



CODE OF BUSINESS CONDUCT AND ETHICS

Brookfield Residential Properties Inc.

October 2016

SUMMARY OF THE CODE

As a director, officer or employee, when acting on behalf of the company you are expected to:

PROTECTING THE COMPANY'S ASSETS AND RESOURCES

1. Use company assets only for legitimate business purposes.
2. Protect all confidential information in the company's possession.
3. Respect the company's intellectual property.
4. Preserve the documents of the company.

ACCURACY OF BOOKS AND RECORDS

5. Ensure that the books and records of the company are complete and accurate and that all business transactions are properly authorized.
6. Ensure that the company provides fair and accurate public disclosure.

DUTIES TO STAKEHOLDERS

7. Deal fairly with the company's stakeholders.

COMMUNICATIONS AND MEDIA

8. Use the company's various forms of communication properly and appropriately.
9. Be cautious in your use of social media.
10. Not speak on behalf of the company unless authorized to do so.

CONFLICTS OF INTEREST AND PERSONAL BEHAVIOR

11. Avoid situations in which your personal interests conflict, might conflict or might appear to conflict with the interests of the company.
12. Both inside and outside of work, exhibit personal behavior that is consistent with and reinforces a positive public image of the company.
13. Obtain permission before joining the board of directors or similar body of another company.
14. Not take personal opportunities that are discovered through the use of property or information of the company or through your role with the company.

POSITIVE WORK ENVIRONMENT

15. Be committed to creating a tolerant work environment free from discrimination and harassment.
16. Report all incidents of discrimination and harassment.
17. Be committed to ensuring the health and safety of fellow directors, officers and employees.
18. Protect private personal information.

COMPLIANCE WITH LAWS, RULES AND REGULATIONS

19. Know and comply with all laws, rules and regulations applicable to your position.
20. Not trade in Brookfield Residential or other companies' securities if you possess material "non-public information".
21. Respect the intellectual property of others.
22. Do not give or receive bribes, including "facilitation payments". Always take into account the sensitivity and scrutiny involved in all our relationships with any public officials, their family members, and their proxies.
23. Ensure that the giving or receiving of gifts and entertainment is proportionate and reasonable for the circumstances.
24. Follow the company's policies and all applicable laws regarding political contributions and lobbying.
25. Prevent the use of the company's operations for money laundering or any activity that facilitates money laundering, the financing of terrorism, or other criminal activities.
26. Report any violations of the Code.

FREQUENTLY ASKED QUESTIONS

WHY DO WE HAVE A CODE?

The Code prescribes the minimum standards of conduct required of all the company's directors, officers, and employees. Preserving our corporate culture is vital to the organization and following the Code helps us do that.

WHO MUST FOLLOW THE CODE?

All directors, officers and employees of Brookfield Residential Properties Inc. and its wholly-owned subsidiaries.

WHAT ARE YOUR RESPONSIBILITIES?

You have two responsibilities. First, you must follow every aspect of the Code and certify your commitment each year. Second, if you suspect someone may be violating the Code you have an obligation to report it. To make a report, follow the section of the Code: "Reports and Complaints".

HOW WILL I KNOW IF THERE IS A PROBLEM?

The Code attempts to deal with the most common issues that you may encounter, but it cannot address every question that may arise. When you're not sure what to do, ask yourself the following questions:

- Is it illegal?
- Does it feel like the wrong thing to do?
- Would you feel uncomfortable if others knew about it?
- Will it have the potential to create a negative perception of you or the company?
- Do you have a personal interest that has the potential to conflict with the company's interest?

If you answer "yes" to any of these questions, your proposed conduct may violate the Code and you should ask for help.

HOW SHOULD I ASK FOR HELP?

If you have questions about the Code or about the best course of action to take in a particular situation, you should seek guidance from your supervisor or internal legal counsel. The company's senior officers and directors should seek guidance from the company's Chief Financial Officer or the Chair of the Board.

WHAT IF I WOULD LIKE TO MAKE AN ANONYMOUS REPORT?

You may make an anonymous report by contacting the company's reporting hotline, which is operated by an independent third party and is available 24 hours a day, 7 days a week. If you choose to make an anonymous report, your anonymity will be protected to the fullest extent possible. Keep in mind, however, that maintaining your anonymity may limit the company's ability to investigate your concerns.

WHAT ARE THE CONSEQUENCES FOR VIOLATING THE CODE?

Violations of the Code can vary in its consequences. If you're an employee, it could result in a reprimand or other disciplinary action, including the termination of your employment at the company for cause. If you're a director, a violation may necessitate your resignation. Certain violations of the Code also contravene applicable laws and, therefore, can have severe consequences outside of Brookfield Residential. Depending on your actions, failing to comply with the Code could lead to civil or criminal prosecution, which could result in substantial fines, penalties and/or imprisonment.

TABLE OF CONTENTS

SUMMARY OF THE CODE	i
FREQUENTLY ASKED QUESTIONS.....	ii
INTRODUCTION	2
PROTECTING THE COMPANY’S ASSETS AND RESOURCES.....	2
ACCURACY OF BOOKS AND RECORDS AND PUBLIC DISCLOSURES.....	4
DUTIES TO STAKEHOLDERS	5
COMMUNICATIONS AND MEDIA.....	5
CONFLICTS OF INTEREST AND PERSONAL BEHAVIOR	6
POSITIVE WORK ENVIRONMENT	10
COMPLIANCE WITH LAWS, RULES AND REGULATIONS	11
REPORTS AND COMPLAINTS.....	14
DISCIPLINARY ACTION FOR CODE VIOLATIONS.....	15
STATEMENT OF COMPLIANCE.....	15
WAIVERS.....	15
AMENDMENTS.....	15
LEGAL NOTICE.....	16
CONTACT INFORMATION	17

INTRODUCTION

This Code of Business Conduct and Ethics (the "Code") applies to all directors, officers and employees (collectively, "you") of Brookfield Residential Properties Inc. and its wholly-owned subsidiaries, ("Brookfield Residential" or "we", "us", "our" or the "company"). Separate Codes of Conduct of subsidiaries of Brookfield Residential may supplement this Code so long as the provisions of such codes do not conflict with this Code.

It is our policy that all of our activities should be conducted with the highest standards of honesty and integrity and in compliance with all legal and regulatory requirements. In varying degrees, as a director, officer or employee of the company, you represent us in your dealings with others, whether they are with other employees, customers, suppliers, competitors, governments or the general public.

We expect each of you as directors, officers and employees to conduct your dealings on behalf of the company in accordance with this policy. So that there can be no doubt as to what is expected of each of you in this regard, the Board of Directors of the company (the "Board") has endorsed this Code.

PROTECTING THE COMPANY'S ASSETS AND RESOURCES

The company's assets are to be used only for legitimate business purposes.

The company's assets are meant for business use, not for personal use. We all have a responsibility to protect and safeguard the company's assets from loss, theft, misuse, and waste.

The company's name, facilities, and relationships are valuable assets and must only be used for authorized company business. Do not identify yourself with the company while pursuing personal, political or not-for-profit activities unless you obtain the company's authorization in advance.

The company's property should never be used for personal gain, and you should not allow the company's property to be used for illegal activities. If you become aware of theft, misuse, or waste of our assets or funds or have any questions about your proper use of them, you should speak with your supervisor or make a report in accordance with the section of this Code entitled "Reports and Complaints".

Misappropriation of the company's assets is a breach of your duty to the company and may be an act of fraud against the company. Taking the company's property from our facilities without permission may be regarded as theft and could result in dismissal. In addition, carelessness or waste of the company's assets may also be a breach of your duty to the company.

You have a responsibility not to abuse company resources for expense reimbursement. Any requests for reimbursement for authorized company expenses must be for legitimate business expenses. If you are unsure whether a certain expense is legitimate, you should speak with your supervisor or refer to the company's *Expense Reimbursement Policy*.

Confidential information must be protected at all times.

We must protect confidential information in our possession from disclosure – both information about us and information about other companies. This includes all confidential memos, notes, lists, records, and other documents in your possession (and copies of each of these), in hard and soft copy. All of these are to be delivered to the company promptly after your employment ceases or at any time upon the

company's request, and your obligation to protect this information continues after you leave the company. If you become aware of confidential information about the company or another entity that you know or suspect has been inadvertently disclosed, seek guidance from internal legal counsel before using or acting upon this information.

Information is considered to be public if it has been disclosed publicly without violating an obligation of confidentiality, such as in a press release, or on the publicly accessible areas of the company's website. "Non-public information" is information that is not generally available to the public through a press release, disclosure to investors, or widely reported media coverage. Rumors or "talk on the street" even if accurate, are not considered public disclosure. The most common examples of material "non-public information" are information about earnings, financial performance, or a potential transaction that has not yet been publicly disclosed.

Except where it is authorized or legally required, all directors, officers and employees must use every precaution to keep "non-public information" confidential. This includes not discussing company business internally except with those individuals at the company that have a need to know the information. Additionally, be careful when discussing company business in public places such as elevators, restaurants and airplanes, or when using your phone, email, the internet, and fax machines outside of the office. You should also be careful not to leave confidential information in unattended public places, such as conference rooms, where others can retrieve it.

Employees should not e-mail confidential information to their personal e-mail accounts or maintain a copy of any confidential information on their personal computers or other non-work electronic devices (unless the company has installed protective software on such devices). Employees have an obligation to take all reasonable steps to safeguard hard copies of confidential information that are removed from the office for legitimate business purposes (e.g. to be worked with at home or at external meetings).

The obligation to keep certain information confidential applies both during appointment or employment with the company and after termination of appointment or employment, including on retirement.

We also respect confidentiality of information regarding third parties (including customers and other companies we do business with) that is shared with us. If you learn of confidential information about third parties, you should protect it the same way that you would protect confidential information about our company. Disclosure of confidential information can be harmful to the company and could be the basis for legal action against the company and/or the employee, officer, or director responsible for the disclosure.

Data protection and privacy laws that affect the collection, use and transfer of personal customer information are rapidly changing areas of law and you should consult with your supervisor if you have any questions regarding appropriate uses of such information.

For more information, refer to the company's *Disclosure Policy*.

Intellectual property belongs to the company.

During the course of, or related to, your employment with the company, you may be involved in the creation, development, or invention of intellectual property, which includes but is not limited to, ideas, concepts, methods, processes, inventions, confidential information and trade secrets, works of authorship, trademarks, service marks, and designs. All such intellectual property and the rights therein,

such as copyrights and patents, will be owned by the company. You are responsible for cooperating with the company and providing all necessary assistance to ensure that all such intellectual property and related rights become the exclusive property of the company, including by providing the company with such assignments, waivers and other documents as may be requested.

The documents of the company must be preserved.

Our information and records are valuable corporate assets and must be managed with due care. Additionally, we must comply with legal and regulatory requirements that relate to document and record retention and disposition. To preserve these assets and comply with legal and regulatory requirements, you are required to comply with any legal hold notifications you may receive as well as any document retention policies applicable to your business unit. Refer to the company's *Document Retention Policy* for further details.

ACCURACY OF BOOKS AND RECORDS AND PUBLIC DISCLOSURES

Ensure that the books and records of the company are complete and accurate and that all business transactions are properly authorized.

The books and records of the company must reflect in reasonable detail all its transactions, assets, and liabilities in a timely and accurate manner to, among other things, permit the preparation of accurate financial statements.

All transactions must be supported by accurate documentation in reasonable detail and recorded properly. The recorded value for assets must be compared to the existing assets at reasonable intervals and appropriate action taken with respect to any differences.

No information may be concealed from the auditors, the internal auditor, or the Board. In addition, it is unlawful to fraudulently influence, coerce, manipulate or mislead any independent public or certified accountant who is auditing our financial statements.

The company's contracts and agreements govern our business relationships. Because the laws governing contracts and agreements are numerous and complicated, policies and procedures are in place to ensure that any contract entered into by and on behalf of the company has the appropriate level of approval. As a result, if you enter into contracts or agreements on behalf of the company, you must have proper authorization, prior to the execution of any contract or agreement.

Ensure that the company provides fair and accurate public disclosure.

We may choose or at times be required to make public disclosures. When doing so, we must ensure such disclosure is full, fair, accurate, timely and understandable. All employees who are responsible for the preparation of the company's public disclosures, or who provide information as part of the process, have a responsibility to ensure that disclosures and information are made honestly, accurately and in compliance with the company's disclosure policies, controls and procedures.

We all have a responsibility to submit good faith questions and concerns regarding accounting, auditing or disclosure matters. Complaints and concerns related to such matters include, among others, actions involving: (a) fraud or deliberate errors in the preparation, maintenance, evaluation, review or audit of any financial statement or financial record; (b) deficiencies in, or noncompliance with, internal accounting

controls; (c) misrepresentation or false statements in any public disclosure document, such as reports we provide to investors or make publicly available on our website, prospectuses, and press releases, including statements to or by a senior officer or accountant regarding a matter contained in the financial records, financial reports or audit reports; or (d) deviations from full and fair reporting of the company's financial condition. Concerns about these matters should be reported in accordance with the section of this Code entitled "Reports and Complaints".

For more information, refer to the company's *Disclosure Policy*.

DUTIES TO STAKEHOLDERS

Deal fairly with the company's stakeholders.

You must deal fairly with the company's stakeholders, such as the company's security holders, customers, suppliers, and employees. You should not take unfair advantage of anyone, even competitors, through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.

COMMUNICATIONS AND MEDIA

Use the company's various forms of communication properly and appropriately.

We provide our employees with access to e-mail, the internet, telephones and other forms of communication for business purposes, and while we understand the need for limited and occasional use of these tools for personal purposes, this use should not be excessive or cause detriment to the company. All business matters must be, save for in exceptional circumstances, conducted by employees on the company's e-mail system or through other systems provided by the company (such as Lync and VPNs or other remote access tools). Internet and e-mail use must be conducted in a professional manner. Examples of inappropriate activity include accessing internet sites containing obscene or offensive material, or sending e-mails that are derogatory or harassing to another person or group of people or chain e-mails. In addition, employees must be vigilant to ensure that the network security is maintained through the appropriate use of passwords.

See the company's *IT Acceptable Use Policy* for further details.

Be cautious in your use of social media.

The company's social media policy is that, unless you are expressly authorized, you are strictly prohibited from commenting, posting or discussing the company, its customers and clients, and its securities, investments and other business matters on social networks, chat rooms, wikis, virtual worlds and blogs (collectively, "social media"). You must also understand that comments, posts or discussions regarding the company and its customers and any strategy made through social media may be considered advertising under applicable regulations.

For further details on the appropriate use of social media, you should refer to the company's *Social Media Policy*.

Do not speak on behalf of the company unless authorized to do so.

As a company with tradable debt securities, it is important to ensure our communications are (a) timely, factual, and accurate, and (b) consistent and broadly disseminated in accordance with all applicable legal and regulatory requirements.

We have professionals who are trained and qualified as spokespersons to release information to the public and internal legal counsel who are authorized to communicate with regulators. You may not make public statements on Brookfield Residential's behalf unless you have been designated as a spokesperson under its *Disclosure Policy*. When members of the media, government authorities, or others contact the company to request information, the response can have far-reaching implications. When we provide information on the company's operational strategies, financial results or other material information, we must ensure both that the information is accurate and that it is an appropriate time to "go public" with that information, if we so choose to make it public.

As a result, there are significant implications for how we respond to enquiries from the media, regulators, and others and how we present the company publicly at events and conferences. If you receive a request from outside the company to speak on the company's behalf and you are not authorized to do so, refer the request to the head of your business unit or forward the request to the Chief Financial Officer.

For more information, refer to the company's *Disclosure Policy* and *Social Media Policy*.

CONFLICTS OF INTEREST AND PERSONAL BEHAVIOR

Avoid situations in which your personal interests conflict, might conflict or might appear to conflict with the interests of the company.

As an employee, officer or a director, we expect that you will act honestly and ethically and in the best interests of the company by avoiding conflicts of interest in your personal and professional relationships. While we respect your right to manage your personal affairs and investments and we do not wish to intrude on your personal life, employees should place the company's interest in any business transaction ahead of any personal interest or gain and avoid situations that present a potential, actual or perceived conflict between their interests and the company's interests.

Conflicts of interest are generally prohibited as a matter of company policy and a waiver of this Code will be granted only in very exceptional circumstances. Exceptions for employees may only be made after management reviews the matter and makes a recommendation to the Chair of the Board (in the case of employees) or the Board (in the case of officers or directors) for their approval.

A "conflict of interest" occurs when a person's private interest interferes, or even appears to interfere, in any way with the interests of the company as a whole. As an employee, officer or director, you may have a conflict of interest if you are involved in any activity that prevents you from performing your duties to the company properly, or that may create a situation that would affect your judgment or ability to act in the best interests of the company. For example, no employee should have a significant interest in a business, whether directly, through a family member or personal acquaintance that supplies goods or services to, or secures goods or services from, the company, without receiving approval in accordance with this Code. Other examples of conflicts of interest include:

- Employee's engagement of third parties for personal purposes;
- Engaging in self-employment in competition with the Company;

- Having a direct or indirect financial interest in relationship with a competitor, customer, or supplier;
- Holding a position with a competitor, customer or supplier, whether as a director, employee or agent;
- Using Company assets for personal use;
- Engagement of subordinates for personal purposes;
- Hiring of related parties (including family members); and
- Acquiring any interest in property or assets of any kind for the purpose of selling or leasing it to the Company.

Conflicts of interest can exist in many other situations and the foregoing guidance is not intended to represent the only activities that could constitute such a conflict. The best way to judge whether you have a conflict of interest is to ask yourself if a well-informed person would reasonably conclude that your interest in a matter could in any way influence your decision in carrying out a duty on behalf of the Company.

To avoid conflicts of interest, you should identify potential conflicts when they arise and contact the company's Chief Financial Officer if you are unsure whether a relationship or transaction poses a conflict or appears to pose a conflict. Directors should consult with the Chair of the Board.

If you become aware of any material transaction, agreement or relationship that reasonably could be expected to give rise to a conflict of interest for a director, officer or employee, it should be reported in accordance with the "Reports and Complaints" section of this Code.

Proper Engagement of Third Parties for Personal Purposes

To assist your determination of what constitutes a conflict of interest it is important to note that the company believes that employees who engage third parties who routinely conduct business with the company for the employee's personal purposes can create real or, at the very least, apparent conflicts of interest. Employees must not, without the prior written consent of the company's Chief Financial Officer (or, in the case of the Chief Financial Officer, without the prior written consent of the Chief Executive Officer), engage, retain, hire or otherwise solicit, either orally or in writing, any vendor, contractor or other third party whom they know routinely supplies goods to or renders services for the company to supply goods to or render services for the employee's personal purposes if the value of the goods or services to be provided would exceed, individually or in the aggregate, in any twelve month period the amount stated in this Code; provided that such approval is not required for transactions with third parties that are generally available to all employees of the company by virtue of their relationship with the company (for example, transacting with company preferred vendors or taking advantage of the discounts available to employees of the company that are posted on the company's intranet).

Customers and suppliers who routinely supply goods to or render services for the Company include:

- Homebuilders and individual lot buyers;
- Other land developers;
- Office and retail tenants (even lessees of farmland owned by the Company);
- Trades;
- Consultants; and
- Retail and wholesale suppliers of residential and landscape construction.

It is generally acceptable for employees, or any member of his or her immediate family, to engage the Company's customers or suppliers for personal purposes; however, the following restrictions apply:

- Employees may not obtain a price less than market rates; and
- Preferential treatment from the Company's customer or supplier may not be requested or received by using the Company name or confidential information.

If you wish to engage a third party for personal purposes, follow these procedures:

1. Employees shall immediately advise their Manager, Senior Vice President/President, and VP Finance/Chief Financial Officer, in writing, of any transactions with known Company customers or suppliers with a value of \$2,500 or greater. For any transaction with a value in excess of \$10,000, notification must occur prior to the transaction.
2. Documented notification must include the name of customer and/or supplier, the estimated amount of the transaction, and whether it is a one-time or recurring event.
3. The formal notification will be retained in the employee file by Human Resources.
4. Evidence of payments made for any work performed must be retained.
5. Refer to the Employee's Personal Engagement of Company Customers or Suppliers Approval Form for further guidance on required information and approvals when engaging Company customers or suppliers.

Employee Interests in Real Estate

The Company is an active participant in many facets of the real estate business in a number of geographic areas. Consequently, the potential for a conflict between personal interest and those of the Company may exist for some real estate investments in which an employee may intend to engage. As such, employees may only purchase lots and homes from the Company for the following purposes:

- Personal residences and recreational properties;
- A residence for use by a member or members of the employee's immediate family.

Refer to the *Employee Lot and Home Purchase Policy and Procedures* for further guidance.

The Company may purchase lots from employees or from companies that employees have a personal interest in with approval from the Acquisition Committee. The nature of the related party element should be described in the acquisition package. Refer to the *Limits of Authority Policy* for further guidance.

Hiring Related Parties

Brookfield Residential believes in hiring the best qualified individual for the job. The Company also recognizes the potential for conflicts of interest and the business issues associated with the hiring of related parties, including family members, in the same business area may outweigh any actual or perceived benefit. As a result, the Company does not permit the hiring of related parties without the approval of a COO (or equivalent) and the VP, Human Resources. Refer to the *Hiring of Related Parties Policy* for further guidance.

Exhibit personal behavior that reinforces a positive image of you and the company.

Your personal behavior should be consistent with and reinforce a positive public image of the company. It is essential that you consider how all of your actions, both inside and outside the company, might appear

and that you use good judgment in all your personal and business dealings outside your role with the company.

You should refrain from activities at work and outside of work that could hurt the company's reputation or good name and that could undermine the relationship of trust between you and the company. You should refrain from identifying a relationship with the company which in any way disparages the company, its employees or any of its competitors and customers, or their products or services.

Employees who have acted in a manner that could adversely affect the company's reputation or good name or that compromises the relationship of trust between the company and the employee, may be subject to disciplinary action up to and including termination.

Remember your duties to Brookfield Residential when participating in outside interests.

The company encourages directors and employees to be active participants in their community. While pursuing personal, political or not-for-profit activities, be mindful that your participation in any outside interest must not prevent you from adequately discharging your duties to Brookfield Residential. In addition, ensure that when you are involved in these activities you are not seen to be speaking on behalf of the company.

Obtain permission before joining the board of directors or similar body of another company.

Serving as a director of another company, even one in which the company has an interest, may create a conflict of interest. Being a director or serving on a standing committee of some organizations, including government agencies, may also create a conflict.

Before accepting an appointment to the board or a committee of any organization, officers and employees must receive written approval from the company's Chief Financial Officer and the company's internal legal counsel and directors must advise the Chair of the Board in advance of accepting an invitation to serve on the board of another company.

Directors, officers and employees are permitted, however, to serve on boards of charities or non-profit organizations or in private family businesses that have no relation to the company and its businesses. Prior approval is not required for these types of situations. If you hold a position with a charity or non-profit organization and if you speak publicly for the entity, you should ensure that you are seen as speaking on behalf of the entity or as an individual, and not on behalf of the company.

Do not take corporate opportunities as your own personal opportunities.

As an employee, officer or director, you are prohibited from taking for yourself opportunities that you discover through the use of the company's property, information or position; from using company property, information or position for personal gain; and from competing with the company. Employees, officers and directors owe a duty to the company to advance its legitimate interests when the opportunity arises.

POSITIVE WORK ENVIRONMENT

Be committed to creating a tolerant work environment free from discrimination and harassment.

The company has zero tolerance for workplace discrimination and harassment and all directors, officers and employees must be committed to preventing an inhospitable work environment. All directors, officers and employees must ensure that the company has a safe and respectful environment, free of discrimination and harassment, where high value is placed on equity, fairness and dignity.

Discrimination is the denial of opportunity through differential treatment of an individual or group. It does not matter whether or not discrimination is intentional; it is the effect of the behavior that is important.

Harassment on the basis of age, color, race, religion, gender, marital status, ancestry, sexual orientation, national origin, disability, veteran status or any other characteristic protected by law is prohibited. Harassment generally means offensive verbal or physical conduct that singles out a person to the detriment or objection of that person. Harassment covers a wide range of conduct, including insults, offensive jokes or slurs, and sexual harassment, which results in an inhospitable work environment. Harassment may occur in a variety of ways and may, in some circumstances, be unintentional. Regardless of intent, such conduct is not acceptable and may also constitute a violation of applicable law.

No one may harass an employee, customer, vendor, supplier, visitor or any other person on the company's premises or while doing its business, regardless of location. Further, the company will not tolerate retaliation against anyone who makes a bona fide complaint of discrimination or harassment or who assists or cooperates in the investigation of a complaint.

You have a duty to report discrimination and harassment.

If you experience or become aware of discrimination or harassment, you have a duty to report it. An employee should report discrimination or harassment in accordance with the "Reports and Complaints" section of this Code.

Complaints of discrimination or harassment will be taken seriously and will be investigated. Any employee found to be harassing or discriminating against another individual, or any employee who knowingly condones the discrimination or harassment of another individual, will be subject to disciplinary action up to and including termination. The company reserves the right to discipline employees who knowingly make a false accusation about an innocent party.

Be committed to ensuring the health and safety of fellow directors, officers and employees.

We all have the right to work in an environment that is safe and healthy. In this regard, you must:

- (a) comply strictly with the letter and spirit of applicable occupational, health and safety laws and the public policies they represent, as well as any company policies that apply to your particular role;
- (b) follow work instructions or procedures on health and safety laws;
- (c) not engage in illegal or dangerous behaviors; and

- (d) not possess or use weapons or firearms or any type of combustible materials in the company's facilities or at the company-sponsored functions unless you are authorized by the company or the law to do so.

The company has zero tolerance for acts of violence, threats of violence, acts of intimidation and hostility towards another person or group of persons. Promptly report to your supervisor or in accordance with the "Reports and Complaints" section of this Code, any accident, injury or unsafe equipment, practices or conditions, violent behavior or weapons possession.

Protect private personal information.

While at Brookfield Residential, you may provide or have access to sensitive personal, medical, or financial information. Those with access to this information have an obligation to protect it, and use it only to the extent necessary to do their work. Common examples of confidential employee information include: benefits information; compensation information; medical records; and contact information, such as a home address.

COMPLIANCE WITH LAWS, RULES AND REGULATIONS

Know and comply with all laws, rules and regulations applicable to your position.

Many of the company's activities are subject to complex and changing laws, rules and regulations. Ignorance of the law is not, in general, a defense to an action for contravention. We expect directors, officers and employees to make every reasonable effort to become familiar with laws, rules and regulations affecting their activities and to exert due diligence in complying with these laws, rules and regulations and to ensure that those individuals reporting to them are also aware of these laws, rules and regulations. No director, officer or employee may enter into any arrangement contrary to applicable requirements or laws. Our objective is to restrict willful or negligent violations of these laws, rules and regulations.

We will make information concerning applicable laws, rules and regulations available to directors, officers and employees. If there is any real or apparent conflict between this Code and company policies or any applicable laws, rules or regulations, you should comply with the most restrictive requirement. If you have any doubts as to the applicability of any law, you should obtain advice from the company's internal legal counsel.

The company's policy is to meet or exceed all applicable governmental requirements regarding its activities. As an officer or employee, you must be aware of the applicable governmental requirements and report any violations thereof to your supervisor or in accordance with the "Reports and Complaints" section of this Code.

Do not trade in Brookfield Residential or other companies' securities if you possess material "non-public information".

If during your employment you come to know material "non-public information" about Brookfield Residential or a company with which the company does business or the company has invested in, you should not buy or sell securities of Brookfield Residential or that company until after the information has become public. Information about the company is "material":

- (a) if publicly known, results in or would reasonably be expected to result in a significant change in the market price or value of any of the company's securities; or
- (b) if there is a substantial likelihood that a reasonable shareholder or investor would consider it important in making a decision to buy, sell or hold the company securities.

If you are not sure whether information is material or "non-public", consult with the company's Chief Financial Officer for guidance before engaging in a transaction.

You are also prohibited from disclosing material "non-public information" to other people, such as relatives or friends, who may trade on the basis of the information or disclose this information to others. Securities laws prohibit trades made on the basis of these "tips".

Respect intellectual property.

Intellectual property laws protect many materials you use in the course of your duties as an employee, officer or director of the company. A few examples are copyrights to computer software, books, audio or videotapes, trade journals and magazines. There may also be a copyright on presentation slides, training materials, management models and problem-solving frameworks produced by outside consultants. It is illegal to reproduce, distribute, use or alter intellectual property, such as copyrighted material and trademarks, without the permission of the intellectual property owner. You should also get permission to use a third party's trademarks, logos or company names in any materials produced by us.

You must also comply with the copyrights on software installed on your computer and on network storage areas you control. You may not copy, install or otherwise use software in a manner that violates the license agreement for that software.

Do not give or receive bribes, including "facilitation payments".

We value our reputation for conducting business with honesty and integrity. It is vital for us to maintain this reputation as it generates confidence in our business by our stakeholders, which ultimately means it is good for business. We do not pay bribes in furtherance of our business, either directly or indirectly, and you are not permitted to pay bribes on our behalf or authorize others to pay bribes on our behalf. This commitment comes from the highest levels of management and you must meet this standard. Facilitation payments, which are small payments made to secure or speed up routine actions or otherwise induce public officials or other third parties to perform routine functions they are otherwise obligated to perform, such as issuing permits, approving immigration documents or releasing goods held in customs (but do not include legally required administrative fees or fees to fast-track services), are also a form of bribe, and are therefore, not permitted. Always take into account the sensitivity and scrutiny involved in all our relationships with any public officials, their family members, and their proxies. Refer to the company's *Anti-Bribery and Corruption Policy* for further details.

Giving or receiving gifts / entertainment should be reasonable and in certain circumstances, prohibited.

Gifts and entertainment given to or received from persons who have a business relationship with the company are generally acceptable, if the gift or entertainment is modest in value, appropriate to the business relationship, and does not create an appearance of impropriety. No cash payments should be given or received. In addition, gifts must not be given to or received from public officials. Employees who do not comply with these requirements may be required to reimburse the company for the value of any

gifts or benefits they make or receive on behalf of the company. Refer to the company's *Anti-Bribery and Corruption Policy* and *Anti-Bribery and Corruption Program* for further details.

There may be restrictions on your political donations to candidates and political parties.

To ensure that we do not breach the law regarding political donations in any country, all political donations, no matter how small, made on behalf of the company (directly or indirectly) must be approved in advance by the person(s) designated to approve such donations. Political donations made by individuals on their own behalf should comply with local laws and regulations. In the U.S., various federal, state, and municipal laws and regulations impose specific restrictions and rules with respect to political contributions, both those made on behalf of the company or made by individuals on their own behalf, which can carry significant penalties for the company for violations. In Canada, there are limits on the dollar amount of political donations and these limits are calculated on a consolidated group basis.

Do not engage in any lobbying activities on behalf of the company in a manner that violates applicable law.

Lobbying activities generally include attempts to influence the passage or defeat of legislation and may trigger registration and reporting requirements. In many jurisdictions, the definition of lobbying activity is extended to cover efforts to induce rule-making by executive branch agencies or other official actions of agencies, including the decision to enter into a contract or other arrangement.

All lobbying activities must be done in accordance with applicable law. The company's Executive Vice President & Corporate Counsel should be notified of any lobbying activities done on behalf of the company.

We must prevent the use of our operations for money laundering or any activity that facilitates money laundering, the financing of terrorism, or other criminal activities.

The company is strongly committed to preventing the use of its operations for money laundering or any activity that facilitates money laundering, the financing of terrorism, or other criminal activities. Accordingly, the company will take such actions as it deems appropriate from time to time in order to comply with applicable anti-money laundering laws, such as the *Bank Secrecy Act* (U.S.), the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* (U.S.), the regulations administered by U.S. Department of Treasury's Office of Foreign Asset Control, the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and the *Proceeds of Crime Act* (U.K.).

Jurisdictions may publish lists of individuals, entities and organizations that the company is prohibited from accepting funds from or distributing funds to under applicable anti-money laundering laws. Employees are expected to use reasonable care to verify that counterparties are not owned or controlled by, or acting on behalf of, unsanctioned governments, groups, individuals or others. This includes requiring counterparties to make anti-money laundering representations in applicable transactional and other documents with the company. Internal legal counsel can provide anti-money laundering provisions to be inserted into such documents.

REPORTS AND COMPLAINTS

You are strongly encouraged to make good faith reports and complaints.

Every employee, officer and director is required to act proactively by asking questions, seeking guidance and reporting any suspected violations with respect to compliance with the Code, other policies and procedures of the company, or any applicable government law, rule or regulation.

Unless specific sections of this Code indicate otherwise, if you believe that a violation of this Code or any law, rule or regulation has been or is likely to be committed by you or someone else who is a representative of the company, you have an obligation to promptly report the relevant information to your supervisor, since your supervisor will generally be in the best position to resolve the issue.

However, if you feel uncomfortable approaching your supervisor with your concern, or if you have any specific or general questions, you may contact the company's Chief Financial Officer.

Directors should promptly report violations to the Chair of the Board.

In the event you do not want to report violations to your supervisor or internal legal counsel, you can always report a complaint through the company's reporting hotline.

Our reporting hotline is managed by an independent third party called The Network and a toll free number has been provided through which any individual can call anonymously to report suspected unethical, illegal or unsafe behavior. The Ethics Hotline is available toll-free, 24 hours a day, 7 days a week. You may also make an online submission: reportlineweb.com/brookfieldresidentialproperties.

The most important thing to remember when dealing with these types of questions or concerns is: when in doubt, ask. See the Contact Information section at the end of this Code.

Complaints will be kept confidential and will be dealt with appropriately.

Confidentiality of reported violations will be maintained to the fullest extent possible, consistent with the need to conduct an adequate review and subject to law. We would prefer that you identify yourself to facilitate our investigation of any report; however, if you do not feel comfortable doing so you can make an anonymous report.

When making a report, please include as many specific details as possible, including back-up documentation where feasible, in order to permit adequate investigation of the concern or conduct reported. Vague, non-specific or unsupported allegations are inherently more difficult to pursue.

The party receiving the complaint must make a record of its receipt, document how the situation was dealt with and file a report with the company's Senior Manager, Compliance, who will retain all such reports, but will also maintain a separate log that will track the receipt, investigation and resolution of reported complaints. Based on this log, the Senior Manager, Compliance will periodically compile a comprehensive summary of all of these types of complaints and the corrective actions taken and will bring the summary to the attention of the company's senior management and executive team and/or the Board.

You will not experience retribution or retaliation for a complaint made in "good faith".

No retribution or retaliation will be taken against any person who has filed a report based on the good faith belief that a director, officer or employee of the company has engaged, or is about to engage in criminal conduct or conduct in violation of this Code.

The company reserves the right to discipline you if you make an accusation without a reasonable, good faith belief in the truth and accuracy of the information or if you knowingly provide or make false information or accusations. "Good faith" does not mean that you have to be right, but it does mean that you must believe you are providing truthful information.

If you believe that you have been unfairly or unlawfully retaliated against, you may file a complaint with your supervisor or the company's Chief Financial Officer. If you are a director, officer or employee and you believe your complaint concerning retaliation cannot be appropriately addressed by your supervisor or the company's Chief Financial Officer, you should call the company's reporting hotline or make a submission through the company's online hotline form available here:

reportlineweb.com/brookfieldresidentialproperties.

DISCIPLINARY ACTION FOR CODE VIOLATIONS

Please take note that we reserve the right to take disciplinary action for Code violations that fits the nature and particular facts of the violation. If you fail to comply with laws or regulations governing the company's business, this Code, or any other company policy or requirement, you may be disciplined up to and including immediate termination, and if warranted, legal proceedings may be brought against you.

STATEMENT OF COMPLIANCE

Upon commencement of employment, each director, officer and employee of the company will be provided with a copy of this Code (or with electronic access to this Code) and will be required to sign an acknowledgement and will annually be asked to certify the company's statement of compliance. This statement of compliance is considered to also apply to the company's other policies referenced in this Code. Annual execution of a Statement of Compliance with this Code shall be a condition of continued employment with the company.

This Code, the policies referenced herein and your business unit's related policies are intended to serve as a guide for your own actions and decisions and for those of your co-workers.

WAIVERS

Waivers of this Code for employees may be granted only in writing by the company's Chief Financial Officer. Any waiver of this Code for the company's officers or directors may only be made in writing by the Chair of the Board. Waivers will only be granted in very exceptional circumstances.

AMENDMENTS

Brookfield Residential's Board reviews and approves the Code on at least an annual basis and is ultimately responsible for monitoring compliance with the Code.

LEGAL NOTICE

This Code serves as a reference to you. The company reserves the right to modify, suspend or revoke this Code and any and all policies, procedures, and programs in whole or in part, at any time. The company also reserves the right to interpret and amend this Code and these policies in its sole discretion as it deems appropriate. Any amendments to this Code will be disclosed and reported as required by law.

The company employs both non-union and union employees. If the terms and policies of this Code conflict with a specific provision of a collective bargaining agreement governing the wages, terms and conditions of employment for union-represented employees, the collective bargaining agreement will prevail; if a collective bargaining agreement is silent with respect to an area addressed in this Code, employees are expected to abide by this Code.

Neither this Code, these policies nor any statements made by any employee of the company, whether oral or written, confer any rights, privileges or benefits on any employee, create an entitlement to continued employment at the company, establish conditions of employment for the benefit of the employee, or create an express or implied employment contract of any kind between employees and the company. In addition, all employees should understand that this Code does not modify their employment relationship, whether at will or governed by a written contract.

This Code is also posted on our website. The version of this Code on our website may be more current and up-to-date and supersedes any paper copies, should there be any discrepancy between paper copies and what is posted online.

CONTACT INFORMATION

REPORTING HOTLINE

Telephone: 1-855-326-9718

Online: reportlineweb.com/brookfieldresidentialproperties

INTERNAL CONTACTS - BROOKFIELD RESIDENTIAL PROPERTIES INC.

Chief Executive Officer

Alan Norris
4906 Richard Road S.W.
Calgary, Alberta T3E 6L1
Telephone: (403) 231-8905

Chief Financial Officer

Thomas Lui
4906 Richard Road S.W.
Calgary, Alberta T3E 6L1
Telephone: (403) 231-8938

Executive Vice President & Corporate Counsel

Shane Pearson
4906 Richard Road S.W.
Calgary, Alberta T3E 6L1
Telephone: (403) 231-8947

Senior Manager, Compliance

Maxine Yue
4906 Richard Road S.W.
Calgary, Alberta T3E 6L1
Telephone: (403) 516-5962