated as expenses of our group (and Brookfield Accounts in which we invest), investment-level expenses and/or broken deal expenses, as applicable. These costs and expenses are in addition to the compensation payable to Brookfield, are not shared with our group (or Brookfield Accounts in which we invest) and/or the unitholders (or be offset against compensation payable to Brookfield), will increase the overall costs and expenses borne indirectly by our group (or Brookfield Accounts in which we invest), and are expected to be substantial.

From time to time, Platform Management Teams (or portions thereof) that are held by our group (or a Brookfield Account in which we are invested) and/or their portfolio companies could be transferred to other Brookfield Accounts (including Brookfield) for strategic, operational and/or other reasons, including reasons that relate solely to other Brookfield Accounts. Our group (or Brookfield Accounts in which we invest), its Investment Platforms, investments and/or unitholders, will not be compensated for any such transfer.

See additional detail regarding: the methodologies that Brookfield will utilize for determining Brookfield Accounts' (including of our group (and of Brookfield Accounts in which we invest) and of Brookfield) allocable shares of such costs and expenses, and additional conflicts considerations regarding transactions with Brookfield related parties, in "Allocation of Costs and Expenses" and "Affiliated Services and Transactions."

- **Line of Credit Utilization.** Use of leverage arrangements provides Brookfield with an incentive to fund investments or otherwise utilize borrowings in lieu of capital contributions. For example, calculations of net internal rate of returns in respect of performance data with respect to our group and the Brookfield Accounts in which we invest as reported to investors from time to time are based on the funding of capital contributions by and distributions to the investors. For example, in instances where a Brookfield Account in which we invest utilizes borrowings under a subscription-based loan facility or asset-backed facility (or other facility, including a hybrid or net asset value facility), use of such facility will likely result in a higher reported net internal rate of return than if the facility had not been utilized because such borrowings were used in lieu of capital contributions or in advance of related capital contributions that would only be made at a later date. From time to time, Brookfield makes distributions prior to the repayment of outstanding borrowings. In addition, in the event a Brookfield Account in which we invest incurs such indebtedness, the preferred return accruing in respect of investors will be less than otherwise would have been the case in the absence of such indebtedness, and the applicable Brookfield Account will bear the costs of any expenses related to such indebtedness or any interest that accrues. As a result, Brookfield could be entitled (a) to receive incentive distributions earlier than it otherwise would have and (b) in certain circumstances, to receive more incentive distributions than it otherwise would have, in each case had the Brookfield Account in which we invest not incurred such indebtedness and, instead, had required the investors to make additional capital contributions.

Subject to any limitations set forth in the governing documents of our group or the Brookfield Accounts in which we invest, Brookfield maintains substantial flexibility in choosing when and how our group and Brookfield Accounts in which we invest utilize borrowings under loan facilities. Brookfield may adopt from time to time policies or guidelines relating to the use of such loan facilities. Such policies could include using the loan facilities to systematically defer calling capital from investors. In addition to using such facilities to defer capital calls, Brookfield can, subject to the terms of the relevant Brookfield Account's governing documents, elect to use long-term financing for Brookfield Accounts in certain circumstances, including: (i) to make certain investments that Brookfield determines to hold on the loan facility for an extended time, (ii) to make margin payments as necessary under currency hedging arrangements or other derivative transactions, (iii) to fund management fees and operating expenses otherwise payable by investors, (iv) to bridge a potential co-investment or a follow-on investment related to an existing co-investment, and (v) when Brookfield otherwise determines that it is in the best interests of our group or the Brookfield Accounts in which we invest.

Certain investors may benefit from borrowing by Brookfield Accounts (including Brookfield Accounts in which we invest) even though such investors do not provide the same level of credit support for such borrowing as other investors. This occurs, for instance, where an investor is prohibited from pledging its commitments to a Brookfield Account to support a loan facility or where regulatory or tax considerations prohibit such a pledge or make it undesirable. In addition, lenders typically apply different "advance rates" to the commitments of different types of investors in a Brookfield Account, with the result that the commitments of certain investors are more useful to the applicable Brookfield Account as collateral for such Brookfield Account's subscription-based loan facility than the commitments of other investors.

In addition, our group and/or Brookfield Accounts in which we invest may provide for the repayment of indebtedness and/or the satisfaction of guarantees on behalf of co-investment vehicles in connection with investments made by such vehicles. Certain Brookfield Accounts also use other Brookfield Accounts' (including our) loan facilities to issue letters of credit in connection with investments that are expected to be, or have been allocated to co-investment vehicles, and the co-investors would be expected to bear their share of any expenses incurred in connection with such letters of credit. However, in each scenario above, certain investors in such vehicles will benefit from such provision for repayment of indebtedness and/or the satisfaction of guarantees even though those investors do not provide the same level of credit support as our group and/or Brookfield Accounts in which we invest. In the event any such co-investment vehicle does not satisfy its share of any payment in respect of any such borrowing, our group or the relevant Brookfield Account in which we invest will be contractually obligated to satisfy its share even if our group or such Brookfield Account does not have recourse against such co-investment vehicle. In addition, our group or a Brookfield Account in which we invest may provide a guarantee in connection with a potential or existing investment, and one Brookfield Account may replace our group or another Brookfield Account as the guarantor.

- **Recourse to Our Group and Other Brookfield Accounts' Assets**. The assets of our group (and, in the case of Brookfield Accounts in which we invest, of such Brookfield Accounts), including unused capital and investments, are available to satisfy all liabilities and other obligations of our group (and, in the case of Brookfield Accounts in which we invest, of such Brookfield Accounts), for any proper purpose relating to the activities of our group (and, in the case of Brookfield Accounts in which we invest, of such Brookfield Accounts), including, without limitation, with respect to investments, payment of expenses, indemnification obligations, and making of distributions. If our group (or, in the case of a Brookfield Account in which we invest, such Brookfield Account) becomes subject to a liability, parties seeking to have the liability satisfied could have recourse to our group's (or, in the case of a Brookfield Account in which we invest, such Brookfield Account's) assets generally and might not be limited to any particular asset, such as the asset comprising the investment giving rise to the liability. In such situations, in connection with our investments our group makes in other Brookfield Accounts, investors in such accounts (including our group) are often required to make additional capital contributions, including to recontribute funds previously distributed by such Brookfield Accounts, in each case subject to the specific limitations set forth in such Brookfield Account's governing documents.

The financing arrangements of our group (and, in the case of Brookfield Accounts in which we invest, of such Brookfield Accounts), including financing facilities, borrowings made thereunder, and guarantees and other credit support obligations in relation thereto, are often structured generally as part of a portfolio financing arrangement where all or certain investments provide security for such financing on a cross-collateralized basis and multiple investments are subject to the risk of loss in the event of a default. There likely will be circumstances in which investors have varying sharing percentages with respect to certain of the investments of Brookfield Accounts (including our group and Brookfield Accounts in which we invest), including as a result of investments made on different dates, the exercise of excuse or exclusion rights or otherwise and, as a result, could have sharing percentages (including in the aggregate) in investments or otherwise with respect to investment proceeds generated by the investments of Brookfield Accounts (including our group and Brookfield Accounts in which we invest) to which third parties have recourse in respect of such Brookfield Accounts' liability that are higher or lower than such investors' sharing percentages in the investment giving rise to the liability. As a result of the potential recourse obligations described above, liabilities relating to investments in which an investor has, for example, a small sharing percentage, could adversely impact investments in which such investor holds a greater sharing percentage. In addition, where co-investors or other third-party investors participate in an investment, our group and the Brookfield Accounts in which we invest will at times (where Brookfield deems appropriate and subject to the governing documents of our group or the relevant Brookfield Account) guarantee an amount in excess of its proportionate interest in the investment, including amounts in respect of the interests of co-investors or other third parties, which could remain outstanding on a temporary or ongoing basis over the term of the investment. In these circumstances, our group and/or the Brookfield Accounts in which we invest will bear a disproportionate amount of the liabilities and costs associated with the relevant guarantee or other credit support, and such Brookfield Account's assets, as applicable, including the relevant investment as well as the Brookfield Account's assets generally (including unused capital) would be available to satisfy such liabilities and costs.

- **Other Activities of Brookfield and its Personnel.** Brookfield employees that play key roles in managing our group and Brookfield Accounts that we invest in, as well as employees of portfolio companies that our group and other Brookfield Accounts invest in, will all spend a portion of their time on matters other than or only tangentially related to our group or Brookfield Accounts in which we invest. Time will be spent on managing other Brookfield Accounts, including Brookfield proprietary accounts, and their investment activities. Such obligations of these individuals could conflict with their responsibilities to our group and Brookfield Accounts in which we invest. These potential conflicts are exacerbated in situations where employees are entitled to greater incentive compensation or other remuneration in connection with their responsibilities to certain accounts relative to their responsibilities to our group and Brookfield Accounts in which we invest, or where there are differences in proprietary investments in certain Brookfield Accounts relative to our group and Brookfield Accounts in which we invest.

- **Use of Brookfield Arrangements**. Our group (and/or Brookfield Accounts in which we invest) may seek to use a swap, currency conversion, hedging arrangement, line of credit or other financing that Brookfield has in place for its own benefit or the benefit of other Brookfield Accounts. In this case, Brookfield will pass through the terms of such arrangement to our group (and/or Brookfield Accounts in which we invest) as if our group (or the relevant Brookfield Accounts) had entered into the transaction itself. However, in such cases, we (and/or the relevant Brookfield Accounts) will be exposed to Brookfield's credit risk since we will not have direct contractual privity with the counterparty. Further, it is possible that our group (or Brookfield Accounts in which we invest) would have been able to obtain more favorable terms for themselves if they had entered into the arrangement directly with the counterparty.

- **Determinations of Value**. Valuations of the investments (or of assets or property received in exchange for any investment, as applicable) will ultimately be calculated and/or determined by Brookfield in good faith in accordance with guidelines prepared in accordance with International Financial Reporting Standards or U.S. generally accepted accounting principles and reviewed by the independent accountants of our group and/or the Brookfield Accounts in which we invest. The valuation methodologies used by Brookfield to value any investment involve subjective determinations, judgments, projections and opinions, including about future events, which could turn out to be incorrect. As a result, valuations may not be accurate and/or third parties (including investors) could disagree with such valuations. Accordingly, the carrying value of an investment will not necessarily reflect the price at which the investment could be (or ultimately is) sold in the market, and the difference between carrying value and the ultimate sales price could be material. Ultimate realization of the value of an investment depends to a great extent on economic, market and other conditions beyond Brookfield's control. Generally, there will be no retroactive adjustment in the valuation of any investment or the performance-based compensation or management fees paid to Brookfield to the extent any valuation proves to not accurately reflect the realizable value of an investment.

Additionally, under certain limited circumstances set forth in the governing documents of our group and the Brookfield Accounts in which we invest, distributions in kind of investments for which market quotations are not readily available could be made. The valuation of such investments will be determined by Brookfield in accordance with the governing documents of our group and the Brookfield Accounts in which we invest and as set forth above. Under the terms of the governing documents of our group and the Brookfield Accounts in which we invest, Brookfield will generally receive performance-based compensation based on such valuation.

Brookfield makes use of, and relies on, valuation information and data developed and provided by certain third parties. Such valuations sometimes vary from similar valuations performed by other independent third parties for similar types of securities or assets. In addition, our group and the Brookfield Accounts in which we invest may rely on the valuations or valuation information provided by, or determined in consultation with, the BBU General Partner, relevant general partner or their affiliates, as applicable.

The valuation of investments affects, under certain circumstances, Brookfield's entitlement to incentive distributions from our group and the Brookfield Accounts in which we invest, the amount of management fees that Brookfield collects from our group and the Brookfield Accounts in which we invest, the decision of potential investors to subscribe for units in our group or interests in the Brookfield Accounts in which we invest, and/or Brookfield's marketing of and ability to raise future Brookfield Accounts in which our group will invest. As a result, and as noted herein, the valuation of investments involves conflicts and Brookfield is incentivized to determine valuations that are higher than the actual fair value of the investments.

- **Transactions with Potential and Actual Investors**. In light of the breadth of Brookfield's operations and its significant institutional investor base, including investors that pursue investment programs and operations similar to Brookfield's, Brookfield and Brookfield Accounts (including our group) from time to time engage in transactions with prospective and actual investors in our group and other Brookfield Accounts that entail business benefits to such investors. Such transactions may be entered into prior to, in connection with or after an investor's investment in our group or a Brookfield Account. The nature of such transactions can be diverse and may include benefits relating to our group (or a Brookfield Account in which we invest), other Brookfield Accounts and their respective issuers or portfolio companies.

- **Insurance**. Brookfield has caused our group and Brookfield Accounts in which we invest to purchase and/or bear premiums, fees, costs and expenses (including the premiums, costs, expenses and/or fees of Brookfield affiliates and non-affiliates for insurance coverage and for placement and administration of insurance coverage) with respect to insurance coverage for the benefit of our group, Brookfield Accounts in which we invest, Brookfield and its affiliates (as service providers to Brookfield Accounts), their employees, affiliates, agents and representatives, as well as limited partner advisory committee members and other indemnified parties with respect to matters (including directors and officers liability insurance, errors and omissions insurance, and any other insurance which Brookfield determines to be required or market standard), or for the benefit of our group and the Brookfield Accounts in which we invest, as well as to portfolio companies with respect to investment-related matters (including terrorism, property, title, liability, marine, environmental, professional, cyber, transactional, fire insurance and/or extended or specialized coverage).

Brookfield, Brookfield Accounts (including our group and the Brookfield Accounts in which we invest) and their respective portfolio companies and other investments will utilize Brookfield affiliates for placement, administration, and provision of insurance coverage in connection with all or part of their insurance coverage and our group (or a Brookfield Account in which we invest) is expected to leverage the scale of Brookfield by participating in shared, or umbrella, insurance policies as part of a broader group of entities affiliated with Brookfield (including Brookfield and other Brookfield Accounts). Any insurance policy purchased by or on behalf of our group (or a Brookfield Account in which we invest) (including policies covering our group, Brookfield Accounts in which we invest, Brookfield and other Brookfield Accounts) may provide coverage for situations where our group (or a Brookfield Account in which we invest) would not provide indemnification, including situations involving culpable conduct by the Brookfield. Nonetheless, the share of the premiums, costs, fees and expenses of our group (or a Brookfield Account in which we invest) in respect of insurance coverage will not be reduced to account for these types of situations. Where possible, our group (and Brookfield Accounts in which we invest) generally leverage Brookfield's scale by participating in shared, or umbrella, insurance policies that cover a broad group of entities (including Brookfield, other Brookfield Accounts and their portfolio companies) under a single policy.

The total cost of any shared or umbrella insurance policy is allocated among all participants covered by the policy in a fair and equitable manner taking into consideration applicable facts and circumstances, including the value of each covered account's asset value and/or the risk that the account poses to the insurance provider. While Brookfield takes into account certain objective criteria in determining how to allocate the cost of umbrella insurance coverage among covered accounts, the assessment of the risk that each account poses to the insurance provider is more subjective in nature. In addition, Brookfield's participation in umbrella policies gives risk to conflicts in determining the proper allocation of the costs of such policies.

Brookfield insurance companies (each, a "Captive") that provide insurance coverage for Brookfield Accounts (including our group and Brookfield Accounts in which we invest) and assets held directly or indirectly by Brookfield Accounts (including our group and Brookfield Accounts in which we invest) generally will be utilized for all or a portion of insurance coverage needs (e.g., primary layer of insurance for certain assets, supplemental coverage to coverage provided by third-party carriers, etc.). Captives are expected to provide benefits to Brookfield Accounts that may not be available from a third-party insurance provider. In determining whether to utilize a Captive as an insurance provider for our group, a Brookfield Accounts in which we invest and/or their investments, Brookfield will take into account such factors as it determines appropriate in its discretion under the then-existing facts-and-circumstances. It is expected that each Captive will charge premiums at the Affiliate Service Rate applicable to the insurance provided by such Captive. The determination of such rates will be based on third-party pricing data, pricing mandated by regulation, or an opinion of a third-party insurance adviser (including advisers that provide other insurance related services to Brookfield and the Brookfield Accounts). The engagement of a Captive will give rise to certain potential conflicts of interest, including in connection with the allocation of premiums and the evaluation and payment of claims. In order to mitigate potential conflicts of interest related thereto, an independent third-party insurance carrier generally will be responsible for claims management and payment.

Captives could seek reinsurance for all or a portion of the coverage, which could result in Brookfield earning and retaining fees, commissions and/or a portion of the premiums associated with such insurance while not retaining all or a commensurate portion of the risk insured. Captives may also earn and retain fees, commissions, and/or a portion of the premiums associated with insurance covering types of damages for which a government entity and/or other third party may reimburse the captive (e.g., damage caused by certain terrorist events), which may result in the captives not retaining all or a commensurate portion of the risk of insuring against such types of damage.

To the extent an insurance policy or Captive insurance policy provides coverage with respect to matters relating to our group (or a Brookfield Account in which we invest) or their investments, all or a portion of the fees and expenses (including premiums) of such insurance policy and its placement will be allocated to our group (or a Brookfield Account in which we invest) or their investments. The amount of any such insurance-related fees and expenses allocated to our group (or a Brookfield Account in which we invest) or their investments will be determined by Brookfield in its discretion taking into consideration facts and circumstances deemed relevant, including in umbrella policies the value of each covered account's investments and capital commitments (if applicable) and/or risk that the accounts and/or its investments pose to the insurance provider. While Brookfield expects to consider certain objective criteria when determining how to allocate the cost of insurance coverage that applies to multiple accounts (including Brookfield and Brookfield Accounts), because of the uncertainty of whether claims will arise in the future and the timing and the amount that may be involved in any such claim, the determination of how to allocate such fees and expenses also requires Brookfield to take into consideration other facts and circumstances that are more subjective in nature. In addition, because Brookfield will bear a portion of such fees and expenses and has differing investment interests in the Brookfield Accounts it manages, conflicts exist in the determination of the proper allocation of such fees and expenses among Brookfield and such accounts. It is unlikely that Brookfield will be able to accurately allocate the fees and expenses of any such insurance based on the actual claims of a particular account, including our group (or a Brookfield Account in which we invest). Brookfield may, if it determines it to be necessary, consult with one or more third parties to ensure that the allocation of such fees and expenses is done in a fair and reasonable manner.

While shared insurance policies (including those issued by Captives) may be cost effective, claims made by any entities affiliated with Brookfield could result in increased costs to our group and Brookfield Accounts that we invest in, and such policies may have an overall cap on coverage. To the extent insurable event(s) result in claims in excess of such cap, our group (and/or Brookfield Accounts in which we invest) may not receive as much in insurance proceeds as it would have received if separate insurance policies had been purchased for each party, and Brookfield could face a conflict of interest in properly allocating insurance proceeds across all claimants, which could result in our group (or Brookfield Accounts in which we invest) receiving less in insurance proceeds than if separate insurance policies had been purchased for each insured party individually. In these cases, Brookfield will seek to allocate the proceeds from claims in respect of insurance policies and resolve any conflicts of interests, as applicable, in a manner it determines to be fair and reasonable. In that regard, Brookfield may, if it determines it to be necessary, consult with one or more third parties to ensure that the allocation of such proceeds is done in a fair and reasonable manner. Similarly, insurable events may occur sequentially in time while subject to a single overall cap. In this case, Brookfield expects to process claims on a first-come-first-serve basis or in any other manner deemed appropriate by Brookfield. To the extent insurance proceeds for one such event are applied towards a cap and our group (or a Brookfield Account in which we invest) experiences an insurable loss after such event, our group's (or Brookfield Account's) receipts from such insurance policy could be diminished and/or our group (or Brookfield Account) may not receive any insurance proceeds. A shared insurance policy could also make it less likely that Brookfield will make a claim against such policy on behalf of our group (or a Brookfield Account in which we invest).

Brookfield on behalf of our group (or a Brookfield Account in which we invest) may need to determine whether or not to initiate litigation (including potentially litigation adverse to Brookfield where it is the broker or provider of such insurance) in order to collect from an insurance provider, which may be lengthy and expensive and which ultimately may not result in a financial award. The potential for Brookfield to be a counterparty in any litigation or other proceedings regarding insurance claims creates a further potential conflict of interest. Furthermore, in providing such insurance, Brookfield may seek reinsurance for all or a portion of the coverage, which could result in Brookfield earning and retaining fees and/or a portion of the premiums associated with such insurance while not retaining all or a commensurate portion of the risk insured. Brookfield will seek to allocate the costs of such insurance and proceeds from claims in respect of such insurance policies and resolve any conflicts of interest, as applicable, in a manner it determines to be fair. In that regard, Brookfield may, if it determines it to be necessary, consult with one or more third parties in allocating such costs and proceeds and resolving such conflicts.

- **Diverse Interests**. In certain circumstances, the various types of investors in Brookfield Accounts (including our group and Brookfield Accounts in which we invest), including Brookfield in its capacity as an investor in Brookfield Accounts, will have conflicting investment, tax and other interests with respect to (a) their interests across Brookfield Accounts and (b) the interests of other investors in such accounts, including Brookfield Accounts that participate in the same investments. The conflicting interests of particular investors could relate to or arise from, among other things, the nature of investments made by Brookfield Accounts, the residency or domicile of the investors, the entities through which such investors make their investments, the structuring of the acquisition (including the utilization of a REIT subsidiary), ownership and disposition of investments, the timing of disposition of investments, the transfer or disposition by an investor of its investment and specific tax considerations, including the manner in which current earnings and disposition transactions in connection with one or more investments are reported for tax purposes and the timing of distributions or deemed distributions thereof. To the extent that one or more investors (including Brookfield) request that Brookfield delay certain distributions to them (for tax or other similar reasons) Brookfield may (but is not obligated to) agree to do so (while continuing to make the scheduled distribution to other investors). In such cases, Brookfield would deem a distribution to have occurred to such investors at the time the distribution was made to the other investors, for purposes of the calculation of incentive distributions and management fees. As a consequence, in certain circumstances, conflicts of interest will arise in connection with Brookfield decisions regarding these matters, including with respect to tax matters or the nature, structuring, or reporting of such investments, which may be adverse to investors in our group generally (or to our group in connection with its investments in Brookfield Accounts), or may be more beneficial to certain investors (including Brookfield) over others, including with respect to investors' particular tax situations.

In selecting and structuring potential investments appropriate for Brookfield Accounts (including our group and Brookfield Accounts in which we invest), Brookfield will consider the investment and tax objectives of the relevant Brookfield Accounts and their investors as a whole, not the investment, tax or other objectives of any investor individually. However, conflicts could arise if certain investors have objectives that conflict with those of Brookfield Accounts (including our group and Brookfield Accounts in which we invest). In addition, Brookfield may face certain tax risks based on positions taken by our group or Brookfield Accounts in which we invest, including as a withholding agent. In connection therewith, Brookfield could take certain actions, including withholding amounts to cover actual or potential tax liabilities, that it may not have taken in the absence of such tax risks.

Further, in connection with the investment activities of Brookfield Accounts (including our group's and those of Brookfield Accounts in which we invest), we or the Brookfield Account (or portfolio companies) may make political donations or other contributions to support ballot initiatives, lobbyist efforts, memberships in certain political organizations, referendums or other legal, regulatory, tax or policy changes that Brookfield believes will ultimately benefit our group or the Brookfield Account. However, there is no guarantee that any particular unitholder (or investor in a Brookfield Account) will agree with any such action or would independently choose to financially support such an endeavor. Further, any such changes may have long-term benefits to Brookfield and/or other Brookfield Accounts (in some cases, such benefits may be greater than the benefits to our group or the Brookfield Account in which we are invested), even though Brookfield or such Brookfield Accounts did not contribute to such initiative or reimburse our group or the relevant Brookfield Account or portfolio company for the contributions.

- **Conflicts with Issuers of Investments**. As part of Brookfield's management and oversight of investments, Brookfield appoints its personnel as directors and officers of portfolio companies of Brookfield Accounts (including of our group and of Brookfield Accounts in which we invest) and, in that capacity, is required to make decisions that consider the best interests of such portfolio investments and their respective shareholders or other stakeholders. In certain circumstances, for example in situations involving bankruptcy or near insolvency of a portfolio company, decisions and actions that may be in the best interest of the portfolio company may not be in the best interests of Brookfield Accounts individually (including our group and/or Brookfield Accounts in which we invest), and vice versa. Accordingly, in these situations, there will be conflicts of interest between such individuals' duties as an officer or employee of Brookfield and such individuals' duties as a director or officer of the portfolio company. Similar conflicts considerations will arise in connection with Brookfield employees that are transferred and/or seconded to provide services to portfolio companies in the normal course.

- **Listing and Distribution of Brookfield**. Brookfield Asset Management Inc. changed its name to Brookfield Corporation on December 9, 2022, pursuant to a corporate restructuring (the "Transaction"), as a result of which, its asset management business ("Asset Management Business") is now held 100% by the Asset Management Company. The Asset Management Company is owned approximately 75% by Brookfield Corporation and approximately 25% by a newly established company Brookfield Asset Management. Each of Brookfield Corporation and Brookfield Asset Management have the right to nominate 50% of the directors of the Asset Management Company, and the shareholders of Brookfield Corporation received shares of Brookfield Asset Management as consideration for the transfer of 25% interest in the Asset Management Business. Brookfield Corporation continues to be listed on the NYSE and TSX under the new ticker "BN" and Brookfield Asset Management is newly listed on both stock exchanges under the ticker "BAM".

Since completion of the Transaction, certain employees, including senior level executives previously employed by Brookfield have become employees of the Asset Management Business, and in such capacity provide services to all the entities conducting the Asset Management Business activities. While employees, senior level management and boards of directors of each of Brookfield and the Asset Management Business are expected to be separate and distinct from one another (other than Bruce Flatt, who is the CEO of Brookfield and of the Asset Management Business), Brookfield will have senior management involvement/participation in the Asset Management Business, including by being a part of investment committees and being available to propose and discuss various investment opportunities. In addition, Brookfield will receive certain transition services from the Asset Management business and the Asset Management Business will receive transition services from Brookfield for a period of time, with the intended result of ensuring continuity of operations. The Transaction did not result in a change of control of Brookfield or require the consent of the investors of any Brookfield Account.

While the foregoing describes the current process for the corporate structure and delineation of roles since completion of the Transaction, such process and structure are subject to change. In addition, while it is not anticipated to be the case, it is possible that the Transaction will create unintended and unanticipated risks or conflicts that are material to investors in Brookfield Accounts (including our group and Brookfield Accounts in which we invest). There can be no guarantee that the foregoing changes in corporate structure since the Transaction will have no impact on the management of Brookfield Accounts (including our group and Brookfield Accounts in which we invest). While it is intended that the asset management employees and senior level executives formerly employed by Brookfield who were transferred to the Asset Management Business will continue existing asset management practices following such transfer, it is expected that the Asset Management Business will, in the normal course, enact policies and procedures that differ from those formerly in place at Brookfield. In addition, while the Transaction is not intended to have adverse consequences on any investor in any Brookfield Account (including our group and any Brookfield Account in which we invest), the Transaction provides existing and new public shareholders access to a new class of securities linked to the standalone asset management business of Brookfield Asset Management.

OTHER CONFLICTS

- **Internal Audit**. Brookfield, Brookfield Asset Management and certain of their affiliates are publicly traded companies subject to requirements to maintain an internal audit function and to complete internal audit reviews of their investments and related operations. In certain instances, our group (and Brookfield Accounts in which we invest) and portfolio companies of our group (and Brookfield Accounts in which we invest) are expected to perform internal audit reviews of their operations and related activities, either in connection with their own regulatory requirements, because they are consolidated into Brookfield or one of its listed affiliates, or otherwise for corporate governance purposes, as determined by Brookfield in its capacity as manager of the Brookfield Accounts. Such portfolio company internal audit work is expected to be carried out by the employees of such portfolio companies, by Brookfield employees and/or by third-party advisors, and the expenses related to such work by all such persons are generally expected to be charged to the portfolio company. While the product of such portfolio company internal audit work is expected to be relied on and utilized, where applicable, in meeting Brookfield's and its listed affiliates' internal audit obligations, Brookfield and its listed affiliates generally will not share in the expenses of such portfolio company internal audits (except in their capacity as indirect equity owners of the portfolio company). Further to the disclosure above in "Allocation of Costs and Expenses", it is expected that internal audit costs will be allocated to our group (and Brookfield Accounts in which we invest) based on a blended rate of the personnel involved in providing such services, such that the amount charged to our group, the Brookfield Accounts in which we invest and their respective portfolio companies may be greater or lesser than the actual cost of the specific personnel performing the services for our group, the Brookfield Accounts in which we invest and/or their respective portfolio companies.

- **Performance-Based Compensation**. Brookfield's entitlement to performance-based compensation from our group and Brookfield Accounts in which we invest could incentivize Brookfield to make investments on behalf of our group and such Brookfield Accounts that are riskier or more speculative than it would otherwise make in the absence of such performance-based compensation. In addition, Brookfield is generally taxed at preferable tax rates applicable to long-term capital gains on its performance-based compensation with respect to investments that have been held by our group (or a Brookfield Account in which we are invested) for more than three years. The required holding period and/or or other laws (including non-U.S. tax laws) applicable to carried interest could create an incentive for Brookfield to make different decisions regarding the timing and manner of the realization of investments than would be made in the absence of such laws, including if long-term capital gain from the sale or disposition of capital assets (as it relates to Brookfield's receipt of carried interest) did not require a three-year holding period.

- **Calculation Errors, True-Ups and/or Repayments**. The calculation of amounts due to Brookfield and/or Brookfield Accounts in respect of Brookfield Accounts (including our group and Brookfield Accounts in which we invest) and/or their portfolio investments (including amounts owed in respect of performance-based compensation, Affiliated Services, protective loans, cost allocations, and other matters) is complex and at times based on estimates and/or subject to periodic (post-transaction) reconciliations. Brookfield may make errors in calculating such amounts, and/or recognize over- or under-estimates of such amounts in performing routine reconciliations and/or other internal reviews. When such an error or under- or over-estimate that disadvantaged our group or a Brookfield Account in which we invested is discovered, Brookfield will make our group (or the Brookfield Account) whole for such amount based on the particular situation, which may involve a return of distributions or fees or a waiver of future distributions or fees, in each case in an amount necessary to reimburse our group (or the Brookfield Account) for such over-payment. As a general matter, Brookfield does not expect to pay interest on such amounts. Likewise, when an error or under- or over-estimate that advantaged a Brookfield Account is discovered, Brookfield will make itself whole for such amount, as applicable, and generally will not charge interest in connection with any such make-whole payment.

MANAGEMENT AND RESOLUTION OF CONFLICTS

- **Brookfield Conflicts Management and Resolution Process**. Brookfield is a global alternative asset manager with significant assets under management and a long history of owning, managing and operating assets, businesses and investment vehicles across various industries, sectors, geographies and strategies through and on behalf of Brookfield Accounts (including proprietary accounts). In addition, Brookfield's business activities continuously grow and evolve over time. As noted throughout this 20-F, a key element of the strategy of our group (and of Brookfield Accounts in which we invest) is to leverage Brookfield's experience, expertise, broad reach, relationships and position in the market for investment opportunities and deal flow, financial resources, access to capital markets and operating needs. Brookfield believes that this is in the best interest of our group (and of Brookfield Accounts in which we invest) and their investments. However, being part of this broader (and evolving) platform, as well as activities of and other considerations relating to Brookfield Accounts, gives rise to conflicts of interest situations. Dealing with conflicts of interest is difficult and complex, and it is not possible to predict all of the types of conflicts that will arise over the course of the life of our group (and of Brookfield Accounts in which we invest), particularly as a result of the potential growth and evolution of Brookfield's business activities. Brookfield will monitor conflicts of interest and manage such conflicts of interest as set out in this 20-F, in accordance with its fiduciary duty to our group (and Brookfield Accounts in which we invest) and other Brookfield Accounts; however, conflicts will not necessarily be resolved in a manner that is favorable to our group (and/or Brookfield Accounts in which we invest).

In managing conflicts of interest situations that arise from time to time, Brookfield generally will be guided by its internal policies and procedures and applicable regulatory requirements, including its fiduciary obligations as set out in Brookfield Accounts' offering documents. Among other things, Brookfield has formed a Conflicts Committee, which is comprised of senior Brookfield executives, to oversee the management and resolution of conflicts of interest considerations that arise in the management of Brookfield's business activities, including the management of Brookfield Accounts (including our group and Brookfield Accounts in which we invest). The Conflicts Committee seeks to ensure that conflicts considerations are addressed in accordance with Brookfield's internal policies and procedures and applicable regulatory requirements, including its fiduciary duties to Brookfield Accounts as set out in such accounts' offering documents. In carrying out its responsibilities, the Conflicts Committee may, as it deems appropriate, review and approve specific matters presented to it and/or review and approve frameworks (and related parameters) for execution of particular types of transactions. In connection with the latter, the Conflicts

Committee will (as it deems appropriate) appoint one or more individuals, pursuant to delegated authority, to oversee implementation of the frameworks and is deemed to approve transactions that are executed in accordance with pre-approved frameworks.

There can be no assurance that all conflicts of interest matters will be presented to the Conflicts Committee. In addition, the Conflicts Committee is comprised of senior executives of Brookfield that are not independent of Brookfield. As such, the Conflicts Committee itself is subject to conflicts of interest considerations. The Conflicts Committee will seek to act in good faith and to manage or resolve conflicts of interest considerations in a manner that it deems is fair and balanced, taking into account the facts and circumstances known to it at the time, and in accordance with Brookfield's policies and procedures and applicable regulatory requirements. However, there is no guarantee that the Conflicts Committee will make a decision that is most beneficial or favorable to our group (and Brookfield Accounts in which we invest) or the unitholders in connection with any particular conflict situation, or that it would not have reached a different decision if additional information were available to it.

As noted elsewhere in this 20-F, Brookfield is not required to and generally does not expect to seek approval from the BBU General Partner's board of directors or from other unitholders to manage the conflicts of interest situations that will arise from time to time (including conflicts of interest situations that were not contemplated in this 20-F) unless required by applicable law or as otherwise set out in this 20-F or the governing documents. By acquiring units in our group (and Brookfield Accounts in which we invest), each unitholder will be deemed to have acknowledged and agreed to our group (and Brookfield Accounts in which we invest) being part of Brookfield's broader platform, the strategy of our group (and of Brookfield Accounts in which we invest) leveraging Brookfield's broader platform, conflicts of interest situations (including situations not contemplated in this 20-F) arising in the course of the life of our group (and of Brookfield Accounts in which we invest), Brookfield's resolution of such conflicts situations as set out in this 20-F, and to have waived any and all claims with respect to the existence of any such conflicts of interest and any actions taken or proposed to be taken in respect thereof as set out herein.

The foregoing list of potential and actual conflicts of interest does not purport to be a complete enumeration or explanation of the conflicts attendant to an investment in our group (or Brookfield Accounts in which we invest). Additional conflicts may exist that are not presently known to the BBU General Partner, Brookfield or their respective affiliates or are deemed immaterial. In addition, as the Brookfield Activities and the investment program of our group (and Brookfield Accounts in which we invest) develop and change over time, an investment in our group (or Brookfield Accounts in which we invest) may be subject to additional and different actual and potential conflicts of interest. Additional information about potential conflicts of interest regarding the Brookfield will be set forth in Brookfield's Form ADV, which prospective investors should review prior to purchasing units. Prospective investors should consult with their own advisers regarding the possible implications on their investment in our group (or Brookfield Accounts in which we invest) of the conflicts of interest described herein.

CONFLICTS OF INTEREST WITH BBUC

In order to effect the special distribution, BBUC acquired its business from our partnership. In addition, as described above, a number of agreements and arrangements were entered into between BBUC and our partnership to create BBUC, while keeping it as a part of our group. Given BBUC's ownership structure, the rationale for its formation and because each BBUC exchangeable share is structured with the intention of providing an economic return equivalent to one unit, we expect that the interests of BBUC and our partnership will typically be aligned. See Item 7.B, "Related Party Transactions - Relationship with BBUC".

However, conflicts of interest might arise between BBUC and our partnership. In order to assist BBUC in addressing such conflicts, BBUC's board of directors includes two non-overlapping directors. David Court and Michael Warren currently serve as the non-overlapping members of BBUC's board of directors. Mr. Court served on the board of directors of the BBU General Partner since February 2018 and resigned from such board in March 2022. If in the 12 months following the special distribution, BBUC considers a related party transaction in which our partnership is an interested party within the meaning of MI 61-101, Mr. Court will not be considered an independent director under MI 61-101 for purposes of serving on a special committee to consider such transaction. As with conflicts between BBUC and Brookfield, potential conflicts will be approached in a manner that (i) is fair and balanced taking into account the facts and circumstances known at the time, (ii) complies with applicable law, including, for example, independent approvals and advice or validation, if required in the circumstances and (iii) supports and reinforces BBUC's ownership structure, the rationale for its formation and the economic equivalence between the BBUC exchangeable shares and units. Our group will not generally consider it a conflict for BBUC and our partnership to form part of our group, including participating in acquisitions together, or to complete transactions contemplated by the agreements entered into prior to closing.

BBUC and our partnership have been granted exemptive relief from the requirements of MI 61-101 that, subject to certain conditions, permits us to be exempt from the minority approval and valuation requirements for transactions in the context of (i) related party transactions (as defined in MI 61-101) of our partnership with BBUC or its subsidiary entities (as defined in MI 61-101) and (ii) related party transactions of BBUC with our partnership or our subsidiary entities.

BBUC has also been granted relief from the requirements of MI 61-101 for any related party transactions of BBUC with persons other than our partnership or any of our subsidiary entities, provided that, amongst other conditions, our partnership complies with the requirements of MI 61-101 for each such related party transaction of BBUC as though our partnership entered into such other related party transaction directly.

See Item 3.D “Risk Factors — Risks Relating to Our Relationship with Brookfield”.

Sale of our Nuclear Technology Services Operation

On November 7, 2023, we completed the sale of our nuclear technology services operation to a strategic consortium led by Cameco Corporation and Brookfield Renewable Partners for total consideration of approximately $3.8 billion, net of transaction closing costs. Since our partnership and Brookfield Renewable Partners are affiliates of Brookfield, Brookfield Renewable Partners is a “related party” of our partnership and the transaction constitutes a “related party transaction” of our partnership as defined in Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”). In January 2023, the transaction was approved by unitholders representing more than 50% of our units, excluding any units held by any “interested party” pursuant to the requirements of MI 61-101. The transaction closed on November 7, 2023. We generated approximately $1.4 billion in proceeds from the sale of our interest in our nuclear technology services operation, which was used to redeem $750 million of preferred equity securities held by Brookfield Corporation and to reduce revolving credit facilities. As at December 31, 2023, our partnership had a loan payable of $1.1 billion to BBUC in connection with the proceeds received from the completion of the sale. The loan payable is non-interest bearing and is due on demand.

7.C INTERESTS OF EXPERTS AND COUNSEL

Not applicable.

ITEM 8. FINANCIAL INFORMATION

8.A CONSOLIDATED STATEMENTS AND OTHER FINANCIAL INFORMATION

See Item 18, “Financial Statements”.

8.B SIGNIFICANT CHANGES

A discussion of the significant changes in our business can be found under Item 4. “Information on the Company”, Item 4.A, “History and Development of the Company” and Item 5.A, “Operating Results”.

ITEM 9. THE OFFER AND LISTING

9.A OFFER AND LISTING DETAILS

Our units are listed on the NYSE and the TSX under the symbols “BBU” and “BBU.UN”, respectively.

9.B PLAN OF DISTRIBUTION

Not applicable.

9.C MARKETS

See Item 9.A, “Offer and Listing Details”.

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. 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. The Limited Partnership Agreement is filed as exhibit to this Form 20-F and is also available on our SEDAR+ profile at www.sedarplus.ca. See also Item 10.C, "Material Contracts", Item 10.H, "Documents on Display" and Item 19., "Exhibits".

Formation and Duration

Our company is a Bermuda exempted limited partnership registered under the Bermuda Limited Partnership Act 1883 and the Bermuda Exempted Partnerships Act 1992. Our company has a perpetual existence and will continue as an exempted limited partnership unless terminated or dissolved in accordance with our Limited Partnership Agreement. The partnership interests consist of our units, which represent limited partnership interests in our company, 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".

Management

As required by law, our Limited Partnership Agreement provides for the management and control of our company by a general partner, the BBU General Partner.

Nature and Purpose

Under our Limited Partnership Agreement, the purpose of our company is to: (i) acquire and hold interests in the Holding LP and, subject to the approval of the BBU General Partner, interests in any other entity; (ii) engage in any activity related to the capitalization and financing of our company's interests in such entities; (iii) serve as the managing general partner of the Holding LP and execute and deliver, and perform the functions of a managing general partner of the Holding LP specified in, the Holding LP Limited Partnership Agreement; and (iv) engage in any activity that is incidental to or in furtherance of the foregoing and that is approved by the BBU General Partner and that lawfully may be conducted by a limited partnership organized under the Bermuda Limited Partnership Act 1883, the Bermuda Exempted Partnerships Act 1992 and our Limited Partnership Agreement.

Our Units

Our units are non-voting limited partnership interests in our company. A holder of our units does not hold a share of a body corporate. As holders of units of our company, holders do not have statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative" actions. The rights of holders of our units are based on our Limited Partnership Agreement, amendments to which may be proposed only by or with the consent of the BBU General Partner as described below under "Amendment of Our Limited Partnership Agreement".

Our units represent a fractional limited partnership interest in our company and do not represent a direct investment in our assets and should not be viewed by investors as direct securities of our assets. 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 company 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. Our units have no par or other stated value.

Holders of our units do not have the ability to call meetings of unitholders, and holders of our units are not entitled to vote on matters relating to our company except as described below under "No Management or Control; No Voting". Any action that may be taken at a meeting of unitholders may be taken without a meeting if written consent is solicited by or on behalf of the BBU General Partner and it receives approval of not less than the minimum percentage of support necessary to authorize or take such action at a meeting as described below under "Meetings".

Redemption-Exchange Units

The Redemption-Exchange Units are exchangeable into our units in accordance with the Redemption-Exchange Mechanism. For a further explanation of the Redemption-Exchange Mechanism, see Item 10.B, "Memorandum and Articles of Association - Description of the Holding LP Limited Partnership Agreement - Redemption-Exchange Mechanism".

Issuance of Additional Partnership Interests

The BBU General Partner has broad rights to cause our company to issue additional partnership interests and may cause us 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 at its sole discretion 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 the BBU General Partner in its sole discretion, all without the approval of our limited partners.

Investments in the Holding LP

If and to the extent that our company 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 securities of the Holding LP, unless otherwise agreed by us and the Holding LP.

Capital Contributions

No partner has the right to withdraw any or all of its capital contribution. The limited partners have no liability for further capital contributions to our company. Each limited partner's liability will be limited to the amount of capital such partner is obligated to contribute to our company for its limited partner interest plus its share of any undistributed profits and assets, subject to certain exceptions. See "Limited Liability" below.

Distributions

Distributions to partners of our company will be made only as determined by the BBU General Partner in its sole discretion. In general, quarterly cash distributions will be made from the distributions received by our company as a result of its ownership of Managing General Partner Units in Holding LP. However, the BBU General Partner will not be permitted to cause our company to make a distribution if it does not have sufficient cash on hand to make the distribution (including as a result of borrowing), the distribution would render it insolvent, or if, in the opinion of the BBU General Partner, the distribution would or might leave it with insufficient funds to meet any future or contingent obligations, or the distribution would contravene the Bermuda Limited Partnership Act 1883. For greater certainty, our company, the Holding LP or one or more of the Holding Entities may (but none is obligated to) borrow money in order to obtain sufficient cash to make a distribution. The amount of taxes withheld or paid by us in respect of our units held by limited partners or the BBU General Partner shall be treated either as a distribution to such partner or as a general expense of our company, as determined by the BBU General Partner in its sole discretion.

Any distributions from our company will be made to the limited partners and to the BBU General Partner on a pro rata basis. The BBU General Partner's pro rata share, which is less than 0.01%. Each limited partner will receive a pro rata share of the distributions made to all limited partners in accordance with the proportion of all outstanding units held by that limited partner. Except for receiving its pro rata share of distributions from our company, the BBU General Partner shall not be compensated for its services as the BBU General Partner but it shall be reimbursed for certain expenses.

Allocations of Income and Losses

Limited partners share in our net profits and net losses, generally in accordance with their respective percentage interest in our company.

Net income and net losses 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 company. Each item of income, gain, loss and deduction so allocated to a partner of our company, generally will have the same source and character as though such partner had realized the item directly.

The income for Canadian federal income tax purposes of our company for a given fiscal year 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 company to partners 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. Generally, the source and character of items of income so allocated to a partner with respect to a fiscal year of our company will be the same source and character as the distributions received by such partner with respect to such fiscal year. The BBU 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 company's limited partners, subject to the approval of a committee of the board of directors of the BBU General Partner made up of independent directors.

If, with respect to a given fiscal year, no distribution is made by our company or we have 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 company 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 company. 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 us in such calendar quarter.

Limited Liability

Assuming that a limited partner does not participate in the control or management of our company or conduct the affairs of, sign or execute documents for or otherwise bind our company within the meaning of the Bermuda Limited Partnership Act 1883 and otherwise acts in conformity with the provisions of our Limited Partnership Agreement, such partner's liability under the Bermuda Limited Partnership Act 1883 and our Limited Partnership Agreement will be limited to the amount of capital such partner is obligated to contribute to our company 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 company or conducting the affairs of, signing or executing documents for or otherwise binding our company (or purporting to do any of the foregoing) within the meaning of the Bermuda Limited Partnership Act 1883 or the Bermuda Exempted Partnerships Act 1992, such limited partner would be liable as if it were a general partner of our company in respect of all debts of our company incurred while that limited partner was so acting or purporting to act. Neither our Limited Partnership Agreement nor the Bermuda Limited Partnership Act 1883 specifically provides for legal recourse against the BBU General Partner if a limited partner were to lose limited liability through any fault of the BBU General Partner. While this does preclude a limited partner from seeking legal recourse, we are not aware of any precedent for such a claim in Bermuda case law.

No Management or Control; Limited Voting

Our company's limited partners, in their capacities as such, may not take part in the management or control of the activities and affairs of our company and do not have any right or authority to act for or to bind our company or to take part or interfere in the conduct or management of our company. Limited partners are not entitled to vote on matters relating to our company or have access to the books and records of our company, although holders of units are entitled to consent to certain matters with respect to certain amendments to our Limited Partnership Agreement and certain matters with respect to the withdrawal of the BBU General Partner as described in further detail below. In addition, limited partners have consent rights with respect to certain fundamental matters and related party transactions (in accordance with MI 61-101) and on any other matters that require their approval in accordance with applicable laws and stock exchange rules. Each unit entitles the holder thereof to one vote for the purposes of any approvals of holders of units.

Meetings

The BBU General Partner may call special meetings of the limited partners at a time and place outside of Canada determined by the BBU 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 the BBU General Partner (which may not be less than 10 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 the BBU General Partner. Any such consent solicitation may specify that any written consents must be returned to us within the time period, which may not be less than 20 days, specified by the BBU General Partner.

For purposes of determining holders of partnership interests entitled to notice of, and participation in, a meeting, or to provide consents or give approvals to any action described above, the BBU 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 the BBU General Partner to provide such consents. Only those holders of partnership interests on the record date established by the BBU 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 the BBU General Partner. To adopt a proposed amendment, other than the amendments that do not require limited partner approval discussed below, the BBU General Partner must seek approval of a majority of our outstanding units required to approve the amendment, either by way of a meeting of the limited partners to consider and vote upon the proposed amendment or by written approval.

Prohibited Amendments

No amendment may be made that would:

1. 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 consented to or approved by at least a majority of the type or class of partnership interests so affected; or

2. 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 company to the BBU General Partner or any of its affiliates without the consent of the BBU 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 in clauses (1) and (2) above can be amended only upon the approval of the holders of at least 90% of the outstanding units.

No Limited Partner Approval

Subject to applicable law, the BBU General Partner may generally make amendments to our Limited Partnership Agreement without the approval of any limited partner to reflect:

1. a change in the name of our company, the location of our registered office or our registered agent;

2. the admission, substitution or withdrawal of partners in accordance with our Limited Partnership Agreement;

3. a change that the BBU General Partner determines is reasonable and necessary or appropriate for our company to qualify or to continue our company's qualification as an exempted limited partnership under the laws of Bermuda or a partnership in which the limited partners have limited liability under the laws of any jurisdiction, or is necessary or advisable in the opinion of the BBU General Partner to ensure that our company will not be treated as an association taxable as a corporation or otherwise taxed as an entity for tax purposes;

4. an amendment that the BBU General Partner determines to be necessary or appropriate to address changes in tax regulations, legislation or interpretation;

5. an amendment that is necessary, in the opinion of our counsel, to prevent our company or the BBU General Partner or its directors or officers from in any manner being subjected to the provisions of the Investment Company Act, or similar legislation in other jurisdictions;

6. an amendment that the BBU General Partner determines in its sole discretion to be necessary or appropriate in connection with the creation, authorization or issuance of any class or series of partnership interests or options, rights, warrants or appreciation rights relating to partnership securities;

7. any amendment expressly permitted in our Limited Partnership Agreement to be made by the BBU General Partner acting alone;

8. any amendment that the BBU General Partner determines in its sole discretion to be necessary or appropriate to reflect and account for the formation by our company of, or its investment in, any corporation, partnership, joint venture, limited liability company or other entity, as otherwise permitted by our Limited Partnership Agreement;

9. a change in our company's fiscal year and related changes; or

10. any other amendments substantially similar to any of the matters described in (1) through (9) above.

In addition, the BBU General Partner may make amendments to our Limited Partnership Agreement without the approval of any limited partner if those amendments, in the discretion of the BBU General Partner:

1. do not adversely affect our company'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;
2. 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;
3. 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 or any other partnership interests are or will be listed for trading;
4. are necessary or appropriate for any action taken by the BBU General Partner relating to splits or combinations of units under the provisions of our Limited Partnership Agreement; or
5. are required to effect the intent expressed in the final registration statement and prospectus filed in connection with the spin-off or the intent of the provisions of our Limited Partnership Agreement or are otherwise contemplated by our Limited Partnership Agreement.

Opinion of Counsel and Limited Partner Approval

The BBU 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 will become effective without the approval of holders of at least 90% of our units, unless we obtain an opinion of counsel to the effect that the amendment will not (i) cause our company 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 the BBU General Partner has not made the election described below under "-Election to be Treated as a Corporation") or (ii) affect the limited liability under the Bermuda Limited Partnership Act 1883 of any of our company's or 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 or consent 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 written consent or affirmative vote of limited partners whose aggregate outstanding voting units constitute not less than the voting requirement sought to be reduced.

Sale or Other Disposition of Assets

Our Limited Partnership Agreement generally prohibits the BBU General Partner, without the prior approval of the holders of at least 66 2/3% of the voting power of our units, from causing us to, among other things, sell, exchange or otherwise dispose of all or substantially all of our assets in a single transaction or a series of related transactions. However, the BBU General Partner, in its sole discretion, may mortgage, pledge, hypothecate or grant a security interest in all or substantially all of our assets (including for the benefit of third parties) without that approval. The BBU General Partner may also sell all or substantially all of our assets under any forced sale of any or all of our assets pursuant to the foreclosure of, or other realization upon, those encumbrances without that approval.

Take-Over Bids

If, within 120 days after the date of a take-over bid, as defined in the *Securities Act* (Ontario), the take-over bid is accepted by holders of not less than 90% of our outstanding units, other than our units held at the date of the take-over bid by the offeror or any affiliate or associate of the offeror, and the offeror acquires the units deposited or tendered under the take-over bid, the offeror will be entitled to acquire our units not deposited under the take-over bid on the same terms as the units acquired under the take-over bid.

Election to be Treated as a Corporation

If the BBU General Partner determines in its sole discretion that it is no longer in our company's best interests to continue as a partnership for U.S. federal income tax purposes, the BBU General Partner may elect to treat our company 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 company will terminate upon the earlier to occur of: (i) the date on which all of our company's assets have been disposed of or otherwise realized by us and the proceeds of such disposals or realizations have been distributed to partners; (ii) the service of notice by the BBU 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 renders illegal or impracticable the continuation of our company; or (iii) at the election of the BBU General Partner, if our company, as determined by the BBU General Partner, is required to register as an "investment company" under the Investment Company Act or similar legislation in other jurisdictions.

Our company will be dissolved upon the withdrawal of the BBU General Partner as the general partner of our company (unless a successor entity 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 the BBU General Partner") or the date on which any court of competent jurisdiction enters a decree of judicial dissolution of our company or an order to wind-up or liquidate the BBU General Partner without the appointment of a successor in compliance with the provisions of our Limited Partnership Agreement that are described below under "-Withdrawal of the BBU General Partner". Our company will be reconstituted and continue without dissolution if, within 30 days of the date of dissolution (and provided a notice of dissolution has not been provided to the Bermuda Monetary Authority), a successor general partner executes a transfer deed pursuant to which the new general partner assumes the rights and undertakes the obligations of the original general partner, but only if we receive an opinion of counsel that the admission of the new general partner will not result in the loss of limited liability of any limited partner.

Liquidation and Distribution of Proceeds

Upon dissolution, unless our company is continued as a new limited partnership, the liquidator authorized to wind-up our company's affairs will, acting with all of the powers of the BBU General Partner that the liquidator deems necessary or appropriate in its judgment, liquidate our company's assets and apply the proceeds of the liquidation first, to discharge our company'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 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 company's assets would be impractical or would cause undue loss to the partners.

Withdrawal of the BBU General Partner

The BBU General Partner may withdraw as the general partner without first obtaining approval of our unitholders by giving written notice to the other partners, and that withdrawal will not constitute a violation of our Limited Partnership Agreement.

Upon the withdrawal of a general partner, the holders of at least a majority of our units may select a successor to that withdrawing general partner. If a successor is not selected, or is selected 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 company will be dissolved, wound up and liquidated. See "-Termination and Dissolution" above.

In the event of the withdrawal of a general partner, where such withdrawal will violate 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 interest 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

The BBU 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: (i) agree to assume the rights and duties of the BBU General Partner to whose interest that transferee has succeeded; (ii) agree to assume and be bound by the provisions of our Limited Partnership Agreement; and (iii) 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 the BBU General Partner may sell or transfer all or part of their shares in the BBU General Partner without the approval of the unitholders.

Partnership Name

If the BBU General Partner ceases to be the general partner of our company and our new general partner is not an affiliate of Brookfield, our company will be required by our Limited Partnership Agreement to change its name 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 the BBU General Partner notwithstanding that it may have ceased to be the general partner of our company.

Transactions with Interested Parties

The BBU General Partner, its affiliates and their respective partners, members, 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 the BBU 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 company, our company'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 contract or enter into any contract, arrangement or transaction with our company, the Holding LP, any of the Holding Entities, any operating business or, in general, any entity established by our company and may be interested in any such contract, transaction or arrangement and shall not be liable to account to any of our company, the Holding LP, any of the Holding Entities, any operating business or, in general, any entity established by our company 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 the bye-laws of the BBU General Partner.

Outside Activities of the BBU General Partner; Conflicts of Interest

Under our Limited Partnership Agreement, the BBU General Partner is required to maintain as its sole activity the activity of acting as the general partner of our company and undertaking activities that are ancillary or related thereto. The BBU General Partner is not permitted to engage in any business or 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 entity established by our company.

Our Limited Partnership Agreement provides that each person who is entitled to be indemnified by our company (other than the BBU General Partner), as described below under "Indemnification; Limitation 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 activities are similar to our activities or (ii) such businesses and activities directly compete with, or disfavor or exclude, the BBU General Partner, our company, the Holding LP, any Holding Entity, any operating business or, in general, any entity established by us. 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 the BBU General Partner, our company, the Holding LP, any Holding Entity, any operating business and, in general, any entity established by us (or any of their respective investors), and shall be deemed not to be a breach of the BBU General Partner's fiduciary duties or any other obligation of any type whatsoever of the BBU General Partner. None of the BBU General Partner, our company, the Holding LP, any Holding Entity, any operating business, or, in general, any entity established by us or any other person shall have any rights by virtue of our Limited Partnership Agreement or our company relationship established thereby or otherwise in any business ventures of any person who is entitled to be indemnified by us as described below under "Indemnification; Limitations on Liability".

The BBU 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 company, our limited partners, the Holding LP, any Holding Entity, any operating business or, in general, any entity established by us. These provisions do not affect any obligation of an indemnified person to present business or investment opportunities to our company, the Holding LP, any Holding Entity, any operating business or, in general, any entity established by our company pursuant to the Relationship Agreement or a separate written agreement between such persons.

Any conflicts of interest and potential conflicts of interest that are approved by the BBU General Partner's governance and nominating committee from time to time will be deemed to have been approved by all partners. Pursuant to our conflicts policy, by a majority vote, 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 company is required to indemnify to the fullest extent permitted by law the BBU General Partner and any of its 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 business or, in general, any entity established by us and any other person designated by the BBU General Partner as an indemnified person, in each case, against any and all losses, claims, damages, liabilities, costs and expenses (including legal fees and expenses), judgments, fines, penalties, interest, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, incurred by an indemnified person in connection with our 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 the BBU 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

Under our Limited Partnership Agreement, within the time required by applicable laws and regulations, including any rules of any applicable securities exchange, the BBU General Partner is required to prepare financial statements in accordance with IFRS or such other appropriate accounting principles as determined from time to time and make publicly available as of a date selected by the BBU General Partner in its sole discretion our financial statements 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 the BBU General Partner deems appropriate. Our annual financial statements must be audited by an independent accounting firm of international standing. Our quarterly financial statements may be unaudited and will be made available publicly as and within the time period required by applicable laws and regulations, including any rules of any applicable securities exchange.

The BBU General Partner is also required to use commercially reasonable efforts to prepare and send to the limited partners of our company on an annual basis a Schedule K-1 (or equivalent). However, unitholders that do not ordinarily have U.S. federal tax filing requirements will not receive a Schedule K-1 and related information unless such unitholders request it within 60 days after the close of each calendar year. The BBU General Partner will, where reasonably possible, prepare and send information required by the non-U.S. limited partners of our company for U.S. federal income tax reporting purposes. The BBU General Partner will also use commercially reasonable efforts to supply information required by limited partners of our company 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 company'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 any 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 company.

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 company 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 company, 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 the BBU General Partner or the liquidator of our company 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: (i) all certificates, documents or other instruments relating to the existence or qualification of our company 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 company 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 company; the admission or withdrawal of any partner of our company or any capital contribution of any partner of our company; the determination of the rights, preferences and privileges of any class or series of units or other partnership interests of our company, and any tax election with any limited partner or general partner on behalf of our company or its partners; 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 the BBU General Partner or the liquidator of our company, to make, evidence, give, confirm or ratify any voting consent, approval, agreement or other action that is made or given by our company'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;
- 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; and
- ratified and confirmed all contracts, agreements, assignments and instruments entered into on behalf of our company in accordance with our Limited Partnership Agreement, including the granting of any charge or security interest over the assets of our company and the assumption of any indebtedness in connection with the affairs of our company.

The transfer of any unit and the admission of any new partner to our company will not constitute any amendment to our Limited Partnership Agreement.

Book-Based System

Our units may be represented in the form of one or more fully registered unit certificates held by, or on behalf of, CDS or DTC, as applicable, as custodian of such certificates for the participants of CDS or DTC, registered in the name of CDS or DTC or their respective nominee, and registration of ownership and transfers of our units may be effected through the book-based system administered by CDS or DTC as applicable.

DESCRIPTION OF THE HOLDING LP LIMITED PARTNERSHIP AGREEMENT

The following is a description of the material terms of the Holding LP Limited Partnership Agreement. You are not a limited partner of the Holding LP and do not have any rights under the Holding LP Limited Partnership Agreement. However, our company is the managing general partner of the Holding LP and is responsible for the management and control of the Holding LP.

We have included a summary of what we believe are the most important provisions of the Holding LP Limited Partnership Agreement because we conduct our operations through the Holding LP and the Holding Entities and our rights with respect to our company's interest in the Holding LP are governed by the terms of the Holding LP Limited Partnership Agreement. Because this description is only a summary of the terms of the agreement, it does not contain all of the information that you may find useful. For more complete information, you should read the Holding LP Limited Partnership Agreement. The agreement is filed as exhibit to this Form 20-F and is also available on our SEDAR+ profile at www.sedarplus.ca. See also Item 10.C, "Material Contracts", Item 10.H, "Documents on Display" and Item 19., "Exhibits".

Formation and Duration

The Holding LP is a Bermuda exempted limited partnership registered under the Bermuda Limited Partnership Act 1883 and the Bermuda Exempted Partnerships Act 1992. The Holding LP has a perpetual existence and will continue as an exempted limited partnership unless our company is terminated or dissolved in accordance with the Holding LP Limited Partnership Agreement.

Management

As required by law, the Holding LP Limited Partnership Agreement provides for the management and control of the Holding LP by its managing general partner, our company.

Nature and Purpose

Under the Holding LP 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 company, interests in 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 company and that lawfully may be conducted by a limited partnership organized under the Bermuda Limited Partnership Act 1883, the Bermuda Exempted Partnerships Act 1992 and our Limited Partnership Agreement.

Units

The Holding LP's units are non-voting limited partnership interests in the Holding LP. 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 Limited Partnership Agreement or upon the dissolution of the Holding LP as described below under "-Dissolution" or as otherwise required by applicable law. Holders of the Holding LP's units are not entitled to vote on matters relating to the Holding LP except as described below under "-No Management or Control; No Voting". Except to the extent expressly provided in the Holding LP Limited Partnership Agreement, a holder of Holding LP units will not have priority over any other holder of the Holding LP units, either as to the return of capital contributions or as to profits, losses or distributions. The Holding LP Limited Partnership Agreement does not contain any restrictions on ownership of the Holding LP units. The units of the Holding LP have no par or other stated value.

In connection with the spin-off, Brookfield's units in the Holding LP became the Special LP Units, the Managing General Partner Units were issued to our company and the Redemption-Exchange Units were issued to Brookfield.

Issuance of Additional Partnership Interests

The Holding LP may issue additional partnership interests (including Managing General Partner Units, Special LP Units and Redemption-Exchange Units as well as new classes of partnership interests and options, rights, warrants and appreciation rights relating to such interests) for any partnership purpose (including in connection with any distribution reinvestment plan or the Redemption-Exchange Mechanism), at any time and on such terms and conditions as our company may determine at its sole discretion 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 company in its sole discretion, all without the approval of our limited partners.

Redemption-Exchange Mechanism

Brookfield has the right to require the Holding LP to redeem all or a portion of the Redemption-Exchange Units for cash, subject to our company's right to acquire such interests for our units as described below. Brookfield may exercise its right of redemption by delivering a notice of redemption to the Holding LP and our company.

A holder of Redemption-Exchange Units who delivers a notice of redemption will receive, on the redemption-exchange date and subject to our company's right to acquire such interests (in lieu of redemption) in exchange for our units, cash in an amount equal to the market value of one of our units (as determined by reference to the five day volume-weighted average trading price of our units on the principal stock exchange for our units based on trading volumes) multiplied by the number of units to be redeemed. Upon its receipt of the redemption notice, our company will have a right to elect, at its sole discretion, to acquire all (but not less than all) Redemption-Exchange Units presented to the Holding LP for redemption in exchange for units of our company on a one-for-one basis. Upon a redemption, the holder's right to receive distributions with respect to the Redemption-Exchange Units so redeemed will cease.

The date of exchange specified in any redemption notice may not be less than five business days nor more than twenty business days after the date upon which the redemption notice is received by the Holding LP and our company. At any time prior to the applicable redemption-exchange date, any holder of Redemption-Exchange Units who delivers a redemption notice will be entitled to withdraw such redemption notice.

Brookfield's aggregate limited partnership interest in our company is approximately 65.9% as of the date of this Form 20-F if Brookfield exercised its redemption right on the Redemption-Exchange Units in full and our company exercised our right to acquire such interests in exchange for our units.

Distributions

Distributions by the Holding LP will be made in the sole discretion of our company. However, our company 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 our company, the distribution would or might leave the Holding LP with insufficient funds to meet any future or contingent obligations, or the distribution would contravene the Bermuda Limited Partnership Act 1883. For greater certainty, the Holding LP or one or more of the Holding Entities may (but neither is obligated to) borrow money in order to obtain sufficient cash to make a distribution.

Except as set forth below, prior to the dissolution of the Holding LP, distributions of available cash (if any), including cash that has been borrowed for such purpose, 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 company until our company has been distributed an amount equal to our expenses and outlays for the quarter properly incurred;
- second, to the extent distributions in respect of Redemption-Exchange Units have accrued in previous quarters (as described below), 100% to all the holders of Redemption-Exchange Units pro rata in proportion to their respective percentage interests (which will be calculated using Redemption-Exchange Units only) of all amounts that have been accrued in previous quarters and not yet recovered;
- third, to the extent that incentive distributions have been deferred in previous quarters, 100% to the holder of the Special LP Units of all amounts that have been accrued in previous quarters and not yet recovered;
- fourth, to all owners of the Holding LP's partnership interests, pro rata to their percentage interests up to the amount per unit of the then regular quarterly distribution (currently $0.0625 per unit) for such quarter;
- fifth, 100% to the holder of the Special LP Units until an amount equal to the incentive distribution amount (see below for an explanation of the calculation of the incentive distribution amount) for the preceding quarter has been distributed provided that for any quarter in which our company determines that there is insufficient cash to pay the incentive distribution, our company may elect to pay all or a portion of this distribution in Redemption-Exchange Units or may elect to defer all or a portion of the amount distributable for payment from available cash in future quarters; and
- thereafter, any available cash then remaining to the owners of the Holding LP's partnership interests, pro rata to their percentage interests.

The expenses and outlays described in the first bullet point of the Regular Distribution Waterfall (as well as in the first bullet point below describing distributions in the context of a dissolution) include expenses that are to be incurred and paid by its company directly and generally comprise expenses that by their nature must be incurred by our company and not by any of our subsidiaries, such as stock exchange and listing fees, expenses related to capital market transactions, organizational expenses and similar customary expenses that would be incurred by a public holding entity that has no independent means of generating revenues. Such expenses and outlays do not include amounts payable to Brookfield, the Service Providers or any of their affiliates, including the base management fee, as those amounts, if any, will be paid by the Holding LP or one or more of its direct or indirect subsidiaries.

The incentive distribution amount for a quarter will be equal to (a) 20% of the growth in the market value of our units quarter-over-quarter (but only after the market value exceeds the "Incentive Distribution Threshold" being initially $25.00 and adjusted at the beginning of each quarter to be equal to the greater of (i) our unit's market value for the previous quarter and (ii) the Incentive Distribution Threshold at the end of the previous quarter) multiplied by (b) the number of units outstanding at the end of the last business day of the applicable quarter (assuming full conversion of the Redemption-Exchange Units into units). For the purposes of calculating incentive distributions, the market value of our units will be equal to the quarterly volume-weighted average price of our units on the principal stock exchange for our units (based on trading volumes). The incentive distribution amount, if any, will be calculated at the end of each calendar quarter. In order to account for the dilutive effect of the special distribution which occurred on March 15, 2022, the incentive distribution threshold was reduced by one-third, commensurate with the distribution ratio of one (1) BBUC exchangeable share for every two (2) units. Accordingly, the resulting incentive distribution threshold is $31.53 per LP Unit following completion of the special distribution. The incentive distribution threshold was $31.53 at the end of December 2023. The Incentive Distribution Threshold will be adjusted in accordance with the Holding LP Limited Partnership Agreement in the event of transactions with a dilutive effect on the value of the units including any quarterly cash distributions above the initial amount of $0.0625 per unit.

If, prior to the dissolution of the Holding LP, available cash in any quarter is not sufficient to pay the regular quarterly distribution (currently $0.0625 per unit), to the owners of all the Holding LP assets, pro rata to their percentage interest, then our company may elect to pay the distribution first to our company, in respect of the Managing General Partner Units of the Holding LP held by our company, and then to the holders of the Redemption-Exchange Units to the extent practicable, and shall accrue any such deficiency for payment from available cash in future quarters as described above.

If, prior to the dissolution of the Holding LP, available cash is deemed by our company, 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 unrecovered capital attributable to the Holding LP interests held by the partners until such time as the unrecovered 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, (ii) the aggregate amount of distributions previously deferred in respect of the Redemption-Exchange Units and not previously recovered and (iii) all other cash and/or property will be distributed in the manner set forth below:

- first, 100% to our company until our company has received an amount equal to the excess of: (i) the amount of our outlays and expenses incurred during the term of the Holding LP; over (ii) the aggregate amount of distributions received by our company 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, to the extent that incentive distributions have been deferred in previous quarters, 100% to the holder of the Special LP Units of all amounts that have been accrued in previous quarters and not yet recovered;
- fourth, to all owners of the Holding LP's partnership interests, pro rata to their percentage interests up to the amount per unit of the then regular quarterly distribution (currently $0.0625 per unit) for such quarter;
- fifth, 100% to the holder of the Special LP Units until an amount equal to the incentive distribution amount (see above for an explanation of the calculation of the incentive distribution amount) for the preceding quarter has been distributed; and
- thereafter, any available cash then remaining to the owners of the Holding LP's partnership interests, pro rata to their percentage interests.

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 reflects the issuance of additional partnership interests of the Holding LP. In addition, the unreturned capital attributable to each of our partnership interests, as well as certain of the distribution thresholds set forth above, may be adjusted pursuant to the terms of the Holding LP Limited Partnership Agreement so as to ensure the uniformity of the economic rights and entitlements of: (i) the previously outstanding Holding LP's partnership interests; and (ii) the subsequently-issued Holding LP's partnership interests.

The Holding LP Limited Partnership Agreement provides that, to the extent that any Holding Entity or any operating business pays to Brookfield any comparable performance or incentive distribution, the amount of any incentive distributions paid to the holder of the Special LP Units in accordance with the distribution entitlements described above will be reduced in an equitable manner to avoid duplication of distributions.

The holder of the Special LP Units may elect, at its sole discretion, to reinvest incentive distributions in Redemption-Exchange Units or our units.

No Management or Control; No Voting

The Holding LP 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 below under "-Amendment of the Holding LP Limited Partnership Agreement", "Amendment of the Holding LP Limited Partnership Agreement-Opinion of Counsel and Limited Partner Approval" and "-Withdrawal of the Managing General Partner" which may be effected only with the consent of the holders of the percentages of outstanding units of the Holding LP specified below. For purposes of any approval required from holders of the Holding LP's units, if holders of Redemption-Exchange 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 voting power of all units of the Holding LP then issued and outstanding. Each unit entitles the holder thereof to one vote for the purposes of any approvals of holders of units.

Meetings

Our company may call special meetings of the limited partners of the Holding LP at a time and place outside of Canada determined by us 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 outstanding partnership interests of the class or classes for which a meeting is proposed. For this purpose, our outstanding partnership interests do not include partnership interests owned by our company or Brookfield. Only holders of record on the date set by our company (which may not be less than 10 days nor more than 60 days before the meeting) are entitled to receive notice of any meeting.

Amendment of the Holding LP Limited Partnership Agreement

Amendments to the Holding LP Limited Partnership Agreement may be proposed only by or with the consent of our company. To adopt a proposed amendment, other than the amendments that do not require limited partner approval discussed below, our company must seek approval of a majority of the Holding LP's outstanding units required to approve the amendment, either by way of a meeting of the limited partners to consider and vote upon the proposed amendment or by written approval. For this purpose, the Redemption-Exchange Units will not constitute a separate class and will vote together with the other outstanding LP Units of the Holding LP.

For purposes of any approval required from holders of the Holding LP's units, if holders of Redemption-Exchange 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 voting power of all units of the Holding LP then issued and outstanding.

Prohibited Amendments

No amendment may be made that would:

1. 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

2. 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 the BBU General Partner or any of its affiliates without the consent of the BBU General Partner which may be given or withheld in its sole discretion.

The provision of the Holding LP Limited Partnership Agreement preventing the amendments having the effects described in clauses (1) or (2) above can be amended upon the approval of the holders of at least 90% of the outstanding LP Units of the Holding LP.

No Limited Partner Approval

Subject to applicable law, our company may generally make amendments to the Holding LP Limited Partnership Agreement without the approval of any limited partner to reflect:

1. a change in the name of the Holding LP, the location of the Holding LP's registered office or the Holding LP's registered agent;

2. the admission, substitution, withdrawal or removal of partners in accordance with the Holding LP Limited Partnership Agreement;

3. a change that our company determines is reasonable and necessary or appropriate for the Holding LP to qualify or to continue its qualification as an exempted limited partnership under the laws of Bermuda or a partnership in which the limited partners have limited liability under the laws of any jurisdiction, or is necessary or advisable in the opinion of our company 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;

4. an amendment that our company determines to be necessary or appropriate to address certain changes in tax regulations, legislation or interpretation;

5. an amendment that is necessary, in the opinion of counsel, to prevent the Holding LP or our company or its directors or officers, from in any manner being subjected to the provisions of the Investment Company Act or similar legislation in other jurisdictions;

6. an amendment that our company 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 interests;

7. any amendment expressly permitted in the Holding LP Limited Partnership Agreement to be made by our company acting alone;

8. any amendment that our company determines in its sole discretion to be necessary or appropriate to reflect and account for the formation or ownership by the Holding LP of, or its investment in, any corporation, partnership, joint venture, limited liability company or other entity, as otherwise permitted by the Holding LP Limited Partnership Agreement;

9. a change in the Holding LP's fiscal year and related changes;

10. 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 our company, 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 Holding LP Limited Partnership Agreement;

11. any amendment that our company determines in its sole discretion to be necessary or appropriate to address any statute, rule, regulation, notice or announcement that affects or could affect the U.S. federal income tax treatment of any allocation or distribution related to any interest of our company in the profits of the Holding LP; or

12. any other amendments substantially similar to any of the matters described in (1) through (11) above.

In addition, our company may make amendments to the Holding LP Limited Partnership Agreement without the approval of any limited partner if those amendments, in the discretion of our company:

1. do not adversely affect the Holding LP 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;

2. are necessary or appropriate to satisfy any requirements, conditions or guidelines contained in any opinion or binding directive, order, ruling or regulation of any governmental agency or judicial authority;

3. are necessary or appropriate for any action taken by our company relating to splits or combinations or units or partnership interests under the provisions of the Holding LP Limited Partnership Agreement; or

4. are required to effect the intent expressed in the final registration and prospectus filed in connection with the spin-off or the intent of the provisions of the Holding LP Limited Partnership Agreement or are otherwise contemplated by the Holding LP Limited Partnership Agreement.

Opinion of Counsel and Limited Partner Approval

Our company 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. Any other amendment to the Holding LP Limited Partnership Agreement will only become effective either with the approval of at least 90% of the Holding LP's units, or if an opinion of counsel is obtained to effect that the amendment will not (i) 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 our company has not made the election described below under "-Election to be Treated as a Corporation") or (ii) affect the limited liability under the Bermuda Limited Partnership Act 1883 of any of the Holding LP 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 written consent or affirmative vote of limited partners whose aggregate outstanding voting units constitute not less than the voting requirement sought to be reduced.

Sale or Other Disposition of Assets

The Holding LP Limited Partnership Agreement generally prohibits our company, without the prior approval of the holders of a majority of the units of the Holding LP, from causing the Holding LP to, among other things, sell, exchange or otherwise dispose of all or substantially all of the Holding LP's assets in a single transaction or a series of related transactions, including by approving on the Holding LP's behalf the sale, exchange or other disposition of all or substantially all of the assets of the Holding LP's subsidiaries. However, our company, in its sole discretion, may mortgage, pledge, hypothecate or grant a security interest in all or substantially all of the Holding LP's assets (including for the benefit of persons who are not the Holding LP or the Holding LP's subsidiaries) without that approval. Our company may also sell all or substantially all of the Holding LP's assets under any forced sale of any or all of the Holding LP's assets pursuant to the foreclosure or other realization upon those encumbrances without that approval.

Election to be Treated as a Corporation

If we determine that it is no longer in the Holding LP's best interests to continue as a partnership for U.S. federal income tax purposes, we 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 will dissolve and its affairs will be wound up upon the earlier of: (i) the service of notice by our company, with the approval of a majority of the members of the independent directors of the BBU General Partner, that in our opinion 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 our company if the Holding LP, as determined by our company, is required to register as an "investment company" under the Investment Company Act or similar legislation in other jurisdictions; (iii) the date that our company withdraws from the Holding LP (unless a successor entity becomes the managing general partner of the Holding LP as described below under "-Withdrawal of the Managing 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 our company without the appointment of a successor in compliance with the provisions of the Holding LP Limited Partnership Agreement that are described below under "-Withdrawal of the Managing General Partner"; or (v) the date on which our company 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 will be reconstituted and continue without dissolution 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 provided to the Bermuda Monetary Authority), a successor managing general partner executes a transfer deed pursuant to which the new managing general partner assumes the rights and undertakes the obligations of the original managing general partner, but only if the Holding LP receives an opinion of counsel that the admission of the new managing general partner will not result in the loss of limited liability of any limited partner of the Holding LP.

Withdrawal of the Managing General Partner

Our company may withdraw as managing general partner of the Holding LP without first obtaining approval of unitholders of the Holding LP by giving written notice, and that withdrawal will not constitute a violation of the Holding LP Limited Partnership Agreement.

Upon the withdrawal of our company, the holders of at least a majority of outstanding Special LP Units may select a successor to that withdrawing managing general partner. If a successor is not selected, or is selected 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.

Our company may not be removed as managing general partner by the partners of the Holding LP.

In the event of the withdrawal of a managing general partner as a result of certain events relating to the bankruptcy, insolvency or dissolution of that managing general partner, which withdrawal will violate the Holding LP Limited Partnership Agreement, a successor managing general partner will have the option to purchase the Managing General Partner Units of the departing managing general partner for a cash payment equal to its fair market value. Under all other circumstances where a managing general partner withdraws, the departing managing general partner will have the option to require the successor managing general partner to purchase the Managing General Partner Units of the departing managing 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 managing general partner and the successor managing general partner. If no agreement is reached within 30 days of the managing general partner's departure, an independent investment banking firm or other independent expert selected by the departing managing general partner and the successor managing general partner will determine the fair market value. If the departing managing general partner and the successor managing general partner cannot agree upon an expert within 45 days of the managing 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 managing general partner or the successor managing general partner, the departing managing general partner's Managing General Partner Units 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 Managing General Partner Units

Our company may transfer all or any part of its Managing General Partner Units without first obtaining approval of any unitholder of the Holding LP. As a condition of this transfer, the transferee must: (i) agree to assume and be bound by the rights and duties of the managing general partner to whose interest that transferee has succeeded; (ii) agree to assume and be bound by the provisions of the Holding LP Limited Partnership Agreement; and (iii) 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 Managing General Partner Units is subject to prior notice to and approval of the relevant Bermuda regulatory authorities. At any time, the BBU General Partner may transfer all or any part of its general partnership interests in our company without the approval of our unitholders as described under Item 10.B, "Memorandum and Articles of Association-Description of our Units and our Limited Partnership Agreement - Transfer of the General Partnership Interest".

Transactions with Interested Parties

Our company, its affiliates and their respective partners, members, 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 our company and the BBU General Partner were not a party to the Holding LP Limited Partnership Agreement. 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 Holding LP 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 company, the Holding LP, any of the Holding Entities, any operating business or, in general, any entity 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 business or, in general, any entity 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 the bye-laws of the BBU General Partner.

Outside Activities of the Managing General Partner

In accordance with our Limited Partnership Agreement, our company is authorized to: (i) acquire and hold interests in the Holding LP and, subject to the approval of the BBU General Partner, interests in any other entity; (ii) engage in any activity related to the capitalization and financing of our company's interests in the Holding LP and such other entities; (iii) serve as the managing general partner of the Holding LP and execute, deliver and perform the functions of a managing general partner specified in, the Holding LP Limited Partnership Agreement; and (iv) engage in any activity that is incidental to or in furtherance of the foregoing and that is approved by the BBU General Partner and that lawfully may be conducted by a limited partnership organized under the Bermuda Limited Partnership Act 1883, the Bermuda Exempted Partnerships Act 1992 and our Limited Partnership Agreement.

The Holding LP Limited Partnership Agreement provides that each person who is entitled to be indemnified by the Holding LP, 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 BBU General Partner, our company, the Holding LP, any Holding Entity, any operating business, or, in general, any entity established by the Holding LP. Such business interests, activities and engagements will be deemed not to constitute a breach of the Holding LP Limited Partnership Agreement or any duties stated or implied by law or equity, including fiduciary duties, owed to any of the BBU General Partner, our company, the Holding LP, any Holding Entity, any operating business and, in general, any entity established by the Holding LP (or any of their respective investors) and shall be deemed not to be a breach of our company's fiduciary duties or any other obligation of any type whatsoever of our company. None of the BBU General Partner, our company, the Holding LP, any Holding Entity, operating business, or, in general, any entity established by the Holding LP or any other person shall have any rights by virtue of the Holding LP Limited Partnership Agreement or our company 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 company and the other indemnified persons described in the preceding paragraph do not have any obligation under the Holding LP 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, the limited partners of the Holding LP, any Holding Entity, any operating business or, in general, any entity established by the Holding LP. These provisions do not affect any obligation of such indemnified person to present business or acquisition opportunities to our company, the Holding LP, any Holding Entity, any operating business or, in general, any entity established by the Holding LP pursuant to the Relationship Agreement or any separate written agreement between such persons.

Accounts, Reports and Other Information

Under the Holding LP Limited Partnership Agreement, our company is required to prepare financial statements in accordance with IFRS or such other appropriate accounting principles as determined from time to time by our company, in its sole discretion.

Our company is also required to use commercially reasonable efforts to prepare and send to the limited partners of the Holding LP on an annual basis a Schedule K-1 (or equivalent). Our company will also, where reasonably possible and applicable, prepare and send information required by the non-U.S. limited partners of the Holding LP for U.S. federal income tax reporting purposes.

Indemnification; Limitations on Liability

Under the Holding LP Limited Partnership Agreement, it is required to indemnify to the fullest extent permitted by law the BBU General Partner, our company and any of their respective affiliates (and their respective officers, directors, agents, shareholders, partners, members and employees), any person who serves on the board of directors or other governing body of the Holding LP, a Holding Entity, an operating business or, in general, any entity established by our company and any other person designated by its general partner as an indemnified person, in each case, against any and all losses, claims, damages, liabilities, costs and expenses (including legal fees and expenses), judgments, fines, penalties, interest, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings whether civil, criminal, administrative or investigative, incurred by an indemnified person in connection with our company's 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 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 Limited Partnership Agreement requires Holding LP 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 Limited Partnership Agreement is governed by and will be construed in accordance with the laws of Bermuda.

BBUC

BBUC is a Canadian corporation established on June 21, 2021 under the laws of British Columbia by the partnership as a vehicle to own and operate certain business services and industrials operations on a global basis and an alternative vehicle for investors who prefer investing in our group's operations through a corporate structure. Its operations consist of certain business services and industrial operations acquired from the partnership, which include a technology services operation and software solutions provider in the United States of America, a healthcare services business with operations in Australia, a construction services business with operations primarily in the United Kingdom and Australia and a water and wastewater operation provider in Brazil. Upon Brookfield's recommendation and allocation of opportunities to BBUC, it is intended that BBUC will seek acquisition opportunities in other sectors with similar attributes and in which an operations-oriented approach to create value can be deployed.

Each BBUC exchangeable share has been structured with the intention of providing an economic return equivalent to one unit (subject to adjustment to reflect certain capital events). BBUC targets to pay dividends per BBUC exchangeable share that are identical to the distributions per unit, and each BBUC exchangeable share is exchangeable at the option of the holder for one unit (subject to adjustment to reflect certain capital events) or its cash equivalent (the form of payment to be determined at the election of BBUC). The partnership may elect to satisfy the exchange obligation by acquiring such tendered BBUC exchangeable shares for an equivalent number of units (subject to adjustment to reflect certain capital events) or its cash equivalent (the form of payment to be determined at the election of our group). BBUC and the partnership currently intend to satisfy any exchange requests on the BBUC exchangeable shares through the delivery of units rather than cash. Our group therefore expects that the market price of the BBUC exchangeable shares will be significantly impacted by the market price of the units and the combined business performance of our group as a whole. However, there are certain material differences between the rights of holders of BBUC exchangeable shares and holders of the units under the governing documents of BBUC and the partnership and applicable law, such as the right of holders of BBUC exchangeable shares to request an exchange of their BBUC exchangeable shares for an equivalent number of units or its cash equivalent (the form of payment to be determined at the election of our group) and the redemption right of BBUC.

Further, the BBUC exchangeable shares are held by public shareholders and Brookfield, and the class B shares and class C shares are held by our partnership. Dividends on each BBUC exchangeable share are expected to be declared and paid at the same time and in the same amount per share as distributions on each partnership unit. The partnership's ownership of class C shares entitle it to receive dividends as and when declared by the BBUC board of directors. The holders of the BBUC exchangeable shares will be entitled to one vote for each BBUC exchangeable share held at all meetings of BBUC shareholders, except for meetings at which only holders of another specified class or series of shares of BBUC are entitled to vote separately as a class or series. The holders of the class B shares will be entitled to cast, in the aggregate, a number of votes equal to three times the number of votes attached to the BBUC exchangeable shares. Except as otherwise expressly provided in the BBUC articles or as required by law, the holders of BBUC exchangeable shares and class B shares will vote together and not as separate classes. Holders of class C shares will have no voting rights.

BBUC's authorized share capital consists of (i) an unlimited number of BBUC exchangeable shares; (ii) an unlimited number of class B shares; (iii) an unlimited number of class C shares; (iv) an unlimited number of class A senior preferred shares (issuable in series); and (v) an unlimited number of class B junior preferred shares (issuable in series), which, together with the class A senior preferred shares, are referred to as the preferred shares.

As at the date of this Form 20-F, there are 73.0 million BBUC exchangeable shares, one class B share and 25.9 million class C shares issued and outstanding. The BBUC exchangeable shares are listed on the TSX and on the NYSE under the symbol "BBUC".

10.C MATERIAL CONTRACTS

The following are the only material contracts, other than the contracts entered into in the ordinary course of business, for the past two completed fiscal years:

1. Amended and Restated Master Services Agreement, dated January 23, 2024, by and among Brookfield Corporation, Brookfield Business Partners L.P. and the other parties thereto, as amended from time to time, described under the heading Item 7.B, "Related Party Transactions - Our Master Services Agreement";

2. Amended and Restated Relationship Agreement, dated January 23, 2024, by and among Brookfield Corporation, our company, the Holding LP, the Holding Entities and the Service Providers, as amended from time to time, described under the heading Item 7.B, "Related Party Transactions - Relationship Agreement";

3. Registration Rights Agreement, dated June 1, 2016, between our company and Brookfield Corporation, described under the heading Item 7.B, "Related Party Transactions - Registration Rights Agreement";

4. Fifth Amended and Restated Credit Agreement, dated October 17, 2023, by and among Brookfield Business L.P., Brookfield BBP Canada Holdings Inc., Brookfield BBP Bermuda Holdings Limited, Brookfield BBP US Holdings LLC and the other borrowers thereto, Brookfield Business Partners L.P., BBUC Holdings Inc. and Brookfield Corporate Treasury Ltd., described under the heading Item 7.B, "Related Party Transactions - Credit Facilities";

5. Amended and Restated Limited Partnership Agreement of Brookfield Business L.P., dated May 31, 2016, as thereafter amended, described under the heading Item 10.B, "Memorandum and Articles of Association - Description of our Units and our Limited Partnership Agreement";

6. Amended and Restated Limited Partnership Agreement of Brookfield Business LP, dated May 31, 2016, as thereafter amended, described under the heading Item 10.B, "Memorandum and Articles of Association - Description of the Holding LP Limited Partnership Agreement";

7. Voting Agreement, dated June 1, 2016, by and among Brookfield Corporation, Brookfield CanGP Limited, Brookfield BBP Canadian GP LP and CanHoldco, described under the heading Item 7.B, "Related Party Transactions - Voting Agreements";

8. Trade-Mark Sublicense Agreement by and among Brookfield Asset Management Holdings Ltd., Brookfield Business Partners L.P., and Brookfield Business LP., dated May 24, 2016, described under the heading Item 7.B, "Related Party Transactions - Licensing Agreement"; and

9. Brookfield Commitment Agreement, dated February 4, 2022 and amended on May 5, 2022 and November 7, 2023, between Brookfield and our partnership, described under the heading Item 7.B, "Related Party Transactions - Brookfield Commitment Agreement."

Copies of the agreements noted above are available, free of charge, from the BBU General Partner and are available electronically on the website of the SEC at *www.sec.gov* and on our SEDAR+ profile at *www.sedarplus.ca*. Written requests for such documents should be directed to our Corporate Secretary at 73 Front Street, 5th Floor, Hamilton HM 12, Bermuda.

10.D EXCHANGE CONTROLS

There are currently no governmental laws, decrees, regulations or other legislation of Bermuda which restrict the import or export of capital or the remittance of dividends, interest or other payments to non-residents of Bermuda holding our units.

10.E TAXATION

The following summary discusses certain material U.S., Canadian and Bermudian tax considerations related to the holding and disposition of our units as of the date hereof. Prospective purchasers of our units are advised to consult their own tax advisers 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

The following is a summary of certain material U.S. 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, or 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, indirectly or constructively, 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 classified as a partnership 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 Company and the Holding LP

Each of our company 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 generally incurs no U.S. federal income tax liability. Instead, each partner is generally 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 company's units are 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.

The BBU General Partner intends to manage the affairs of our company and the Holding LP so that our company will meet the Qualifying Income Exception in each taxable year. Accordingly, the BBU General Partner believes that our company will be treated as a partnership and not as an association taxable as a corporation for U.S. federal income tax purposes.

If our company 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 company is required to register under the Investment Company Act, our company 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 company 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 could 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 company 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 company would be treated as a corporation for U.S. federal income tax purposes.

If our company 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 company's items of income, gain, loss, deduction or credit would be reflected only on our company's tax return rather than being passed through to our unitholders, and our company 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 company 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 company'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 a 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 company with respect to U.S. subsidiaries 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 company (although certain Non-U.S. Holders nevertheless might be entitled to certain treaty benefits in respect of their allocable share of such income). Depending on the circumstances, additional adverse U.S. federal income tax consequences could result under the anti-inversion rules described in Section 7874 of the U.S. Internal Revenue Code, the Treasury Regulations under Section 385 of the U.S. Internal Revenue Code, or other provisions of the U.S. Internal Revenue Code, as implemented by the Treasury Regulations and IRS administrative guidance.

Based on the foregoing consequences, the treatment of our company 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 company and the Holding LP will be treated as partnerships for U.S. federal tax purposes. Our company expects that a substantial portion of the items of income, gain, deduction, loss or credit realized by our company will be realized in the first instance by the Holding LP and allocated to our company for reallocation to our unitholders. Unless otherwise specified, references in this section to realization of our company'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 company.

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 company's items of income, gain, loss, deduction and credit for each of our company'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 company. Our company 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 company's net income or gain. However, based upon your particular tax situation and simplifying assumptions that our company 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, if available, 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 company 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 foreign 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 company (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 company'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 company. Similarly, our company's allocable share of items of income, gain, loss, deduction or credit of the Holding LP will be governed by the Holding LP Limited Partnership Agreement if such allocations have "substantial economic effect" or are determined to be in accordance with our company's interest in the Holding LP. The BBU General Partner believes that, for U.S. federal income tax purposes, such allocations should be given effect, and the BBU 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 Holding LP Limited Partnership Agreement, then the resulting allocations for U.S. federal income tax purposes might be less favorable than the allocations set forth in such agreements.

Basis

In general, you will have an initial tax basis in your units equal to the sum of (i) the amount of cash paid for our units and (ii) your share of our company's liabilities, if any. That basis will be increased by your share of our company's income and by increases in your share of our company's liabilities, if any. That basis will be decreased, but not below zero, by distributions you receive from our company, by your share of our company's losses and by any decrease in your share of our company'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, if available) 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 company's liabilities generally will include our company's share of any liabilities of the Holding LP.

Limits on Deductions for Losses and Expenses

Your deduction of your allocable share of our company'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 company'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 company'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 company, 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 company's income and gain and decrease by distributions you receive from our company 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. An additional limitation may apply to the deduction of certain "excess business losses" by non-corporate U.S. Holders for taxable years beginning after December 31, 2020 and before January 1, 2029. You should consult your own tax adviser regarding the limitations on the deductibility of losses under the U.S. Internal Revenue Code.

Limitations on Deductibility of Organizational Expenses and Syndication Fees

In general, neither our company 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 company's interest expense, if any, 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". 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. Your share of our company'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 company's interest expense. Under Section 163(j) of the U.S. Internal Revenue Code, additional limitations may apply to a corporate U.S. Holder's share of our company's interest expense, if any.

Deductibility of Partnership Investment Expenditures by Individual Partners and by Trusts and Estates

Our company's operating expenses, including our company's allocable share of the base management fee or any other management fees, may be treated as investment expenses rather than trade or business expenses, in which case a non-corporate U.S. Holder's allocable share of such expenses will be "miscellaneous itemized deductions" for U.S. federal income tax purposes. Individuals and certain estates and trusts are not permitted to claim miscellaneous itemized deductions for taxable years beginning after December 31, 2017 and before January 1, 2026. For taxable years beginning after December 31, 2025, miscellaneous itemized deductions generally may be deducted only to the extent they exceed 2% of the taxpayer's adjusted gross income.

Treatment of Distributions

Distributions of cash by our company 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 a 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 company, 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 company'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 company's interest in any PFIC as a "qualified electing fund", gain attributable to such interest 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 company 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 is expected to include an applicable U.S. Holder's allocable share of our company's income, as well as gain realized by the U.S. Holder from a sale of our units. 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 company's income and gain. Complex rules may, depending on your particular circumstances, limit the availability or use of foreign tax credits. Gain from the sale of our company's assets 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 company incurs may be treated as foreign-source losses, which could reduce the amount of foreign tax credits otherwise available.

Deduction for Qualified Business Income

For taxable years beginning after December 31, 2017 and before January 1, 2026, non-corporate U.S. taxpayers who have domestic "qualified business income" from a partnership generally are entitled to deduct the lesser of such qualified business income or 20% of taxable income. The 20% deduction is also allowed for "qualified publicly traded partnership income". A U.S. Holder's allocable share of our company's income is not expected to be treated as qualified business income or as qualified publicly traded partnership income.

Section 754 Election

Our company and the Holding LP have each made the election permitted by Section 754 of the U.S. Internal Revenue Code, or Section 754 Election. The Section 754 Election cannot be revoked without the consent of the IRS. The Section 754 Election generally requires our company 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 company's assets will be considered to have two components: (i) the transferee's share of our company's tax basis in our company'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 company'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 company's assets for purposes of calculating, among other items, such holder's share of any gain or loss on a sale of our company'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 company'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 company has a "substantial built-in loss" in its assets, our company 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 the BBU General Partner advises that it will make such calculations on the basis of assumptions as to the value of our company 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 the 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 company's Section 743(b) adjustments, a determination that our company'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 company'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 company), through the application of certain tax accounting principles that the BBU General Partner believes are reasonable for our company. 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 company's functional currency is the U.S. dollar, and our company's income or loss is calculated in U.S. dollars. It is likely that our company 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 company 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 produce or are held for the production of "passive income". There are no minimum stock ownership requirements for the PFIC rules to apply to an investor. 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.

Based on our organizational structure, as well as our expected income and assets, the BBU 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, 2024. However, there can be no assurance that a future entity in which our company 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. Moreover, we may decide to hold an existing or future operating business through a Holding Entity that would be a PFIC in order to ensure that our company satisfies the Qualifying Income Exception, among other reasons. See "-Corporate Structure" below. Accordingly, there can be no assurance that a current or future subsidiary will not qualify as a PFIC.

In general, if you were treated as owning an interest in a PFIC indirectly through our company, then any gain on the disposition of stock of the PFIC, as well as income realized on certain "excess distributions" by the PFIC, would be treated as though realized ratably over the shorter of your holding period of our units or our company'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 mitigate the foregoing adverse tax consequences of owning an interest in a PFIC, certain elections may be available to U.S. Holders. If you were to make an election to treat your share of our company's interest in a PFIC as a "qualified electing fund", or 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 company or to you. A QEF Election must be made by you on an entity-by-entity basis. 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 company holds an interest in such entity or for the first year in which you hold our units, if later.

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, or Mark-to-Market Election. 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, no assurance can be provided that any Holding Entity or operating business classified as a PFIC will be publicly traded. Thus, the Mark-to-Market Election may not be available to a U.S. Holder in respect of its indirect ownership interest through our company in a PFIC.

Subject to certain exceptions, a U.S. person who directly or indirectly owns an interest in a PFIC generally is required to file an annual report with the IRS, and the 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. The application of the PFIC rules to U.S. Holders is uncertain in certain respects. You should consult your own tax adviser regarding the application of the PFIC rules, including the foregoing filing requirements and the advisability of making a QEF Election or a Mark-to-Market Election with respect to any PFIC in which you are treated as owning an interest through our company.

Corporate Structure

To ensure that our company meets the Qualifying Income Exception for publicly traded partnerships (discussed above) and complies with certain requirements in our Limited Partnership Agreement, among other reasons, our company may structure certain acquisitions through an entity classified as a corporation for U.S. federal income tax purposes. Such acquisitions will be structured as determined in the sole discretion of the BBU General Partner generally to be tax-efficient for our unitholders. However, because our unitholders will be located in numerous taxing jurisdictions, no assurance can be given that any such structure will benefit all our unitholders to the same extent, and such a 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 assets. In addition, if the asset were to involve U.S. real property, gain recognized on the disposition of the asset 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 unitholders for purposes of determining whether U.S. withholding applies to payments made by our company to some or all of our unitholders. In such a case, payments made by our company 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 “Administrative Matters-Certain Effects of a Transfer of Units” below. You should consult your own tax adviser regarding the treatment of U.S. withholding taxes.

Transferor/Transferee Allocations

Our company may allocate items of income, gain, loss and deduction using a monthly convention, whereby any such items recognized in a given month by our company 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 company after the date of the transfer. Similarly, if you acquire additional units, you might be allocated income, gain, loss and deduction realized by our company prior to your ownership of such units.

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, and the Treasury Regulations provide a safe harbor allowing a publicly traded partnership to use a monthly simplifying convention for such purposes. However, it is not clear that our company’s allocation method complies with the requirements. If our company’s convention were not permitted, the IRS might contend that our company’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. The BBU General Partner is authorized to revise our company’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 company 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 generally 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. The BBU General Partner currently believes that our company should not be regarded as engaged in a trade or business, and anticipates that any operating assets held by our company 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 company 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 company 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 company, the IRS might assert that such investment constitutes debt-financed property to such unitholder with the consequences noted above. The BBU General Partner does not expect our company or the Holding LP to directly incur debt to acquire property, and the BBU General Partner does not believe that our company or the Holding LP will generate UBTI attributable to debt-financed property in the future. Moreover, the BBU

General Partner intends to use commercially reasonable efforts to structure our activities to avoid generating UBTI. However, neither our company nor the Holding LP is prohibited from incurring indebtedness, and no assurance can be provided that neither our company 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

Holding of Units and Other Considerations

Based on our organizational structure, as well as our company's expected income and assets, the BBU General Partner currently believes that our company is unlikely to earn 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. Moreover, the BBU General Partner intends to use commercially reasonable efforts to structure our activities to avoid the realization by our company and the Holding LP of income treated as effectively connected with a U.S. trade or business. If, as anticipated, our company 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 company'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.

Based on the intention of the BBU General Partner to use commercially reasonable efforts to structure our activities to avoid the realization by our company of income treated as effectively connected with a U.S. trade or business, the BBU General Partner has provided and intends to continue to provide timely qualified notices on a quarterly basis certifying that the 10-percent exception applies, so that no withholding under Section 1446(f) of the U.S. Internal Revenue Code applies to a Non-U.S. Holder's sale or other disposition of our units effected through a broker or to any distributions on our units.

In addition, if, as anticipated, our company is not engaged in a U.S. trade or business, the amount realized by a Non-U.S. Holder upon the disposition of our units generally will not be subject to U.S. federal income tax, including U.S. federal withholding tax. Under Section 1446(f) of the U.S. Internal Revenue Code, the transferee of an interest in a partnership that is engaged in a U.S. trade or business generally is required to withhold 10% of the amount realized by the transferor, unless the transferor certifies that it is not a foreign person. In the case of a transfer of an interest in a publicly traded partnership effected through a broker, the broker bears the primary responsibility for such withholding. Moreover, if Section 1446(f) of the U.S. Internal Revenue Code applies, a broker may be required to withhold 10% of the amount of a distribution exceeding a publicly traded partnership's cumulative net income. However, under Treasury Regulations, no withholding is required if the broker properly relies on a certification made by a publicly traded partnership in a "qualified notice" that the "10-percent exception" applies. The 10-percent exception applies to a transfer of a publicly traded interest in a publicly traded partnership if: (i) the publicly traded partnership was not engaged in a U.S. trade or business at any time during a specified period of time; or (ii) upon a hypothetical sale of the publicly traded partnership's assets at fair market value, (1) the amount of net gain that would have been effectively connected with the conduct of a trade or business within the United States would be less than 10% of the total net gain, or (2) no gain would have been effectively connected with the conduct of a trade or business in the United States.

However, there can be no assurance that the law will not change or that the IRS will not deem our company to be engaged in a U.S. trade or business. If, contrary to the BBU General Partner's expectations, our company 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 company 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, the amount of a distribution to a Non-U.S. Holder attributable to such effectively connected income generally would be subject to withholding at the highest applicable effective tax rate. 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. If, contrary to expectation, our company were engaged in a U.S. trade or business, then gain or loss from the sale of our units by a Non-U.S. Holder would be treated as effectively connected with such trade or business to the extent that such Non-U.S. Holder would have had effectively connected gain or loss had our company sold all of its assets at their fair market value as of the date of such sale. In such case, any such effectively connected gain generally would be taxable at the regular graduated U.S. federal income tax rates, and the amount realized from any such sale by a Non-U.S. Holder, as well as the amount of any distribution exceeding our company's cumulative net income, generally would be subject to the 10% U.S. federal withholding tax under Section 1446(f) of the U.S. Internal Revenue Code.

In general, even if our company 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 properly certify 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 that does not treat our company as fiscally transparent, 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" below. You should consult your own tax adviser regarding the treatment of U.S. withholding taxes.

Special rules may apply to 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 company in connection with its U.S. business, (c) a PFIC, (d) a "controlled foreign corporation" for U.S. federal income tax purposes, or (e) 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

Based on our expected method of operation and the ownership of our operating businesses indirectly through corporate Holding Entities, we do not expect any unitholder, solely as a result of owning our units, to be subject to any additional income taxes imposed on a net basis or additional tax return filing requirements in any jurisdiction in which we conduct activities or own property. However, our method of operation and current structure may change, and there can be no assurance that, solely as a result of owning our units, you will not be subject to certain taxes, including non-U.S., state and local income taxes, unincorporated business taxes and estate, inheritance or intangible taxes imposed by the various jurisdictions in which we do business or own property now or in the future, even if you do not reside in any of these jurisdictions. Consequently, you may also be required to file non-U.S., state and local income tax returns in some or all of these jurisdictions. Further, you may be subject to penalties for failure to comply with these requirements. It is your responsibility to file all U.S. federal, state, local and non-U.S. tax returns that may be required of you.

Income or gain from assets held by our company 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 one or more of our companies, an intermediary or a tax authority in such jurisdiction. You should consult your own tax adviser regarding the U.S. federal, state, local and non-U.S. tax consequences of an investment in our company.

Administrative Matters

Information Returns and Audit Procedures

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 company's income, gain, loss and deduction for our preceding taxable year. Under IRS guidance, certain partnerships are also required to provide IRS Schedule K-3, which generally describes a partner's share of certain items of international tax relevance from the operations of the partnership. We generally expect to provide IRS Schedule K-3 (as applicable) to our unitholders, except that we generally do not expect to be able to provide IRS Schedule K-3 within such 90-day period. Moreover, providing the foregoing U.S. tax information to our unitholders will also 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 addition, unitholders that do not ordinarily have U.S. federal tax filing requirements will not receive a Schedule K-1 and related information unless such unitholders request it within 60 days after the close of each calendar year. 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 company 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 company's tax returns, as well as those related to our company's tax returns. If the IRS makes an audit adjustment to our income tax returns, it may assess and collect any taxes (including penalties and interest) resulting from such audit adjustment directly from our company instead of unitholders (as under prior law). We may be permitted to elect to have the BBU General Partner and our unitholders take such audit adjustment into account in accordance with their interests in us during the taxable year under audit. However, there can be no assurance that we will choose to make such election or that it will be available in all circumstances. If we do not make the election, we may be required to pay taxes, penalties or interest as a result of an audit adjustment. As a result, our current unitholders might bear some or all of the cost of the tax liability resulting from such audit adjustment, even if our current unitholders did not own our units during the taxable year under audit. The foregoing considerations also apply with respect to our company's interest in the Holding LP.

Pursuant to the partnership audit rules, a "partnership representative" designated by our company will have the sole authority to act on behalf of our company in connection with any administrative or judicial review of our company's items of income, gain, loss, deduction or credit. In particular, our partnership representative will have the sole authority to bind both our former and current unitholders and to make certain elections on behalf of our company pursuant to the partnership audit rules.

The application of the partnership audit rules to our company and our unitholders is uncertain. You should consult your own tax adviser regarding the implications of the partnership audit rules for an investment in our units.

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 exceeding certain thresholds. An investment in our company may be considered a "reportable transaction" if, for example, our company 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 company 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.

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 company 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 company, 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 company may become subject to U.S. backup withholding taxes in excess of what would have been imposed had our company 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 company 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 imposes 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. Proposed Treasury Regulations eliminate the requirement to withhold tax under FATCA on gross proceeds from the sale or disposition of property that can produce U.S.-source interest or dividends. The IRS has announced that taxpayers are permitted to rely on the proposed regulations until final Treasury Regulations are issued. The BBU General Partner intends to ensure that our company 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 company, the Holding LP, the Holding Entities, or the operating businesses. Nonetheless, 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, certain U.S. persons 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. 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 company may allocate items of income, gain, loss, deduction and credit using a monthly convention, whereby any such items recognized in a given month by our company 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 company) generally will be withheld by our company only when such dividends are paid. Because our company 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 company 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 acquire 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 convention. Consequently, our unitholders may recognize income in excess of cash distributions received from our company, 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 company 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 owns and will continue to own certain Holding Entities and operating businesses organized in non-U.S. jurisdictions, and income and gain from such entities and businesses 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 company 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 $250 per failure (as adjusted for inflation), up to a maximum of $3,000,000 per calendar year (as adjusted for inflation), 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 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 company to be treated as a partnership that is not taxable as a corporation for U.S. federal income tax purposes, change the character or treatment of portions of our company’s income, reduce the net amount of distributions available to our unitholders, or otherwise affect the tax considerations of owning our units. Such changes could also affect or cause our company to change the way it conducts its activities and adversely affect the value of our units.

Our company's organizational documents and agreements permit the BBU General Partner to modify our Limited Partnership Agreement from time to time, without the consent of our unitholders, to elect to treat our company 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 COMPANY 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 a summary of the principal Canadian federal income tax consequences under the Tax Act of the holding and disposition of units of our company generally applicable to a unitholder who, for purposes of the Tax Act and at all relevant times, holds our units as capital property, deals at arm's length with and is not affiliated with our company, the Holding LP, the BBU General Partner or their respective affiliates (a "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 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 company; (vi) if any affiliate of our company is, or becomes as part of a series of transactions that includes the acquisition of our units, a "foreign affiliate" (for purposes of the Tax Act) of such Holder or of any corporation that does not deal at arm's length with such Holder for purposes of the Tax Act; or (vii) that has entered or will enter into a "derivative forward agreement" (as defined in the Tax Act) in respect of our units. 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 and the Regulations, all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "Tax Proposals"), and the current published administrative and assessing policies and practices of the CRA, published in writing prior to the date hereof. 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. This summary is not exhaustive of all possible Canadian federal income tax consequences that may affect unitholders. 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 also assumes that neither our company 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 company nor the Holding LP will be a "SIFT partnership" at any relevant time for purposes of the SIFT Rules on the basis that neither our company 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 nor whether any amounts in respect of our units could be "split income" under the Tax Act.

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 Relating 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 appropriate exchange rate determined in accordance with the detailed rules in the Tax Act in that regard.

Taxation of Limited Partners 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 resident or is deemed to be resident in Canada (a "Canadian Limited Partner").

Computation of Income or Loss

Each Canadian Limited Partner 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 Limited Partner's share of the income (or loss) of our company for its fiscal year ending in, or coincidentally with, the Canadian Limited Partner's taxation year, whether or not any of that income is distributed to the Canadian Limited Partner in the taxation year and regardless of whether or not our units were held throughout such year.

Our company 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 company for a fiscal period for purposes of the Tax Act will be computed as if our company were a separate person resident in Canada and the partners will be allocated a share of that income (or loss) in accordance with our Limited Partnership Agreement. The income (or loss) of our company will include our company'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 company's fiscal year end and that of the Holding LP will be December 31.

The income for tax purposes of our company for a given fiscal year will be allocated to each Canadian Limited 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 Canadian Limited Partner with respect to such fiscal year and the denominator of which is the aggregate amount of the distributions made by our company to all partners with respect to such fiscal year.

If, with respect to a given fiscal year, no distribution is made by our company to unitholders or our company has a loss for tax purposes, one quarter of the income, or loss, as the case may be, for tax purposes 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 company held at each such date by a unitholder is of the total number of units of our company that are issued and outstanding at each such date.

Notwithstanding the foregoing, if each of the following conditions are true in a given fiscal year of our company:

(i) our company or an affiliate of our company acquires, buys, buys back or otherwise purchases units of our company in connection with an offer or program by our company or the affiliate to acquire, buy, buy back, or otherwise purchase our units (other than by way of a normal course issuer bid or other open market purchase);

(ii) the money or property that is used by our company or the affiliate to acquire, buy, buy back or otherwise purchase our units is derived exclusively in whole or in part, directly or indirectly, from money or property that is received by our company from the Holding LP as consideration for the purchase for cancellation by the Holding LP of Managing General Partner Units owned by our company;

(iii) our company has income for tax purposes; and

(iv) the income for tax purposes of our company includes positive amounts each of which is an amount that is derived from (A) capital gains realized by our company by reason of the purchase for cancellation by the Holding LP of Managing General Partner Units owned by our company or (B) the allocation of income for tax purposes of the Holding LP to our company in accordance with the Holding LP's Limited Partnership Agreement in connection with transactions that provide money or property to the Holding LP that is used exclusively in whole or in part by the Holding LP to purchase for cancellation Managing General Partner Units owned by our company,

then the income for tax purposes of our company for such fiscal year will generally be allocated as follows: the lesser of (1) the amount of income for tax purposes for such fiscal year and (2) the aggregate of the positive amounts included in income for tax purposes for such fiscal year described in item (iv) above, will be allocated exclusively and specially (the "Special Income Allocation Amount") to Canadian Limited Partners whose units of our company are acquired, bought, bought back or otherwise purchased by our company or the affiliate, on the basis that each such Canadian Limited Partner shall be allocated the proportion of the Special Income Allocation Amount that the number of units of our company acquired by our company or the affiliate from the Canadian Limited Partner is of the total number of units of our company acquired from all limited partners. The balance (if any) of the income for tax purposes for such fiscal year (being the amount remaining after subtracting the Special Income Allocation Amount from the income for tax purposes) will be allocated in the regular manner described above. For greater certainty: (a) the money or property received by a Canadian Limited Partner whose units of our company are acquired, bought, bought back or otherwise purchased by our company or an affiliate of our company shall not be considered to be a "distribution" from our company; (b) the allocation of income described above shall not apply to an affiliate of our company that has acquired units of our company from Canadian Limited Partners pursuant to an offer or program described in item (i) above, and such units of our company are subsequently acquired, bought back or otherwise purchased for cancellation by our company; and (c) the money or property received by an affiliate of our company on such a subsequent acquisition by our company of the units of our company acquired by the affiliate from Canadian Limited Partners pursuant to an offer or program described in item (i) above shall not be considered to be a "distribution" from our company.

The income of our company 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 company and the Holding LP must be calculated in Canadian currency. Where our company (or the Holding LP) holds investments denominated in U.S. dollars or other foreign currencies, gains and losses may be realized by our company (or the Holding LP) as a consequence of fluctuations in the relative values of the Canadian and foreign currencies.

In computing the income (or loss) of our company, deductions may be claimed in respect of reasonable administrative costs, interest and other expenses incurred by our company for the purpose of earning income, subject to the relevant provisions of the Tax Act. Our company may also deduct from its income for the year a portion of the reasonable expenses, if any, incurred by our company to issue units. The portion of such issue expenses deductible by our company in a taxation year is 20% of such issue expenses, pro-rated where our company's taxation year is less than 365 days. Bill C-59, which received first reading in the House of Commons on November 30, 2023, includes Tax Proposals to implement the interest deductibility limitations announced in the 2021 Canadian federal budget. These Tax Proposals would have the effect of denying the deductibility of net interest and financing expenses for taxpayers that are corporations or trusts in certain circumstances where such taxpayer's net interest and financing expenses exceed a fixed ratio of the taxpayer's adjusted taxable income. Where a corporation or trust is a partner of a partnership that is determined to have excess interest and financing expenses as determined under these Tax Proposals (determined including its allocable share of any interest and financing expenses and income of our company and the Holding LP), the Canadian Limited Partner will be required to include an amount in income in respect of its share of the partnership's excessive interest and financing expenses (effectively reversing the Canadian Limited Partner's allocable share of the deduction by our company or the Holding LP in respect of such expenses). These Tax Proposals could apply to corporations and trusts within our group and to certain Canadian Limited Partners in respect of their interest in our partnership. However, these Tax Proposals do not apply to a corporation or trust that qualifies as an "excluded entity" for a taxation year. For these purposes, an "excluded entity" is generally a taxpayer that: (a) is a "Canadian controlled private corporation" that, together with associated corporations, has taxable capital employed in Canada of less than $50 million for the particular year, (b) together with eligible group entities, has interest and financing expenses and exempt interest and financing expenses (net of applicable interest and financing revenues) of $1 million or less for the particular year, or (c) together with eligible group entities, meets certain conditions with respect to domestic activities and ownership. In addition, these Tax Proposals generally do not apply in respect of borrowings made in the context of certain Canadian public-private partnership infrastructure projects where certain conditions are met. These Tax Proposals will generally apply in respect of taxation years beginning on or after October 1, 2023. These Tax Proposals and their application are highly complex. Canadian Limited Partners should consult their own tax advisors regarding the possible application of these Tax Proposals in their particular circumstances.

In general, a Canadian Limited Partner's share of any income (or loss) from our company from a particular source will be treated as if it were income (or loss) of the Canadian Limited Partner from that source, and any provisions of the Tax Act applicable to that type of income (or loss) will apply to the Canadian Limited Partner. Our company will hold managing general partnership units of the Holding LP. In computing our company'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 Limited Partners 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.

A Canadian Limited Partner's share of taxable dividends received or considered to be received by our company in a fiscal year from a corporation resident in Canada will be treated as a dividend received by the Canadian Limited Partner 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 company or the Holding LP and taxes withheld at source on amounts paid or credited to our company or the Holding LP (other than for the account of a particular partner) will be allocated pursuant to the governing partnership agreement. Each Canadian Limited Partner'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 its 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 rules 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 rules may not provide a full foreign tax credit for the "business-income tax" and "non-business-income tax" paid by our company or the Holding LP to the government of a foreign country. The Tax Act contains anti-avoidance rules to address certain foreign tax credit generator transactions. Under the Foreign Tax Credit Generator Rules, the foreign "business-income tax" or "non-business-income tax" allocated to a Canadian Limited Partner for the purpose of determining such Canadian Limited Partner's foreign tax credit for any taxation year may be limited in certain circumstances, including where a Canadian Limited Partner's share of the income of our company or the Holding LP under the income tax laws of any country (other than Canada) under whose laws the income of our company or the Holding LP is subject to income taxation (the "Relevant Foreign Tax Law") is less than the Canadian Limited Partner's share of such income for purposes of the Tax Act. For this purpose, a Canadian Limited Partner is not considered to have a lesser direct or indirect share of the income of our company 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 company or the Holding LP or in the manner of allocating the income of our company 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 Limited Partner. If the Foreign Tax Credit Generator Rules apply, the allocation to a Canadian Limited Partner of foreign "business-income tax" or "non-business-income tax" paid by our company or the Holding LP, and therefore such Canadian Limited Partner's foreign tax credits, will be limited.

Our company and the Holding LP will each 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 not subject to 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, the BBU General Partner expects the Holding Entities to look-through the Holding LP and our company to the residency of the partners of our company (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 will apply its administrative practice in this context. Under the Treaty, a Canadian-resident payer is required in certain circumstances to look-through fiscally transparent partnerships, such as our company 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. Under our Limited Partnership Agreement, the amount of Taxes withheld or paid by our company, the Holding LP or the Holding Entities in respect of our units maybe treated either as a distribution to our unitholders or as a general expense of our company, as determined by the BBU General Partner in its sole discretion. However, the BBU General Partner's current intention is to treat all such amounts as a distribution to our unitholders.

If our company incurs losses for tax purposes, each Canadian Limited Partner will be entitled to deduct in the computation of income for tax purposes the Canadian Limited Partner's share of any net losses for tax purposes of our company for its fiscal year to the extent that the Canadian Limited Partner'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. The BBU General Partner does not anticipate that our company or the Holding LP will incur losses, but no assurance can be given in this regard. Accordingly, Canadian Limited Partners 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 interests held by a taxpayer in Non-Resident Entities that could, in certain circumstances, cause income to be imputed to Canadian Limited Partners, either directly or by way of allocation of such income imputed to our company 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 Limited Partner, our company or the Holding LP acquiring, holding or having an investment in a Non-Resident Entity is to derive a benefit from "portfolio investments" in certain assets from which the Non-Resident 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 Limited Partner, our company or the Holding LP. If these rules apply to a Canadian Limited Partner, our company 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-Resident Entity, will be imputed directly to the Canadian Limited Partners or to our company or the Holding LP and allocated to the Canadian Limited Partner 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 Limited Partners should consult their own tax advisors regarding the application of these rules to them in their particular circumstances.

Any Non-Resident 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 or Indirect CFA of the Holding LP 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 company will include its share of such FAPI of the Holding LP in computing its income for Canadian federal income tax purposes and Canadian Limited Partners will be required to include their proportionate share of such FAPI allocated from our company in computing their income for Canadian federal income tax purposes. As a result, Canadian Limited Partners 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 allocated to any member of the Holding LP (which is deemed for this purpose to include a Canadian Limited Partner) 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 Limited Partner 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 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 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 (or deemed disposition) by a Canadian Limited Partner of our units will result in the realization of a capital gain (or capital loss) by such Canadian Limited Partner in the amount, if any, by which the proceeds of disposition of such units, less any reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base of such units. Subject to the general rules on averaging of cost base, the adjusted cost base of a Canadian Limited Partner's units of our company would generally be equal to: (i) the actual cost of our units (excluding any portion thereof financed with limited recourse indebtedness); plus (ii) the share of the income of our company allocated to the Canadian Limited Partner for fiscal years of our company ending before the relevant time in respect of our units; less (iii) the aggregate of the pro rata share of losses of our company allocated to the Canadian Limited Partner (other than losses which cannot be deducted because they exceed the Canadian Limited Partner's "at-risk" amount) for the fiscal years of our company ending before the relevant time in respect of our units; and less (iv) the Canadian Limited Partner's distributions received from our company made before the relevant time in respect of our units.

Where a Canadian Limited Partner disposes of all of its units in our company, it will no longer be a partner of our company. If, however, a Canadian Limited Partner is entitled to receive a distribution from our company after the disposition of all such units, then the Canadian Limited Partner will be deemed to dispose of such units at the later of: (i) the end of the fiscal year of our company during which the disposition occurred; and (ii) the date of the last distribution made by our company to which the Canadian Limited Partner was entitled. The share of the income (or loss) of our company for tax purposes for a particular fiscal year which is allocated to a Canadian Limited Partner who has ceased to be a partner will generally be added (or deducted) in the computation of the adjusted cost base of the Canadian Limited Partner's units of our company immediately prior to the time of the disposition.

A Canadian Limited Partner will generally realize a deemed capital gain if, and to the extent that, the adjusted cost base of the Canadian Limited Partner's units of our company is negative at the end of any fiscal year of our company. In such a case, the adjusted cost base of the Canadian Limited Partner's units of our company will be nil at the beginning of the next fiscal year of our company.

Canadian Limited Partners should consult their own tax advisors for advice with respect to the specific tax consequences to them of disposing of our units.

Taxation of Capital Gains and Capital Losses

In general, one-half of a capital gain realized by a Canadian Limited Partner must be included in computing such Canadian Limited Partner'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 if a partnership interest is acquired by a tax-exempt person or a non-resident person (or by a partnership or trust (other than certain trusts) of which a tax-exempt person or a non-resident person is a member or beneficiary, directly or indirectly through one or more partnerships or trusts (other than certain trusts)). Canadian Limited Partners contemplating such a disposition should consult their own tax advisors in this regard.

A Canadian Limited Partner 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 tax (refundable in certain circumstances) on its "aggregate investment income" (as defined in the Tax Act) for the year, which is defined to include net taxable capital gains. This additional tax and refund mechanism in respect of "aggregate investment income" would also apply to "substantive CCPCs", as defined in Tax Proposals (including pursuant to certain anti-avoidance rules in such proposals). Canadian Limited Partners are advised to consult their own tax advisors in this regard.

Alternative Minimum Tax

Canadian Limited Partners that are individuals or trusts may be subject to the alternative minimum tax rules. Such Canadian Limited Partners should consult their own tax advisors.

Eligibility for Investment

Provided that our units are listed on a "designated stock exchange" (which currently includes the NYSE and the TSX), our units will be "qualified investments" under the Tax Act for a trust governed by an RRSP, deferred profit sharing plan, RRIF, RESP, RDSP, TFSA or FHSA.

Notwithstanding the foregoing, an annuitant under an RRSP or RRIF, a holder of a TFSA, FHSA or RDSP or a subscriber of an RESP, as the case may be, will be subject to a penalty tax if our units held in the RRSP, RRIF, TFSA, FHSA, RDSP or RESP, are "prohibited investments" (as defined in the Tax Act) for the RRSP, RRIF, TFSA, FHSA, RDSP or RESP, as the case may be. Our units will generally not be a "prohibited investment" on the date hereof provided that the annuitant under the RRSP or RRIF, the holder of the TFSA, FHSA or RDSP or the subscriber of the RESP, as applicable: (i) deals at arm's length with our company for the purposes of the Tax Act; and (ii) does not have a "significant interest" (as defined in the Tax Act) for purposes of the "prohibited investment" rules in our company. Canadian Limited Partners who hold our units in an RRSP, RRIF, TFSA, FHSA, RDSP or RESP should consult their own tax advisors regarding the application of the foregoing "prohibited investment" rules having regard to their particular circumstances.

Taxation of Limited Partners 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 our units in connection with a business carried on in Canada (a "Non-Canadian Limited Partner").

The following portion of the summary assumes that (i) our units are not, and will not at any relevant time constitute, "taxable Canadian property" (as defined in the Tax Act) of any Non-Canadian Limited Partner, and (ii) our company 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 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 properties" (as defined in the Tax Act); (iii) "timber resource properties" (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 company'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 company, 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. The BBU General Partner does not expect our units to be "taxable Canadian property" of any Non-Canadian Limited Partner and does not expect our company 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 Relating to Taxation - Canada".

The following portion of the summary also assumes that neither our company nor the Holding LP will be considered to carry on business in Canada. The BBU 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 company or the Holding LP carry on business in Canada, the tax implications to our company or the Holding LP and to Non-Canadian Limited Partners may be materially and adversely different than as set out herein.

Special rules, which are not discussed in this summary, may apply to a Non-Canadian Limited Partner that is an insurer carrying on business in Canada and elsewhere.

Taxation of Income or Loss

A Non-Canadian Limited Partner 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 company (or the Holding LP) outside Canada or the non-business income earned by our company (or the Holding LP) from sources in Canada. However, a Non-Canadian Limited Partner may be subject to Canadian federal withholding tax under Part XIII of the Tax Act, as described below.

Our company and the Holding LP will each 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 not subject to 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 to the Holding LP by the Holding Entities, the BBU General Partner expects the Holding Entities to look-through the Holding LP and our company to the residency of the partners of our company (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 will apply its administrative practice in this context. Under the Treaty, a Canadian-resident payer is required in certain circumstances to look-through fiscally transparent partnerships, such as our company 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. Under our Limited Partnership Agreement, the amount of Taxes withheld or paid by our company, the Holding LP or the Holding Entities in respect of our units may be treated either as a distribution to our unitholders or as a general expense of our company, as determined by the BBU General Partner in its sole discretion. However, the BBU General Partner's current intention is to treat all such amounts as a distribution to our unitholders.

Bermuda Tax Considerations

On December 27, 2023, the Corporate Income Tax Act 2023 (“Bermuda Tax Act”) was given royal assent, with certain sections of the Bermuda Tax Act being operative on January 1, 2024 and the large majority due to become operative on January 1, 2025. The Bermuda Tax Act implements a new corporate tax regime within the scope of the Base Erosion and Profit Shifting project of the Organization for Economic Co-operation and Development, under which participating jurisdictions agree to initiate a global minimum tax on excess profits of multinational enterprises. Based on the current provisions of the Bermuda Tax Act, the impact to our partnership and Holding LP due to the introduction of the new corporate income tax (“CIT”) is expected to be minimal.

Save for the CIT referenced above which may be applicable to certain persons, there are no taxes on profits, income or dividends in Bermuda nor is there any capital gains tax, estate duty or death duty. Profits can be accumulated and it is not obligatory to pay dividends.

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

Our company is subject to the information filing requirements of the U.S. Exchange Act, and accordingly we 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 furnish 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 U.S. Exchange Act, and the BBU General Partner’s directors and our principal unitholders are not subject to the insider short swing profit reporting and recovery rules under Section 16 of the U.S. Exchange Act. The SEC maintains an Internet site that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC. You may obtain our SEC filings on the SEC website or on our website at https://bbu.brookfield.com.

In addition, our company is required by Canadian securities laws to file documents electronically with Canadian securities regulatory authorities and these filings are available on our SEDAR+ profile at www.sedarplus.ca. Written requests for such documents should be directed to our Corporate Secretary at 73 Front Street, 5th Floor, Hamilton HM 12, Bermuda.

10.I SUBSIDIARY INFORMATION

Not applicable.

10.J ANNUAL REPORT TO SECURITY HOLDERS

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

See the information contained in this Form 20-F under Item 5.B, “Liquidity and Capital Resources - Market Risks”.

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 at December 31, 2023, an evaluation of the effectiveness of our "disclosure controls and procedures" (as defined in Rules 13a-15(e) and 15d-15(e) under the U.S. 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. 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, 2023, 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 U.S. Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC'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 U.S. 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 U.S. 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, 2023, based on the criteria set forth in Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Based on evaluation under the foregoing, our management concluded that our internal control over financial reporting was effective as of December 31, 2023. Excluded from our evaluation were controls over financial reporting at Mobile Mini Solutions acquired on January 31, 2023. The financial statements of these businesses constitute approximately 1% of total assets, 2% of net assets, less than 1% of revenues and less than 1% of net income of the consolidated financial statements of our partnership as of and for the year ended December 31, 2023.

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, 2023 has been audited by Deloitte LLP, Independent Registered Public Accounting Firm, who have also audited the consolidated 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, 2023, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16. [RESERVED]

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our board of directors has determined that Patricia Zuccotti possesses specific accounting and financial management expertise and that she is an audit committee financial expert as defined by the SEC and is independent within the meaning of the rules of the NYSE. Our board of directors 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

The BBU General Partner has adopted a Code of Business Conduct and Ethics, or the Code, that applies to the members of the board of directors of the BBU General Partner, our company, any officers or employees of the BBU General Partners and any employees of the Service Providers performing obligations under the Master Services Agreement. The Code is reviewed and updated annually. We have posted a copy of the Code on our website at *http://bbu.brookfield.com*. Information contained on, or that can be accessed through our website is not incorporated by reference into this Form 20-F.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The BBU General Partner has retained Deloitte LLP (PCAOB ID No. 1208) to act as our company's independent registered public accounting firm.

The table below summarizes the fees for professional services rendered by Deloitte LLP for the audit of our annual consolidated financial statements for the periods ended December 31, 2023 and 2022.

	December 31, 2023		December 31, 2022	
(US$ MILLIONS, except as noted)	USD	%	USD	%
Audit fees [1]	$ 16.6	40 %	$ 17.3	42 %
Audit-related fees [2]	20.9	51 %	21.1	52 %
Tax fees [3]	3.6	9 %	2.3	6 %
Total	$ 41.1	100 %	$ 40.7	100 %

(1) Audit fees include fees for services that would normally be provided by the external auditor in connection with our statutory audit of the partnership, 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, consents and assistance with and review of certain documents filed with securities regulatory authorities.

(2) Audit-related fees are for other statutory audits, assurance and related services, such as due diligence services, that traditionally are performed by the external auditor. More specifically, these services include, among others: statutory audits of our subsidiaries, employee benefit plan audits, audits in connection with acquisitions, attest services that are not required for the partnership's statutory audit, and consultation concerning financial accounting and reporting standards.

(3) Tax fees are principally for assistance in tax compliance and tax advisory services.

The audit committee of the BBU General Partner pre-approves all audit and non-audit services provided to the partnership by Deloitte LLP.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

Our partnership may from time-to-time, subject to applicable law, purchase LP Units for cancellation in the open market, provided that any necessary approval has been obtained. On August 15, 2023, the TSX accepted a notice of our partnership's intention to renew its NCIB in connection with our LP Units, which permits our partnership to repurchase up to 3,730,658 issued and outstanding LP Units. The price to be paid for our LP Units under the normal course issuer bid will be the market price at the time of purchase or such other price as may be permitted. The actual number of LP 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 and the NYSE or alternative trading systems in Canada and the United States. Repurchases were authorized to commence on August 17, 2023 and are required to terminate on August 16, 2024 or earlier should our partnership have completed its repurchases prior to such date. For the year ended December 31, 2023, our partnership repurchased 331,875 LP Units. During the twelve months ended December 31, 2023, Brookfield Corporation purchased 374,533 LP Units under our NCIB. A copy of the Notice of Intention for each normal course issuer bid may be obtained without charge by contacting Investor Relations by phone at 1-866-989-0311 or by email at bbu.enquiries@brookfield.com.

The following table provides our repurchase information for our units on a month-by-month basis for the year ended December 31, 2023:

Period	Total Number of Units Purchased	Average Price Paid per Unit (US$)	Total Number of Units Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Units That May Yet Be Purchased Under The Plans or Programs(1)(2)
January 1 - 31, 2023	—	$ —	—	3,730,593
February 1 - 28, 2023	332,764(3)	$ 18.98	332,764	3,397,829
March 1 - 31, 2023	41,769(3)	$ 18.12	41,769	3,356,060
April 1 - 30, 2023	—	$ —	—	3,356,060
May 1 - 31, 2023	—	$ —	—	3,356,060
June 1 - 30, 2023	—	$ —	—	3,356,060
July 1 - 31, 2023	—	$ —	—	3,356,060
August 1 - 31, 2023	54,264	$ 15.14	54,264	3,676,394
September 1 - 30, 2023	—	$ —	—	3,676,394
October 1 - 31, 2023	237,989	$ 14.24	237,989	3,438,405
November 1 - 30, 2023	39,622	$ 13.34	39,622	3,398,783
December 1 - 31, 2023	—	$ —	—	3,398,783

(1) On August 12, 2022, the TSX accepted a notice filed by the partnership of its intention to renew the NCIB, for its LP Units. Under the NCIB, the partnership was authorized to repurchase up to 5% of its issued and outstanding LP Units as at August 12, 2022, or 3,730,593 LP Units, including up to 17,678 LP Units on the TSX during any trading day. All purchases were made through facilities of the TSX or the NYSE, or alternative trading systems in Canada or the United States, and all our units acquired under the NCIB were canceled. This agreement expired on August 16, 2023.

(2) On August 15, 2023, the TSX accepted a notice filed by the partnership of its intention to renew the NCIB for its LP Units. Under the NCIB, the partnership is authorized to repurchase up to 5% of its total issued and outstanding LP Units as at August 15, 2023, or 3,730,658 LP Units, including up to 14,522 LP Units on the TSX during any trading day. All purchases will be made through facilities of the TSX or the NYSE, or alternative trading systems in Canada or the United States, and all our units acquired under the NCIB will be canceled. This agreement will expire on August 16, 2024.

(3) LP Units were purchased by Brookfield Corporation.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

None.

ITEM 16G. CORPORATE GOVERNANCE

Our corporate practices are not materially different from those required of U.S. domestic limited partnerships under the NYSE Listing Standards. See Item 6.C, "Board Practices - Status as Foreign Private Issuer".

ITEM 16H. MINE SAFETY DISCLOSURE

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, or the MSHA, under the Federal Mine Safety and Health Act of 1977, as amended, or the Mine Act. During the fiscal year ended December 31, 2023, our company did not have any mines in the United States subject to regulation by MSHA under the Mine Act.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

ITEM 16J. INSIDER TRADING POLICIES

We have adopted the Brookfield Trading Policy, which governs the purchase, sale and other dispositions of our securities by our directors, officers and other employees. This policy promotes compliance with applicable securities laws and regulations, including those that prohibit insider trading. A copy of the Brookfield Trading Policy is filed as an exhibit to this 20-F. See Item 6.C, “Board Practices - Personal Trading Policy”.

ITEM 16K. CYBERSECURITY

Risk management and strategy

We have a cybersecurity program for assessing, identifying, and managing material risks from cybersecurity threats. This includes compliance with the Enterprise Information Security Policy (“EISP”) established by Brookfield.

We believe our cybersecurity program is reasonably designed to materially protect the security of both our company’s data and the data in our custody. Our policies and procedures address security governance, security awareness and training, access management, vulnerability management, penetration testing, security monitoring and incident response. We use automated technologies to optimize our security risk detection and response capabilities, in addition to access controls and anti-malware protections. We believe our practices align with the NIST Cybersecurity Framework in meeting and exceeding the industry average in cybersecurity practice.

In addition, all employees involved in activities with our company and our operating companies regularly undergo mandatory continuing cybersecurity training. Employees in higher-risk functions receive additional training and cybersecurity awareness education. Audits, cybersecurity simulations and employee testing results indicate that our program is effective in protecting our information.

Our cybersecurity program is one pillar of our larger corporate governance framework and approach to risk management, which also encompasses oversight by the BBU General Partner’s board of directors and board committees, our Code of Business Conduct and Ethics, our Anti-Bribery and Corruption Policy and our Ethics Hotline.

We also engage regularly with third-party assessors to evaluate the strength of our program through penetration and/or ethical hacking exercises. We have policies and processes to govern third-party access and reduce the risks associated with such access. For example, all third-party access must be authorized and have a legitimate business need. Prior to authorization and granting access, the terms and conditions of such access must be agreed to as part of a formal agreement or contract. In addition, all authorized third-party access must be limited, monitored and controlled as appropriate.

Our systems face cybersecurity risks, and we have in the past experienced threats to and breaches of our data and systems. However, to date, these incidents have not had a material impact on our business, results of operations or financial condition. We can provide no assurance that we will not experience any material cybersecurity threats or incidents in the future. See “Item 3.D, Risk Factors—*We rely on the use of technology and information systems, many of which are controlled by third-party vendors, which may not be able to accommodate our growth or may increase in cost and may become subject to cyber-terrorism or other compromises and shut-downs, and any failures or interruptions of these systems could adversely affect our businesses and results of operations”.*

Governance

Cybersecurity at our company is overseen by our board, audit committee and management, as well as by Brookfield, through the EISP described above.

Management teams of our company's operating companies supervise cybersecurity and data privacy activity that are specific to such operating companies, and are required to report on activity, including breaches, to our company's board of directors on a quarterly basis.

Pursuant to the EISP, Brookfield's executive management has appointed a Chief Information Security Officer ("CISO"), who works closely with Brookfield's senior management, legal counsel and external counsel to develop and monitor Brookfield's data protection, privacy and cybersecurity program and policies, including such policies that apply to our company. The CISO provides periodic reports to the Brookfield Audit Committee, which subsequently reports to the Brookfield Board of Directors about data protection and cybersecurity risks and issues. The CISO has over 20 years' experience in cybersecurity oversight.

In addition, Brookfield has established an Advisory Committee, led by the CISO and composed of representatives from Brookfield's operating businesses, including from our management team. The Advisory Committee meets quarterly to discuss cybersecurity risks, emerging technologies and associated risks, and security initiatives at Brookfield and its operating businesses.

PART III

ITEM 17. FINANCIAL STATEMENTS

Not applicable.

ITEM 18. FINANCIAL STATEMENTS

See the list of consolidated financial statements beginning on page F-1 which are filed as part of this Form 20-F.

ITEM 19. EXHIBITS

Number	Description
1.1	Certificate of registration of Brookfield Business Partners L.P., registered as of January 18, 2016 (1)
1.2	Amended and Restated Limited Partnership Agreement of Brookfield Business Partners L.P., dated May 31, 2016, as amended by the first amendment thereto, dated June 17, 2016, and as further amended by the second amendment thereto, dated May 18, 2020 (2)
1.3	Bye-Laws of Brookfield Business Partners Limited (3)
2.1	Description of Securities (4)
4.1	Amended and Restated Master Services Agreement by and among Brookfield Corporation, Brookfield Business Partners L.P. and the other parties thereto, dated January 23, 2024*
4.2	Amended and Restated Limited Partnership Agreement of Brookfield Business L.P., dated May 31, 2016, as amended by the first amendment thereto, dated June 17, 2016, and as further amended by the second amendment thereto, dated May 18, 2020 (5)
4.3	Amended and Restated Relationship Agreement between Brookfield Business Partners L.P., Brookfield Corporation and the parties thereto dated January 23, 2024*
4.4	Registration Rights Agreement between Brookfield Business Partners L.P. and Brookfield Corporation, dated June 1, 2016 (6)
4.5	Equity Commitment Agreement between Brookfield Business Corporation and Brookfield BBP Canada Holdings Inc., dated March 15, 2022 (7)
4.6	Voting Agreement by and among Voting Agreement by and among Brookfield Corporation, Brookfield BBP Canadian GP L.P., Brookfield CanGP Limited, Brookfield BBP (Canada) Holdings L.P. and Brookfield BBP Canada Holdings Inc., dated June 1, 2016 (8)
4.7	Trade-Mark Sublicense Agreement by and among Brookfield Asset Management Holdings Ltd., Brookfield Business Partners L.P. and Brookfield Business L.P., dated May 24, 2016 (9)
4.8	Commitment Agreement between Brookfield Corporation and Brookfield Business Partners L.P., dated February 4, 2022 (10)
4.9	First Amendment to Commitment Agreement between Brookfield Corporation and Brookfield Business Partners L.P., dated May 5, 2022 (11)
4.10	Third Amendment to the Amended and Restated Limited Partnership Agreement of Brookfield Business L.P., dated March 15, 2022 (12)
4.11	Third Amendment to the Amended and Restated Limited Partnership Agreement of Brookfield Business Partners L.P., dated March 15, 2022 (13)
4.12	Second Amendment to Commitment Agreement between Brookfield Corporation and Brookfield Business Partners L.P., dated November 7, 2023*
4.13	Fifth Amended and Restated Credit Agreement by and among Brookfield Business L.P., Brookfield BBP Canada Holdings Inc., Brookfield BBP Bermuda Holdings Limited, Brookfield BBP US Holdings LLC and the other borrowers thereto, Brookfield Business Partners L.P., BBUC Holdings Inc. and Brookfield Corporate Treasury, dated October 17, 2023*
8.1	List of subsidiaries of Brookfield Business Partners L.P. (incorporated by reference to Item 4.C, "Organizational Structure")*
11.1	Personal Trading Policy*
12.1	Certification of Anuj Ranjan, Chief Executive Officer, Brookfield Business Partners L.P., pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*

12.2	Certification of Jaspreet Dehl, Chief Financial Officer, Brookfield Business Partners L.P., pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
13.1	Certification of Anuj Ranjan, Chief Executive Officer, Brookfield Business Partners 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 Jaspreet Dehl, Chief Financial Officer, Brookfield Business Partners 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 Public Accounting Firm*
97.1	Clawback Policy*
101.INS	XBRL Instance Document*
101.SCH	XBRL Taxonomy Extension Schema Document*
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document*
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document*
101.LAB	XBRL Taxonomy Extension Label Linkbase Document*
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document*
104	Cover Page Interactive Data file (formatted in Inline XBRL and contained in Exhibit 101)

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* Filed herewith.

(1) Filed as an exhibit to Amendment No. 3 to the Registration Statement on Form F-1 on February 29, 2016 and incorporated herein by reference.

(2) Incorporated by reference to Exhibit 99.1 to our company's Current Report on Form 6-K filed on June 22, 2016 and Exhibit 99.1 to our company's Current Report on Form 6-K filed on May 21, 2020.

(3) Incorporated by reference to our company's Annual Report on Form 20-F for the year ended December 31, 2017, filed March 9, 2018.

(4) Incorporated by reference to Exhibit 2.1 to our company's Annual Report on Form 20-F for the year ended December 31, 2021, filed on April 25, 2022.

(5) Incorporated by reference to Exhibit 99.4 to our company's Current Report on Form 6-K filed on June 22, 2016 and Exhibit 99.2 to our company's Current Report on Form 6-K filed on May 21, 2020.

(6) Incorporated by reference to Exhibit 99.2 to our company's Current Report on Form 6-K filed on June 22, 2016.

(7) Incorporated by reference to Exhibit 99.6 to our company's Current Report on Form 6-K filed on March 21, 2022.

(8) Incorporated by reference to Exhibit 99.7 to our company's Current Report on Form 6-K filed on June 22, 2016.

(9) Incorporated by reference to Exhibit 99.8 to our company's Current Report on Form 6-K filed on June 22, 2016.

(10) Incorporated by reference to Exhibit 99.1 to our company's Current Report on Form 6-K filed on February 22, 2022.

(11) Incorporated by reference to Exhibit 99.4 to our company's Current Report on Form 6-K filed on May 13, 2022.

(12) Incorporated by reference to Exhibit 99.3 to our company's Current Report on Form 6-K filed on March 21, 2022.

(13) Incorporated by reference to Exhibit 99.1 to our company's Current Report on Form 6-K filed on March 30, 2022.

The registrant hereby agrees to furnish to the SEC at its request copies of long-term debt instruments defining the rights of holders of outstanding long-term debt that are not required to be filed herewith.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

BROOKFIELD BUSINESS PARTNERS L.P., by its general partner, **BROOKFIELD BUSINESS PARTNERS LIMITED**

By: */s/ Jane Sheere*

Name: Jane Sheere

Title: Secretary

Date: March 1, 2024

INDEX TO FINANCIAL STATEMENTS

INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR

BROOKFIELD BUSINESS PARTNERS L.P.

Audited Consolidated Financial Statements of Brookfield Business Partners L.P.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Unitholders and the Board of Directors of Brookfield Business Partners L.P.

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of Brookfield Business Partners L.P. and subsidiaries (the "Partnership") as of December 31, 2023 and 2022, the related consolidated statements of operating results, comprehensive income, changes in equity, and cash flow, for each of the three years in the period ended December 31, 2023, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Partnership as of December 31, 2023 and 2022 and its financial performance and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Partnership's internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 1, 2024, expressed an unqualified opinion on the Partnership's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on the Partnership's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Goodwill – Refer to Notes 2(n) and 13 to the financial statements

Critical Audit Matter Description

The Partnership's evaluation of goodwill impairment at its dealer software and technology services operation cash generating unit ("CGU") involves assessing if the carrying amount of a CGU, including the allocated goodwill, exceeds its recoverable amount determined using a value in use discounted cash flow model. This requires management to make significant estimates and assumptions related to revenue growth rates and the discount rate. Goodwill of $4,424 million was allocated to the Partnership's dealer software and technology services operation CGU. The recoverable amount of the dealer software and technology services operation CGU exceeded the carrying amount therefore no impairment was recognized.

We identified the assessment of goodwill impairment as a critical audit matter because of the significant estimates and assumptions made by management to estimate the recoverable amount of the CGU, specifically revenue growth rates and the discount rate. This required a high degree of auditor judgment and an increased extent of audit effort, including the involvement of fair value specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the estimates and assumptions used to determine the recoverable amount of the CGU included the following, among others:

- Evaluated the effectiveness of controls over the determination of revenue growth rates and the discount rate.
- Evaluated the reasonableness of management's revenue growth rates by:
  - Evaluating management's ability to accurately forecast by comparing actual results to historical forecasts.
  - Comparing forecasts to the Board approved business plan, available macroeconomic and market specific information, and considering the impact of evidence identified through other audit procedures, as appropriate.
- With the assistance of fair value specialists, evaluated the reasonableness of the discount rates by testing the source information underlying the determination of the discount rates, benchmarking the assumptions against publicly available information and

developing a range of independent estimates based on market data and comparing those to the discount rates selected by management, as appropriate.

Goodwill Impairment – Refer to Notes 2(n) and 13 to the financial statements

Critical Audit Matter Description

The Partnership's evaluation of goodwill impairment at its healthcare services operation CGU involves assessing if the carrying amount of a CGU, including the allocated goodwill, exceeds its recoverable amount determined using a value in use discounted cash flow model. This requires management to make significant estimates and assumptions related to revenue growth rates, EBITDA margin projections, the perpetuity growth rate and the discount rate. During the fourth quarter, the carrying amount of the healthcare services CGU exceeded its recoverable amount, resulting in an impairment charge of $599 million. As a result, the remaining balance of goodwill allocated to the healthcare services operation is $690 million.

We identified goodwill impairment as a critical audit matter because of the significant estimates and assumptions made by management to estimate the recoverable amount of the CGU, specifically revenue growth rates, EBITDA margin projections, the perpetuity growth rate and the discount rate. This required a high degree of auditor judgment and an increased extent of audit effort, including the involvement of fair value specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the estimates and assumptions used to determine the recoverable amount of the CGU included the following, among others:

- Evaluated the effectiveness of controls over the determination of revenue growth rates, EBITDA margin projections, the perpetuity growth rate and the discount rate.
- Evaluated the reasonableness of management's revenue growth rates and EBITDA margin projections by:
  - Evaluating management's ability to accurately forecast by comparing actual results to historical forecasts.
  - Comparing forecasts to the Board approved business plan, available macroeconomic and market specific information, and considering the impact of evidence identified through other audit procedures, as appropriate.
- With the assistance of fair value specialists, evaluated the reasonableness of the perpetuity growth rate against actual results, applicable market data, and industry and macroeconomic data, as appropriate.
- With the assistance of fair value specialists, evaluated the reasonableness of management's discount rate by testing the source information underlying the determination of the discount rate, benchmarking the assumptions against publicly available information and developing an independent discount rate range based on market data and comparing to the discount rate selected by management, as appropriate.

/s/ Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Canada
March 1, 2024

We have served as the Partnership's auditor since 2015.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Unitholders and the Board of Directors of Brookfield Business Partners L.P.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Brookfield Business Partners L.P. and subsidiaries (the "Partnership") as of December 31, 2023, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Partnership maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control - Integrated Framework (2013) issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2023, of the Partnership and our report dated March 1, 2024, expressed an unqualified opinion on those financial statements.

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 Mobile Mini Solutions acquired on January 31, 2023 and whose financial statements collectively constitute 1% of total assets, 2% of net assets, less than 1% of revenues and less than 1% of net income of the consolidated financial statement amounts as of and for the year ended December 31, 2023. Accordingly, our audit did not include the internal control over financial reporting at Mobile Mini Solutions.

Basis for Opinion

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 Annual 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 are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. 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.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed 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. 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 generally accepted accounting principles, 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 its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. 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.

/s/ Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Canada
March 1, 2024

CONSOLIDATED FINANCIAL STATEMENTS FOR BROOKFIELD BUSINESS PARTNERS L.P.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(US$ MILLIONS)	Notes	December 31, 2023	December 31, 2022
Assets			
Current Assets			
Cash and cash equivalents	4	**$ 3,252**	$ 2,870
Financial assets	5	**1,139**	1,979
Accounts and other receivable, net	6	**5,558**	6,401
Inventory, net	7	**3,665**	5,186
Other assets	9	**1,271**	1,858
		14,885	18,294
Non-Current Assets			
Financial assets	5	**12,037**	10,929
Accounts and other receivable, net	6	**1,005**	877
Other assets	9	**385**	515
Property, plant and equipment	11	**15,724**	15,893
Deferred income tax assets	18	**1,220**	1,245
Intangible assets	12	**20,846**	23,953
Equity accounted investments	14	**2,154**	2,065
Goodwill	13	**14,129**	15,479
		$ 82,385	$ 89,250
Liabilities and Equity			
Current Liabilities			
Accounts payable and other	15	**$ 11,598**	$ 12,919
Non-recourse borrowings in subsidiaries of the partnership	17	**2,757**	3,758
		14,355	16,677
Non-Current Liabilities			
Accounts payable and other	15	**6,780**	7,511
Corporate borrowings	17	**1,440**	2,100
Non-recourse borrowings in subsidiaries of the partnership	17	**38,052**	40,835
Deferred income tax liabilities	18	**3,226**	3,698
		$ 63,853	$ 70,821
Equity			
Limited partners	19	**$ 1,909**	$ 1,408
Non-controlling interests attributable to:			
Redemption-exchange units	19	**1,792**	1,318
Special limited partner	19	**—**	—
BBUC exchangeable shares	19	**1,875**	1,378
Preferred securities	19	**740**	1,490
Interest of others in operating subsidiaries	10	**12,216**	12,835
		18,532	18,429
		$ 82,385	$ 89,250

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS FOR BROOKFIELD BUSINESS PARTNERS L.P.

CONSOLIDATED STATEMENTS OF OPERATING RESULTS

(US$ MILLIONS, except per unit amounts)	Notes	2023	2022	2021
Revenues	24	**$ 55,068**	$ 57,385	$ 46,587
Direct operating costs	21	**(50,021)**	(53,110)	(43,151)
General and administrative expenses		**(1,538)**	(1,360)	(1,012)
Interest income (expense), net		**(3,596)**	(2,538)	(1,468)
Equity accounted income (loss), net	14	**132**	165	13
Impairment reversal (expense), net	11, 13	**(831)**	9	(440)
Gain (loss) on acquisitions/dispositions, net	8	**4,686**	28	1,823
Other income (expense), net		**(178)**	(658)	(34)
Income (loss) before income tax		**3,722**	(79)	2,318
Income tax (expense) recovery				
Current	18	**(775)**	(458)	(536)
Deferred	18	**830**	777	371
Net income (loss)		**$ 3,777**	$ 240	$ 2,153
Attributable to:				
Limited partners	19	**$ 482**	$ 36	$ 258
Non-controlling interests attributable to:				
Redemption-exchange units	19	**451**	34	228
Special limited partner	19	**—**	—	157
BBUC exchangeable shares	19	**472**	28	—
Preferred securities	19	**83**	27	—
Interest of others in operating subsidiaries		**2,289**	115	1,510
		$ 3,777	$ 240	$ 2,153
Basic and diluted earnings (loss) per limited partner unit	19	**$ 6.49**	$ 0.48	$ 3.28

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS FOR BROOKFIELD BUSINESS PARTNERS L.P.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(US$ MILLIONS)	Notes	2023	2022	2021
Net income (loss)		**$ 3,777**	$ 240	$ 2,153
Other comprehensive income (loss):				
Items that may be reclassified subsequently to profit or loss:				
Fair value through other comprehensive income		**$ 159**	$ (329)	$ (139)
Insurance finance reserve	31	**(38)**	86	—
Foreign currency translation		**329**	(682)	(385)
Net investment and cash flow hedges	4	**(92)**	674	234
Equity accounted investments	14	**1**	2	(16)
Taxes on the above items	18	**20**	(33)	17
Reclassification to profit or loss		**(212)**	55	52
		167	(227)	(237)
Items that will not be reclassified subsequently to profit or loss:				
Revaluation of pension obligations	30	**23**	127	345
Fair value through other comprehensive income		**112**	(240)	235
Taxes on the above items		**(14)**	9	(60)
		288	(331)	283
Comprehensive income (loss)		**$ 4,065**	$ (91)	$ 2,436
Attributable to:				
Limited partners		**$ 498**	$ (7)	$ 322
Non-controlling interests attributable to:				
Redemption-exchange units		**466**	(5)	285
Special limited partner		**—**	—	157
BBUC exchangeable shares		**487**	(22)	—
Preferred securities		**83**	27	—
Interest of others in operating subsidiaries		**2,531**	(84)	1,672
		$ 4,065	$ (91)	$ 2,436

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS FOR BROOKFIELD BUSINESS PARTNERS L.P.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Limited partners					Non-controlling interests					
(US$ MILLIONS)	Capital	Retained earnings	Ownership changes	Accumulated other comprehensive income (loss) [1]	Total limited partners	Redemption-exchange units	Special limited partner units	BBUC exchangeable shares	Preferred securities	Interest of others in operating subsidiaries	Total equity
Balance as at January 1, 2023	**$ 2,114**	**$ 97**	**$ (660)**	**$ (143)**	**$ 1,408**	**$ 1,318**	**$ —**	**$ 1,378**	**$ 1,490**	**$ 12,835**	**$ 18,429**
Net income (loss)	—	482	—	—	**482**	**451**	**—**	**472**	**83**	**2,289**	**3,777**
Other comprehensive income (loss)	—	—	—	16	**16**	**15**	**—**	**15**	**—**	**242**	**288**
Total comprehensive income (loss)	—	482	—	16	**498**	**466**	**—**	**487**	**83**	**2,531**	**4,065**
Contributions	—	—	—	—	**—**	**—**	**—**	**—**	**—**	**1,561**	**1,561**
Distributions and capital paid [2]	—	(19)	—	—	**(19)**	**(17)**	**—**	**(18)**	**(833)**	**(4,310)**	**(5,197)**
Ownership changes [3]	—	(11)	41	(3)	**27**	**25**	**—**	**28**	**—**	**(401)**	**(321)**
Unit repurchases [2]	(5)	—	—	—	**(5)**	**—**	**—**	**—**	**—**	**—**	**(5)**
Balance as at December 31, 2023	**$ 2,109**	**$ 549**	**$ (619)**	**$ (130)**	**$ 1,909**	**$ 1,792**	**$ —**	**$ 1,875**	**$ 740**	**$ 12,216**	**$ 18,532**
Balance as at January 1, 2022	$ 2,192	$ 63	$ 150	$ (153)	$ 2,252	$ 2,011	$ —	$ —	$ 15	$ 8,722	$ 13,000
Adoption of new accounting standards [4]	—	1	—	1	2	2	—	1	—	12	17
As adjusted opening balance January 1, 2022	2,192	64	150	(152)	2,254	2,013	—	1	15	8,734	13,017
Net income (loss)	—	36	—	—	36	34	—	28	27	115	240
Other comprehensive income (loss)	—	—	—	(43)	(43)	(39)	—	(50)	—	(199)	(331)
Total comprehensive income (loss)	—	36	—	(43)	(7)	(5)	—	(22)	27	(84)	(91)
Contributions	—	—	—	—	—	—	—	—	1,475	1,787	3,262
Distributions and capital paid [2]	—	(19)	—	—	(19)	(17)	—	(14)	(27)	(2,419)	(2,496)
Ownership changes [3]	—	16	(24)	5	(3)	7	—	(6)	—	871	869
Unit repurchases [2]	(78)	—	—	—	(78)	—	—	—	—	—	(78)
Issuance of BBUC exchangeable shares [5]	—	—	(786)	47	(739)	(680)	—	1,419	—	—	—
Acquisition of interest [6]	—	—	—	—	—	—	—	—	—	3,946	3,946
Balance as at December 31, 2022	$ 2,114	$ 97	$ (660)	$ (143)	$ 1,408	$ 1,318	$ —	$ 1,378	$ 1,490	$ 12,835	$ 18,429

(1) See Note 20 for additional information.

(2) See Note 19 for additional information on distributions and Unit repurchases.

(3) Includes gains or losses on changes in ownership interests of consolidated subsidiaries.

(4) See Note 2(ae) for further details.

(5) See Note 1 and Note 19 for additional information on BBUC exchangeable shares.

(6) See Note 3 for additional information.

(US$ MILLIONS)	Limited partners: Capital	Limited partners: Retained earnings	Limited partners: Ownership changes	Limited partners: Accumulated other comprehensive income (loss) [(1)]	Limited partners: Total limited partners	Non-controlling interests: Redemption-exchange units	Non-controlling interests: Special limited partner units	Non-controlling interests: BBUC exchangeable shares	Non-controlling interests: Preferred securities	Non-controlling interests: Interest of others in operating subsidiaries	Total equity
Balance as at January 1, 2021	$ 2,275	$ (235)	$ 68	$ (180)	$ 1,928	$ 1,549	$ —	$ —	$ 15	$ 7,845	$ 11,337
Net income (loss)	—	258	—	—	258	228	157	—	—	1,510	2,153
Other comprehensive income (loss)	—	—	—	64	64	57	—	—	—	162	283
Total comprehensive income (loss)	—	258	—	64	322	285	157	—	—	1,672	2,436
Contributions	—	—	—	—	—	—	—	—	—	1,094	1,094
Distributions and capital paid	—	(20)	—	—	(20)	(17)	(157)	—	—	(1,935)	(2,129)
Ownership changes [(2)]	—	60	82	(37)	105	194	—	—	—	(2,039)	(1,740)
Unit repurchases	(83)	—	—	—	(83)	—	—	—	—	—	(83)
Acquisition of interest	—	—	—	—	—	—	—	—	—	2,085	2,085
Balance as at December 31, 2021	$ 2,192	$ 63	$ 150	$ (153)	$ 2,252	$ 2,011	$ —	$ —	$ 15	$ 8,722	$ 13,000

(1) See Note 20 for additional information.

(2) Includes gains or losses on changes in ownership interests of consolidated subsidiaries.

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS FOR BROOKFIELD BUSINESS PARTNERS L.P.
CONSOLIDATED STATEMENTS OF CASH FLOW

(US$ MILLIONS)	Notes	2023	2022	2021
Operating Activities				
Net income (loss)		**$ 3,777**	$ 240	$ 2,153
Adjusted for the following items:				
Equity accounted earnings, net of distributions	14	**40**	2	76
Impairment expense (reversal), net		**831**	(9)	440
Depreciation and amortization expense	21	**3,592**	3,223	2,283
Gain on acquisitions/dispositions, net	8	**(4,686)**	(28)	(1,823)
Provisions and other items		**(810)**	451	77
Deferred income tax expense (recovery)	18	**(830)**	(777)	(371)
Changes in non-cash working capital, net	29	**216**	(2,091)	(1,142)
Cash from (used in) operating activities		**2,130**	1,011	1,693
Financing Activities				
Proceeds from non-recourse subsidiary borrowings of the partnership		**15,570**	24,366	10,758
Repayment of non-recourse subsidiary borrowings of the partnership		**(15,807)**	(10,946)	(5,031)
Proceeds from corporate borrowings		**565**	847	2,006
Repayment of corporate borrowings		**(1,225)**	(366)	(997)
Proceeds from other financing		**446**	214	144
Repayment of other financing		**(257)**	(126)	(130)
Proceeds from (repayment of) other credit facilities, net		**(46)**	44	343
Lease liability repayment		**(384)**	(356)	(264)
Capital provided by others who have interests in operating subsidiaries	19	**2,093**	5,719	3,667
Capital provided by preferred securities holders		**—**	1,475	—
Capital paid to others who have interests in operating subsidiaries		**—**	—	(1,336)
Partnership units repurchased	19	**(5)**	(78)	(83)
Distributions to limited partners, Redemption-Exchange unitholders and BBUC exchangeable shareholders	19	**(56)**	(50)	(37)
Distributions and capital paid to preferred securities holders	19	**(837)**	(9)	—
Distributions to Special limited partner	19	**—**	(78)	(79)
Distributions and capital paid to others who have interests in operating subsidiaries	19	**(4,428)**	(2,586)	(1,898)
Cash from (used in) financing activities		**(4,371)**	18,070	7,063
Investing Activities				
Acquisitions				
Subsidiaries, net of cash acquired	3	**(731)**	(17,145)	(8,944)
Property, plant and equipment and intangible assets		**(2,288)**	(1,748)	(1,450)
Equity accounted investments		**(234)**	(134)	(6)
Financial assets and other		**(2,470)**	(2,959)	(3,412)
Dispositions				
Subsidiaries, net of cash disposed		**4,586**	—	349
Property, plant and equipment and intangible assets		**83**	181	124
Equity accounted investments		**7**	1	327
Financial assets and other		**3,535**	2,596	3,483
Net settlement of derivative assets and liabilities		**13**	411	27
Restricted cash and deposits		**36**	76	576
Cash from (used in) investing activities		**2,537**	(18,721)	(8,926)
Cash and cash equivalents				
Change during the period		**296**	360	(170)
Impact of foreign exchange		**86**	(78)	15
Balance, beginning of year		**2,870**	2,588	2,743
Balance, end of period		**$ 3,252**	$ 2,870	$ 2,588

Supplemental cash flow information is presented in Note 29.

The accompanying notes are an integral part of the consolidated financial statements.

BROOKFIELD BUSINESS PARTNERS L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021

NOTE 1. ORGANIZATION AND DESCRIPTION OF THE BUSINESS

Brookfield Business Partners L.P. and its subsidiaries (collectively, the "partnership") is an owner and operator of business services and industrials operations on a global basis. Brookfield Business Partners L.P. was established as a limited partnership under the laws of Bermuda, and organized pursuant to a limited partnership agreement as amended on May 31, 2016, and as thereafter amended. Brookfield Corporation (or together with its controlled subsidiaries, excluding the partnership, "Brookfield") is the ultimate parent of the partnership. Brookfield Business Partners L.P.'s limited partnership units are listed on the New York Stock Exchange ("NYSE") and the Toronto Stock Exchange ("TSX") under the symbols "BBU" and "BBU.UN", respectively. The registered head office of Brookfield Business Partners L.P. is 73 Front Street, 5th Floor, Hamilton HM 12, Bermuda.

Brookfield Business Partners L.P.'s sole direct investment consists of managing general partnership units ("Managing General Partner Units") of Brookfield Business L.P. (the "Holding LP"), which holds the partnership's interests in its operating businesses. The partnership's consolidated equity interests include the non-voting publicly traded limited partnership units ("LP Units") held by public unitholders and Brookfield, general partner units held by Brookfield ("GP Units"), redemption-exchange partnership units ("Redemption-Exchange Units") in the Holding LP held by Brookfield, special limited partnership units ("Special LP Units") in the Holding LP held by Brookfield and class A exchangeable subordinate voting shares ("BBUC exchangeable shares") of Brookfield Business Corporation ("BBUC"), a consolidated subsidiary of the partnership, held by the public and Brookfield. Holders of the LP Units, GP Units, Redemption-Exchange Units, Special LP Units and BBUC exchangeable shares will be collectively referred to throughout as "Unitholders", unless the context indicates or requires otherwise. LP Units, GP Units, Redemption-Exchange Units, Special LP Units and BBUC exchangeable shares will be collectively referred to throughout as "Units" unless the context indicates or requires otherwise.

The partnership's principal operations include business services operations, such as a residential mortgage insurer, healthcare services, a construction operation and a dealer software and technology services operation. The partnership's industrial operations includes an advanced energy storage operation and an engineered components manufacturing operation, among others. The partnership's operations also include infrastructure services which comprise an offshore oil services, a modular building leasing services and a lottery services operation. The partnership's operations are primarily located in the United States, the United Kingdom, Europe, Australia, Canada and Brazil.

Brookfield Business Corporation

On March 15, 2022, the partnership completed a special distribution (the "special distribution") whereby holders of LP Units and GP Units of record as of March 7, 2022 (the "Record Date") received one BBUC exchangeable share, for every two Units held (the "special distribution").

Immediately prior to the special distribution, the partnership received BBUC exchangeable shares through a distribution of BBUC exchangeable shares by the Holding LP (the "Holding LP Distribution") to all of its unitholders. As a result of the Holding LP Distribution, (i) Brookfield and its subsidiaries received approximately 35 million BBUC exchangeable shares and (ii) the partnership received approximately 38 million BBUC exchangeable shares, which it subsequently distributed to its unitholders pursuant to the special distribution. Immediately following the special distribution, (i) holders of LP Units, excluding Brookfield, held approximately 35.3% of the issued and outstanding BBUC exchangeable shares, (ii) Brookfield and its affiliates held approximately 64.7% of the issued and outstanding BBUC exchangeable shares, and (iii) a subsidiary of the partnership owned all of the issued and outstanding class B multiple voting shares, or class B shares, which represent a 75% voting interest in BBUC, and all of the issued and outstanding class C non-voting shares, or class C shares, of BBUC. The class C shares entitle the partnership to all of the residual value in BBUC after payment in full of the amount due to holders of BBUC exchangeable shares and class B shares.

The partnership directly and indirectly controlled BBUC prior to the special distribution and continues to control BBUC subsequent to the special distribution through its interests in BBUC. The BBUC exchangeable shares are listed on the NYSE and the TSX under the symbol "BBUC".

NOTE 2. MATERIAL ACCOUNTING POLICIES

(a) Basis of presentation

These consolidated financial statements of the partnership and its subsidiaries ("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 are prepared on a going concern basis and have been presented in U.S. dollars rounded to the nearest million unless otherwise indicated. Certain comparative figures have been reclassified to conform to the current year's presentation. The accounting policies and methodologies set out below have been applied consistently. Policies not effective for the current accounting period are described later in Note 2 (af), under Future changes in accounting policies.

These consolidated financial statements have been adjusted to reflect the adoption of IFRS 17 on January 1, 2023 with a transition date of January 1, 2022. Refer to Note 2(ae) for additional details.

These consolidated financial statements were approved by the Board of Directors of the partnership's general partner and authorized for issue on March 1, 2024.

(b) Basis of consolidation

The consolidated financial statements include the accounts of the partnership and its consolidated subsidiaries, which are the entities over which the partnership has control. An 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. Non-controlling interests in the equity of the partnership's subsidiaries held by others and the Redemption-Exchange Units, Special LP Units and preferred shares held by Brookfield in the Holding LP and the holding entities respectively are shown separately in equity in the consolidated statements of financial position. Intercompany transactions within the partnership have been eliminated.

Brookfield Business Partners L.P., through its managing general partnership interest, is the managing general partner of the Holding LP, and thus controls the Holding LP. The partnership has entered into voting agreements with various affiliates of Brookfield whereby the partnership effectively obtains control of the subsidiaries with respect to which the agreements were put in place. Accordingly, the partnership consolidates the accounts of the Holding LP and its other subsidiaries.

The partnership has entered into voting arrangements with Brookfield and its institutional partners, whereby the partnership gained control of certain investees. These voting arrangements provide the partnership the authority to direct the relevant activities of the investees, among other things, and therefore provide the partnership with control. Accordingly, the partnership consolidated the accounts of these investees.

(c) Interests in other entities

(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 obtained control, and continue to be consolidated until the date when control is lost. The partnership 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.

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 capital in addition to changes in ownership interests. Total comprehensive income (loss) is attributed to non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

All intercompany balances, transactions, revenues and expenses are eliminated in full.

BROOKFIELD BUSINESS PARTNERS L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021

The following table presents details of wholly-owned subsidiaries of the partnership as of December 31, 2023 and 2022:

Business type	Name of entity	Country of incorporation	Voting interest 2023	Voting interest 2022	Economic interest 2023	Economic interest 2022
Business services						
Construction operation	Multiplex Global Limited	United Kingdom	**100 %**	100 %	**100 %**	100 %

The following table presents details of material non-wholly owned subsidiaries of the partnership as of December 31, 2023 and 2022:

Business type	Name of entity	Country of incorporation	Voting interest 2023	Voting interest 2022	Economic interest 2023	Economic interest 2022
Business services						
Road fuels operation	Greenergy Fuels Holding Limited	England	**88 %**	88 %	**18 %**	18 %
Healthcare services	Healthscope Pty Ltd	Australia	**100 %**	100 %	**28 %**	28 %
Fleet management and car rental services	Unidas Locadora S.A.	Brazil	**100 %**	100 %	**35 %**	35 %
Residential mortgage insurer	Sagen MI Canada Inc.	Canada	**100 %**	100 %	**41 %**	41 %
Indian non-bank financial services operation	IndoStar Capital Finance Limited	India	**56 %**	56 %	**20 %**	20 %
Australian residential mortgage lender	La Trobe Financial Services Pty Limited	Australia	**100 %**	100 %	**35 %**	40 %
Dealer software and technology services operation	CDK Global II LLC	United States	**100 %**	100 %	**26 %**	29 %
Payment processing services operation	Magnati - Sole Proprietorship L.L.C.	United Arab Emirates	**60 %**	60 %	**22 %**	22 %
Infrastructure services						
Offshore oil services	Altera Infrastructure L.P.	United States	**88 %**	99 %	**53 %**	43 %
Modular building leasing services	Modulaire Investments 2 S.à r.l.	Luxembourg	**100 %**	100 %	**28 %**	28 %
Lottery services operation	Scientific Games Holdings LP	United States	**100 %**	100 %	**33 %**	36 %
Industrials						
Water and wastewater operation	BRK Ambiental Participações S.A.	Brazil	**70 %**	70 %	**26 %**	26 %
Returnable plastic packaging operation	Schoeller Allibert Group B.V.	Netherlands	**52 %**	52 %	**14 %**	14 %
Natural gas production	Ember Resources Inc.	Canada	**100 %**	100 %	**46 %**	46 %
Advanced energy storage operation	Clarios Global LP	United States	**100 %**	100 %	**28 %**	28 %
Solar power solutions	Descarbonize Soluções S.A.	Brazil	**100 %**	100 %	**35 %**	35 %
Engineered components manufacturing operation	DexKo Global Inc.	United States	**100 %**	100 %	**33 %**	34 %

(ii) Associates and joint ventures

Associates are entities over which the partnership 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 partnership accounts for associates and joint ventures in the consolidated financial statements using the equity method.

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 fair value of the investee's identifiable assets and liabilities, the partnership 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 partnership's proportionate share of the fair value of the investee's identifiable assets and liabilities, 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 partnership's interest in an associate or joint venture is adjusted for the partnership'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. The carrying value of associates or joint ventures is assessed for impairment at each reporting date. Impairment losses on equity accounted investments may be subsequently reversed in net income. Further information on the impairment of long-lived assets is available in Note 2 (l).

(d) Foreign currency translation

The U.S. dollar is the functional and presentation currency of the partnership. Each of the partnership's subsidiaries and equity accounted investments determines its own functional currency and items included in the consolidated financial statements of each subsidiary and equity accounted investment 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 exchange rate prevailing at the reporting date and non-monetary assets and liabilities are measured at their historic cost and translated at the exchange rate on the transaction date. Gains or losses on translation of these items are included in the consolidated statements of operating results.

(e) Business combinations

Business acquisitions, in which control is acquired, are accounted for using the acquisition method in accordance with IFRS 3, *Business combinations* ("IFRS 3"), other than those between 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 the partnership in exchange for control of the acquiree. Transaction costs are recognized in the consolidated statements of operating results as incurred and included in other income (expense), net.

Where applicable, the consideration for each 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 assets or liabilities will be recognized in the consolidated statements of operating results, whereas changes in the fair values of contingent consideration classified within equity are not subsequently remeasured.

Where a business combination is achieved in stages, the partnership's previously held interests in the acquired entity are remeasured to fair value at the acquisition date, that is, the date the partnership attains control. The resulting gain or loss, if any, is recognized in the consolidated statements of operating results or consolidated statements of other comprehensive income (loss). Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income (loss) shall be recognized on the same basis as would be required if the partnership had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the acquisition occurs, the partnership 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 the partnership obtains complete information about facts and circumstances that existed as of the acquisition date. The measurement period is a maximum of one year subsequent to the acquisition date.

If, after reassessment, the partnership'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 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 IFRS 15, *Revenue from contracts with customers* ("IFRS 15"), if applicable.

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand, non-restricted deposits and short-term investments with original maturities of three months or less.

(g) Accounts and other receivable, net

Accounts and other receivable, net include trade receivables, construction retentions and other unbilled receivables, which are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less any allowance for expected credit losses.

(h) Inventory, net

Inventory, net, with the exception of certain fuel inventories, is valued at the lower of cost and net realizable value. Cost is determined using specific identification where possible and practicable or using the first-in, first-out or weighted average method. Costs include direct and indirect expenditures incurred in bringing the inventory to its existing condition and location. Net realizable value represents the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Fuel inventories are traded in active markets and are purchased with the view to resell in the near future, generating a profit from fluctuations in prices or margins. As a result, fuel inventories are carried at market value by reference to quoted prices in an active market, in accordance with the commodity broker-trader exemption granted by IAS 2, *Inventories*. Changes in fair value less costs to sell are recognized in the consolidated statements of operating results in direct operating costs. Products and chemicals used in the production of biofuels are valued at the lower of cost and net realizable value.

(i) Renewable transport fuel obligations ("RTFO")

Under the United Kingdom government's RTFO Order, which regulates biofuels used for transport and non-road mobile machinery, the partnership's road fuels operation is required to meet annual targets for the supply of biofuels. The obligations which arise are either settled by cash or through the delivery of certificates which are generated by blending biofuels. To the extent that the partnership generates certificates in excess of its current year obligation, these can either be carried forward to offset up to 25% of the next year's obligation or sold to other parties.

Certificates generated or purchased during the year which will be used to settle the current obligation are recognized in inventory at the lower of cost and net realizable value. Where certificates are generated, cost is deemed to be the average cost of blending biofuels during the year in which the certificates are generated.

Certificates held for sale to third parties are recognized in inventory at fair value. There is an externally quoted marketplace for RTFO certificates, of which the average between bid and ask price is relied upon to determine the fair value of the RTFO certificate held for trading. Changes in market prices of the certificates and the quantity of tickets considered to be realizable through external sales are recognized immediately in the consolidated statements of operating results. Certificates for which no active market is deemed to exist are not recognized.

The liability associated with the obligations under the RTFO is recognized in the year in which the obligation arises and is valued by reference to either the cost of generating the certificates which will be surrendered to meet the obligation or the expected future cash outflow where the obligation is settled. The liability is recorded in accounts payable and other.

(j) Related party transactions

In the normal course of operations, the partnership enters into various transactions 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 25.

(k) Property, plant and equipment

Property, plant and equipment ("PP&E"), which includes right-of-use assets, is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, and the cost of dismantling and removing the items and restoring the site on which they are located.

Depreciation of an asset commences when it is available for use. PP&E is depreciated for each component of the asset classes as follows:

Buildings	Up to 50 years
Right-of-use assets	Up to 40 years but not exceeding the term of the lease
Machinery and equipment	Up to 25 years
Vessels	Up to 35 years
Oil and gas related equipment and mining property	Units of production

Depreciation on PP&E is calculated so as to recognize in the consolidated statements of operating results the net cost of each asset over its expected useful life to its estimated residual value. Buildings, machinery, equipment and vessels are depreciated over their expected useful lives on a straight-line basis. Right-of-use assets are depreciated over the period of the lease or estimated useful life, whichever is shorter, on a straight-line basis. 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.

The net carrying value of oil and gas properties is depleted using the units-of-production method based on estimated proved plus probable oil and natural gas reserves. Future development costs, which are the estimated costs necessary to bring those reserves into production, are included in the depletable base. For purposes of this calculation, oil and natural gas reserves are converted to a common unit of measurement on the basis of their relative energy content where six thousand cubic feet of natural gas equates to one barrel of oil.

(l) Asset impairment

At each reporting date, the partnership assesses whether for assets, other than those measured at fair value with changes in fair value 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, structural changes in the industry, changes in the level of demand, physical damage and obsolescence due to technological progress. An impairment is recognized if the recoverable amount of the asset, determined as the higher of the estimated fair value less costs of disposal or the value in use, is less than its 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 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.

(m) Intangible assets

Intangible assets acquired in a business combination are recognized separately from goodwill and are initially recognized at their fair values at the acquisition date. The partnership's intangible assets comprise primarily water and sewage concession rights, brands and trademarks, computer software, customer relationships, and proprietary technology.

Subsequent to initial recognition, intangible assets are reported at cost less any accumulated amortization and any accumulated impairment losses. Finite life intangible assets are amortized on a straight-line basis over the following useful lives:

Water and sewage concession rights	Up to 50 years
Brand and trademarks	Up to 40 years
Computer software	Up to 20 years
Customer relationships	Up to 20 years
Proprietary technology	Up to 15 years

Certain of the partnership's intangible assets have an indefinite life, as described in Note 12, 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 partnership's indefinite life intangible assets is recorded in the period in which the impairment is identified.

Where an impairment loss subsequently reverses, the carrying amount of the asset 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. Any impairment losses or subsequent reversals are recorded in the consolidated statements of operating results in impairment reversal (expense), net.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and are recognized in the consolidated statements of operating results in other income (expense), net when the asset is derecognized.

(n) Goodwill

Goodwill represents the excess of the price paid for the acquisition of a business over the fair value of the identifiable assets and liabilities acquired. Goodwill is allocated to the cash-generating unit or units to which it relates. The partnership identifies cash-generating units as identifiable groups of assets whose cash inflows are largely independent of the cash inflows from other assets or groups of assets.

Goodwill is evaluated for impairment on an annual basis 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 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 impairment expense, net in the consolidated statements of operating results 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.

(o) Revenues from contracts with customers

Business services

Construction operation

The partnership's construction operation business provides end-to-end design and development solutions under contracts with its customers. The partnership recognizes revenues on these contracts over a period of time. The partnership uses an input method, the cost-to-cost method, to measure progress towards complete satisfaction of the performance obligations under IFRS 15.

As work is performed, a contract asset in the form of contracts in progress is recognized, which is reclassified to accounts receivable when invoiced to the customer. If payment is received in advance of work being completed, a contract liability is recognized. Refer to Note 16 for further information on contracts in progress balances. There is not considered to be a significant financing component in construction contracts as the period between the recognition of revenues under the cost-to-cost method and when payment is received is typically less than one year.

IFRS 15 requires a highly probable criterion be met with regards to recognizing revenue arising from variable consideration resulting from contract modifications and claims. Claims are accounted for as variable consideration only when it is highly probable that revenue will not reverse in the future. Revenues from contract modifications are treated as variable consideration when changes to the contract are approved by the customer but the price is not agreed or is not fixed.

Road fuels operation

Revenues from the sale of goods in the partnership's road fuels operation represent sales of fuel products inclusive of RTFO certificates, excluding value added taxes but including excise duty, which has been assessed to be a production tax and recorded as part of consideration received. RTFO certificates are deemed part of the transaction price as the RTFO is not collected on behalf of another entity. When the RTFO is settled via non-cash consideration, the fair value of the non–cash consideration is included in the transaction price at the measurement date, of which is deemed to be the same as the cash portion. This is the fair value of the RTFO certificate at that point in time, unless it is higher than the 'buy-out' of the obligation, of which the price is set by the Department of Transport, in which case that becomes the fair value of consideration receivable. Revenues are recognized at the point that title passes to the customer.

Healthcare services

Revenues from contracts with customers are recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the partnership's healthcare services is entitled to in exchange for those goods or services. The partnership's healthcare services has concluded that it is the principal in its revenue arrangements as it typically controls the goods or services before transferring them to the customers.

The partnership's healthcare services has two types of performance obligations: hospital services and hospital management services. For hospital services, revenue for each surgical and non-surgical service provided to a patient is recognized over the period from admission of the patient to discharge. For hospital management services, revenue from management fee income is recognized in accordance with the relevant agreement.

Dealer software and technology services operation

The majority of revenue generated by the partnership's dealer software and technology services operation is from contracts with multiple performance obligations. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The partnership is required to develop its best estimate of standalone selling price for each distinct good or service as the basis for allocating the total transaction price. The primary method used to estimate standalone selling price is the adjusted market assessment approach, with some product categories using the expected cost plus a margin approach.

The partnership's dealer software and technology services operation primarily generates revenues from the provision of software and technology solutions for automotive retailers and OEMs, which includes:

- Dealer Management Systems ("DMSs") and layered applications, which may be installed on-site at the customer's location, or hosted and provided on a software-as-a-service ("SaaS") basis, including ongoing maintenance and support;
- Interrelated services such as installation, initial training, and data updates.

SaaS and other hosted service arrangements, which allow the customer continuous access to the software over the contract period without taking control of the software, are provided on a subscription basis. Under these arrangements the customer obtains access to the software which resides and is maintained on the managed servers of the dealer software and technology services operation of the partnership. The customer does not obtain the right to take possession of the software therefore these arrangements are determined not to include a software license. The support, maintenance and hosting services are not distinct from the SaaS and other hosted services within the context of the contract and are provided over the same period and have the same pattern of transfer of control, and therefore are combined and recognized as a single performance obligation. Setup activities such as installation, initial training and data updates that must be undertaken to fulfill the contract are considered fulfillment activities that do not transfer service to the customer. In addition to the core DMS software application, the customer may also contract for layered applications, which are each considered a distinct performance obligation.

Revenue for SaaS and other hosted service arrangements are recognized ratably over the duration of the contract. The partnership's obligation under these arrangements is to stand ready to perform the underlying services as required by the customer. The customer receives the benefit of the services, and the partnership's dealer software and technology services operation has the right to payment as the services are performed. A time-elapsed output method is used to measure progress as the partnership's dealer software and technology services operation transfers control evenly over the duration of the contract.

Technology services operation

The partnership's interest in its technology services operation was partially sold in December 2023, resulting in the deconsolidation of the business and the recognition of an equity accounted investment. Revenue recognized during the period prior to the deconsolidation corresponds to the following major sources: (i) business process outsourcing, (ii) training services and (iii) supplemental activities.

Business process outsourcing revenues are recognized as the services are performed based on hourly or per-connect minute contractual rates. Training services revenues represents amounts billable to the client at an agreed hourly rate for the agents being trained prior to servicing a particular account. Revenues from supplemental activities such as information technology services are recognized when the services are rendered.

Revenues comprise the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the partnership's technology services operation activities. Sales are presented net of value added tax, rebates and discounts.

Revenues from the rendering of services is recognized in the accounting period in which the services are rendered based on agreed price with the customers.

Infrastructure services

Modular building leasing services

The primary source of revenues from the partnership's modular building leasing services is leasing modular units and other product offerings, including rentals of steps, ramps, furniture, fire extinguishers, air conditioners, wireless internet access points, damage waivers and service plans. Leasing revenue is recognized under the requirements of IFRS 16, *Leases* ("IFRS 16"), whereas the other revenue streams are recognized under IFRS 15.

Modular delivery and installation services revenue includes fees charged for the delivery, setup, knockdown and pick-up of leasing equipment to and from the customers' premises and repositioning the leasing equipment. Modular delivery and installation services revenue is generally recognized over time as the customer simultaneously receives and consumes the benefits of the performance as services are performed.

Revenues generated from the sale of new and used modular space and portable storage units are recognized at a point in time when the customer obtains control of the asset, which includes a present right to payment, legal title, physical possession, risk and rewards of ownership and acceptance of the asset, which generally occurs upon delivery of the asset.

Revenues generated from modular construction projects are generally recognized over time as the performance creates or enhances an asset that the customer controls and/or in some cases, creates a specific asset with no alternative use with an enforceable right to payment for performance completed to date. Fixed price construction projects generally use a cost-to-cost input method to measure the progress towards complete satisfaction of the performance obligations as it best depicts the transfer of control to the customer.

Revenues generated from remote accommodation leasing and services revenue relates to the leasing and operation of remote workforce accommodations where the business provides housing, catering and transportation to meet the customers' requirements. This activity has been determined to be a series of accommodation services for which the customer simultaneously receives and consumes the benefits provided as they are performed. The revenue is recognized over time based on the number of nights of accommodation services delivered.

Nuclear technology services operation

The partnership's interest in its nuclear technology services operation was sold in November 2023, resulting in the deconsolidation of the business. During the period prior to the disposal, revenues from sales of products are recognized at a point in time when the product is shipped and control passes to the customer. Revenues from contracts to provide engineering, design or other services are recognized and reported over time based on an appropriate measure of progress. The partnership's nuclear technology services operation uses an input method, the cost-to-cost method, to measure progress towards complete satisfaction of the performance obligations under IFRS 15.

IFRS 15 requires a highly probable criterion be met with regards to recognizing revenues arising from variable consideration and contract modification and claims. For variable consideration, revenues are only to be recognized to the extent that it is highly probable that a significant reversal in the amount of revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. The partnership's nuclear technology services operation includes in its contract estimates additional revenue for submitted contract modifications or claims against the customer or others when it believes that it has an enforceable right to the modification or claim, the amount can be estimated reliably, and its realization is probable. The partnership's nuclear technology services operation includes incentive fees in the estimated transaction price when there is a basis to reasonably estimate the amount of the fee.

Offshore oil services

The primary source of revenues from the partnership's offshore oil services is chartering its vessels and offshore units to its customers. The partnership's primary forms of contracts consist of floating production storage and offloading ("FPSO") contracts and contracts of affreightment ("CoA").

- FPSO contracts: Pursuant to an FPSO contract, the partnership charters an FPSO unit to a customer for a fixed period of time, generally more than one year. The performance obligations within an FPSO contract, which will include the use of the FPSO unit to the charterer as well as the operation of the FPSO unit, are satisfied as services are rendered over the duration of such contract, as measured using the time that has elapsed from commencement of performance.

Some FPSO contracts include variable consideration components in the form of expense adjustments or reimbursements, incentive compensation and penalties. Variable consideration under the partnership's contracts is typically recognized as earned as either such revenues are allocated and accounted for under lease accounting requirements or alternatively such consideration is allocated to the distinct period in which such variable consideration was earned.

- Contracts of Affreightment: Voyages performed pursuant to a CoA for the partnership's shuttle tankers are priced based on the pre-agreed terms in the CoA. The performance obligations within a voyage performed pursuant to a CoA, which typically include the use of the vessel to the charterer as well as the operation of the vessel, are satisfied as services are rendered over the duration of the voyage, as measured using the time that has elapsed from commencement of performance. The duration of a single voyage will typically be less than two weeks.

Industrials

Manufacturing

Sales of goods are recognized at a point in time when control of the product is passed to the customer. Services revenues are recognized over time when the services are provided over time.

Water and wastewater operation

Revenues from the provision of water and wastewater operation are recognized over time as the provision of water and wastewater operation are delivered. Revenues from the sale of industrial water is recognized when control of the product passes to the customer, which generally coincides with the time of billing.

Revenues from construction are determined and recognized using an input method based on the costs incurred on an accrual basis plus an applicable profit margin.

(p) Contract work in progress

The gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognized profits (less recognized losses) exceed progress billings, is generally presented as an asset. Progress billings not yet paid by customers and retentions are included in accounts and other receivable, net on the consolidated statements of financial position. The gross amounts due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognized profits (less recognized losses) is generally presented as a liability in accounts payable and other.

Construction work in progress on construction contracts is stated at cost plus profit recognized to date calculated in accordance with performance obligations satisfied over time, including retentions payable and receivable, less a provision for foreseeable losses and progress payments received to date.

(q) Financial instruments and hedge accounting

Classification and measurement

The table below summarizes the partnership's classification and measurement of financial assets and liabilities, under IFRS 9, *Financial instruments* ("IFRS 9"):

	IFRS 9 measurement category	Consolidated statements of financial position account
Financial assets		
Cash and cash equivalents	Amortized cost	Cash and cash equivalents
Accounts receivable	Amortized cost	Accounts and other receivable, net
Restricted cash	Amortized cost	Financial assets
Equity securities	FVTPL / FVOCI	Financial assets
Debt securities	Amortized cost / FVTPL / FVOCI	Financial assets
Derivative assets	FVTPL [(1)]	Financial assets
Other financial assets	Amortized cost / FVTPL / FVOCI	Financial assets
Financial liabilities		
Borrowings	Amortized cost	Non-recourse borrowings in subsidiaries of the partnership and Corporate borrowings
Accounts payable and other	Amortized cost	Accounts payable and other
Derivative liabilities	FVTPL [(1)]	Accounts payable and other

(1) Derivative assets and liabilities are classified and measured at FVTPL except those designated in hedging relationships.

The classification of financial instruments depends on the specific business model for managing the financial instruments and the contractual cash flow characteristics of the financial asset. The partnership maintains a portfolio of marketable securities comprising equity and debt securities. Marketable securities are recognized at fair value on their trade date. They are subsequently measured at fair value at each reporting date with the change in fair value recorded in either profit or loss ("FVTPL") or other comprehensive income ("FVOCI"). For investments in debt instruments, subsequent measurement will depend on the business model for which the investments are held and the cash flow characteristics of the debt instruments.

At initial recognition, the partnership measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets measured at FVTPL are expensed in other income (expense), net in the consolidated statements of operating results.

Financial assets carried at amortized cost are measured based on their contractual cash flow characteristics and the business model for which they are held. Financial assets classified as amortized cost are recorded initially at fair value, then subsequently measured at amortized cost using the effective interest method, less any impairment.

Impairment of financial assets

The partnership recognizes an allowance for expected credit losses ("ECL") on financial assets including loans receivable and debt securities measured at amortized cost, debt securities measured at FVOCI and undrawn loan commitments. ECLs are also determined for trade receivables and contract assets. The ECL model consists of three stages: Stage 1 – twelve-month ECLs for performing financial assets, Stage 2 – Lifetime ECLs for financial assets that have experienced a significant increase in credit risk since initial recognition and Stage 3 – Lifetime ECLs for financial assets that are impaired.

The partnership calculates ECLs based on the shortfall between the probability weighted expected cash flows and the carrying value of the loan or investment and considers reasonable and supportable information about past events, current conditions and forecasts of future events and economic conditions that may impact the credit profile of the loans. Forward-looking information is considered when determining significant increase in credit risk and measuring expected credit losses. Forward-looking macroeconomic factors are incorporated in the risk parameters as relevant.

The partnership utilizes a simplified approach for measuring the loss allowance at an amount equal to the lifetime ECL for trade receivables and contract assets. The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The ECL provision is presented net within the corresponding financial asset balance on the consolidated statements of financial position with a corresponding expense recorded in direct operating costs in the consolidated statements of operating results.

Derivatives and hedging activities

The partnership selectively utilizes derivative financial instruments primarily to manage financial risks, including foreign exchange risks, interest rate risks and commodity price risks. Derivatives are recognized initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. 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 or 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

Net investment hedges

Realized and unrealized gains and losses on foreign exchange contracts and foreign currency debt that are 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.

Fair value hedges

Derivative financial instruments that are designated as hedges to offset corresponding changes in the fair value of assets and liabilities are measured at fair value with changes in fair value recorded in profit or loss against the fair value changes recorded in profit or loss corresponding to the hedged item.

Cash flow hedges

Unrealized gains and losses on commodity contracts designated as hedges of commodity price fluctuations are included in equity as a cash flow hedge when the commodity price risk relates to inputs to production of inventory. Upon settlement of the commodity contracts designated as cash flow hedges, the realized gains and losses are reclassified from equity into inventory as a basis adjustment. The impact of the commodity contracts designated as cash flow hedges is recognized in profit or loss when the inventory is sold.

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 contracts designated as hedges of debt are recorded on an accrual basis as an adjustment to interest expense.

Unrealized gains and losses on forward currency contracts designated as hedges of the partnership's exposure to foreign currency risk in forecast transactions and firm commitments are included in equity as a cash flow hedge. The amounts accumulated in equity are accounted for depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability.

(ii) Items not classified as hedges

Derivative financial instruments that are not designated as hedges are recorded at 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 and losses on derivatives not designated as hedges are recorded in other income (expense), net on the consolidated statements of operating results.

(r) Interest income

Interest from interest-bearing assets and liabilities not measured at FVTPL is recognized as interest income using the effective interest method. The effective interest rate is the rate that discounts expected future cash flows for the expected life of the financial instrument to its carrying value. The calculation takes into account the contractual interest rate, along with any fees or incremental costs that are directly attributable to the instrument and all other premiums or discounts.

(s) 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 partnership 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 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 is available in Note 4.

(t) Income taxes

Brookfield Business Partners L.P. 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 holding entities, and any direct or indirect consolidated subsidiaries of such holding entities. Income tax expense represents the sum of the current tax accrued in the period and deferred income tax.

(i) Current 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 reporting date.

(ii) Deferred income taxes

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 income tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable income nor the accounting income, other than in a business combination. 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 income tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and equity accounted investments and interests in joint ventures, except where the partnership 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 income 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 income tax liabilities and assets reflect the tax consequences that would follow from the manner in which the partnership expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred income 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 the partnership 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.

(u) Provisions

Provisions are recognized when the partnership has a present obligation, either legal or constructive, as a result of a past event, it is probable that the partnership will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are recorded within accounts payable and other in the consolidated statements of financial position with a corresponding expense recorded in other income (expense), net in the consolidated statements of operating results.

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.

(i) Provisions for defects

Provisions made for defects are based on a standard percentage charge of the aggregate contract value of completed construction projects and represents a provision for potential latent defects that generally manifest over a period of time following practical completion.

Claims against the partnership are also recorded as part of provisions for defects when it is probable that the partnership will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(ii) Decommissioning liabilities

Certain of the partnership’s subsidiaries record decommissioning liabilities related to the requirement to remediate the property where operations are conducted.

The partnership recognizes a decommissioning liability in the period in which it has a present legal or constructive liability and a reasonable estimate of the amount can be made. Liabilities are measured based on current requirements, technology and price levels and the present value is calculated using amounts discounted over the useful economic lives of the assets. Amounts are discounted using a rate that reflects the risks specific to the liability. On a periodic basis, management reviews these estimates and changes, if any, will be applied prospectively. The fair value of the estimated decommissioning liability is recorded as a long-term liability, with a corresponding increase in the carrying amount of the related asset. The liability amount is increased in each reporting period due to the passage of time, and the amount of accretion is charged to other income (expense), net in the period. Periodic revisions to the estimated timing of cash flows, to the original estimated undiscounted cost and to changes in the discount rate can also result in an increase or decrease to the decommissioning liability. Actual costs incurred upon settlement of the obligation are recorded against the decommissioning liability to the extent of the liability recorded.

(iii) Provisions for onerous contracts

Present obligations arising from onerous contracts are recognized as provisions in accounts payable and other, and measured at the present value of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. An onerous contract is considered to exist where the partnership has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received.

(v) Pensions and other post-employment benefits

Certain of the partnership’s subsidiaries offer post-employment benefits to their employees by way of a defined contribution plan. Payments to defined contribution pension plans are expensed as they fall due.

Certain of the partnership’s subsidiaries offer defined benefit plans. Defined benefit pension expense, which includes the current year’s service cost and net interest cost, is included within general and administrative expenses within the consolidated statements of operating results. For each defined benefit plan, the partnership recognizes the present value of its defined benefit obligations less the fair value of the plan assets, as a defined benefit asset or liability reported as other assets or accounts payable and other, respectively, in the consolidated statements of financial position. The partnership’s obligations under its defined benefit pension plans are determined periodically through the preparation of actuarial valuations.

The cost of pensions and other retirement benefits earned by employees is actuarially determined using the projected unit credit method (also known as the projected benefit method pro-rated on service) and management’s best estimate of salary escalation, retirement ages of employees and their expected future longevity.

For the purposes of calculating the expected return on plan assets, the plan assets are measured at fair value.

The partnership recognizes actuarial gains and losses in other comprehensive income (loss) in the period in which those gains and losses occur.

(w) 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.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell and are classified as current. Once classified as held for sale, neither of property, plant and equipment and intangible assets are depreciated or amortized.

(x) Insurance contracts

The partnership's insurance policies are classified as contracts without direct participating features and are measured using the general measurement approach under IFRS 17. The measurement approach is based on estimates of the present value of future cash flows that are expected to arise as the partnership fulfills the contracts, an explicit risk adjustment for non-financial risks and a contractual service margin. The risk adjustment for non-financial risk reflects the compensation that the insurer requires for bearing uncertainty about the amount and timing of cash flows. Estimates of the present value of future cash flows and a risk adjustment for non-financial risk are together referred to as fulfillment cash flows. The contractual service margin represents the unearned profit that is recognized as revenue systematically over the coverage period as insurance services are provided.

Mortgage insurance revenues earned in each reporting period primarily represents the changes in the liability for remaining coverage that relate to insurance contract services provided during the period and an allocation of premiums that relates to recovering insurance acquisition cash flows. For all periods presented, insurance revenues earned from insurance contracts are included under revenues in the consolidated statement of operating results.

The insurance contract liabilities are included in accounts payable and other, on the consolidated statement of financial position and the carrying amount at each reporting date is the sum of the liability for remaining coverage and the liability for incurred claims.

(a) Liability for remaining coverage

At inception of the insurance contract, a liability for remaining coverage is established which comprises the fulfillment cash flows related to services that will be provided in future periods and the contractual service margin at that date. If the fulfillment cash flows from a contract at the date of initial recognition are a net outflow, then the contract is considered onerous. A loss from onerous insurance contracts is recognized immediately in the consolidated statement of operating results.

All acquisition cash flows are included in the measurement of fulfillment cash flows and recognized within the insurance contract liabilities.

All cash flows are discounted using a market-based discount rate selected through a top-down approach that reflects the characteristics of the insurance contract liabilities. The partnership has elected to disaggregate insurance finance expense between amounts included in income and amounts included in other comprehensive income ("OCI"). Interest accretion is recognized as insurance finance expense in income while effect of changes in discount rates is recognized as insurance finance expense in OCI.

The risk adjustment has been determined using a confidence level technique.

The contractual service margin is recognized in income to reflect services provided in each reporting period based on the number of coverage units provided during the period, which is determined by considering, for each contract, the quantity of the benefits provided and its expected coverage period. The coverage units are reviewed and updated at each reporting date. The partnership determines the quantity of the benefits provided under its insurance contracts on the basis of Loss Given Default, which is defined as outstanding mortgage principal balance and expected costs of foreclosure, less the expected value of the property securing the claim.

(b) Liability for incurred claims

The liability for incurred claims includes the fulfillment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

Fulfillment cash flows include the cost of settling claims and cash flows from expected recovery of real estate assets in the event of default by borrowers (both reported and unreported) that have occurred on or before each reporting date, discounted to consider the time value of money using a market-based discount rate. The liability also incorporates a risk adjustment for non-financial risk using actuarially determined risk factors.

Accounting policy for insurance contracts for the year ended December 31, 2021

The following describes the partnership's accounting policy based on the guidance of IFRS 4 used to present and measure the results of the partnership's residential mortgage insurer for the year ended December 31, 2021.

(i) Premiums written, premiums earned and unearned premiums reserve

Mortgage insurance premiums are deferred and taken into revenues over the terms of the related policies. The unearned portion of premiums is included in accounts payable and other on the consolidated statements of financial position. Premiums written are recognized as premiums earned using a factor based premium recognition curve that is based on an expected loss emergence pattern. The partnership performs actuarial studies of loss emergence at least annually and may adjust the factors under which the premiums are earned in accordance with the results of such studies. Changes in the premium recognition curve are treated as a change in estimate and are recognized on a prospective basis.

A premium deficiency provision, if required, is determined as the excess of the present value of expected future losses on claims and expenses on policies in force (using an appropriate discount rate) over the unearned premiums reserve.

(ii) Risk fee

In conjunction with receiving credit support in the form of the Government of Canada guarantee, the partnership's residential mortgage insurer is subject to a risk fee equal to 2.25% of gross premiums written. The risk fee relates directly to the acquisition of new mortgage insurance business. Accordingly, it is subsequently deferred and expensed in proportion to and over the period in which premiums are earned and reflected in deferred policy acquisition costs under accounts and other receivable, net on the consolidated statements of financial position.

(iii) Losses on claims and loss reserves

Losses on claims include internal and external claims adjustment expenses and are recorded net of amounts received or expected to be received from recoveries.

Loss reserves represent the amount needed to provide for the expected ultimate net cost of settling claims including adjustment expenses related to defaults by borrowers (both reported and unreported) that have occurred on or before each reporting date. Loss reserves are recognized in accounts payable and other on the consolidated statements of financial position, and are discounted to take into account the time value of money. The partnership records a supplemental provision for adverse deviation based on an explicit margin for adverse deviation determined by an appointed actuary.

Increases to loss reserves are recognized as an expense in direct operating costs on the consolidated statements of operating results. Loss reserves are derecognized after a claim has been paid and the partnership's obligation under the policy has been fulfilled, or after a borrower has remedied a delinquent loan and management estimates that no loss will be incurred under the policy.

(y) Earnings (loss) per LP Unit

The partnership calculates basic earnings (loss) per unit by dividing net income (loss) attributable to limited partners by the weighted average number of LP Units outstanding during the period. For the purpose of calculating diluted earnings (loss) per unit, the partnership adjusts net income (loss) attributable to limited partners, and the weighted average number of LP Units outstanding for the effects of all dilutive potential LP Units.

(z) Segments

The partnership's operating segments are components of the business for which discrete financial information is reviewed regularly by the Chief Operating Decision Maker (the "CODM") to assess performance and make decisions regarding resource allocation. The partnership has assessed the CODM to be the Chief Executive Officer and Chief Financial Officer. The partnership's operating segments are business services, infrastructure services, industrials and corporate and other.

(aa) Leases

The partnership accounts for leases under IFRS 16. When the partnership is a lessee, the partnership assesses whether a contract is, or contains, a lease at inception of the contract and recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is a lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the partnership recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the future lease payments, discounted using the interest rate implicit in the lease, if that rate can be determined, or otherwise the incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise: (i) fixed lease payments, including in-substance fixed payments, less any lease incentives; (ii) variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date; (iii) the amount expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of purchase options, if it is reasonably certain that the option will be exercised; and (v) payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The partnership remeasures lease liabilities and makes a corresponding adjustment to the related right-of-use asset when: (i) the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate; (ii) the lease payments have changed due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or (iii) a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs. The right-of-use asset is subsequently measured at cost less accumulated depreciation and impairment losses. It is depreciated over the shorter period of the lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the partnership expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts on the commencement date of the lease. The partnership applies IAS 36, *Impairment of assets*, to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the asset impairment policy in Note 2 (l).

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are recorded in direct operating costs on the consolidated statements of operating results.

When the partnership is a lessor, a lease is classified as either a finance or operating lease on commencement of the lease contract. If the contract represents a finance lease in which the risk and rewards of ownership have transferred to the lessee, the partnership recognizes a finance lease receivable at an amount equal to the net investment in the lease discounted using the interest rate implicit in the lease. Subsequently, finance income is recognized at a constant rate on the net investment of the finance lease. Lease payments received from operating leases are recognized into income on a straight-line or other systematic basis.

(ab) Government assistance

The partnership applies IAS 20, *Accounting for government grants and disclosure of government assistance* (“IAS 20”) to account for government grants and other government assistance received by its subsidiaries. Government grants are recognized when there is reasonable assurance that the assistance will be received and the partnership will comply with all relevant conditions. The partnership recognizes government grants in the consolidated statements of operating results on a systematic basis over the periods in which the partnership recognizes expenses for which the grants were provided.

BROOKFIELD BUSINESS PARTNERS L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021

(ac) Extinguishment of financial liabilities with equity instruments

The partnership applies IFRIC 19, *Extinguishing financial liabilities with equity instruments* ("IFRIC 19") to account for financial liabilities that are extinguished either fully, or partially by issuing equity instruments. This interpretation provides guidance on how to account for the extinguishment of a financial liability by the issue of equity instruments. IFRIC 19 clarifies that the entity's equity instruments issued to a creditor, which are part of the consideration paid to extinguish the financial liability, are measured at their fair value. Differences between the carrying amount of the financial liability extinguished and the initial measurement amount of the equity instruments issued are included in the partnership's consolidated statements of operating results.

(ad) Critical accounting judgments and key sources of estimation uncertainty

The preparation of the partnership's consolidated 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 consolidated 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 the partnership's consolidated financial statements are outlined below.

(i) Business combinations

The partnership accounts for business combinations using the acquisition method of accounting. The allocation of fair values to assets acquired and liabilities assumed through an acquisition requires numerous estimates that affect the valuation of certain assets and liabilities acquired including discount rates, customer attrition rates and estimates of future operating costs, revenues, commodity prices, capital costs and other factors. The determination of the fair values may remain provisional during the measurement period 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 of the reporting date, the partnership will disclose that fact in the consolidated financial statements, including observations on the estimates and judgments made as of the reporting date.

(ii) Determination of control

The partnership consolidates an investee when it controls the investee, with control existing if, and only if, the partnership has power over the investee; exposure or rights to variable returns from its involvement with the investee; and the ability to use that power over the investee to affect the amount of the partnership's returns.

In determining if the partnership has power over an investee, judgments are made when identifying which activities of the investee are relevant in significantly affecting returns of the investee and the extent of existing rights that give the partnership the current ability to direct the relevant activities of the investee. Judgments are made as to the amount of potential voting rights that provide voting powers, the existence of contractual relationships that provide voting power and the ability for the partnership to appoint directors. The partnership enters into voting agreements which provide it the ability to contractually direct the relevant activities of the investee (referred to as "power" within IFRS 10, *Consolidated financial statements*). In assessing if the partnership has exposure or rights to variable returns from its involvement with the investee, judgments are made concerning whether returns from an investee are variable and how variable those returns are on the basis of the substance of the arrangement, the magnitude of those returns and the magnitude of those returns relative to others, particularly in circumstances where the partnership's voting interest differs from the ownership interest in an investee. In determining if the partnership has the ability to use its power over the investee to affect the amount of its returns, judgments are made when the partnership is an investor as to whether the partnership is a principal or agent and whether another entity with decision making rights is acting as the partnership's agent. If it is determined that the partnership is acting as an agent, as opposed to a principal, the partnership does not control the investee.

(iii) Common control transactions

IFRS 3 does not include specific measurement guidance for the acquisition of a business from an entity that is under common control. Accordingly, the partnership has developed an accounting policy to account for such transactions taking into consideration other guidance in the IFRS framework and pronouncements of other standard-setting bodies. The partnership's policy is to record assets and liabilities recognized as a result of an acquisition of a business from an entity that is under common control at the carrying values in the transferor's financial statements.

(iv) Indicators of impairment

Judgment is applied when determining whether indicators of impairment exist when assessing the carrying values of the partnership's assets, including the determination of the partnership's ability to hold financial assets, the estimation of a cash-generating unit's future revenues and direct costs, the determination of discount rates, and when an asset's or cash-generating unit's carrying value is above its recoverable amount.

For some of the partnership's assets, forecasting the recoverability and economic viability of property and equipment requires an estimate of reserves. The process for estimating reserves is complex and requires significant interpretation and judgment. It is affected by economic conditions, production, operating and development activities, and is performed using available geological, geophysical, engineering and economic data.

(v) Revenue recognition

Judgment is applied where certain of the partnership's subsidiaries use the cost-to-cost method to account for their contract revenue. The stage of completion is measured by reference to actual costs incurred to date as a percentage of estimated total costs for each contract. Significant assumptions are required to estimate the total contract costs and the recoverable variation works that affect the stage of completion and the contract revenue, respectively. In making these estimates, management has relied on past experience or the work of experts, where necessary.

Judgment is also applied where certain of the company's subsidiaries generate revenues from contracts with multiple performance obligations. The partnership applies judgment in order to identify and determine the number of performance obligations, estimate the total transaction price, determine the allocation of the transaction price to each identified performance obligation, and determine the appropriate method and timing of revenue recognition.

(vi) Financial instruments

Judgments inherent in accounting policies relating to derivative financial instruments relate to applying the criteria to the assessment of the effectiveness of hedging relationships and estimates and assumptions used in determining the fair value of financial instruments, such as: equity or commodity prices; future interest rates; the creditworthiness of the partnership relative to its counterparties; the credit risk of the partnership's counterparties; estimated future cash flows; discount rates and volatility utilized in option valuations.

(vii) Decommissioning liabilities

Decommissioning costs will be incurred at the end of the operating life of some of the partnership's oil and gas facilities, mining properties and manufacturing facilities. These obligations are typically many years in the future and require judgment to estimate. The estimate of decommissioning costs can vary in response to many factors including changes in relevant legal, regulatory, and environmental requirements, the emergence of new restoration techniques or experience at other production sites. Inherent in the calculations of these costs are assumptions and estimates including the ultimate settlement amounts, inflation factors, discount rates, and timing of settlements.

(viii) Insurance contracts

Critical judgments applied in the application of IFRS 17 in the years ended December 31, 2023 and 2022

The partnership has applied critical judgments and estimates in the application of IFRS 17, including: (i) estimates and underlying assumptions in determining fulfillment cash flows related to the liability for remaining coverage; (ii) discount rate used to account for time value of money for all cash flows; (iii) the estimated risk adjustment for non-financial risk; (iv) timing of revenue recognition for the liability for remaining coverage; (v) estimated cash flows for settling claims; and (vi) estimated recoveries including recoveries from real estate included in the liability for incurred claims, based on third party property appraisals or other types of third party valuations deemed to be appropriate for a particular property in the event of default.

Critical judgments applied in the application of IFRS 4 in the year ended December 31, 2021

The partnership has applied critical estimates for its residential mortgage insurer, including: (i) timing of revenue recognition for deferred insurance premiums; (ii) insurance loss reserves representing the amount needed to provide for the expected ultimate net cost of settling claims; (iii) the fair value of subrogation rights related to real estate based on third party property appraisals or other types of third party valuations deemed to be more appropriate for a particular property; and (iv) estimated deferred policy acquisition costs to be amortized over the term of the policy.

(ix) Measurement of expected credit losses

The partnership exercises judgment when determining expected credit losses on financial assets. Judgment is applied in the determination of probability-weighted expected cash flows, the probability of default of borrowers, and in selecting forward looking information to determine increase in credit risk and other risk parameters.

(x) Uncertainty of income tax treatments

The partnership applies IFRIC 23, *Uncertainty over income tax treatments* (“IFRIC 23”). The interpretation requires an entity to assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings and to exercise judgment in determining whether each tax treatment should be considered independently or whether some tax treatments should be considered together. The decision should be based on which approach provides better predictions of the resolution of the uncertainty. An entity is required to make its assessment assuming that the taxation authority with the right to examine any amounts reported to it will examine those amounts and will have full knowledge of all relevant information when doing so.

(xi) Other

Other estimates and assumptions utilized in the preparation of the partnership’s consolidated financial statements are: depreciation and amortization rates and useful lives; estimation of recoverable amounts of assets and cash-generating units for impairment assessment of long-lived assets and goodwill; and the ability of the partnership to utilize tax losses and other tax measurements.

Other critical judgments include the determination of the functional currency of the partnership’s subsidiaries.

(ae) New accounting policies adopted

The partnership has applied certain new and revised standards issued by the IASB that are effective for the period beginning on or after January 1, 2023.

(i) IFRS 17 - Insurance Contracts

The partnership adopted IFRS 17 effective January 1, 2023 with a transition date of January 1, 2022. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts. It replaces IFRS 4, *Insurance Contracts* (“IFRS 4”) and related interpretations. The adoption of IFRS 17 only impacted the reported results of the partnership’s residential mortgage insurer. The partnership has recast its 2022 annual consolidated financial statements for the adoption of IFRS 17. The years ended December 31, 2023 and 2022 are presented in accordance with IFRS 17.

(ii) Amendments to IAS 12 Income taxes (“IAS 12”)

In May 2021, IAS 12 was amended to clarify that the initial recognition exception does not apply to the initial recognition of transactions that give rise to equal taxable and deductible temporary differences. The partnership adopted these amendments on January 1, 2023 and the adoption did not have a material impact on the partnership’s consolidated financial statements.

In May 2023, IAS 12 was amended to clarify requirements relating to International Tax Reform - Pillar Two model rules. The amendments (i) introduce a temporary exception to the accounting for deferred taxes arising from the implementation of the Pillar Two model rules published by the Organization for Economic Co-operation and Development ("OECD") and (ii) require additional disclosures. The amendments became effective immediately upon their issue and retrospectively in accordance with IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors* except for some targeted disclosure requirements which become effective for annual reporting periods beginning on or after January 1, 2023. The partnership operates in countries which have enacted new legislation to implement the global minimum top-up tax. The partnership has applied a temporary mandatory relief from recognizing and disclosing information related to the top-up tax and will account for it as a current tax when it is incurred. The newly enacted legislation is effective from January 1, 2024 and there is no current tax impact for the year ended December 31, 2023. The global minimum top-up tax is not anticipated to have a significant impact on the financial position of the partnership.

(iii) Amendments to IAS 1 Presentation of financial statements ("IAS 1")

The amendments aim to provide accounting policy disclosures that are more useful by replacing the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies and adding guidance on how to apply the concept of materiality in making decisions about accounting policy disclosures.

The partnership adopted these amendments on January 1, 2023 and the adoption did not have a material impact on the partnership's consolidated financial statements.

(af) Future changes in accounting policies

(i) Amendments to IAS 1 – Presentation of financial statements ("IAS 1")

The amendments clarify how to classify debt and other liabilities as current or non-current. The amendments to IAS 1 apply to annual reporting periods beginning on or after January 1, 2024. The partnership is currently assessing the impact of these amendments.

There are currently no other future changes to IFRS with expected material impacts on the partnership.

NOTE 3. ACQUISITION OF BUSINESSES

(a) Acquisitions completed in 2023

Infrastructure services

Mobile Mini Solutions ("Mobile Mini")

On January 31, 2023, the partnership's modular building leasing services acquired a 100% economic interest in Mobile Mini, a provider of portable storage solutions in the United Kingdom for total consideration of $419 million, funded with debt and equity. The partnership received 100% of the voting rights in Mobile Mini, which provided the partnership with control, and accordingly, the partnership has consolidated the business for financial reporting purposes. The fair values of acquired assets, assumed liabilities and goodwill for the acquisition have been determined on a preliminary basis at the end of the reporting period.

Goodwill of $176 million was recognized and represents growth the partnership expects to experience from the operations. The goodwill recognized was not deductible for income tax purposes. Customer relationship intangible assets of $58 million, property, plant and equipment of $236 million and other net liabilities of $51 million were acquired as part of the transaction. Transaction costs of approximately $10 million were recorded as other expenses in the consolidated statements of operating results.

(b) Acquisitions completed in 2022

The following table summarizes the consideration transferred, assets acquired, liabilities assumed and non-controlling interests recognized at the applicable acquisition dates for significant acquisitions. The consideration transferred reflects the partnership's equity contribution, debt raised alongside institutional partners to fund the acquisition, contingent consideration and other non-cash consideration:

(US$ MILLIONS)	Business services	Infrastructure services	Industrials	Total
Cash	$ 10,381	$ 6,488	$ 659	$ 17,528
Contingent and other non-cash consideration	491	29	225	745
Total consideration	$ 10,872	$ 6,517	$ 884	$ 18,273
Cash and cash equivalents	$ 739	$ 76	$ 14	$ 829
Accounts receivable and other, net	523	456	36	1,015
Inventory, net	15	169	117	301
Property, plant and equipment	774	364	42	1,180
Intangible assets	5,727	4,373	356	10,456
Goodwill	5,547	1,499	382	7,428
Deferred income tax assets	4,542	4	—	4,546
Equity accounted investments and other assets	427	309	—	736
Accounts payable and other	(1,460)	(451)	(49)	(1,960)
Non-recourse borrowings in subsidiaries of the partnership	(4,543)	—	—	(4,543)
Deferred income tax liabilities	(1,338)	(282)	(14)	(1,634)
Net assets acquired before non-controlling interests	$ 10,953	$ 6,517	$ 884	$ 18,354
Non-controlling interests acquired	(81)	—	—	(81)
Net assets acquired	$ 10,872	$ 6,517	$ 884	$ 18,273

Business services

La Trobe Financial Services Pty Limited ("La Trobe")

On May 31, 2022, the partnership, together with institutional partners, acquired a 100% economic interest in La Trobe, an Australian residential mortgage lender, for total consideration of $1.1 billion, funded with debt, equity, non-cash and contingent consideration. The partnership received 100% of the voting rights in La Trobe, which provided the partnership with control and accordingly, the partnership has consolidated the business for financial reporting purposes.

Goodwill of $384 million was recognized and represents the growth the partnership expects to experience from the operations. The goodwill recognized was not deductible for income tax purposes. Intangible assets of $655 million were acquired as part of the transaction, comprising management contract rights, mortgage broker channel, computer software and brand name. Other items include $4.5 billion of loans receivable, $4.5 billion of borrowings and $14 million of other net liabilities. Transaction costs of approximately $8 million were recorded as other expenses in the 2022 consolidated statements of operating results.

CDK Global

On July 6, 2022, the partnership, together with institutional partners, acquired a 100% economic interest in CDK Global, a provider of technology services and software solutions to automotive dealers. Total consideration was $8.3 billion, funded with debt and equity. The partnership received 100% of the voting rights, which provided the partnership with control and accordingly, the partnership has consolidated the business for financial reporting purposes.

Goodwill of $4.6 billion was recognized and represents growth the partnership expects to experience from the operations. The goodwill recognized was not deductible for income tax purposes. Intangible assets acquired comprise a customer relationship asset of $3.8 billion with a useful life of 15 years, developed technology of $0.7 billion with a useful life of 3-5 years, and a brand intangible asset of $0.3 billion with a useful life of 15 years. Other items included $301 million of cash and cash equivalents, $377 million of accounts receivable and other, $953 million of accounts payable and other, $1.1 billion of deferred tax liabilities and $361 million of other net assets. Transaction costs of approximately $15 million were recorded as other expenses in the 2022 consolidated statements of operating results. Non-controlling interests of $81 million were recognized and measured at fair value.

The acquired customer relationship intangible was valued with significant inputs of revenue growth rates, customer attrition rates, and a discount rate determined using a capital asset pricing model. The useful life of 15 years represents the pattern of economic benefits realized by the business, primarily due to the low customer attrition rate observed, and reflects the period of time over which the majority of the cumulative present value of cash flows from the intangible asset would be realized, and after which any remaining forward-looking cash flows from the asset were determined to be de minimis in present value terms.

Magnati - Sole Proprietorship LLC ("Magnati")

On August 8, 2022, the partnership, together with institutional partners, acquired a 60% economic interest in Magnati, a technology-enabled services provider in the payment processing space. Total consideration for the business was $763 million, funded with debt and equity and included contingent consideration payable to the former shareholder if certain performance targets are met and non-cash consideration from the former shareholder for retention of their 40% economic interest. The partnership received 60% of the voting rights in Magnati, which provided the partnership with control and accordingly, the partnership has consolidated the business for financial reporting purposes.

Goodwill of $500 million was recognized and represents the growth the partnership expects to experience from the operations. The goodwill recognized was not deductible for income tax purposes. Intangible assets of $226 million were acquired as part of the transaction, comprising customer relationships, trade name and service contracts. Other items include $345 million of financial assets and $308 million of other net liabilities. Transaction costs of approximately $3 million were recorded as other expenses in the 2022 consolidated statements of operating results.

Unidas Locadora S.A. ("Unidas")

On October 1, 2022, the partnership, together with institutional partners, acquired a 100% economic interest in Unidas, a leading full-service car rental business in Brazil. Total consideration was $731 million, funded with debt, equity, non-cash and contingent consideration. The partnership received 100% of the voting rights, which provided the partnership with control and accordingly, the partnership has consolidated the business for financial reporting purposes.

Goodwill of $103 million was recognized and represents growth the partnership expects to experience from the operations. Other items include $664 million of property, plant and equipment primarily related to the fleet of rental cars and $36 million of other net liabilities. Transaction costs of approximately $1 million were recorded as other expenses in the 2022 consolidated statements of operating results.

Infrastructure services

Scientific Games, LLC ("Scientific Games")

On April 4, 2022, the partnership, together with institutional partners, acquired a 100% economic interest in Scientific Games, a service provider to government-sponsored lottery programs with capabilities in game design, distribution, systems and terminals and turnkey technology solutions. Total consideration was $5.8 billion, comprising debt and equity. The partnership received 100% of the voting rights, which provided the partnership with control and accordingly, the partnership has consolidated the business for financial reporting purposes.

Goodwill of $1.2 billion was recognized and represents growth the partnership expects to experience from the operations. The goodwill recognized was not deductible for income tax purposes. Intangible assets acquired comprise a customer relationship asset of $2.8 billion with a useful life of 20 years, a brand intangible asset of $1.0 billion with an indefinite useful life, and software of $0.2 billion. Other items include $555 million of other net assets. Transaction costs of approximately $16 million were recorded as other expenses in the 2022 consolidated statements of operating results.

The acquired customer relationship intangible was valued with significant inputs of revenue growth rates, customer attrition rates, and a discount rate determined using a capital asset pricing model. The useful life of 20 years represents the pattern of economic benefits realized by the business, primarily due to the low customer attrition rate observed, and reflects the period of time over which the majority of the cumulative present value of cash flows from the intangible asset would be realized, and after which any remaining forward-looking cash flows from the asset were determined to be de minimis in present value terms.

The acquired brand intangible was valued using a relief from royalty method with significant inputs of revenue growth rates, royalty rates and a discount rate determined using a capital asset pricing model. The lottery services operation business has significant historical experience using the brand and intends to continue using the brand in the long-term. The partnership has determined the asset to have an indefinite life as there is no foreseeable limit to the period that this asset is expected to generate cash flows.

BHI Energy, Inc. ("BHI Energy")

On May 27, 2022, the partnership's nuclear technology services operation acquired a 100% economic interest in BHI Energy for total consideration of $737 million. The partnership received 100% of the voting rights through its nuclear technology services operation, which provided the partnership with control and accordingly, the partnership has consolidated the business for financial reporting purposes.

Goodwill of $257 million was recognized, of which $68 million was deductible for tax purposes and represents growth the partnership's nuclear technology services operation expect to experience from the operations. Intangible assets of $390 million were acquired as part of the transaction, comprising customer relationships and brand names. Other items include $90 million of other net assets.

Industrials

TexTrail Inc. ("TexTrail")

On October 5, 2022, the partnership, together with institutional partners, acquired a 100% economic interest in TexTrail, a leading distributor of axles and trailer components. Total consideration was $884 million, funded with debt and equity. The partnership received 100% of the voting rights through its engineered components manufacturing operation, which provided the partnership with control and accordingly, the partnership has consolidated the business for financial reporting purposes.

Goodwill of $382 million was recognized, of which $318 million was deductible for tax purposes and represents growth the partnership expects to experience from the operations. Intangible assets of $356 million were acquired as part of the transaction which primarily comprised customer relationships, trade names and trademarks. Other items include $146 million of other net assets. Transaction costs of approximately $6 million were recorded as other expenses in the 2022 consolidated statements of operating results.

NOTE 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, 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 such as 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 when available.

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, the partnership looks primarily to external readily observable market inputs such as interest rate yield curves, currency rates, and price and rate volatility as applicable.

The following table provides the details of financial instruments and their associated financial instrument classifications as at December 31, 2023:

(US$ MILLIONS)

MEASUREMENT BASIS	FVTPL	FVOCI	Amortized cost	Total
Financial assets				
Cash and cash equivalents	$ —	$ —	$ 3,252	$ 3,252
Accounts and other receivable, net (current and non-current)	—	—	6,563	6,563
Financial assets (current and non-current) [1]	964	4,841	7,371	13,176
Total [2]	$ 964	$ 4,841	$ 17,186	$ 22,991
Financial liabilities				
Accounts payable and other (current and non-current) [1] [3]	$ 460	$ 331	$ 11,054	$ 11,845
Borrowings (current and non-current)	—	—	42,249	42,249
Total	$ 460	$ 331	$ 53,303	$ 54,094

(1) FVOCI and FVTPL include derivative assets and liabilities designated in hedge accounting relationships. Refer to Hedging Activities in Note 4 (a) below.

(2) Total financial assets include $4,297 million of assets pledged as collateral.

(3) Includes derivative liabilities, and excludes liabilities associated with assets held for sale, provisions, decommissioning liabilities, deferred revenue, insurance contract liabilities, work in progress, post-employment benefits and other liabilities of $6,533 million.

Included in cash and cash equivalents as at December 31, 2023 was $2,062 million of cash (2022: $2,229 million) and $1,190 million of cash equivalents (2022: $641 million).

Included in financial assets (current and non-current) as at December 31, 2023 was $527 million (2022: $1,136 million) of equity instruments and $4,105 million (2022: $4,031 million) of debt instruments designated as measured at fair value through other comprehensive income.

The following table provides the details of financial instruments and their associated financial instrument classifications as at December 31, 2022:

(US$ MILLIONS)

MEASUREMENT BASIS	FVTPL	FVOCI	Amortized cost	Total
Financial assets				
Cash and cash equivalents	$ —	$ —	$ 2,870	$ 2,870
Accounts and other receivable, net (current and non-current)	—	—	7,278	7,278
Financial assets (current and non-current) [(1)]	960	5,585	6,363	12,908
Total [(2)]	$ 960	$ 5,585	$ 16,511	$ 23,056
Financial liabilities				
Accounts payable and other (current and non-current) [(1)] [(3)]	$ 818	$ 223	$ 11,700	$ 12,741
Borrowings (current and non-current)	—	—	46,693	46,693
Total	$ 818	$ 223	$ 58,393	$ 59,434

(1) FVOCI include derivative assets and liabilities designated in hedge accounting relationships. Refer to Hedging Activities in Note 4(a) below.

(2) Total financial assets include $5,626 million of assets pledged as collateral.

(3) Includes derivative liabilities, and excludes provisions, decommissioning liabilities, deferred revenue, insurance contract liabilities, work in progress, post-employment benefits, liabilities associated with assets held for sale and various taxes and duties of $7,689 million.

(a) Hedging activities

Derivative instruments not designated in a hedging relationship are classified as FVTPL, with changes in fair value recognized in the consolidated statements of operating results.

Net Investment hedge

The partnership uses foreign exchange derivative contracts and foreign currency denominated debt instruments to manage foreign currency exposures arising from net investments in foreign operations. For the year ended December 31, 2023, a pre-tax net loss of $165 million (2022: net gain of $298 million, 2021: net gain of $146 million) was recorded in other comprehensive income for the effective portion of hedges of net investments in foreign operations. As at December 31, 2023, there was a derivative asset balance of $4 million (2022: $29 million) and derivative liability balance of $259 million (2022: $101 million) relating to derivative contracts designated as net investment hedges.

Cash Flow hedge

The partnership uses commodity swap contracts to hedge the sale price of its natural gas contracts, purchase price of oil, lead, polypropylene, and tin, foreign exchange contracts and option contracts to hedge highly probable future transactions, and interest rate contracts to hedge the cash flows on its floating rate borrowings. For the year ended December 31, 2023, a pre-tax net gain of $73 million (2022: net gain of $376 million, 2021: net gain of $88 million) was recorded in other comprehensive income for the effective portion of cash flow hedges. As at December 31, 2023, there was a derivative asset balance of $205 million (2022: $389 million) and derivative liability balance of $72 million (2022: $122 million) relating to derivative contracts designated as cash flow hedges.

Fair value hedge

The partnership uses cross currency interest rate swap contracts to hedge its fair value exposure on certain foreign currency borrowings resulting from changes in foreign currency. As at December 31, 2023, there was a derivative asset balance of $10 million and derivative liability balance of $31 million relating to derivative contracts designated as fair value hedges.

(b) Fair value hierarchical levels - financial instruments

The following table categorizes financial assets and liabilities, which are carried at fair value, based upon the level of input as at December 31, 2023 and 2022:

	2023			2022		
(US$ MILLIONS)	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Common shares	$ 117	$ —	$ —	$ 736	$ —	$ —
Corporate and government bonds	25	3,307	85	91	3,266	—
Derivative assets	6	404	—	12	628	—
Other financial assets [1]	399	719	743	429	691	692
	$ 547	$ 4,430	$ 828	$ 1,268	$ 4,585	$ 692
Financial liabilities						
Derivative liabilities	$ 7	$ 500	$ 1	$ 7	$ 445	$ 17
Other financial liabilities [2]	—	—	283	—	—	572
	$ 7	$ 500	$ 284	$ 7	$ 445	$ 589

(1) Other financial assets include secured debentures, asset-backed securities and preferred shares. Level 1 other financial assets are primarily publicly traded preferred shares and mutual funds. Level 2 other financial assets are primarily asset backed securities and Level 3 financial assets are primarily secured debentures and non-listed debt instruments.

(2) Includes $258 million (2022: $544 million) of contingent consideration payable in 2024 in relation to the acquisition of subsidiaries. Refer to Note 3 for further information.

There were no transfers between levels during the year ended December 31, 2023.

The following table summarizes the valuation techniques and key inputs used in the fair value measurement of Level 2 financial instruments:

(US$ MILLIONS)

Type of asset/ liability	Carrying value December 31, 2023	Carrying value December 31, 2022	Valuation technique(s) and key input(s)
Corporate and government bonds	**$ 3,307**	$ 3,266	Fair value of bonds are obtained primarily from industry standard pricing services utilizing market observable inputs. Fair value is assessed by analyzing available market information through processes such as benchmark curves, benchmarking of like securities and quotes from market participants. The primary inputs used in determining fair value of bonds and debentures are interest rate curves and credit spreads.
Derivative assets	**$ 404**	$ 628	Fair value of derivative contracts incorporate quoted market prices, or in their absence, internal valuation models corroborated with observable market data, and for foreign exchange, interest rate, and commodity derivatives, observable forward exchange rates, current interest rates and commodity prices, respectively, at the end of the reporting period.
Other financial assets	**$ 719**	$ 691	Other financial assets primarily represent amounts from asset backed securities where values are obtained from industry standard pricing services utilizing market observable inputs. Fair value is assessed by analyzing available market information through processes such as benchmark curves, benchmarking of like securities and quotes from market participants. The primary inputs used in determining fair value are interest rate curves and credit spreads.
Derivative liabilities	**$ 500**	$ 445	Fair value of derivative contracts incorporate quoted market prices, or in their absence, internal valuation models corroborated with observable market data, and for foreign exchange, interest rate and commodity derivatives, observable forward exchange rates, current interest rates, and commodity prices, respectively, at the end of the reporting period.

The fair value of Level 3 financial assets and liabilities is determined using valuation models which require the use of unobservable inputs, including assumptions concerning the amount and timing of estimated future cash flows and discount rates. In determining unobservable inputs, the partnership uses internally developed information, external research, and observable market data, as applicable, in order to develop assumptions regarding those unobservable inputs.

The following table summarizes the valuation techniques and significant unobservable inputs used in the fair value measurement of material Level 3 financial instruments:

(US$ MILLIONS)

Type of asset/liability	Carrying value December 31, 2023	Carrying value December 31, 2022	Valuation technique(s)	Significant unobservable input(s)	Relationship of unobservable input(s) to fair value
Other financial assets - secured debentures	**$ 82**	$ 84	Discounted cash flows	Future cash flows	Increases (decreases) in future cash flows increase (decrease) fair value
				Discount rate	Increases (decreases) in discount rate decrease (increase) fair value
Other financial assets - equity instruments designated as measured at FVOCI	**$ 211**	$ 193	Discounted cash flows	Future cash flows	Increases (decreases) in future cash flows increase (decrease) fair value
				Discount rate	Increases (decreases) in discount rate decrease (increase) fair value
Other financial assets - debt instruments measured at FVTPL	**$ 450**	$ 415	Discounted cash flows	Future cash flows	Increases (decreases) in future cash flows increase (decrease) fair value
				Discount rate	Increases (decreases) in discount rate decrease (increase) fair value
Other financial liabilities - contingent consideration	**$ 258**	$ 544	Discounted cash flows	Future cash flows	Increases (decreases) in future cash flows increase (decrease) fair value
				Discount rate	Increases (decreases) in discount rate decrease (increase) fair value

The following table presents the change in the balance of financial assets classified as Level 3 as at December 31, 2023 and 2022:

(US$ MILLIONS)	2023	2022
Balance at beginning of year	**$ 692**	$ 297
Fair value change recorded in net income	**57**	(9)
Fair value change recorded in other comprehensive income	**(6)**	(5)
Additions	**150**	523
Disposals	**(70)**	(111)
Foreign currency translation and other	**5**	(3)
Balance at end of period	**$ 828**	$ 692

The following table presents the change in the balance of financial liabilities classified as Level 3 as at December 31, 2023 and 2022:

(US$ MILLIONS)	2023	2022
Balance at beginning of year	$ 589	$ 498
Fair value change recorded in net income	(62)	12
Fair value change recorded in other comprehensive income	(21)	—
Additions	25	408
Disposals/settlements	(262)	(356)
Foreign currency translation and other	15	27
Balance at end of period	$ 284	$ 589

Securities lending

The partnership's residential mortgage insurer participates in a securities lending program through an intermediary that is a financial institution for the purpose of generating fee income. Non-cash collateral, in the form of U.S. or Canadian government securities, which is equal to at least 105% of the fair value of the loaned securities, is retained by the partnership until the underlying securities have been returned.

In addition to earning fee income under the securities lending program, interest, dividends and other income generated by the loaned securities continues to be earned while the securities are in the possession of counterparties.

As at December 31, 2023, the partnership had $585 million (2022: $502 million) of financial assets loaned under its securities lending program. The partnership has accepted eligible securities as collateral with a fair value of $617 million (2022: $531 million).

NOTE 5. FINANCIAL ASSETS

(US$ MILLIONS)	2023	2022
Current		
Marketable securities	$ 498	$ 1,227
Restricted cash	189	214
Derivative assets	120	133
Loans and notes receivable	243	257
Other financial assets [1]	89	148
Total current	$ 1,139	$ 1,979
Non-current		
Marketable securities	$ 2,748	$ 2,682
Restricted cash	54	245
Derivative assets	290	507
Loans and notes receivable [2]	6,702	5,500
Other financial assets [1]	2,243	1,995
Total non-current	$ 12,037	$ 10,929

(1) Other financial assets primarily consist of asset-backed securities and high yield bonds at the partnership's residential mortgage insurer and convertible preferred shares held in the partnership's audience measurement operation.

(2) Loans and notes receivable includes $5,844 million (2022: $4,866 million) of mortgage receivables related to the partnership's Australian residential mortgage lender.

NOTE 6. ACCOUNTS AND OTHER RECEIVABLE, NET

(US$ MILLIONS)	2023	2022
Current, net	**$ 5,558**	$ 6,401
Non-current, net		
Accounts receivable	**202**	126
Retainer on customer contract	**70**	70
Billing rights	**733**	681
Total non-current, net	**$ 1,005**	$ 877
Total	**$ 6,563**	$ 7,278

Non-current billing rights primarily represent unbilled rights from the partnership's water and wastewater operation in Brazil from revenues earned from the construction of public concession contracts classified as financial assets, which are recognized when there is an unconditional right to receive cash or other financial assets from the concession authority for the construction services.

The partnership's construction operation has a retention balance, which comprises amounts that have been earned but held back until the satisfaction of certain conditions specified in the contract. The retention balance included in current accounts and other receivable, net as at December 31, 2023 was $120 million (2022: $142 million).

The following table summarizes the change in the loss allowance for bad debts on accounts and other receivables for the years ended December 31, 2023 and 2022:

(US$ MILLIONS)	2023	2022
Loss allowance - beginning	**$ 162**	$ 157
Add: increase in allowance	**140**	85
Deduct: bad debt write-offs	**(54)**	(79)
Foreign currency translation and other	**(44)**	(1)
Loss allowance - ending	**$ 204**	$ 162

NOTE 7. INVENTORY, NET

(US$ MILLIONS)	2023	2022
Raw materials and consumables	**$ 1,066**	$ 1,485
Fuel products [(1)]	**596**	850
Work in progress	**564**	778
RTFO certificates	**367**	415
Finished goods and other [(2)]	**1,072**	1,658
Carrying amount of inventories	**$ 3,665**	$ 5,186

(1) Fuel products that are traded in active markets are purchased with a view to resell in the near future. As a result, inventories of fuel products are recorded at fair value based on quoted market prices.

(2) Finished goods and other primarily comprises finished goods inventory at our advanced energy storage operation and our engineered components manufacturing operation.

The following table summarizes the change in the inventory obsolescence provision for the years ended December 31, 2023 and 2022:

(US$ MILLIONS)	2023	2022
Inventory obsolescence provision - beginning	**$ 67**	$ 69
Add: increase in provision	**83**	29
Deduct: inventory obsolescence write-off	**(21)**	(31)
Deduct: dispositions	**(53)**	—
Inventory obsolescence provision - ending	**$ 76**	$ 67

NOTE 8. DISPOSITIONS

(a) Dispositions completed in 2023

Business services

Residential property management operation

On March 31, 2023, the partnership completed the sale of its residential property management operation, resulting in a pre-tax net gain of $67 million recorded in the consolidated statements of operating results, included in gain (loss) on acquisitions/dispositions, net.

Dealer software and technology services operation

On May 1, 2023, the partnership's dealer software and technology services operation completed the sale of its non-core division servicing the heavy equipment sector for total consideration of approximately $490 million, resulting in a pre-tax net gain of $87 million recorded in the consolidated statements of operating results, included in gain (loss) on acquisitions/dispositions, net.

Road fuels operation

On November 10, 2023, the partnership's road fuels operation completed the sale of its North American retail gas station assets for aggregate consideration of approximately $460 million, including a vendor take-back note, resulting in a pre-tax net gain of $42 million recorded in the consolidated statements of operating results, included in gain (loss) on acquisitions/dispositions, net.

Technology services operation

On December 14, 2023, the partnership completed the partial sale of its technology services operation for aggregate consideration of approximately $628 million, including a note receivable. Following the sale, the partnership retained joint control with the buyer. As a result, the partnership deconsolidated the net assets of its technology services operation resulting in a pre-tax net gain of $524 million recorded in the consolidated statements of operating results, included in gain (loss) on acquisitions/dispositions, net, and accounted for its 17% retained ownership interest as an equity accounted investment. The gain on deconsolidation was calculated as the fair value of the interest retained by the partnership, together with institutional partners, fair value of consideration received on the partial disposition, net of the derecognition of net assets, non-controlling interest and closing costs.

Infrastructure services

Power delivery business

In February 2023, the partnership's nuclear technology services operation completed the sale of its power delivery business for gross proceeds of approximately $275 million, resulting in a net pre-tax net gain of $14 million recorded in the consolidated statements of operating results, included in gain (loss) on acquisitions/dispositions, net.

Nuclear technology services operation

On November 7, 2023, the partnership completed the sale of its nuclear technology services operation to a strategic consortium led by Cameco Corporation and Brookfield Renewable Partners, a related party to the partnership, for total consideration of approximately $3.8 billion, net of transaction closing costs. Upon sale of the business, the partnership derecognized $2.4 billion of intangibles and goodwill, $1.0 billion of property, plant and equipment, $0.3 billion of deferred tax assets, $3.7 billion of borrowings, and $0.1 billion of other net liabilities. The partnership recorded a pre-tax net gain of $3.9 billion recorded in the consolidated statements of operating results, included in gain (loss) on acquisitions/dispositions, net.

Industrials

Automotive aftermarket parts remanufacturing operation

During the year, the partnership completed the sale of its automotive aftermarket parts remanufacturing operation, resulting in a pre-tax net gain of $49 million recorded in the consolidated statements of operating results, included in gain (loss) on acquisitions/dispositions, net.

Energy services operation

On November 8, 2023, the partnership completed the sale of its energy services operation for total consideration of approximately $37 million comprising cash and shares in the public company, resulting in a pre-tax net gain of $1 million recorded in our consolidated statements of operating results, included in gain (loss) on acquisitions/dispositions, net.

(b) **Dispositions completed in 2022**

Business services

Digital cloud services operation

In December 2022, the partnership completed the sale of its digital cloud services business for gross proceeds of approximately $13 million, resulting in a $9 million pre-tax net gain recorded in the consolidated statements of operating results in gain (loss) on acquisitions/dispositions, net.

Industrials

Public securities

For the year ended December 31, 2022, the partnership recognized a pre-tax net gain of $19 million in the consolidated statements of operating results in gain (loss) on acquisitions/dispositions, net from the partial disposition of the partnership's public securities.

(c) **Dispositions completed in 2021**

Industrials

Graphite electrode operation

On January 14, 2021, the partnership, together with institutional partners, sold 20 million common shares of its graphite electrode operation as part of a block trade transaction for total proceeds of $214 million. The transaction decreased the partnership's voting interest in the investment to 48% but did not result in a loss of control. The partnership recorded a pre-tax gain of $239 million in the consolidated statements of changes in equity, of which $82 million was attributable to the partnership.

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On March 1, 2021, the partnership, together with institutional partners, sold an additional 30 million common shares of its graphite electrode operation as part of a block trade for total proceeds of $350 million, which decreased the partnership's voting interest to 37% and resulted in the deconsolidation of its investment. The partnership retained significant influence and continued to account for its 13% economic ownership in the investment using the equity method. As a result of the loss of control, a pre-tax gain of $1,764 million was recorded in the consolidated statements of operating results. The partnership's share of the total pre-tax gain recorded in gain (loss) on acquisitions/dispositions was $609 million. The gain on deconsolidation was calculated as the fair value of the interest retained by the partnership, together with institutional partners, in shares of the investment, cash proceeds received on the sale of shares to third parties, net of the derecognition of net assets and non-controlling interests in the graphite electrode operation.

In May 2021, the partnership sold 11.3 million common shares of its graphite electrode operation through two block trade transactions for pre-tax proceeds of approximately $150 million. The transactions decreased the partnership's economic ownership to 8%. The partnership recorded a pre-tax net gain of $5 million in the consolidated statements of operating results.

Public securities

The partnership recognized a pre-tax net gain of $41 million in the first quarter of 2021 from the partial disposition of the partnership's interest in public securities. The prior period unrealized fair value changes related to these securities were recorded in other income (expense), net in the consolidated statements of operating results.

NOTE 9. OTHER ASSETS

(US$ MILLIONS)	2023	2022
Current		
Work in progress [1]	**$ 200**	$ 469
Prepayments and other assets	**956**	1,039
Assets held for sale	**115**	350
Total current	**$ 1,271**	$ 1,858
Non-current		
Prepayments and other assets	**$ 385**	$ 515
Total non-current	**$ 385**	$ 515

(1) See Note 16 for additional information.

NOTE 10. NON-WHOLLY OWNED SUBSIDIARIES

The following tables present the gross assets and liabilities as at December 31, 2023 and 2022 as well as gross amounts of revenues, net income (loss), other comprehensive income (loss) and distributions for the years ended December 31, 2023, 2022 and 2021 from the partnership's investments in material non-wholly owned subsidiaries:

	Year ended December 31, 2023									
	Total									
(US$ MILLIONS)	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenues	Net income (loss)	OCI	Profit/(loss) allocated to others' ownership interest	Distributions to others' ownership interest	Equity allocated to others' ownership interest
Business services	**$ 5,983**	**$28,864**	**$ 6,857**	**$ 20,507**	**$ 29,225**	**$ 611**	**$ 25**	**$ 333**	**$ (1,853)**	**$ 5,148**
Infrastructure services	**1,858**	**14,787**	**1,826**	**10,448**	**7,448**	**3,618**	**(4)**	**1,995**	**(1,839)**	**2,773**
Industrials	**5,255**	**21,113**	**3,630**	**16,789**	**14,801**	**(8)**	**214**	**8**	**(41)**	**4,137**
Total	**$13,096**	**$64,764**	**$ 12,313**	**$ 47,744**	**$ 51,474**	**$ 4,221**	**$ 235**	**$ 2,336**	**$ (3,733)**	**$ 12,058**

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(US$ MILLIONS)	Year ended December 31, 2022 — Total: Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenues	Net income (loss)	OCI	Profit/(loss) allocated to others' ownership interest	Distributions to others' ownership interest	Equity allocated to others' ownership interest
Business services	$ 5,829	$28,956	$ 7,128	$ 18,896	$ 31,432	$ 197	$ (344)	$ 95	$ (1,122)	$ 5,990
Infrastructure services	3,739	18,360	4,277	14,031	7,516	(30)	128	(53)	(1,083)	2,474
Industrials	5,439	20,773	3,540	17,385	14,448	202	76	112	(44)	3,642
Total	$15,007	$68,089	$ 14,945	$ 50,312	$ 53,396	$ 369	$ (140)	$ 154	$ (2,249)	$ 12,106

(US$ MILLIONS)	Year ended December 31, 2021 — Total: Revenues	Net income (loss)	OCI	Profit/(loss) allocated to others' ownership interest	Distributions to others' ownership interest	Equity allocated to others' ownership interest
Business services	$ 26,162	$ 526	$ (71)	$ 351	$ (821)	$ 3,257
Infrastructure services	4,458	(294)	274	(179)	(74)	1,296
Industrials	12,139	1,820	(81)	1,238	(728)	3,513
Total	$ 42,759	$ 2,052	$ 122	$ 1,410	$ (1,623)	$ 8,066

The following table outlines the composition of accumulated non-controlling interests related to the interest of others presented in the partnership's consolidated statements of financial position as at December 31, 2023 and 2022:

(US$ MILLIONS)	2023	2022
Non-controlling interests related to material non-wholly owned subsidiaries		
Business services	**$ 5,148**	$ 5,990
Infrastructure services	**2,773**	2,474
Industrials	**4,137**	3,642
Total non-controlling interests in material non-wholly owned subsidiaries	**$ 12,058**	$ 12,106
Total individually immaterial non-controlling interests balance	**158**	729
Total non-controlling interests	**$ 12,216**	$ 12,835

NOTE 11. PROPERTY, PLANT AND EQUIPMENT

(US$ MILLIONS)	Land	Buildings	Machinery and equipment	Vessels	Other	Right-of-use assets	Total
Gross carrying amount							
Balance at January 1, 2022	$ 392	$ 4,367	$ 7,206	$ 4,197	$ 2,025	$ 2,155	$ 20,342
Additions (cash and non-cash)	2	257	1,389	120	66	276	2,110
Dispositions	(10)	(24)	(304)	—	(9)	(119)	(466)
Acquisitions through business combinations [1]	23	66	982	—	39	131	1,241
Transfers and assets reclassified as held for sale	(36)	19	(78)	(182)	—	(10)	(287)
Foreign currency translation and other	(5)	(413)	(293)	—	(122)	(127)	(960)
Balance at December 31, 2022	$ 366	$ 4,272	$ 8,902	$ 4,135	$ 1,999	$ 2,306	$ 21,980
Additions (cash and non-cash)	**—**	**381**	**2,014**	**567**	**56**	**415**	**3,433**
Dispositions	**(59)**	**(402)**	**(2,231)**	**(59)**	**(97)**	**(741)**	**(3,589)**
Acquisitions through business combinations [1]	**—**	**6**	**203**	**—**	**—**	**27**	**236**
Foreign currency translation and other	**(24)**	**(24)**	**271**	**—**	**62**	**47**	**332**
Balances at December 31, 2023	**$ 283**	**$ 4,233**	**$ 9,159**	**$ 4,643**	**$ 2,020**	**$ 2,054**	**$ 22,392**
Accumulated depreciation and impairment							
Balance at January 1, 2022	$ —	$ (437)	$ (1,665)	$ (1,339)	$ (972)	$ (604)	$ (5,017)
Depreciation/depletion/impairment expense	—	(147)	(945)	(277)	81	(338)	(1,626)
Dispositions	—	21	129	—	7	88	245
Transfers and assets reclassified as held for sale	—	—	32	116	—	1	149
Foreign currency translation and other	—	20	54	—	51	37	162
Balances at December 31, 2022	$ —	$ (543)	$ (2,395)	$ (1,500)	$ (833)	$ (816)	$ (6,087)
Depreciation/depletion/impairment expense	—	**(141)**	**(1,137)**	**(205)**	**(236)**	**(330)**	**(2,049)**
Dispositions	—	**83**	**993**	**55**	**33**	**404**	**1,568**
Foreign currency translation and other	—	**12**	**(228)**	**—**	**132**	**(16)**	**(100)**
Balance at December 31, 2023	**$ —**	**$ (589)**	**$ (2,767)**	**$ (1,650)**	**$ (904)**	**$ (758)**	**$ (6,668)**
Net book value							
December 31, 2022	$ 366	$ 3,729	$ 6,507	$ 2,635	$ 1,166	$ 1,490	$ 15,893
December 31, 2023	**$ 283**	**$ 3,644**	**$ 6,392**	**$ 2,993**	**$ 1,116**	**$ 1,296**	**$ 15,724**

(1) See Note 3 for additional information.

During the year ended December 31, 2023, the partnership recorded an impairment expense of $172 million on its property, plant and equipment. The partnership's energy services operation included in the industrials segment recognized an impairment expense of $87 million. The partnership's offshore oil services included in the infrastructure segment recorded a net impairment reversal of $48 million comprising an impairment expense of $78 million which was more than offset by a reversal of impairment expense of $126 million related to vessels included within property, plant and equipment as a result of a reassessment in the underlying assumptions including estimated salvage values, contract prices and redeployment. The partnership's natural gas production included in the industrials segment recorded impairment of $97 million as a result of a change in the estimate of future natural gas prices.

The recoverable amounts calculated to assess impairment were based on the higher of the estimated fair value less costs of disposal determined using expected sales proceeds in an arms-length market transaction or value-in-use based on discounted cash flow models incorporating significant unobservable inputs. The estimates regarding expected future cash flows and discount rates are level 3 fair value inputs based on various assumptions including expected earnings, redeployment opportunities, and contract extensions.

The carrying value and depreciation/impairment expense of right-of-use assets along with the carrying value of assets subject to operating leases in which the partnership is a lessor as at December 31, 2023 and 2022 are outlined below, by class of underlying asset:

	Year ended December 31, 2023					
(US$ MILLIONS)	Land	Buildings	Machinery and equipment	Vessels	Other	Total
Lessee						
Right-of-use assets	**$ 71**	**$ 685**	**$ 503**	**$ —**	**$ 37**	**$ 1,296**
Depreciation/impairment expense	**(7)**	**(170)**	**(138)**	**—**	**(15)**	**(330)**
Lessor						
Assets subject to operating leases	**—**	**21**	**2,839**	**2,981**	**—**	**5,841**

	Year ended December 31, 2022					
(US$ MILLIONS)	Land	Buildings	Machinery and equipment	Vessels	Other	Total
Lessee						
Right-of-use assets	$ 107	$ 866	$ 467	$ —	$ 50	$ 1,490
Depreciation/impairment expense	(12)	(160)	(132)	(12)	(22)	(338)
Lessor						
Assets subject to operating leases	1	25	2,198	2,329	—	4,553

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NOTE 12. INTANGIBLE ASSETS

(US$ MILLIONS)	Water and sewage concession agreements	Customer relationships	Computer software and proprietary technology	Brands and trademarks [(1)]	Other [(1)]	Total
Gross carrying amount						
Balance at January 1, 2022	$ 2,054	$ 8,619	$ 3,689	$ 1,979	$ 787	$ 17,128
Changes in accounting policies [(2)]	—	—	—	—	(231)	(231)
Additions	256	—	204	4	78	542
Acquisitions through business combinations [(3)]	—	7,495	952	1,445	689	10,581
Dispositions	(1)	—	(5)	—	(9)	(15)
Assets reclassified as held for sale	(19)	(140)	—	—	—	(159)
Foreign currency translation	142	(256)	(86)	(41)	(37)	(278)
Balance at December 31, 2022	$ 2,432	$ 15,718	$ 4,754	$ 3,387	$ 1,277	$ 27,568
Additions	**249**	**—**	**259**	**9**	**71**	**588**
Acquisitions through business combinations [(3)]	**—**	**65**	**1**	**—**	**8**	**74**
Dispositions	**(3)**	**(888)**	**(1,989)**	**(360)**	**(245)**	**(3,485)**
Foreign currency translation	**202**	**196**	**49**	**34**	**16**	**497**
Balance at December 31, 2023	**$ 2,880**	**$ 15,091**	**$ 3,074**	**$ 3,070**	**$ 1,127**	**$ 25,242**
Accumulated amortization and impairment						
Balance at January 1, 2022	$ (237)	$ (1,093)	$ (734)	$ (67)	$ (191)	$ (2,322)
Changes in accounting policies [(2)]	—	—	—	—	90	90
Amortization and impairment expense	(96)	(879)	(375)	(68)	(48)	(1,466)
Dispositions	2	—	4	—	1	7
Assets reclassified as held for sale	10	19	—	—	—	29
Foreign currency translation	(16)	37	6	13	7	47
Balances at December 31, 2022	$ (337)	$ (1,916)	$ (1,099)	$ (122)	$ (141)	$ (3,615)
Amortization and impairment expense	**(85)**	**(1,022)**	**(479)**	**(89)**	**(55)**	**(1,730)**
Dispositions	—	**254**	**694**	**11**	**79**	**1,038**
Foreign currency translation	**(47)**	**(36)**	**3**	**(7)**	**(2)**	**(89)**
Balance at December 31, 2023	**$ (469)**	**$ (2,720)**	**$ (881)**	**$ (207)**	**$ (119)**	**$ (4,396)**
Net book value						
December 31, 2022	$ 2,095	$ 13,802	$ 3,655	$ 3,265	$ 1,136	$ 23,953
December 31, 2023	**$ 2,411**	**$ 12,371**	**$ 2,193**	**$ 2,863**	**$ 1,008**	**$ 20,846**

(1) Brands and trademarks include indefinite life intangible assets with a carrying value of $2,151 million (2022: $2,425 million) primarily in the partnership's infrastructure services and industrials segments. Other includes indefinite life intangible assets with a carrying value of $338 million associated with the partnership's contractual rights to manage certain perpetual open-ended investment funds within the partnership's Australian residential mortgage lender.

(2) See Note 2 for further details.

(3) See Note 3 for additional information.

The terms and conditions of the water and sewage concession agreements, including fees that can be charged to the users and the duties to be performed by the operator, are regulated by various grantors, the majority of which are municipal governments across Brazil. The concession agreements provide the operator the right to charge fees to users using the services of the operator over the term of the concessions in exchange for water treatment services, ongoing and regular maintenance work on water distributions assets and improvements to the water treatment and distribution system. Fees are revised annually for inflation in Brazil. The concession arrangements have an average remaining term of 23 years at which point the underlying concession assets will be returned to the various grantors.

The proprietary technology within the partnership pertains to the combination of processes, tools, techniques and developed systems for exclusive use and benefit within the partnership's operations that have the potential to provide competitive advantage and product differentiation. This relates to technology within the partnership's advanced energy storage operation, engineered components manufacturing operation and dealer software and technology services operation, assessed to have estimated useful lives ranging between 5 to 15 years. These intangible assets were valued at the date of acquisition using the relief from royalty method.

The brand names and trademarks acquired by the partnership through acquisitions pertain to trade names which carry strong reputations in their respective industries and positive brand recognition. These relate to brand names and trademarks from the acquisitions of the partnership's dealer software and technology services operation, modular building leasing services, advanced energy storage operation, engineered components manufacturing operation, fleet management and car rental services and lottery services operation. The brand names were valued at the date of acquisition using the relief from royalty method. As at December 31, 2023, $2,151 million of the partnership's brand names and trademarks have indefinite useful lives, and the remainder were assessed to have estimated useful lives ranging between 11 to 40 years.

Customer relationships pertain to strong and continuing relationships with many of the partnership's customers which contribute to the revenues and cash flows generated by the partnership's respective operations. The partnership has recognized customer relationships from acquisitions of the partnership's modular building leasing services, lottery services operation, advanced energy storage operation, dealer software and technology services operation and engineered components manufacturing operation. These customer relationships were valued at the date of acquisition using a multi-period excess earnings approach. A cost replacement approach was used to estimate the cost to recreate the existing customer base at the partnership's nuclear technology services operation. The customer relationships acquired were assessed to have estimated useful lives ranging between 9 to 20 years.

NOTE 13. GOODWILL

(US$ MILLIONS)	2023	2022
Balance at beginning of year	**$ 15,479**	$ 8,585
Acquisitions through business combinations [1]	**189**	7,446
Impairment [2]	**(605)**	(111)
Dispositions	**(1,091)**	(3)
Assets reclassified as held for sale	**—**	(11)
Foreign currency translation	**157**	(427)
Balance at end of year	**$ 14,129**	$ 15,479

(1) See Note 3 for additional information.

(2) Includes a goodwill impairment of $599 million at the partnership's healthcare services for the year ended December 31, 2023.

The partnership evaluates goodwill for impairment on an annual basis, or more often if events or circumstances indicate there may be an impairment. To determine whether goodwill is impaired, the partnership compares the carrying amount of its cash-generating units to which goodwill has been allocated to their recoverable amounts. The recoverable amounts of the partnership's cash-generating units are determined by calculating their value in use. For each cash-generating unit, this involves estimating expected future cash flows based on forecasted revenues and margins, determining an appropriate discount rate and aggregating discounted expected cash flows to arrive at value in use. The most significant assumptions used in this determination are revenue growth rates, discount rates, and perpetuity growth rates which individually range from 4.3% to 16.2%, 8.4% to 16.7%, and 0.8% to 11.5%, respectively. These assumptions and inputs are forecasted over a period of 5 years except for cases where a longer period can be justified for certain cash-generating units and are based on market information and internal management forecasts, reflective of historical experience and macroeconomic expectations.

During the year ended December 31, 2023, the partnership recorded a goodwill impairment loss of $599 million on a cash-generating unit within the business services segment. The impairment is related to the partnership's investment in healthcare services and is a result of changes in forecasted cash flow assumptions from revised expectations of hospital admissions and operating costs. The recoverable amount calculated to assess goodwill impairment was based on an estimate of value in use using a discounted cash flow analysis incorporating unobservable inputs.

As at December 31, 2023, the recoverable amounts of the partnership's remaining cash-generating units with material goodwill balances were greater than their carrying values with significant headroom.

Goodwill, net of accumulated impairment losses, is allocated to the following cash-generating units as at December 31, 2023 and 2022:

(US$ MILLIONS)	2023	2022
Dealer software and technology services operation	**$ 4,424**	$ 4,580
Engineered components manufacturing operation	**1,814**	1,765
Advanced energy storage operation	**1,743**	1,702
Modular building leasing services	**1,905**	1,674
Lottery services operation	**1,210**	1,197
Healthcare services	**690**	1,310
Other operations	**2,343**	3,251
Total	**$ 14,129**	$ 15,479

NOTE 14. EQUITY ACCOUNTED INVESTMENTS

The following table presents the economic interest, voting interest and carrying value of the partnership's equity accounted investments as at December 31, 2023 and 2022:

(US$ MILLIONS, except as noted)	Economic interest (%)		Voting interest (%)		Carrying value	
	2023	2022	2023	2022	2023	2022
Business services	**14% - 50%**	14% - 50%	**14% - 50%**	14% - 50%	**$ 465**	$ 243
Infrastructure services	**17% - 50%**	17% - 50%	**17% - 50%**	17% - 50%	**1,058**	889
Industrials	**13% - 54%**	9% - 54%	**13% - 50%**	9% - 50%	**631**	933
Total					**$ 2,154**	$ 2,065

The following table presents the change in the equity accounted investments balance for the years ended December 31, 2023 and 2022:

(US$ MILLIONS)	2023	2022
Balance at beginning of year	**$ 2,065**	$ 1,480
Acquisitions through business combinations (1)	**—**	461
Additions (2)	**464**	134
Dispositions (3)	**(354)**	—
Share of net income	**132**	165
Share of other comprehensive income (loss)	**1**	2
Distributions received	**(172)**	(167)
Foreign currency translation	**18**	(10)
Balance at end of period	**$ 2,154**	$ 2,065

(1) See Note 3 for additional information.

(2) Includes an addition of $228 million related to the recognition of our technology services operation as an equity accounted investment. See Note 8 for additional information.

(3) Includes a disposition of $338 million related to the derecognition of our graphite electrode operation as an equity accounted investment.

The following tables present the gross assets and liabilities of the partnership's equity accounted investments as at December 31, 2023 and 2022:

	Year ended December 31, 2023						
	Total						
(US$ MILLIONS)	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Total net assets
Business services	**$ 825**	**$ 2,809**	**$ 3,634**	**$ 521**	**$ 2,509**	**$ 3,030**	**$ 604**
Infrastructure services	**2,505**	**8,164**	**10,669**	**1,516**	**4,495**	**6,011**	**4,658**
Industrials	**1,083**	**1,722**	**2,805**	**479**	**1,123**	**1,602**	**1,203**
Total	**$ 4,413**	**$ 12,695**	**$ 17,108**	**$ 2,516**	**$ 8,127**	**$ 10,643**	**$ 6,465**

	Year ended December 31, 2022						
	Total						
(US$ MILLIONS)	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Total net assets
Business services	$ 372	$ 432	$ 804	$ 337	$ 107	$ 444	$ 360
Infrastructure services	2,529	8,458	10,987	1,595	5,695	7,290	3,697
Industrials	1,682	2,353	4,035	789	566	1,355	2,680
Total	$ 4,583	$ 11,243	$ 15,826	$ 2,721	$ 6,368	$ 9,089	$ 6,737

Certain of the partnership's equity accounted investments are subject to restrictions over the extent to which they can remit funds to the partnership in the form of cash dividends, or repayments of loans and advances as a result of borrowing arrangements, regulatory restrictions and other contractual requirements.

The following tables summarize the gross amounts of revenues, net income and other comprehensive income from the partnership's equity accounted investments for the years ended December 31, 2023, 2022 and 2021:

	Year ended December 31, 2023			
	Total			
(US$ MILLIONS)	Revenues	Net income	OCI	Total comprehensive income
Business services	**$ 731**	**$ 115**	**$ —**	**$ 115**
Infrastructure services	**6,249**	**100**	**6**	**106**
Industrials	**2,690**	**71**	**(5)**	**66**
Total	**$ 9,670**	**$ 286**	**$ 1**	**$ 287**

(US$ MILLIONS)	Year ended December 31, 2022 — Total: Revenues	Net income	OCI	Total comprehensive income
Business services	$ 621	$ 197	$ 5	$ 202
Infrastructure services	5,614	95	2	97
Industrials	3,462	456	9	465
Total	$ 9,697	$ 748	$ 16	$ 764

(US$ MILLIONS)	Year ended December 31, 2021 — Total: Revenues	Net income	OCI	Total comprehensive income
Business services	$ 315	$ 51	$ (6)	$ 45
Infrastructure services	4,900	(294)	(99)	(393)
Industrials	3,082	424	(4)	420
Total	$ 8,297	$ 181	$ (109)	$ 72

Certain of the partnership's equity accounted investments are publicly listed entities with active pricing in a liquid market. The following table presents the fair value of the equity accounted investments based on the publicly listed price and the partnership's carrying value as at December 31, 2023 and 2022:

(US$ MILLIONS)	2023 Public price	2023 Carrying value	2022 Public price	2022 Carrying value
Business services	**$ 36**	**$ —**	$ 35	$ —
Industrials	**—**	**—**	107	336
Total	**$ 36**	**$ —**	$ 142	$ 336

NOTE 15. ACCOUNTS PAYABLE AND OTHER

(US$ MILLIONS)		2023		2022
Current				
Accounts payable	**$**	**4,234**	$	4,099
Accrued and other liabilities [(1) (2)]		**5,194**		5,792
Lease liabilities		**266**		332
Financial liabilities [(3)]		**278**		352
Insurance liabilities		**433**		357
Work in progress [(4)]		**481**		1,175
Provisions and decommissioning liabilities [(5)]		**689**		770
Liabilities associated with assets held for sale		**23**		42
Total current	**$**	**11,598**	$	12,919
Non-current				
Accounts payable	**$**	**94**	$	90
Accrued and other liabilities [(2)]		**1,692**		1,623
Lease liabilities		**1,104**		1,274
Financial liabilities [(3)]		**1,894**		2,141
Insurance liabilities		**1,501**		1,545
Work in progress [(4)]		**20**		49
Provisions and decommissioning liabilities [(5)]		**475**		789
Total non-current	**$**	**6,780**	$	7,511

(1) Includes bank overdrafts of $558 million as at December 31, 2023 (2022: $636 million).

(2) Includes post-employment benefits of $250 million ($7 million current and $243 million non-current) as at December 31, 2023 and $642 million ($20 million current and $622 million non-current) as at December 31, 2022.

(3) Includes financial liabilities of $1,345 million ($64 million current and $1,281 million non-current) as at December 31, 2023 and $1,673 million ($74 million current and $1,599 million non-current) as at December 31, 2022 related to the failed sale and leaseback of hospitals. During the year, a gain of $341 million was recognized in other income (expense), net in the consolidated statement of operating results from the extinguishment of a liability related to leased hospitals. Concurrent with the extinguishment of this liability, the partnership entered into a new failed sale leaseback arrangement with a different counterparty for the same hospitals.

(4) See Note 16 for additional information.

(5) Includes decommissioning liabilities of $170 million (2022: $443 million) primarily from the partnership's natural gas production and advanced energy storage operation. The liabilities were determined using a discount rate between 3.5% and 9.0% (2022: 2.8% and 8.5%) and an inflation rate between 2.0% and 2.3% (2022: 2.0% and 3.0%), determined as appropriate for the underlying assets.

Included within accounts payable and other at December 31, 2023 was $1,370 million of lease liabilities (2022: $1,606 million). Interest expense on lease liabilities was $69 million for the year ended December 31, 2023 (2022: $63 million).

The partnership's exposure to currency and liquidity risk related to accounts payable and other is disclosed in Note 27.

The following table presents the change in the provision balances for the years ended December 31, 2023 and 2022 :

(US$ MILLIONS)	Decommissioning liability	Warranties and provisions for defects	Other	Total provisions
Balance at January 1, 2022	$ 665	$ 232	$ 716	$ 1,613
Additional provisions recognized	5	236	525	766
Reduction arising from payments/derecognition	(12)	(277)	(262)	(551)
Accretion expenses	16	—	—	16
Change in discount rate	(214)	—	(12)	(226)
Change in other estimates	(3)	(6)	—	(9)
Foreign currency translation	(14)	(7)	(29)	(50)
Balance at December 31, 2022	$ 443	$ 178	$ 938	$ 1,559
Additional provisions recognized	**2**	**291**	**233**	**526**
Reduction arising from payments/derecognition	**(11)**	**(238)**	**(263)**	**(512)**
Accretion expenses	**17**	**—**	**18**	**35**
Change in discount rate	**(57)**	**—**	**—**	**(57)**
Change in other estimates	**(23)**	**(2)**	**10**	**(15)**
Dispositions	**(204)**	**(23)**	**(149)**	**(376)**
Foreign currency translation	**3**	**3**	**(2)**	**4**
Balance at December 31, 2023	**$ 170**	**$ 209**	**$ 785**	**$ 1,164**

NOTE 16. CONTRACTS IN PROGRESS

(US$ MILLIONS)	2023	2022	2021
Contract costs incurred to date	**$ 13,519**	$ 21,066	$ 21,381
Profit recognized to date (less recognized losses)	**170**	2,055	1,783
	13,689	23,121	23,164
Less: progress billings	**(13,990)**	(23,876)	(24,084)
Contract work in progress (liability)	**$ (301)**	$ (755)	$ (920)
Comprising:			
Amounts due from customers — work in progress [(1)]	**$ 200**	$ 469	$ 478
Amounts due to customers — creditors [(2)]	**(501)**	(1,224)	(1,398)
Net work in progress	**$ (301)**	$ (755)	$ (920)

(1) The change in the balance from December 31, 2022 was due to billed amounts of $3,013 million, additions to work in progress of $3,076 million and dispositions of $332 million.

(2) The change in the balance from December 31, 2022 was due to recognized revenue of $1,233 million, additions to work in progress of $1,301 million, disposals of $805 million and an increase of $14 million from other changes.

NOTE 17. BORROWINGS

Principal repayments on total borrowings due over the next five years and thereafter are as follows:

(US$ MILLIONS)	Business services	Infrastructure services	Industrials	Corporate and other	Total borrowings
2024	$ 1,929	$ 372	$ 546	$ —	$ 2,847
2025	2,451	274	728	—	3,453
2026	1,483	450	3,280	—	5,213
2027	2,408	523	2,190	—	5,121
2028	840	4,194	3,528	1,440	10,002
Thereafter	8,504	3,367	4,487	—	16,358
Total - principal repayments	$ 17,615	$ 9,180	$ 14,759	$ 1,440	$ 42,994
Deferred financing costs and other accounting adjustments	(305)	(203)	(237)	—	(745)
Total - December 31, 2023	**$ 17,310**	**$ 8,977**	**$ 14,522**	**$ 1,440**	**$ 42,249**
Total - December 31, 2022	$ 15,929	$ 13,411	$ 15,253	$ 2,100	$ 46,693

(a) Corporate borrowings

The partnership has bilateral credit facilities backed by large global banks. The credit facilities are available in Euros, British pounds, Australian dollars, U.S. dollars and Canadian dollars. Advances under the credit facilities bear interest at the specified SOFR, SONIA, EURIBOR, CDOR (until CDOR is replaced with the applicable CORRA rate), BBSY or bankers' acceptance rate plus 2.50%, or the specified base rate or prime rate plus 1.50%. The credit facilities require the partnership to maintain a minimum tangible net worth and deconsolidated debt to capitalization ratio at the corporate level. The total capacity on the bilateral credit facilities is $2,300 million with a maturity date of June 29, 2028. The balance drawn on the bilateral credit facility at December 31, 2023 was $1,440 million (2022: $2,100 million).

The partnership had $1,000 million available on its revolving credit facility with Brookfield (the "Brookfield Credit Agreement") at December 31, 2023. The credit facility is guaranteed by the partnership, the Holding LP and certain of the partnership's subsidiaries. The credit facility is available in U.S. dollars or Canadian dollars and advances are made by way of SOFR, base rate, bankers' acceptance rate or prime rate loans. The credit facility bears interest at the specified SOFR or bankers' acceptance rate plus 3.45%, or the specified base rate or prime rate plus 2.45%. The credit facility requires the partnership to maintain a minimum deconsolidated net worth and contains restrictions on the ability of the borrowers and the guarantors to, among other things, incur certain liens or enter into speculative hedging arrangements. Net proceeds above a specified threshold that are received by the borrowers from asset dispositions, debt incurrences or equity issuances by the borrowers or their subsidiaries must be used to pay down the credit facility (which can then be redrawn to fund future investments). The maturity date of the credit facility is April 27, 2028, at which date will automatically extend for a one year period on April 27 of each year unless Brookfield provides written notice of its intention not to further extend their prevailing maturity date. The total available amount on the credit facility will decrease to $500 million on April 27, 2024. As at December 31, 2023, the credit facility remained undrawn.

The partnership is currently in compliance with covenant requirements of its corporate borrowings and continues to monitor performance against such covenant requirements.

As at December 31, 2023, there were no funds on deposit from Brookfield (2022: $nil). Refer to Note 25 for further details on the Deposit Agreements (defined herein) with Brookfield.

(b) Non-recourse subsidiary borrowings of the partnership

Current and non-current non-recourse borrowings in subsidiaries of the partnership as at December 31, 2023, net of deferred financing costs and other accounting adjustments were $2,757 million and $38,052 million, respectively (2022: $3,758 million and $40,835 million, respectively). Non-recourse borrowings in subsidiaries of the partnership include borrowings made under subscription facilities of Brookfield-sponsored private equity funds.

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Some of the partnership's operations have credit facilities in which they borrow and repay on a short-term basis. This movement has been shown on a net basis in the partnership's consolidated statements of cash flow.

The partnership has financing arrangements within its operating businesses that trade in public markets or are held at major financial institutions. The financing arrangements primarily comprise term loans, securitization programs, credit facilities and notes and debentures which are subject to fixed or floating interest rates. Most of these borrowings are not subject to financial maintenance covenants, however, some are subject to fixed charge coverage, leverage ratios and minimum equity or liquidity covenants.

The partnership principally finances assets at the subsidiary level with debt that is non-recourse to both the partnership and to its other subsidiaries and is generally secured against assets within the respective subsidiaries. Moreover, debt instruments at the partnership's subsidiaries do not cross-accelerate or cross-default to debt at other subsidiaries. The partnership's subsidiaries are currently in compliance with or have obtained waivers related to all material covenant requirements and the partnership continues to work with its businesses to monitor performance against such covenant requirements.

The following table summarizes the weighted average interest rates and terms of non-recourse subsidiary borrowings in subsidiaries of the partnership as at December 31, 2023 and 2022:

	Weighted average rate (%)		Weighted average term (years)		Consolidated	
(US$ MILLIONS, except as noted)	2023	2022	2023	2022	2023	2022
Business services	**8.6 %**	7.6 %	**7.6**	8.3	**$ 17,310**	$ 15,929
Infrastructure services	**7.9 %**	6.9 %	**4.8**	4.1	**8,977**	13,411
Industrials	**8.8 %**	7.8 %	**5.2**	4.7	**14,522**	15,253
Total	**8.5 %**	7.4 %	**6.1**	**5.8**	**$ 40,809**	$ 44,593

The partnership enters into interest rate derivatives to mitigate the risk of interest rate movements on its floating rate debt instruments. Refer to Note 26 and Note 27 for additional information on the partnership's interest rate derivatives and financial risk management. As at December 31, 2023, the weighted average interest rate of the partnership's total non-recourse borrowings including the effect of interest rate derivatives was 8.0%.

The following table summarizes the non-recourse borrowings in subsidiaries of the partnership by currency as at December 31, 2023 and 2022:

(US$ MILLIONS, except as noted)	2023	Local currency		2022	Local currency	
U.S. dollars	**$ 19,447**	**$**	**19,447**	$ 25,843	$	25,843
Euros	**7,114**	**€**	**6,437**	7,481	€	6,997
Brazilian reais	**4,610**	**R$**	**22,311**	2,908	R$	15,171
Australian dollars	**7,033**	**A$**	**10,324**	6,033	A$	8,855
Indian rupees	**802**	**INR**	**66,848**	660	INR	54,560
Canadian dollars	**976**	**C$**	**1,293**	1,136	C$	1,539
Other	**827**			532		
Total	**$ 40,809**			$ 44,593		

NOTE 18. INCOME TAXES

Income tax expense is recognized for the amount of taxes payable by the partnership's consolidated subsidiaries and for the impact of deferred income tax assets and liabilities related to such subsidiaries.

The major components of income tax expense (recovery) include the following for the years ended December 31, 2023, 2022 and 2021:

	Year ended December 31,		
(US$ MILLIONS)	2023	2022	2021
Current income tax expense (recovery)	**$ 775**	$ 458	$ 536
Deferred income tax expense (recovery):			
Origination and reversal of temporary differences	**(712)**	(283)	(182)
Recovery arising from previously unrecognized tax assets	**(121)**	(440)	(195)
Change of tax rates and imposition of new legislations	**3**	(54)	6
Deferred income tax expense (recovery)	**(830)**	(777)	(371)
Total income tax expense (recovery)	**$ (55)**	$ (319)	$ 165

The below reconciliation has been prepared using a composite statutory-rate for jurisdictions where the partnership's subsidiaries operate.

The partnership's effective income tax rate is different from the partnership's composite income tax rate due to the following differences set out below:

(%)	2023	2022	2021
Composite income tax rate	**27 %**	27 %	27 %
Increase (reduction) in rate resulting from:			
Portion of gains subject to different tax rates	**(12)**	7	(4)
International operations subject to different tax rates	**—**	(26)	1
Taxable income attributable to non-controlling interests	**(20)**	12	(14)
Recognition of deferred tax assets	**(9)**	570	(9)
Non-recognition of the benefit of current year's tax losses	**3**	(142)	5
Change in tax rates and imposition of new legislation	**—**	62	—
Non-deductible expenses and other	**10**	(106)	2
Effective income tax rate	**(1)%**	404 %	8 %

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Deferred income tax assets and liabilities as at December 31, 2023 and 2022 relate to the following:

(US$ MILLIONS)	2023	2022
Non-capital losses (Canada)	$ 278	$ 186
Losses (U.S.)	161	388
Losses (International)	671	501
Difference in basis	(3,116)	(3,528)
Total net deferred tax (liability) asset	$ (2,006)	$ (2,453)
Reflected in the statement of financial position as follows:		
Deferred income tax assets	$ 1,220	$ 1,245
Deferred income tax liabilities	(3,226)	(3,698)
Total net deferred tax (liability) asset	$ (2,006)	$ (2,453)

The deferred income tax movements are as follows:

(US$ MILLIONS)	2023	2022
Opening net deferred tax (liability) asset	$ (2,453)	$ (1,619)
Recognized in income	830	777
Recognized in other comprehensive income	30	(24)
Other [1]	(413)	(1,587)
Net deferred tax (liability) asset	$ (2,006)	$ (2,453)

(1) The other category primarily relates to acquisitions and dispositions and the foreign exchange impact of the deferred tax asset calculated in the functional currency of the operating entities.

The following table details the expiry date, if applicable, of the unrecognized deferred tax assets December 31, 2023 and 2022:

(US$ MILLIONS)	2023	2022
One year from reporting date	$ 2	$ 18
Two years from reporting date	5	1
Three years from reporting date	—	5
After three years from reporting date	198	231
No expiry	744	812
Total	$ 949	$ 1,067

The components of the income taxes in other comprehensive income for the years ended December 31, 2023, 2022 and 2021 are set out below:

(US$ MILLIONS)	Year ended December 31, 2023	2022	2021
Fair value through other comprehensive income	**$ 37**	$ (119)	$ (13)
Net investment hedges	**(17)**	18	9
Cash flow hedges	**(26)**	86	15
Equity accounted investments	**—**	1	(2)
Insurance finance reserve	**(10)**	22	—
Pension plan actuarial changes	**10**	16	32
Total tax expense (recovery) in other comprehensive income	**$ (6)**	$ 24	$ 41

For the year ended December 31, 2023, current tax expense recorded directly in equity was $nil (2022: $nil, 2021: $42 million). For the year ended December 31, 2021 total current taxes related to items recorded directly in equity were primarily related to an internal reorganization of subsidiaries for which control was been retained.

The unrecognized taxable temporary difference attributable to the partnership's interest in its subsidiaries, branches, associates, and joint ventures is $2,724 million (2022: $2,390 million).

NOTE 19. EQUITY

The partnership's consolidated equity interests include LP Units held by the public and Brookfield, GP Units held by Brookfield, Redemption-Exchange Units held by Brookfield, Special LP Units held by Brookfield and BBUC exchangeable shares held by the public and Brookfield, collectively, "Units" or "Unitholders" as described in Note 1, and $740 million of preferred securities held by Brookfield. As at December 31, 2023, Brookfield owns approximately 65.5% of the partnership on a fully exchanged basis, assuming the exchange of all of the Redemption-Exchange Units and BBUC exchangeable shares. The partnership's sole direct investment consists of 74,281,767 Managing General Partner Units of the Holdings LP (2022: 74,612,507), through which the partnership holds all of its interests in its operating businesses.

For the year ended December 31, 2023, the partnership made distributions on the LP Units, GP Units, Redemption-Exchange Units and BBUC exchangeable shares of $54 million, or approximately $0.25 per Unit (2022: $50 million). For the year ended December 31, 2023, the partnership made distributions and capital repayments to others who have interests in operating subsidiaries of $4,310 million (2022: $2,419 million), primarily as a result of the proceeds distributed from the previously announced sale of our nuclear technology services operation and other asset sales completed during the year, combined with the distribution of proceeds from syndication to institutional partners of the partnership's dealer and technology services operation.

(a) GP and LP Units

LP Units entitle the holder to their proportionate share of distributions. GP Units entitle the holder the right to govern the financial and operating policies of Brookfield Business Partners L.P. The GP Units are not quantitatively material to the consolidated financial statements and therefore have not been separately presented on the consolidated statements of financial position.

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The following table provides a continuity of GP Units and LP Units outstanding for the years ended December 31, 2023 and 2022:

	GP Units		LP Units		Total	
UNITS	2023	2022	2023	2022	2023	2022
Authorized and issued						
Opening balance	**4**	4	**74,612,503**	77,085,493	**74,612,507**	77,085,497
Repurchased and canceled	**—**	—	**(331,875)**	(2,525,490)	**(331,875)**	(2,525,490)
Conversion from BBUC exchangeable shares	—	—	**1,135**	52,500	**1,135**	52,500
Balance as at December 31	**4**	4	**74,281,763**	74,612,503	**74,281,767**	74,612,507

The weighted average number of LP Units outstanding for the year ended December 31, 2023 was 74.5 million (2022: 75.3 million).

During the year ended December 31, 2023, the partnership repurchased and canceled 331,875 LP Units (2022: 2,525,490).

Managing General Partner Units of the Holding LP are repurchased and canceled in connection with the repurchase and cancellation of LP Units. During the year ended December 31, 2023, 331,875 Managing General Partner Units (2022: 2,525,490) were repurchased and canceled in connection with repurchase and cancellation of 331,875 LP Units (2022: 2,525,490 LP Units).

Net income (loss) attributable to limited partnership unitholders was $482 million for the year ended December 31, 2023 (2022: net income of $36 million).

(b) Redemption-Exchange Units held by Brookfield

	Redemption-Exchange Units held by Brookfield	
UNITS	2023	2022
Authorized and issued		
Opening balance	**69,705,497**	69,705,497
Balance as at December 31	**69,705,497**	69,705,497

The weighted average number of Redemption-Exchange Units outstanding for the year ended December 31, 2023 was 69.7 million (2022: 69.7 million).

As at December 31, 2023, the Holding LP had issued 69.7 million Redemption-Exchange Units to Brookfield. Both the LP Units and GP Units issued by Brookfield Business Partners L.P. and the Redemption-Exchange Units issued by the Holding LP have the same economic attributes in all respects, except as noted below.

The Redemption-Exchange Units may, at the request of Brookfield, be redeemed in whole or in part, for cash in an amount equal to the market value of one of the partnership's LP Units multiplied by the number of units to be redeemed (subject to certain customary adjustments). This right is subject to the partnership's right, at its sole discretion, to elect to acquire any unit presented for redemption in exchange for one of the partnership's LP Units (subject to certain customary adjustments). If the partnership elects not to exchange the Redemption-Exchange Units for LP Units, the Redemption-Exchange Units are required to be redeemed for cash. The Redemption-Exchange Units are presented as non-controlling interests since they relate to equity in a subsidiary that is not attributable, directly or indirectly, to Brookfield Business Partners L.P. Since this redemption right is subject to the partnership's right, at its sole discretion, to satisfy the redemption request with LP Units of Brookfield Business Partners L.P. on a one-for-one basis, the Redemption-Exchange Units are classified as equity in accordance with IAS 32, *Financial instruments: presentation* ("IAS 32").

(c) BBUC exchangeable shares

	BBUC exchangeable shares	
SHARES	2023	2022
Opening balance	**72,955,585**	**—**
Special distribution	**—**	**73,088,510**
Converted to class C shares	**—**	**(80,425)**
Converted to LP Units	**(1,135)**	**(52,500)**
Balance as at December 31	**72,954,450**	**72,955,585**

On March 15, 2022, the partnership completed a special distribution whereby Unitholders as of the Record Date received one BBUC exchangeable share, for every two Units held. The special distribution resulted in the issuance of 73 million BBUC exchangeable shares to public unitholders and Brookfield. Both the LP Units and GP Units issued by the partnership and the BBUC exchangeable shares issued by BBUC have the same economic attributes in all respects, except as noted below.

Each BBUC exchangeable share is exchangeable at the option of the holder for one LP Unit (subject to adjustment to reflect certain capital events) or for cash in an amount equal to the market value of one of the partnership's LP Units. The partnership may elect to satisfy the exchange obligation by acquiring such tendered BBUC exchangeable shares for an equivalent number of LP Units or its cash equivalent. The partnership intends to satisfy any exchange requests on the BBUC exchangeable shares through the delivery of LP Units rather than cash. The BBUC exchangeable shares are presented as non-controlling interests since they relate to equity in a subsidiary that is not attributable, directly or indirectly, to Brookfield Business Partners L.P. Since this exchange right is subject to the partnership's right, at its sole discretion, to satisfy the exchange request with LP Units of Brookfield Business Partners L.P. on a one-for-one basis, the BBUC exchangeable shares are classified as equity in accordance with IAS 32.

During the year ended December 31, 2023, 1,135 BBUC exchangeable shares were exchanged into LP Units (2022: 52,500).

An additional Managing General Partner Unit is issued to the partnership each time an LP Unit is issued, including when a BBUC exchangeable Share is exchanged by the holder thereof for an LP Unit. During the year ended December 31, 2023, 1,135 Managing General Partner Units (2022: 52,500) were issued to the partnership in connection with exchange of 1,135 BBUC exchangeable shares into LP units (2022: 52,500).

(d) Special limited partner units held by Brookfield

	Special Limited Partner Units held by Brookfield	
UNITS	2023	2022
Authorized and issued		
Opening balance	**4**	4
Balance as at December 31	**4**	4

The weighted average number of special limited partner units outstanding for the year ended December 31, 2023 was 4 (2022: 4).

In its capacity as the holder of the Special LP Units of the Holding LP, the special limited partner is entitled to incentive distributions which are calculated quarterly as 20% of the increase in the market value of the LP Units on a fully exchanged basis (assuming the exchange of all of the Redemption-Exchange Units and BBUC exchangeable shares) over an initial threshold based on the volume-weighted average price of the LP Units, subject to a high-water mark.

In order to account for the dilutive effect of the special distribution which occurred on March 15, 2022, the incentive distribution threshold was reduced by one-third, commensurate with the distribution ratio of one (1) BBUC exchangeable share for every two (2) LP Units. Accordingly, the resulting incentive distribution threshold is $31.53 per LP Unit following the completion of the special distribution.

During the three months ended December 31, 2023, the volume-weighted average price was $15.48 per LP Unit, which was below the current incentive distribution threshold of $31.53 per LP Unit, resulting in an incentive distribution of $nil (2022: $nil). For the twelve months ended December 31, 2023, total incentive distributions were $nil (2022: $nil).

(e) Preferred securities held by Brookfield

	Preferred securities held by Brookfield	
($US MILLIONS)	2023	2022
Authorized and issued	**$ 1,490**	$ 15
Subscriptions during the year	**—**	1,475
Redemptions during the year	**(750)**	—
Balance as at December 31	**$ 740**	$ 1,490

Brookfield has subscribed for an aggregate of $15 million of preferred shares of three subsidiaries of the partnership. The preferred shares are entitled to receive a cumulative preferential cash dividend equal to 5% of their redemption value per annum as and when declared by the board of the directors of the applicable entity and are redeemable at the option of the applicable entity at any time after the twentieth anniversary of their issuance. The partnership is not obligated to redeem the preferred shares and accordingly, the preferred shares have been determined to be equity instruments of the applicable issuer entities and are reflected as a component of non-controlling interests in the consolidated statements of financial position and changes in equity.

The partnership entered into an additional commitment agreement with Brookfield in 2022, whereby Brookfield agreed to subscribe for up to $1.5 billion of perpetual preferred equity securities of subsidiaries of the partnership. The preferred securities are redeemable at the option of Brookfield to the extent the partnership completes asset sales, financings or equity issuances. These perpetual preferred securities are presented as equity instruments in accordance with IAS 32, and accordingly the partnership has classified them as a component of non-controlling interests in the consolidated statements of financial position and changes in equity. As at December 31, 2023, the amount subscribed from subsidiaries of the partnership was $725 million with an annual dividend 7% (2022: $1,475 million). On November 7, 2023, $750 million of perpetual preferred equity securities were redeemed. The remaining capacity available on the commitment agreement with Brookfield is $25 million.

NOTE 20. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The following tables present the changes in accumulated other comprehensive income (loss) reserves attributable to limited partners for the years ended December 31, 2023, 2022 and 2021:

(US$ MILLIONS)	Foreign currency translation	FVOCI	Other [1]	Accumulated other comprehensive income (loss)
Balance as at January 1, 2023	**$ (247)**	**$ (8)**	**$ 112**	**$ (143)**
Other comprehensive income (loss)	**51**	**13**	**(48)**	**16**
Ownership changes	**7**	**—**	**(10)**	**(3)**
Balance as at December 31, 2023	**$ (189)**	**$ 5**	**$ 54**	**$ (130)**

(1) Represents net investment hedges, cash flow hedges and other reserves.

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(US$ MILLIONS)	Foreign currency translation	FVOCI	Other [1]	Accumulated other comprehensive income (loss)
Balance as at January 1, 2022	$ (252)	$ 76	$ 23	$ (153)
Adoption of new accounting standards [2]	—	—	1	1
As adjusted opening balance January 1, 2022	(252)	76	24	(152)
Other comprehensive income (loss)	(66)	(69)	92	(43)
Ownership changes	4	—	1	5
Issuance of BBUC exchangeable shares [3]	67	(15)	(5)	47
Balance as at December 31, 2022	$ (247)	$ (8)	$ 112	$ (143)

(1) Represents net investment hedges, cash flow hedges and other reserves.
(2) Refer to Note 2 for further details.
(3) In connection with the special distribution of BBUC, $47 million of accumulated other comprehensive income (loss) was reallocated to BBUC exchangeable shares. Refer to Note 1 for further details.

(US$ MILLIONS)	Foreign currency translation	FVOCI	Other [1]	Accumulated other comprehensive income (loss)
Balance as at January 1, 2021	$ (144)	$ 52	$ (88)	$ (180)
Other comprehensive income (loss)	(70)	24	110	64
Ownership changes	(38)	—	1	(37)
Balance as at December 31, 2021	$ (252)	$ 76	$ 23	$ (153)

(1) Represents net investment hedges, cash flow hedges and other reserves.

NOTE 21. DIRECT OPERATING COSTS

The partnership has no key employees or directors and does not remunerate key management personnel. Details of the allocations of costs incurred by Brookfield on behalf of the partnership are disclosed in Note 25. Key decision makers of the partnership are all employees of Brookfield or its subsidiaries, which provides management services under a master services agreement with Brookfield (the "Master Services Agreement").

Direct operating costs are costs incurred to earn revenues and include all attributable expenses. The following table presents direct operating costs by nature for the years ended December 31, 2023, 2022 and 2021:

	Year ended December 31,		
(US$ MILLIONS)	2023	2022	2021
Inventory costs	**$ 33,450**	$ 36,736	$ 30,333
Subcontractor and consultant costs	**3,059**	3,163	3,426
Concession construction materials and labor costs	**299**	323	235
Depreciation and amortization expense	**3,592**	3,223	2,283
Compensation	**5,827**	5,562	4,123
Other direct costs	**3,794**	4,103	2,751
Total	**$ 50,021**	$ 53,110	$ 43,151

Other direct costs include freight, cost of construction expensed and expected credit loss provisions on financial assets.

Total lease expenses relating to short-term and low-value leases included in other direct operating costs for the year ended December 31, 2023 were $37 million (2022: $26 million) and $18 million (2022: $14 million), respectively.

NOTE 22. GUARANTEES AND CONTINGENCIES

In the normal course of operations, the partnership's operating subsidiaries have bank guarantees, insurance bonds, and letters of credit outstanding to third parties. As at December 31, 2023, the total outstanding amount was approximately $1.7 billion (2022: approximately $2.5 billion). The partnership does not conduct its operations, other than those of equity accounted investments, through entities that are not consolidated in these consolidated financial statements, and has not guaranteed or otherwise contractually committed to support any material financial obligations not reflected in these consolidated financial statements.

The partnership is contingently liable with respect to litigation and claims that arise in the normal course of operations. It is not expected that any of the ongoing litigation and claims as at December 31, 2023 could result in a material settlement liability to the partnership.

NOTE 23. CONTRACTUAL COMMITMENTS

(a) Commitments

Within the partnership's infrastructure services segment, the partnership had $1.2 billion in contractual commitments for capital expenditures over the next 3 years in the form of shipbuilding contracts at the partnership's offshore oil services as at December 31, 2023. The capital expenditures relate to a customer contract and will be funded by proceeds to be contractually received from the customer.

(b) Lease liabilities

The following table summarizes the partnership's undiscounted maturity schedule for lease obligations as at December 31, 2023 and 2022:

(US$ MILLIONS)	2023	2022
Lease obligations		
Less than 1 year	**$ 307**	$ 368
1 to 5 years	**841**	920
5+ years	**696**	843
Total	**$ 1,844**	$ 2,131

NOTE 24. REVENUES

(a) Revenues by type

The following tables summarize the partnership's segment revenues by type of revenue for the years ended December 31, 2023, 2022 and 2021:

	Year ended December 31, 2023				
(US$ MILLIONS)	Business services	Infrastructure services	Industrials	Corporate and other	Total
Revenues by type					
Revenues from contracts with customers	**$ 30,873**	**$ 6,046**	**$ 15,180**	**$ —**	**$ 52,099**
Other revenues	**1,537**	**1,411**	**21**	**—**	**2,969**
Total revenues	**$ 32,410**	**$ 7,457**	**$ 15,201**	**$ —**	**$ 55,068**

BROOKFIELD BUSINESS PARTNERS L.P.

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	Year ended December 31, 2022				
(US$ MILLIONS)	Business services	Infrastructure services	Industrials	Corporate and other	Total
Revenues by type					
Revenues from contracts with customers	$ 33,631	$ 6,118	$ 15,059	$ —	$ 54,808
Other revenues	1,155	1,406	16	—	2,577
Total revenues	$ 34,786	$ 7,524	$ 15,075	$ —	$ 57,385

	Year ended December 31, 2021				
(US$ MILLIONS)	Business services	Infrastructure services	Industrials	Corporate and other	Total
Revenues by type					
Revenues from contracts with customers	$ 28,947	$ 3,878	$ 12,121	$ —	$ 44,946
Other revenues	1,041	579	21	—	1,641
Total revenues	$ 29,988	$ 4,457	$ 12,142	$ —	$ 46,587

(b) Timing of recognition of revenues from contracts with customers

The following tables summarize the partnership's segment revenues by timing of revenue recognition for total revenues from contracts with customers for the years ended December 31, 2023, 2022 and 2021:

	Year ended December 31, 2023				
(US$ MILLIONS)	Business services	Infrastructure services	Industrials	Corporate and other	Total
Timing of revenue recognition					
Goods and services provided at a point in time	**$ 25,075**	**$ 2,070**	**$ 14,874**	**$ —**	**$ 42,019**
Services transferred over a period of time	**5,798**	**3,976**	**306**	**—**	**10,080**
Total revenues from contracts with customers	**$ 30,873**	**$ 6,046**	**$ 15,180**	**$ —**	**$ 52,099**

	Year ended December 31, 2022				
(US$ MILLIONS)	Business services	Infrastructure services	Industrials	Corporate and other	Total
Timing of revenue recognition					
Goods and services provided at a point in time	$ 29,092	$ 2,391	$ 14,661	$ —	$ 46,144
Services transferred over a period of time	4,539	3,727	398	—	8,664
Total revenues from contracts with customers	$ 33,631	$ 6,118	$ 15,059	$ —	$ 54,808

	Year ended December 31, 2021				
(US$ MILLIONS)	Business services	Infrastructure services	Industrials	Corporate and other	Total
Timing of revenue recognition					
Goods and services provided at a point in time	$ 24,810	$ 1,403	$ 11,864	$ —	$ 38,077
Services transferred over a period of time	4,137	2,475	257	—	6,869
Total revenues from contracts with customers	$ 28,947	$ 3,878	$ 12,121	$ —	$ 44,946

(c) Revenues by geography

The following table summarizes the partnership's total revenues by geography for the years ended December 31, 2023, 2022 and 2021:

(US$ MILLIONS)	2023	2022	2021
United Kingdom	**$ 19,524**	$ 21,921	$ 18,827
United States	**11,676**	10,297	6,715
Europe	**8,017**	8,742	7,107
Australia	**4,962**	4,950	4,529
Canada	**3,954**	4,805	3,916
Brazil	**2,838**	2,558	1,711
Mexico	**1,202**	941	813
Other	**2,895**	3,171	2,969
Total revenues	**$ 55,068**	$ 57,385	$ 46,587

The following tables summarize the partnership's segment revenues by geography for the years ended December 31, 2023, 2022 and 2021:

	Year ended December 31, 2023				
(US$ MILLIONS)	Business services	Infrastructure services	Industrials	Corporate and other	Total
United Kingdom	$ 18,391	$ 577	$ 342	$ —	$ 19,310
United States	2,148	3,180	6,334	—	11,662
Europe	2,073	1,558	3,482	—	7,113
Australia	4,100	224	134	—	4,458
Canada	2,347	166	606	—	3,119
Brazil	863	96	1,555	—	2,514
Mexico	—	—	1,202	—	1,202
Other	951	245	1,525	—	2,721
Total revenues from contracts with customers	$ 30,873	$ 6,046	$ 15,180	$ —	$ 52,099
Other revenues	$ 1,537	$ 1,411	$ 21	$ —	$ 2,969
Total revenues	$ 32,410	$ 7,457	$ 15,201	$ —	$ 55,068

BROOKFIELD BUSINESS PARTNERS L.P.

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	Year ended December 31, 2022				
(US$ MILLIONS)	Business services	Infrastructure services	Industrials	Corporate and other	Total
United Kingdom	$ 20,939	$ 492	$ 329	$ —	$ 21,760
United States	1,233	2,754	6,300	—	10,287
Europe	2,867	1,770	3,190	—	7,827
Australia	4,323	226	137	—	4,686
Canada	3,185	165	730	—	4,080
Brazil	228	112	1,955	—	2,295
Mexico	—	—	941	—	941
Other	856	599	1,477	—	2,932
Total revenues from contracts with customers	$ 33,631	$ 6,118	$ 15,059	$ —	$ 54,808
Other revenues	$ 1,155	$ 1,406	$ 16	$ —	$ 2,577
Total revenues	$ 34,786	$ 7,524	$ 15,075	$ —	$ 57,385

	Year ended December 31, 2021				
(US$ MILLIONS)	Business services	Infrastructure services	Industrials	Corporate and other	Total
United Kingdom	$ 18,257	$ 344	$ 206	$ —	$ 18,807
United States	344	1,591	4,775	—	6,710
Europe	2,495	1,257	3,007	—	6,759
Australia	4,404	11	84	—	4,499
Canada	2,436	85	554	—	3,075
Brazil	259	82	1,155	—	1,496
Mexico	—	—	813	—	813
Other	752	508	1,527	—	2,787
Total revenues from contracts with customers	$ 28,947	$ 3,878	$ 12,121	$ —	$ 44,946
Other revenues	$ 1,041	$ 579	$ 21	$ —	$ 1,641
Total revenues	$ 29,988	$ 4,457	$ 12,142	$ —	$ 46,587

(d) Lease income

Total lease income from operating leases totaled $1,526 million for the year ended December 31, 2023 (2022: $1,558 million). The following table presents the undiscounted contractual earnings receivable of the partnership's leases by expected period of receipt as at December 31, 2023 and 2022:

(US$ MILLIONS)	2023	2022
Lease earnings receivable		
Less than 1 year	**$ 683**	$ 877
2 to 5 years	**1,344**	1,110
5+ years	**217**	332
Total	**$ 2,244**	$ 2,319

(e) Remaining performance obligations

Business services

In the partnership's construction operation business, backlog is defined as revenue yet to be delivered (i.e. remaining performance obligations) on construction projects that have been secured via an executed contract or work order. As at December 31, 2023, the partnership's backlog of construction projects was approximately $6.2 billion (2022: $5.7 billion). The partnership expects to recognize most of this amount within the next 12 months and the remainder in the next 5 years.

The partnership's dealer software and technology services operation had remaining performance obligations related to its long-term software and maintenance and support contracts of approximately $2.3 billion (2022: $2.5 billion). The partnership expects to recognize most of this amount within the next 2 years and the remainder in the next 5 years. The remaining performance obligations exclude future transaction revenue where revenue is recognized as the services are rendered and in the amount to which the partnership has the right to invoice.

Industrials

The partnership's Brazilian water and wastewater operation business is party to certain remaining performance obligations which have a duration of more than one year. As at December 31, 2023, the remaining performance obligations were approximately $10.6 billion (2022: $10.4 billion), with the most significant relating to the service concession arrangements with various municipalities which have an average remaining term of 23 years.

NOTE 25. RELATED PARTY TRANSACTIONS

In the normal course of operations, the partnership entered into the transactions below with related parties. These transactions have been measured at fair value and are recognized in the consolidated financial statements. The ultimate parent of the partnership is Brookfield Corporation. Other related parties of the partnership include Brookfield Corporation's subsidiaries and operating entities.

(a) Transactions with Brookfield

The partnership is a party to the Brookfield Credit Agreement, which permits borrowings of up to $1 billion. As at December 31, 2023, $nil was drawn on the Brookfield Credit Agreement (2022: $nil). Refer to Note 17 for further details.

From time to time, each of Brookfield and the partnership may place funds on deposit with the other, on terms approved by the independent directors of the partnership's General Partner, pursuant to deposit agreements entered into between Brookfield and the partnership (the "Deposit Agreements"). Interest earned or incurred on such deposits is at market terms. As at December 31, 2023, the net deposit from Brookfield was $nil (2022: $nil) and the partnership incurred interest expense of $nil for the year ended December 31, 2023 (2022: interest expense of $nil, 2021: interest expense of $4 million) on these deposits.

Pursuant to the Master Services Agreement, the Service Recipients pay a base management fee, referred to as the Base Management Fee, to the Service Providers equal to 0.3125% per quarter (1.25% annually) of the total capitalization of the partnership, which is reflected within general and administrative expenses. For purposes of calculating the Base Management Fee, the total capitalization of the partnership is equal to the quarterly volume-weighted average trading price of an LP Unit on the principal stock exchange for the LP Units (based on trading volumes) multiplied by the number of LP Units outstanding at the end of the quarter (assuming full conversion of the Redemption-Exchange Units into LP Units of Brookfield Business Partners L.P.), plus the value of securities of the other Service Recipients (including the BBUC exchangeable shares) that are not held by the partnership, plus all outstanding debt with recourse to a Service Recipient, less all cash held by such entities. The Base Management Fee for the year ended December 31, 2023 was $87 million (2022: $94 million, 2021: $92 million).

In its capacity as the holder of the Special LP Units of Holding LP, Brookfield is entitled to incentive distribution rights. The total incentive distribution for the year ended December 31, 2023 was $nil (2022: $nil, 2021: $157 million). Refer to Note 19 for further details.

An integral part of the partnership's strategy is to participate with institutional investors in Brookfield-sponsored private equity funds that target acquisitions that suit the partnership's investment mandate. In the normal course of business, the partnership and institutional investors have made commitments to Brookfield-sponsored private equity funds, and in connection therewith, the partnership, together with institutional investors, has access to short-term financing using the private equity funds' credit facilities to facilitate investments that Brookfield has determined to be in the partnership's best interests.

In addition, at the time of spin-off of the partnership from Brookfield in 2016, the partnership entered into indemnity agreements with Brookfield that relate to certain contracts that were in place prior to the spin-off. Under these indemnity agreements, Brookfield has agreed to indemnify the partnership for the receipt of payments relating to such contracts.

(b) Other

Inclusive of those described above, the following table summarizes the transactions the partnership has entered into with related parties for the years ended December 31, 2023, 2022 and 2021:

	Year ended December 31,		
(US$ MILLIONS)	2023	2022	2021
Transactions during the period			
Business services revenues [(1)]	**$ 154**	$ 259	$ 439

(1) Within the business services segment, the partnership provides construction and fuel supply services to affiliates of Brookfield.

Inclusive of those described above, the following table summarizes balances with related parties as at December 31, 2023 and 2022:

(US$ MILLIONS)	2023	2022
Balances at end of period		
Financial assets	**$ —**	$ 118
Accounts and other receivable, net	**182**	579
Accounts payable and other [(1)]	**346**	603
Non-recourse borrowings in subsidiaries of the partnership	**146**	55
Interest of others in operating subsidiaries	**4**	—

(1) Includes $245 million (2022: $315 million) related to a tax receivable agreement payable to related parties by the partnership's advanced energy storage operation.

NOTE 26. DERIVATIVE FINANCIAL INSTRUMENTS

The partnership's activities expose it to a variety of financial risks, including market risk (currency risk, interest rate risk, commodity risk and other price risks), credit risk and liquidity risk. The partnership selectively uses derivative financial instruments principally to manage these risks.

The following tables summarizes the aggregate notional amounts of the partnership's derivative positions as at December 31, 2023 and 2022:

(US$ MILLIONS, except as noted)	2023	2022
Foreign exchange contracts	**$ 5,518**	$ 8,332
Cross currency swaps	**696**	726
Interest rate derivatives	**13,246**	7,592
Equity derivatives	**—**	17
	$ 19,460	$ 16,667

Commodity instruments	2023	2022
Oil based fuel (bbl - millions)	**15.14**	14.02
Natural gas (MMBtu - millions)	**49.39**	65.38
Lead (metric tons)	**79,644**	71,883
Tin (metric tons)	**2,300**	2,540
Polypropylene (metric tons)	**25,451**	28,078

Foreign exchange contracts

The following table presents the notional amounts and average exchange rates for foreign exchange contracts held by the partnership as at December 31, 2023 and 2022. The notional amounts as at December 31, 2023 and 2022 include both buy and sell contracts.

	Notional amount		Average exchange rate	
(US$ MILLIONS, except as noted)	2023	2022	2023	2022
Foreign exchange contracts				
Australian dollars	**$ 420**	$ 1,115	**1.50**	1.48
Brazilian real	**1,350**	637	**5.35**	6.29
British pounds	**146**	576	**0.78**	0.85
Canadian dollars	**2,085**	1,683	**1.32**	1.35
Euros	**521**	2,209	**0.89**	0.94
Indian rupees	**277**	372	**84.32**	84.82
Swedish krona	**—**	1,086	**—**	9.78
U.S dollars	**466**	392	**1.00**	1.00
Other	**253**	262		
	$ 5,518	$ 8,332		

Other Information Regarding Derivative Financial Instruments

The following table presents the notional amounts underlying the partnership’s derivative instruments by term to maturity as at December 31, 2023 and the comparative notional amounts as at December 31, 2022, for both derivatives that are classified as FVTPL and derivatives that qualify for hedge accounting:

	2023				2022
(US$ MILLIONS)	< 1 Year	1-5 Years	5+ Years	Total notional amount	Total notional amount
Fair value through profit or loss					
Foreign exchange contracts	**$ 2,861**	**$ 140**	**$ 97**	**$ 3,098**	$ 3,659
Cross currency swaps	**17**	**81**	**111**	**209**	229
Interest rate derivatives	**—**	**46**	**—**	**46**	7
Equity derivatives	**—**	**—**	**—**	**—**	17
Designated for hedge accounting					
Foreign exchange contracts	**585**	**1,835**	**—**	**2,420**	4,673
Cross currency swaps	**130**	**357**	**—**	**487**	497
Interest rate derivatives	**977**	**12,223**	**—**	**13,200**	7,585
	$ 4,570	**$ 14,682**	**$ 208**	**$ 19,460**	$ 16,667

NOTE 27. FINANCIAL RISK MANAGEMENT

Capital Management

The capital structure of the partnership consists of corporate borrowings and non-recourse borrowings in subsidiaries of the partnership, offset by cash and cash equivalents and equity.

(US$ MILLIONS, except as noted)	2023	2022
Corporate borrowings	**$ 1,440**	$ 2,100
Non-recourse borrowings in subsidiaries of the partnership	**40,809**	44,593
Cash and cash equivalents	**(3,252)**	(2,870)
Net debt	**38,997**	43,823
Total equity	**18,532**	18,429
Total capital	**$ 57,529**	$ 62,252
Net debt-to-capital ratio	**68 %**	70 %

The partnership manages its debt exposure by financing its operations with non-recourse borrowings in subsidiaries of the partnership, ensuring a diversity of funding sources as well as managing its maturity profile. The partnership also borrows in the currencies where its subsidiaries operate, where possible, in order to mitigate currency risk.

The partnership's financing plan is to fund its recurring growth capital expenditures with cash flows generated by operations after maintenance capital expenditures, as well as debt financing that is sized to maintain its credit profile. To fund large-scale development projects and acquisitions, the partnership evaluates a variety of capital sources including proceeds from selling non-core and mature assets, equity and debt financing. The partnership seeks to raise additional equity if the partnership believes it can earn returns on these investments in excess of the cost of the incremental capital.

As disclosed within Note 17, the partnership has various credit facilities in place. In certain cases, the facilities may have financial covenants which are generally in the form of interest coverage ratios and leverage ratios. The partnership does not have any market capitalization covenants attached to any of its borrowings and the partnership is in compliance with or has obtained waivers related to its material externally imposed capital requirements.

Risk Management

The partnership recognizes that risk management is an integral part of good management practice.

As a result of holding financial instruments, the partnership is exposed to the following risks: liquidity risk, market risk (i.e. interest rate risk, foreign currency risk, commodity price risk and other price risk), credit risk and insurance risk. The following is a description of these risks and how they are managed:

(a) Liquidity risk

The partnership maintains sufficient financial liquidity to be able to meet ongoing operating requirements and to be able to fund acquisitions. Principal liquidity needs for the next year include funding recurring expenses, meeting scheduled debt repayments and payment of debt service obligations, funding required capital expenditures and funding acquisitions as they arise. The operating subsidiaries of the partnership also generate liquidity by accessing capital markets on an opportunistic basis.

The following tables detail the contractual maturities for the partnership's financial liabilities as at December 31, 2023 and 2022. The tables reflect the undiscounted future cash flows of financial liabilities based on the earliest date on which the partnership can be required to repay. The tables include both interest and principal cash flows:

(US$ MILLIONS)	2023 < 1 Year	2023 1-2 Years	2023 2-5 Years	2023 5+ Years	Total contractual cash flows
Non-derivative financial liabilities					
Accounts payable and other [(1)]	**$ 8,853**	**$ 741**	**$ 645**	**$ 1,301**	**$ 11,540**
Interest-bearing liabilities	**5,664**	**6,104**	**22,705**	**23,832**	**58,305**
Lease liabilities	**307**	**294**	**547**	**696**	**1,844**

(1) Excludes decommissioning liabilities, other provisions, post-employment benefits, liability for remaining coverage, deferred revenue, liabilities associated with assets held for sale and related party loans and notes payable of $5,044 million.

(US$ MILLIONS)	2022 < 1 Year	2022 1-2 Years	2022 2-5 Years	2022 5+ Years	Total contractual cash flows
Non-derivative financial liabilities					
Accounts payable and other [(1)]	$ 10,844	$ 643	$ 704	$ 1,880	$ 14,071
Interest-bearing liabilities	6,759	8,003	25,726	20,411	60,899
Lease liabilities	368	327	593	843	2,131

(1) Excludes decommissioning liabilities, other provisions, post-employment benefits, liability for remaining coverage, deferred revenue, liabilities associated with assets held for sale and related party loans and notes payable of $5,056 million.

(b) 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 partnership will fluctuate because of changes in market factors. Market risk includes the risk of changes in interest rates, foreign currency exchange rates, equity prices and commodity prices.

Financial instruments held by the partnership that are subject to market risk include loans and notes receivable, other financial assets, borrowings, derivative contracts, such as interest rate and foreign currency contracts, and marketable securities.

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 net income from financial instruments whose cash flows are determined with reference to floating interest rates and changes in the fair values of financial instruments whose cash flows are fixed in nature. The partnership monitors interest rate fluctuations and may enter into interest rate derivative contracts to mitigate the impact from interest rate movements.

As at December 31, 2023 and 2022, a 50 basis point increase or decrease in interest rates would have the following impact on the partnership's profit measures on a pre-tax basis, assuming all other variables were held constant:

(US$ MILLIONS)	Net income (loss) 50 bps decrease	Net income (loss) 50 bps increase	Other comprehensive income (loss) 50 bps decrease	Other comprehensive income (loss) 50 bps increase
December 31, 2023	**$ 53**	**$ (53)**	**$ (60)**	**$ 60**
December 31, 2022	$ 118	$ (118)	$ (29)	$ 29

Foreign currency risk

Changes in currency rates will impact the carrying value of financial instruments and the partnership's net investment and cash flows denominated in currencies other than the U.S. dollar. The partnership enters into foreign exchange contracts designated as net investment hedges to mitigate the impact from movements in foreign exchange rates against the U.S. dollar.

The following tables summarize the partnership's currency exposure as at December 31, 2023 and 2022:

	2023								
(US$ MILLIONS)	USD	AUD	GBP	CAD	EUR	BRL	INR	Other	Total
Assets									
Current assets	**$ 5,199**	**$ 1,193**	**$ 2,411**	**$ 1,308**	**$ 1,790**	**$ 1,698**	**$ 366**	**$ 920**	**$ 14,885**
Non-current assets	**28,051**	**11,595**	**2,920**	**5,623**	**8,904**	**7,149**	**992**	**2,266**	**67,500**
	$ 33,250	**$ 12,788**	**$ 5,331**	**$ 6,931**	**$ 10,694**	**$ 8,847**	**$ 1,358**	**$ 3,186**	**$ 82,385**
Liabilities									
Current liabilities	**$ 5,025**	**$ 1,832**	**$ 2,818**	**$ 925**	**$ 1,468**	**$ 1,406**	**$ 415**	**$ 466**	**$ 14,355**
Non-current liabilities	**25,692**	**8,560**	**1,223**	**2,845**	**5,568**	**5,040**	**439**	**131**	**49,498**
	$ 30,717	**$ 10,392**	**$ 4,041**	**$ 3,770**	**$ 7,036**	**$ 6,446**	**$ 854**	**$ 597**	**$ 63,853**
Interest of others in operating subsidiaries	**1,766**	**1,464**	**946**	**1,698**	**2,515**	**1,644**	**316**	**1,867**	**12,216**
Preferred securities	**740**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**740**
Unitholder equity	**$ 27**	**$ 932**	**$ 344**	**$ 1,463**	**$ 1,143**	**$ 757**	**$ 188**	**$ 722**	**$ 5,576**

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	2022								
(US$ MILLIONS)	USD	AUD	GBP	CAD	EUR	BRL	INR	Other	Total
Assets									
Current assets	$ 7,452	$ 1,336	$ 2,888	$ 1,314	$ 2,126	$ 1,411	$ 529	$ 1,238	$ 18,294
Non-current assets	32,465	11,257	2,584	6,117	9,177	5,882	982	2,492	70,956
	$ 39,917	$ 12,593	$ 5,472	$ 7,431	$ 11,303	$ 7,293	$ 1,511	$ 3,730	$ 89,250
Liabilities									
Current liabilities	$ 6,696	$ 1,821	$ 3,505	$ 1,038	$ 1,497	$ 1,220	$ 358	$ 542	$ 16,677
Non-current liabilities	32,102	7,759	941	3,136	5,802	3,807	356	241	54,144
	$ 38,798	$ 9,580	$ 4,446	$ 4,174	$ 7,299	$ 5,027	$ 714	$ 783	$ 70,821
Interest of others in operating subsidiaries	1,862	1,649	773	1,781	2,684	1,568	422	2,096	12,835
Preferred securities	1,490	—	—	—	—	—	—	—	1,490
Unitholder equity	$ (2,233)	$ 1,364	$ 253	$ 1,476	$ 1,320	$ 698	$ 375	$ 851	$ 4,104

The impact of currency risk on net income associated with foreign currency denominated financial instruments is limited as the partnership's financial assets and liabilities are generally denominated in the functional currency of the subsidiary that holds the financial instrument. However, the partnership is exposed to foreign currency risk on the net assets of its foreign currency denominated operations. The following tables summarize the partnership's exposures to foreign currencies and the sensitivity of net income and other comprehensive income, on a pre-tax basis, to a 10% change in the exchange rates relative to the U.S. dollar for the years ended December 31, 2023, 2022 and 2021:

	December 31, 2023			
	Pre-tax net income		OCI attributable to Unitholders, before taxes	
(US$ MILLIONS)	10% decrease	10% increase	10% decrease	10% increase
Australian dollar	**$ —**	**$ —**	**$ (84)**	**$ 84**
Canadian dollar	**(10)**	**10**	**(115)**	**115**
Brazilian real	**1**	**(1)**	**(23)**	**23**
Euro	**19**	**(19)**	**(109)**	**109**
Other	**(59)**	**59**	**(111)**	**111**

	December 31, 2022			
	Pre-tax net income		OCI attributable to Unitholders, before taxes	
(US$ MILLIONS)	10% decrease	10% increase	10% decrease	10% increase
Australian dollar	$ (1)	$ 1	$ (85)	$ 85
Canadian dollar	(4)	4	(144)	144
Brazilian real	—	—	(48)	48
Euro	94	(94)	(92)	92
Other	71	(71)	(121)	121

	December 31, 2021			
	Pre-tax net income		OCI attributable to Unitholders, before taxes	
(US$ MILLIONS)	10% decrease	10% increase	10% decrease	10% increase
Australian dollar	$ 12	$ (12)	$ (85)	$ 85
Canadian dollar	21	(21)	(83)	83
Brazilian real	(1)	1	(36)	36
Euro	324	(324)	4	(4)
Other	(74)	74	(108)	108

Commodity price risk

As certain of the partnership's operating subsidiaries are exposed to commodity price risk, the fair value of financial instruments will fluctuate as a result of changes in commodity prices. A 10 basis point increase or decrease in commodity prices, as it relates to financial instruments, is not expected to have a material impact on the partnership's net income and other comprehensive income.

Other price risk

As at December 31, 2023, the partnership is exposed to other price risk arising from marketable securities and other financial assets, with a balance of $5,578 million (2022: $6,052 million). A 10% change in the fair value of these assets would impact the consolidated statements of comprehensive income by $558 million (2022: $605 million).

(c) Credit risk

Credit risk is the risk of loss due to the failure of a borrower or counterparty to fulfill its contractual obligations.

The partnership assesses the creditworthiness of each counterparty before entering into contracts and ensures that counterparties meet minimum credit quality requirements. The partnership also evaluates and monitors counterparty credit risk for derivative financial instruments and endeavors to minimize counterparty credit risk through diversification, collateral arrangements and other credit risk mitigation techniques. All of the partnership's derivative financial instruments involve either counterparties that are banks or other financial institutions. The partnership does not have any significant credit risk exposure to any single counterparty.

Credit quality of the bonds and debentures held by the partnership is assessed based on ratings supplied by rating agencies. As at December 31, 2023, the partnership held $4,031 million of bonds and debentures (2022: $3,913 million), of which $1,495 million were rated AAA (2022: $1,485 million) and $1,700 million were rated AA or A (2022: $1,669 million) and $836 million were rated BBB or BB (2022: $759 million).

The partnership recognizes ECL allowance on financial assets including loans receivable and debt securities measured at amortized cost, debt securities measured at FVOCI, undrawn loan commitments, trade receivables and contract assets.

The partnership held a significant debt securities portfolio through its residential mortgage insurer in Canada which is measured at amortized cost and FVOCI. The gross carrying amount of the debt securities measured at amortized cost and FVOCI at December 31, 2023 were $62 million and $4,009 million, respectively (2022: $42 million and $3,913 million, respectively). The ECL allowance as at December 31, 2023 was $7 million (2022: $6 million).

The partnership held a significant loans receivable portfolio through its Indian non-bank financial services operation and its Australian residential mortgage lender, which are measured at amortized cost. There are comprehensive credit policies and credit approval processes in place for these portfolios. The appraisal process includes detailed risk assessments of the borrowers and there is a monitoring process in place to identify credit portfolio trends and early warning signals, enabling the implementation of necessary actions to mitigate credit losses. The partnership organizes its loans receivable and ECL allowance into three stages based on varying degrees of credit risk as described in Note 2.

The following table shows changes in the gross carrying amount of the partnership's significant loans receivable portfolio for the years ended December 31, 2023 and 2022:

(US$ MILLIONS)	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount				
Balance at January 1, 2022	$ 769	$ 317	$ 49	$ 1,135
Acquisitions through business combinations	4,578	$ —	—	4,578
New assets originated or purchased	834	43	—	877
Assets derecognized (excluding write-offs)	(280)	(76)	(22)	(378)
Transfers to stage 1	49	(48)	(1)	—
Transfers to stage 2	(94)	94	—	—
Transfers to stage 3	(88)	(42)	130	—
Amounts written-off (net of recovery)	(30)	(68)	(24)	(122)
Other	144	(5)	(10)	129
Foreign currency translation	$ (369)	$ (25)	$ (6)	$ (400)
Balance at December 31, 2022	$ 5,513	$ 190	$ 116	$ 5,819
New assets originated or purchased	**3,167**	**182**	**27**	**3,376**
Assets derecognized (excluding write-offs)	**(1,757)**	**(171)**	**(68)**	**(1,996)**
Transfers to stage 1	**128**	**(117)**	**(11)**	**—**
Transfers to stage 2	**(309)**	**332**	**(23)**	**—**
Transfers to stage 3	**(44)**	**(63)**	**107**	**—**
Amounts written-off (net of recovery)	**—**	**(16)**	**(3)**	**(19)**
Other	**(470)**	**216**	**6**	**(248)**
Foreign currency translation	**5**	**10**	**2**	**17**
Balance at December 31, 2023	**$ 6,233**	**$ 563**	**$ 153**	**$ 6,949**

The following table shows changes in the corresponding ECL allowance of the partnership's significant loans receivable portfolio for the years ended December 31, 2023 and 2022:

(US$ MILLIONS)	Stage 1	Stage 2	Stage 3	Total
ECL allowance				
Balance at January 1, 2022	$ 20	$ 35	$ 25	$ 80
New assets originated or purchased	14	1	—	15
Assets derecognized (excluding write-offs)	(7)	(2)	(3)	(12)
Changes to models and inputs used	10	2	2	14
Transfers to stage 1	4	(4)	—	—
Transfers to stage 2	(9)	8	1	—
Transfers to stage 3	(8)	(4)	12	—
Impact on ECL for exposures transferred between stages during the year	—	4	25	29
Amounts written-off (net of recovery)	(2)	(14)	(18)	(34)
Foreign currency translation	$ (2)	$ (4)	$ (4)	$ (10)
Balance at December 31, 2022	$ 20	$ 22	$ 40	$ 82
New assets originated or purchased	**18**	**3**	**3**	**24**
Assets derecognized (excluding write-offs)	**(9)**	**(8)**	**(20)**	**(37)**
Changes to models and inputs used	**(1)**	**—**	**—**	**(1)**
Transfers to stage 1	**9**	**(4)**	**(5)**	**—**
Transfers to stage 2	**(5)**	**12**	**(7)**	**—**
Transfers to stage 3	**(4)**	**(3)**	**7**	**—**
Impact on ECL for exposures transferred between stages during the year	**(7)**	**3**	**18**	**14**
Amounts written-off (net of recovery)	**—**	**(17)**	**(2)**	**(19)**
Other	**(5)**	**1**	**—**	**(4)**
Balance at December 31, 2023	**$ 16**	**$ 9**	**$ 34**	**$ 59**

(d) Insurance risk

The partnership's residential mortgage insurer is exposed to insurance risk from underwriting of mortgage insurance contracts. Mortgage insurance contracts transfer risk to the partnership by indemnifying lending institutions against credit losses arising from borrower mortgage default. Under a mortgage insurance policy, a lending institution is insured against risk of loss for the entire unpaid principal balance of a loan plus interest, customary mortgage enforcement and property management costs and expenses related to the sale of the underlying property. Insurance risk impacts the amount, timing and certainty of cash flows arising from insurance contracts.

The partnership has identified pricing risk, underwriting risk, claims management risk, loss reserving risk and insurance portfolio concentration risk as its most significant sources of insurance risk. Each of these risks is described separately below.

(i) Pricing risk

Pricing risk arises when actual claims experience differs from the assumptions included in the determination of premium rates. Premium rates vary with the perceived risk of a claim on an insured loan, which takes into account the long-term historical loss experience on loans with similar loan-to-value ratios, terms and types of mortgages, borrower credit histories and capital required to support the product.

Before a new mortgage insurance product is introduced, the partnership establishes specific performance targets, including delinquency rates and loss ratios, which the partnership monitors frequently to identify any deviations from expected performance so that corrective action when necessary. These performance targets are adjusted periodically to ensure they reflect the current environment.

(ii) Underwriting risk

Underwriting risk is the risk that the underwriting function will underwrite mortgage insurance under terms that do not comply with pre-established risk guidelines, resulting in inappropriate risk acceptance by the partnership.

The underwriting results of the residential mortgage insurer can fluctuate significantly due to the cyclicality of the Canadian mortgage market. The mortgage market is affected primarily by housing supply and demand, interest rates and general economic factors including unemployment rates.

The partnership's risk management function establishes risk guidelines based on its underwriting goals. Underwriter performance is reviewed to facilitate continuous improvement or remedial action where necessary.

(iii) Claims management risk

The partnership enforces a policy of actively managing and promptly settling claims in order to reduce exposure to unpredictable future developments that can adversely impact losses using loss mitigation programs. These programs allow for better control of the property marketing process, potential reduction of carrying costs and potential of realization of a higher property sales price.

In addition to its current loss mitigation programs in place, under its agreement with lending institutions, the partnership has the right to recover losses from borrowers once a claim has been paid. The partnership actively pursues such recoveries.

(iv) Loss reserving risk

Loss reserving risk is the risk that the liability of incurred claims differs significantly from the ultimate amount paid to settle claims, principally due to additional information received and external factors that influence claim frequency and severity (including performance of the Canadian housing market). The partnership reviews its liability for incurred claims and reserving assumptions on an ongoing basis and updates the liability of incurred claims as appropriate.

(v) Insurance portfolio concentration risk

Insurance portfolio concentration risk is the risk that losses increase disproportionately where portfolio concentrations exist. This is mitigated by a portfolio that is diversified across geographic regions. Additional scrutiny is given to geographic regions where property values are particularly sensitive to an economic downturn.

NOTE 28. SEGMENT INFORMATION

The partnership's operations are organized into four operating segments which are regularly reviewed by the CODM for the purpose of allocating resources to the segment and to assess its performance. The CODM uses adjusted earnings from operations ("Adjusted EFO") to assess performance and make resource allocation decisions. Adjusted EFO allows the CODM to evaluate the partnership's segments on the basis of return on invested capital generated by its operations and to evaluate the performance of its segments on a levered basis. Adjusted EFO is calculated as net income and equity accounted income at the partnership's economic ownership interest in consolidated subsidiaries and equity accounted investments, respectively, excluding the impact of depreciation and amortization expense, deferred income taxes, transaction costs, restructuring charges, unrealized revaluation gains or losses, impairment expenses or reversals and other income or expense items that are not directly related to revenue generating activities. The partnership's economic ownership interest in consolidated subsidiaries excludes amounts attributable to non-controlling interests consistent with how the partnership determines net income attributable to non-controlling interests in its consolidated statements of operating results. In order to provide additional insight regarding the partnership's operating performance over the lifecycle of an investment, Adjusted EFO includes the impact of preferred equity distributions and realized disposition gains or losses recorded in net income, other comprehensive income, or directly in equity, such as ownership changes. Adjusted EFO does not include legal and other provisions that may occur from time to time in the partnership's operations and that are onetime or non-recurring and not directly tied to the partnership's operations, such as those for litigation or contingencies. Adjusted EFO includes expected credit losses and bad debt allowances recorded in the normal course of the partnership's operations.

Other income (expense), net in the partnership's consolidated statements of operating results includes amounts that are not related to revenue generating activities, and are not normal, recurring operating income and expenses necessary for business operations. These include revaluation gains and losses, transaction costs, restructuring charges, stand-up costs and business separation expenses, gains or losses on debt extinguishments or modifications, gains or losses on dispositions of property, plant and equipment, non-recurring and one-time provisions that may occur from time to time at one of the partnership's operations that are not reflective of normal operations, and other items. Other income (expense), net included within Adjusted EFO in the tables below corresponds to items of other income (expense), net at the partnership's economic ownership interest that are considered by the partnership when evaluating operating performance and returns on invested capital generated by its businesses and may include realized revaluation gains and losses, realized gains or losses on the disposition of property, plant and equipment and other items. Refer to the footnotes to the tables below for additional details on items included therein.

Gain (loss) on acquisitions/dispositions, net in Adjusted EFO reflects the partnership's economic ownership interest in the gains or losses on acquisitions/dispositions recognized during the period in the consolidated statements of operating results that are considered by the partnership when evaluating the performance and returns on invested capital generated by its businesses.

Gain (loss) on acquisitions/dispositions, net recorded in equity in Adjusted EFO corresponds to the partnership's economic ownership interest in gains and losses recorded in the consolidated statements of changes in equity that have been realized through a completed disposition, including material realized disposition gains or losses that may be recorded in equity on the partial disposition of a subsidiary where the partnership retains control and through the sale of an investment in securities accounted for as financial assets measured at fair value with changes in fair value recorded in other comprehensive income.

The following tables provide each segment's results at the partnership's economic ownership interest, in the format that the CODM organizes reporting segments to make resource allocation decisions and assess performance. Amounts attributable to non-controlling interests are calculated based on the economic ownership interests held by non-controlling interests in consolidated subsidiaries. The tables below reconcile the partnership's economic ownership interest in its consolidated results to the partnership's consolidated statements of operating results.

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	Year ended December 31, 2023						
	Total attributable to Unitholders					Attributable to non-controlling interests	As per IFRS Financials
(US$ MILLIONS)	Business services	Infrastructure services	Industrials	Corporate and other	Total [1]		
Revenues	$ 9,261	$ 2,916	$ 4,458	$ —	$16,635	$ 38,433	$ 55,068
Direct operating costs [2]	(8,246)	(2,087)	(3,532)	(16)	(13,881)	(32,548)	(46,429)
General and administrative expenses	(176)	(159)	(134)	(101)	(570)	(968)	(1,538)
Gain (loss) on acquisitions / dispositions, net [3]	155	1,717	42	—	1,914	2,390	4,304
Gain (loss) on acquisitions / dispositions, net recorded in equity [4]	21	—	106	—	127	267	394
Other income (expense), net [5]	—	16	3	—	19	32	51
Interest income (expense), net	(295)	(406)	(393)	(145)	(1,239)	(2,357)	(3,596)
Current income tax (expense) recovery	(127)	(36)	(98)	10	(251)	(524)	(775)
Preferred equity distributions	—	—	—	(83)	(83)	83	—
Equity accounted Adjusted EFO [6]	43	109	40	—	192	150	342
Adjusted EFO	636	2,070	492	(335)	2,863		
Depreciation and amortization expense [2][7]					(1,165)	(2,427)	(3,592)
Impairment reversal (expense), net					(268)	(563)	(831)
Gain (loss) on acquisitions / dispositions, net [3]					150	232	382
Gain (loss) on acquisitions / dispositions, net recorded in equity [4]					(127)	(267)	(394)
Other income (expense), net [5]					(238)	9	(229)
Deferred income tax (expense) recovery					338	492	830
Non-cash items attributable to equity accounted investments[6]					(148)	(62)	(210)
Net income (loss)					$ 1,405	$ 2,372	$ 3,777

(1) Adjusted EFO and net income (loss) attributable to Unitholders include Adjusted EFO and net income (loss) attributable to limited partnership unitholders, general partnership unitholders, redemption-exchange unitholders, special limited partnership unitholders and BBUC exchangeable shareholders.

(2) The sum of these amounts equates to direct operating costs of $50,021 million as per the consolidated statements of operating results.

(3) The sum of these amounts equates to the gain (loss) on acquisitions/dispositions, net of $4,686 million as per the consolidated statements of operating results. Gain (loss) on acquisitions/dispositions, net in Adjusted EFO of $1,914 million represents the partnership's economic ownership interest in gains of $1,711 million from the disposition of the partnership's nuclear technology services operation, $67 million from the disposition of the partnership's residential property management operation, $57 million from the partial disposition of the partnership's technology services operation,

$41 million from the disposition of the partnership’s automotive aftermarket parts remanufacturing operation, and $38 million related to other asset sales completed during the period. See Note 8 for further information.

(4) Gain (loss) on acquisitions/dispositions, net recorded in equity in Adjusted EFO of $127 million represents the partnership's economic ownership interest in gains of $114 million related to the disposition of public securities, $15 million related to the sale of secured debentures, $9 million related to the partial disposition of graphite electrode operations and $11 million of realized losses related to the disposition of a financial asset at the partnership’s advanced energy storage operation.

(5) The sum of these amounts equates to other income (expense), net of $(178) million as per the consolidated statements of operating results. Other income (expense), net at the partnership’s economic ownership interest that is excluded from Adjusted EFO of $(238) million includes a $247 million loss recognized on the derecognition and subsequent fair value measurement of graphite electrode operations, $161 million of net gains on debt extinguishment/modification, $69 million of business separation expenses, stand-up costs and restructuring charges, $53 million of transaction costs, $14 million of net unrealized revaluation gains, and $44 million of other expenses.

(6) The sum of these amounts equates to equity accounted income (loss), net of $132 million as per the consolidated statements of operating results.

(7) For the year ended December 31, 2023, depreciation and amortization expense by segment is as follows: business services $1,045 million, infrastructure services $1,174 million, industrials $1,373 million and corporate and other $nil.

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	Year ended December 31, 2022						
	Total attributable to Unitholders					Attributable to non-controlling interests	As per IFRS Financials
(US$ MILLIONS)	Business services	Infrastructure services	Industrials	Corporate and other	Total [1]		
Revenues	$ 9,562	$ 2,968	$ 4,591	$ —	$17,121	$ 40,264	$ 57,385
Direct operating costs [2]	(8,830)	(2,089)	(3,666)	(28)	(14,613)	(35,274)	(49,887)
General and administrative expenses	(142)	(146)	(135)	(110)	(533)	(827)	(1,360)
Gain (loss) on acquisitions / dispositions, net [3]	9	—	7	—	16	12	28
Gain (loss) on acquisitions / dispositions, net recorded in equity [4]	19	—	33	—	52	61	113
Other income (expense), net [5]	2	2	2	—	6	19	25
Interest income (expense), net	(155)	(288)	(335)	(71)	(849)	(1,689)	(2,538)
Current income tax (expense) recovery [6]	(80)	(19)	(92)	58	(133)	(312)	(445)
Preferred equity distributions	—	—	—	(27)	(27)	27	—
Equity accounted Adjusted EFO [7]	42	85	68	—	195	119	314
Adjusted EFO	427	513	473	(178)	1,235		
Depreciation and amortization expense [2][8]					(1,051)	(2,172)	(3,223)
Impairment reversal (expense), net					34	(25)	9
Gain (loss) on acquisitions / dispositions, net recorded in equity [4]					(52)	(61)	(113)
Current income tax (expense) recovery [6]					(4)	(9)	(13)
Other income (expense), net [5]					(258)	(425)	(683)
Deferred income tax (expense) recovery					306	471	777
Non-cash items attributable to equity accounted investments[7]					(112)	(37)	(149)
Net income (loss)					$ 98	$ 142	$ 240

(1) Adjusted EFO and net income (loss) attributable to Unitholders include Adjusted EFO and net income (loss) attributable to limited partnership unitholders, general partnership unitholders, redemption-exchange unitholders, special limited partnership unitholders and BBUC exchangeable shareholders.

(2) The sum of these amounts equates to direct operating costs of $53,110 million as per the consolidated statements of operating results.

(3) The sum of these amounts equates to the gain (loss) on acquisitions/dispositions, net of $28 million as per the consolidated statements of operating results. Gain (loss) on acquisitions/dispositions, net in Adjusted EFO of $16 million represents the partnership's economic ownership interest in gains on dispositions of $9 million related to the sale of the partnership's digital cloud services and $7 million related to the partial disposition of public securities.

(4) Gain (loss) on acquisitions/dispositions, net recorded in equity in Adjusted EFO of $52 million represents the partnership's economic ownership interest in gains on dispositions of which $33 million related to the partial disposition of public securities and $19 million related to the disposition of a financial asset measured at FVOCI.

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(5) The sum of these amounts equates to other income (expense), net of $(658) million as per the consolidated statements of operating results. Other income (expense), net in Adjusted EFO of $6 million includes $15 million of net gains on the sale of property, plant and equipment and $9 million of realized net revaluation losses. Other income (expense), net at the partnership's economic ownership interest that is excluded from Adjusted EFO of $(258) million includes $76 million of net unrealized revaluation losses, $108 million of business separation expenses, stand-up costs and restructuring charges, $68 million of transaction costs and $6 million of other expenses.

(6) The sum of these amounts equates to current income tax (expense) recovery of $(458) million as per the consolidated statements of operating results.

(7) The sum of these amounts equates to equity accounted income (loss), net of $165 million as per the consolidated statements of operating results.

(8) For the year ended December 31, 2022, depreciation and amortization expense by segment is as follows: business services $684 million, infrastructure services $1,220 million, industrials $1,319 million and corporate and other $nil.

	Year ended December 31, 2021						
	Total attributable to Unitholders					Attributable to non-controlling interests	As per IFRS Financials
(US$ MILLIONS)	Business services	Infrastructure services	Industrials	Corporate and other	Total [1]		
Revenues	$ 9,060	$ 1,928	$ 3,438	$ —	$14,426	$ 32,161	$ 46,587
Direct operating costs [2]	(8,383)	(1,370)	(2,722)	(19)	(12,494)	(28,374)	(40,868)
General and administrative expenses	(146)	(68)	(88)	(107)	(409)	(603)	(1,012)
Gain (loss) on acquisitions / dispositions, net [3]	—	—	158	—	158	740	898
Gain (loss) on acquisitions / dispositions, net recorded in equity [4]	—	—	414	—	414	—	414
Other income (expense), net [5]	24	(4)	12	—	32	29	61
Interest income (expense), net	(69)	(152)	(236)	(20)	(477)	(991)	(1,468)
Current income tax (expense) recovery [6]	(111)	(4)	(159)	47	(227)	(318)	(545)
Equity accounted Adjusted EFO [7]	22	66	62	—	150	112	262
Adjusted EFO	397	396	879	(99)	1,573		
Depreciation and amortization expense [2][8]					(780)	(1,503)	(2,283)
Impairment reversal (expense), net					(160)	(280)	(440)
Gain (loss) on acquisitions / dispositions, net [3]					474	451	925
Gain (loss) on acquisitions / dispositions, net recorded in equity [4]					(414)	—	(414)
Current income tax (expense) recovery [6]					9	—	9
Other income (expense), net [5]					(42)	(53)	(95)
Deferred income tax (expense) recovery					132	239	371
Non-cash items attributable to equity accounted investments [7]					(149)	(100)	(249)
Net income (loss)					$ 643	$ 1,510	$ 2,153

(1) Adjusted EFO and net income (loss) attributable to Unitholders include Adjusted EFO and net income (loss) attributable to limited partnership unitholders, general partnership unitholders, redemption-exchange unitholders, special limited partnership unitholders and BBUC exchangeable shareholders.

(2) The sum of these amounts equates to direct operating costs of $43,151 million as per the consolidated statements of operating results.

(3) The sum of these amounts equates to the gain (loss) on acquisitions/dispositions, net of $1,823 million as per the consolidated statements of operating results. Gain (loss) on acquisitions/dispositions, net in Adjusted EFO of $158 million represents the partnership's economic ownership interest in gains (losses) of $141 million related to the disposition of the partnership's graphite electrode operation, $14 million related to the partial disposition of public securities and other gains of $3 million.

(4) Gain (loss) on acquisitions/dispositions, net recorded in equity in Adjusted EFO of $414 million represents the partnership's economic ownership interest in gains on dispositions of which $245 million related to the disposition of the partnership's graphite electrode operation and $169 million related to the partial disposition of public securities.

(5) The sum of these amounts equates to other income (expense), net of $(34) million as per the consolidated statements of operating results. Other income (expense), net in Adjusted EFO of $32 million includes $4 million of realized net revaluation losses and $36 million of other income. Other income (expense), net at the partnership's economic ownership interest that is excluded from Adjusted EFO of $(42) million includes $79 million of unrealized net revaluation gains, $52 million of business separation expenses, stand-up costs and restructuring charges, $24 million of transaction costs, $14 million of net loss on debt extinguishment/modification and $31 million of other expenses.

(6) The sum of these amounts equates to current income tax (expense) recovery of $(536) million as per the consolidated statements of operating results.

(7) The sum of these amounts equates to equity accounted income (loss), net of $13 million as per the consolidated statements of operating results.

(8) For the year ended December 31, 2021, depreciation and amortization expense by segment is as follows: business services $465 million, infrastructure services $705 million, industrials $1,113 million and corporate and other $nil.

Segment Assets

For the purpose of monitoring segment performance and allocating resources between segments, the CODM monitors the assets, including investments accounted for using the equity method, attributable to each segment.

The following table summarizes the partnership's total assets by reportable operating segment as at December 31, 2023 and 2022:

(US$ MILLIONS)	2023	2022
Total assets		
Business services	**$ 38,066**	$ 37,939
Infrastructure services	**17,180**	22,606
Industrials	**26,822**	28,112
Corporate and other	**317**	593
Total	**$ 82,385**	$ 89,250

The following table summarizes the partnership's total non-current assets by geography as at December 31, 2023 and 2022:

(US$ MILLIONS)	2023	2022
United States	**$ 20,507**	$ 24,205
Europe	**12,620**	12,563
Australia	**11,595**	11,257
Canada	**6,560**	6,849
Brazil	**7,749**	6,631
United Kingdom	**2,824**	3,799
Mexico	**2,467**	2,354
Other	**3,178**	3,298
Total non-current assets	**$ 67,500**	$ 70,956

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NOTE 29. SUPPLEMENTAL CASH FLOW INFORMATION

	Year ended December 31		
(US$ MILLIONS)	2023	2022	2021
Net interest paid (received)	**$ 3,164**	$ 2,037	$ 1,223
Net income taxes paid (received)	**534**	285	448

Amounts paid and received for interest were reflected as operating cash flows in the consolidated statements of cash flow.

Total cash outflows across the partnership's lease contracts for the year ended December 31, 2023 were $514 million (2022: $465 million).

Details of "Changes in non-cash working capital, net" on the consolidated statements of cash flow are as follows:

	Year ended December 31		
(US$ MILLIONS)	2023	2022	2021
Accounts receivable	**$ (1,401)**	$ (1,058)	$ (684)
Inventory	**877**	(629)	(494)
Prepayments and other	**(760)**	(192)	9
Accounts payable and other	**1,500**	(212)	27
Changes in non-cash working capital, net	**$ 216**	$ (2,091)	$ (1,142)

The following table presents the change in the balance of borrowings arising from financing activities as at December 31, 2023 and 2022:

(US$ MILLIONS)	2023	2022
Balance at beginning of year	**$ 46,693**	$ 29,076
Cash flows	**(897)**	13,901
Non-cash changes:		
Acquisitions / (dispositions) of subsidiaries	**(4,278)**	4,570
Foreign currency translation	**541**	(817)
Fair value	**(261)**	(4)
Other changes	**451**	(33)
Balance at end of year	**$ 42,249**	$ 46,693

NOTE 30. POST-EMPLOYMENT BENEFITS

The partnership maintains several defined benefit pension plans within its industrials and infrastructure services segments. These plans are administered in various countries, the most significant of which is in the United States. These benefits are provided through various insurance companies and the estimated net post-employment benefit costs are accrued during the employees' credited service periods.

The following table shows the changes in the present value of the defined benefit pension plan obligation and the fair values of plan assets as at December 31, 2023 and 2022:

(US$ MILLIONS)	2023	2022
Changes in defined benefit obligation		
Defined benefit obligation at beginning of year	**$ 2,354**	$ 3,034
Defined benefit obligation through business combinations	**6**	159
Service cost	**22**	38
Interest cost	**94**	78
Participant contributions	**1**	2
Foreign currency exchange translation	**(24)**	(4)
Actuarial (gain) loss due to financial assumption changes	**7**	(853)
Actuarial (gain) loss due to demographic assumption changes	**—**	(4)
Actuarial experience adjustments	**(11)**	51
Benefits paid from plan assets	**(107)**	(127)
Benefits paid from employer	**(14)**	(20)
Disposals	**(1,674)**	—
Defined benefit obligation at end of year	**$ 654**	$ 2,354
Changes in fair value of plan assets		
Fair value of plan assets at beginning of year	**$ (1,764)**	$ (2,400)
Fair value of plan assets through business combinations	**(8)**	(150)
Interest income	**(69)**	(63)
Loss (return) on plan assets (excluding interest income)	**(21)**	687
Foreign currency exchange translation	**(9)**	55
Employer contributions	**(36)**	(43)
Participant contributions	**(1)**	(2)
Employer direct settlements	**—**	(1)
Benefits paid from plan assets	**110**	128
Benefits paid from employer	**8**	15
Administrative expenses paid from plan assets	**9**	10
Disposals	**1,343**	—
Fair value of plan assets at end of year	**$ (438)**	$ (1,764)
Net liability at end of year	**$ 216**	$ 590

In addition to the defined benefit pension plan obligation, the partnership also recorded other post-employment benefits with a net liability carrying value of $34 million as at December 31, 2023 (2022: $52 million).

The net liabilities for the defined benefit pension plan and post-employment plan are recorded within accounts payable and other in the consolidated statements of financial position.

The following table summarizes the defined benefit pension plan obligation and the fair value of plan assets by geography as at December 31, 2023:

(US$ MILLIONS)	United States	Canada	Other	Total
Defined benefit obligation	**$ 309**	**$ 76**	**$ 269**	**$ 654**
Fair value of plan assets	**(249)**	**(63)**	**(126)**	**(438)**
Net liability	**$ 60**	**$ 13**	**$ 143**	**$ 216**

The following table summarizes the defined benefit pension plan obligation and the fair value of plan assets by geography as at December 31, 2022:

(US$ MILLIONS)	United States	Canada	Other	Total
Defined benefit obligation	$ 1,729	$ 65	$ 560	$ 2,354
Fair value of plan assets	(1,348)	(52)	(364)	(1,764)
Net liability	$ 381	$ 13	$ 196	$ 590

The following tables summarize the amounts recognized in respect of these defined benefit pension plans during the years ended December 31, 2023 and 2022:

(US$ MILLIONS)	2023	2022
Amounts recognized in profit and loss		
Current service cost	**$ 22**	$ 38
Net interest expense	**25**	15
Administrative expense	**9**	10
Total expense recognized in profit and loss	**$ 56**	$ 63
Amounts recognized in other comprehensive income		
Loss (return) on plan assets (excluding net interest expense)	**$ (21)**	$ 687
Actuarial (gain) loss due to demographic assumption changes	**—**	(4)
Actuarial (gain) loss due to financial assumption changes	**7**	(853)
Actuarial experience adjustments	**(11)**	51
Total expense (gain) recognized in other comprehensive income	**$ (25)**	$ (119)
Total expense (gain) recognized in comprehensive income	**$ 31**	$ (56)

For the year ended December 31, 2023, the partnership recorded other post-employment benefits which contributed a total loss recognized in other comprehensive income of $2 million (2022: total gain of $8 million).

The expense recorded in profit and loss is recognized within general and administrative expenses in the consolidated statements of operating results.

The defined benefit pension plans expose the partnership to certain actuarial risks such as investment risk, interest rate risk and compensation risk. The present value of the defined benefit pension plan obligation is calculated using a discount rate. If the return on plan assets is below this rate, a plan deficit occurs. The partnership mitigates this investment risk by establishing a sound investment policy to be followed by the investment manager. The investment policy requires plan assets to be invested in a diversified portfolio and is set based on both asset return and local statutory requirements. A change in interest and compensation rates will also affect the defined benefit obligation. A sensitivity analysis of the discount rate and compensation rate is provided below.

The following table summarizes the fair value of plan assets by category and level in the fair value hierarchy as at December 31, 2023:

(US$ MILLIONS)	Level 1	Level 2 [1]	Level 3	Total
Cash and cash equivalents	$ 3	$ 21	$ —	$ 24
Equity instruments	61	119	—	180
Debt instruments	—	120	—	120
Real estate	—	52	3	55
Investment funds	—	31	—	31
Fixed insurance contracts	15	$ 13	—	28
Total plan assets	$ 79	$ 356	$ 3	$ 438

(1) Level 2 assets represent the net asset value of the underlying assets held within investment funds valued by independent third party fund administrators.

The following table summarizes the fair value of plan assets by category and level in the fair value hierarchy as at December 31, 2022:

(US$ MILLIONS)	Level 1	Level 2 [1]	Level 3	Total
Cash and cash equivalents	$ 46	$ 4	$ —	$ 50
Equity instruments	68	636	—	704
Debt instruments	179	673	20	872
Real Estate	1	98	—	99
Investment funds	—	14	—	14
Fixed insurance contracts	14	11	—	25
Total plan assets	$ 308	$ 1,436	$ 20	$ 1,764

(1) Level 2 assets represent the net asset value of the underlying assets held within investment funds valued by independent third party fund administrators.

Significant Assumptions

The partnership annually re-evaluates assumptions and estimates used in projecting the defined benefit obligation. These assumptions and estimates may affect the carrying value of the defined benefit liabilities in the partnership's consolidated statements of financial position. The significant actuarial assumptions adopted are as follows:

	2023	2022
Discount rate	**1.1% to 9.3%**	0.2% to 7.9%
Rate of compensation increase	**1.0% to 5.0%**	0.5% to 5.0%

These assumptions have a significant impact on the defined benefit liabilities reported in the consolidated statements of financial position. The following table presents a sensitivity analysis of each assumption with the related impact on these liabilities as at December 31, 2023:

(US$ MILLIONS, except as noted)	Percentage increase	Impact on liability	Percentage decrease	Impact on liability
Discount rate	**1%**	**$(46)**	**1%**	**$52**
Rate of compensation increase	**1%**	**$15**	**1%**	**$(14)**

The following table presents a sensitivity analysis of each assumption with the related impact on these liabilities as at December 31, 2022:

(US$ MILLIONS, except as noted)	Percentage increase	Impact on liability	Percentage decrease	Impact on liability
Discount rate	1%	$(200)	1%	$241
Rate of compensation increase	1%	$19	1%	$(18)

The sensitivity analysis above has been determined based on reasonably possible changes of the respective assumptions occurring as at December 31, 2023 and December 31, 2022, while holding all other assumptions constant. These analyses may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another.

The following table summarizes the undiscounted future planned benefit payments under the partnership's defined benefit plans as at December 31, 2023:

(US$ MILLIONS)	Future Planned Benefit Payments
2024	**$ 46**
2025	**46**
2026	**46**
2027	**44**
2028	**45**
Thereafter	**585**
Total	**$ 812**

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NOTE 31. INSURANCE CONTRACTS

The following table shows the reconciliation from the opening to the closing balances of the insurance liabilities related to the partnership's insurance contracts from its residential mortgage insurer, reported by measurement components.

(US$ MILLIONS)	Estimates of present value of future cash flows	Risk adjustment	Contractual service margin	Total
Insurance contract liabilities, as at January 1, 2023	$ 352	$ 585	$ 965	$ 1,902
Change during period:				
Changes that relate to current service:				
Contractual service margin recognized for services provided	—	—	(358)	(358)
Change in risk adjustment recognized for the risk expired	—	(82)	—	(82)
Experience adjustments	(14)	—	—	(14)
Changes that relate to future service:				
Contracts initially recognized in the period	(306)	117	189	—
Changes in estimates that adjust the contractual service margin	(21)	(202)	223	—
Changes that relate to past services:				
Adjustments to liabilities for incurred claims	6	4	—	10
Insurance finance (income)/expenses	22	46	28	96
Foreign currency translation	8	11	23	42
	(305)	(106)	105	(306)
Cash flows:				
Premiums received	454	—	—	454
Claims and other insurance service expenses paid	(55)	—	—	(55)
Insurance contract acquisition cash flows	(61)	—	—	(61)
Insurance contract liabilities, as at December 31, 2023	$ 385	$ 479	$ 1,070	$ 1,934

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(US$ MILLIONS)	Estimates of present value of future cash flows	Risk adjustment	Contractual service margin	Total
Insurance contract liabilities as at January 1, 2022	$ 415	$ 616	$ 956	$ 1,987
Change during period:				
Changes that relate to current service:				
Contractual service margin recognized for services provided	—	—	(310)	(310)
Change in risk adjustment recognized for the risk expired	—	(90)	—	(90)
Experience adjustments	(43)	—	—	(43)
Changes that relate to future service:				
Contracts initially recognized in the period	(456)	169	287	—
Changes in estimates that adjust the contractual service margin	(48)	(33)	81	—
Changes that relate to past services:				
Adjustments to liabilities for incurred claims	10	—	—	10
Insurance finance (income)/expenses	(24)	(37)	22	(39)
Foreign currency translation	(21)	(40)	(71)	(132)
	(582)	(31)	9	(604)
Cash flows:				
Premiums received	635	—	—	635
Claims and other insurance service expenses paid	(41)	—	—	(41)
Insurance contract acquisition cash flows	(75)	—	—	(75)
Insurance contract liabilities, as at December 31, 2022	$ 352	$ 585	$ 965	$ 1,902

NOTE 32. SUBSEQUENT EVENTS

(a) Distribution

On February 1, 2024, the Board of Directors declared a quarterly distribution in the amount of $0.0625 per Unit, payable on March 28, 2024 to unitholders of record as at the close of business on February 29, 2024.

Brookfield Business Partners L.P.

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