

# Manulife GIF Investment Account (MLIA)

**MANULIFE GUARANTEED INVESTMENT FUNDS INVESTMENT ACCOUNT  
INFORMATION FOLDER AND CONTRACT**

**APRIL 30, 2008**



The segregated fund Information Folder is published by **The Manufacturers Life Insurance Company ("Manulife Financial")** for information purposes only and is not an insurance contract. Manulife Financial is the sole issuer of the Manulife Guaranteed Investment Funds (GIF) Investment Account insurance contract and the guarantor of any guarantee provisions therein.



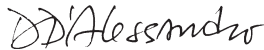
This document contains the Information Folder and Contract provisions. Delivery of the Contract provisions does not constitute acceptance by Manulife Financial of a Contract purchase. The Contract will become effective on the Valuation Date of the first Deposit and upon acceptance by Manulife Financial that the initial Contract set-up criteria has been met. Confirmation of a Contract purchase will be sent to you upon meeting the necessary Contract set-up criteria as determined by Manulife Financial, and when the initial Deposit has been made.

The Information Folder provides brief and plain disclosure of all material facts relating to the Manulife GIF Investment Account (MLIA) Contract issued by Manulife Financial.

In exchange for the premiums you pay to Manulife Financial we provide you with contractual benefits. You do not directly own the assets in the Contract; they are held on your behalf. The Contract has insurance benefits and offers Guaranteed Interest Accounts and a wide variety of Segregated Funds (referred to as the "Funds"). Fund categories include money market, fixed income and equities. The underlying investments of the Funds may be units of mutual funds, pooled funds or other selected investment funds. For a description of the specific Funds available to you, please see the Fund Highlights booklet. Upon request, you may also receive a copy of the audited financial statements for the most recent year-end, and unaudited financial statements on a semi annual basis for the Fund(s).

This Contract is a deferred annuity Contract that contains provisions for an annuity such as a life annuity or a retirement income product provision at the Maturity Date. The Contract also provides Segregated Fund Maturity or Death Benefit Guarantees, which are payable either on a Maturity Date or upon receipt of sufficient notification of death of the Annuitant.

**ANY AMOUNT THAT IS ALLOCATED TO A SEGREGATED FUND IS INVESTED AT THE RISK OF THE POLICYOWNER AND MAY INCREASE OR DECREASE IN VALUE.**



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President and CEO  
Manulife Financial



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# Executive Summary

The following is a summary of the features of the Manulife GIF Investment Account Contract at the time of printing of this folder. Please refer to the relevant sections of the Information Folder for more details. Key terms used in the Information Folder are defined in the Contract.

Registration Types	<ul style="list-style-type: none"> <li>RRSP, LIRA, RRIF, LIF, LRIF, PRIF, Non-registered</li> </ul>	Pg. 6
Contract Purchase	<ul style="list-style-type: none"> <li>up to Dec. 31 age 71 of owner for RRSP and LIRA</li> <li>up to Dec. 31 age 80 for non-registered, RRIF, LIF, LRIF and PRIF</li> </ul>	Pg. 6
Contract Minimum Deposits	<ul style="list-style-type: none"> <li>\$1000 initial for RRSP and LIRA</li> <li>\$5000 initial for non-registered</li> <li>\$25000 initial for RRIF, LIF, LRIF and PRIF</li> </ul>	Pg. 8
Fund Switches	<ul style="list-style-type: none"> <li>5 free Fund switches per year</li> <li>minimum \$500 per Fund or \$100/month scheduled</li> </ul>	Pg. 9
Withdrawals Minimums	DIA/GIA <ul style="list-style-type: none"> <li>\$100 unscheduled and scheduled Segregated Funds</li> <li>\$500 per Fund or \$100/month scheduled</li> </ul>	Pg. 11
Segregated Fund Maturity Guarantee	<ul style="list-style-type: none"> <li>100% of Deposit Value for Class A Funds (75% for Deposits made in the final 10 years of the contract; closing decade)</li> <li>75% of Deposit Value for Class B Funds</li> </ul>	Pg. 14
Automatic Daily Reset® (ADR): (for Maturity Guarantee only)	<ul style="list-style-type: none"> <li>for Class A Funds with more than 10 years until the Maturity Date</li> <li>Maturity Guarantee is reset daily for Class A Funds only; Class B Funds are not reset</li> <li>does not affect the Death Benefit Guarantee</li> </ul>	Pg. 15
Segregated Fund Death Benefit Guarantee	<ul style="list-style-type: none"> <li>100% of Deposit Value for Deposits made before the Annuitant's 80th birthday</li> <li>80% for Deposits made on or after the Annuitant's 80<sup>th</sup> birthday</li> </ul>	Pg. 16
Fundamental Changes	<ul style="list-style-type: none"> <li>increase in management fee, change in Fundamental Investment Objective, decrease in valuation of a Fund, increase in guarantee cost over specified limit</li> <li>we will notify you in advance and you may have certain rights</li> </ul>	Pg. 22
Tax	<ul style="list-style-type: none"> <li>you may be taxed on income, gains and interest</li> <li>transfers, withdrawals, Underlying Fund substitutions and Fund closures are taxable events</li> </ul>	Pg. 24

- **Deposit Value will be proportionately reduced for withdrawals and transfers from Segregated Funds which will reduce the guarantee amounts.**
- Certain restrictions may apply to locked-in funds that are not shown here. Please ask your financial advisor for details.

	FOR DETAILS
<p><b>The Investment Options</b></p> <p><b>Segregated Fund Categories*</b></p> <ul style="list-style-type: none"> <li>■ money market, fixed income and equities</li> </ul> <p><b>Guaranteed Interest Accounts</b></p> <ul style="list-style-type: none"> <li>■ Basic Account</li> <li>■ Laddered Account</li> <li>■ Escalating Rate Account</li> </ul> <p><b>Daily Interest Account</b></p>	<p>Information Folder Section 7.1</p> <p>Fund Highlights booklet and Audited Financial Statements</p>
<p><b>Fees and Charges</b></p> <p><b>Segregated Funds</b></p> <ul style="list-style-type: none"> <li>■ no sales charge on Deposit or redemption</li> <li>■ Management Expense Ratio (MER), management fee and operating expenses vary by Fund</li> </ul> <p><b>Daily Interest Account</b></p> <ul style="list-style-type: none"> <li>■ no charges</li> </ul> <p><b>Guaranteed Interest Accounts</b></p> <ul style="list-style-type: none"> <li>■ no charges</li> </ul>	<p>Information Folder Section 9</p> <p>Information Folder Sections 7.2 and 7.3</p> <p>Fund Highlights booklet and Audited Financial Statements</p> <p>Information Folder Section 5.2.1</p>
<p><b>Segregated Funds</b></p> <ul style="list-style-type: none"> <li>■ Valued daily</li> </ul>	<p>Information Folder Section 8</p>
<p><b>Financial information</b></p> <ul style="list-style-type: none"> <li>■ review the Fund Highlights booklet with the Information Folder before purchasing the Contract</li> <li>■ you may view and/or request Annual Audited Financial Statements online or by mail both at the time of purchase and on an annual basis</li> </ul>	<p>Fund Highlights booklet and Audited Financial Statements</p> <p>Online:  <a href="http://www.manulife.ca/investments">www.manulife.ca/investments</a></p>

\*Segregated Funds may invest in underlying mutual funds, pooled funds or other investment funds. You do not own units of the Underlying Fund.

**SUBJECT TO ANY APPLICABLE DEATH AND MATURITY GUARANTEES, ANY PART OF THE PREMIUM OR OTHER AMOUNT THAT IS ALLOCATED TO A SEGREGATED FUND IS INVESTED AT THE RISK OF THE POLICYOWNER AND MAY INCREASE OR DECREASE IN VALUE ACCORDING TO THE FLUCTUATIONS IN THE MARKET VALUE OF THE ASSETS OF THE SEGREGATED FUND.**

# Personal Information Statement

In this statement “you” and “your” refer to the person who has Policyowner’s or policyholder’s rights under the Contract, the Annuitant and the parent or guardian of any child named as Annuitant who is under the legal age for providing consent. “We”, “us”, “our” and “the Company” refer to Manulife Financial.

## Consent

By signing the application you give your consent for us to obtain, verify, and share your personal information, as set out below, in issuing and administering the Contract, now and in the future, with any:

- persons,
- financial institutions,
- businesses, or
- other parties

with whom we deal. You also authorize any person that we contact to provide such information. In order to protect your interests, there may be situations where we will obtain, verify and share personal information with our affiliated companies.

Any alterations to the consent must be agreed to in writing by the Company.

You authorize us to use your Social Insurance Number (SIN) and Business Number (BN), if applicable, to uniquely identify you in the collection of information for, and in the administration of the Contract, including tax administration.

You authorize us to keep your personal information in an investment file for the longer of:

- the time period required by law and by guidelines set for the financial services industry, and
- the time period required to administer the products and services we provide.

## How we will use your personal information

You agree that we may use the personal information that we collect to:

- confirm your identity and the accuracy of the information you provide,

- evaluate your application and issue and administer the Contract, including any administration required after the Contract has ended,
- administer any other products and services that we provide,
- comply with legal and regulatory requirements,
- conduct searches to locate you and update the Contract information,
- determine your eligibility for, and provide you with details of, other financial products or services that may be of interest to you that are offered by us, our affiliates or other select financial product providers.

## Who may access your personal information

The following people or service providers may have access to your personal information: our employees and our representatives who require this information to perform their jobs, service providers who require this information to perform their services for us, which may include, for example, providers of data processing, programming, market research, printing, mailing and distribution services and investigative agencies, your advisor and any agency that has entered into an agreement with us and has supervisory authority, directly or indirectly, over your advisor, and their employees, people to whom you have granted access, and people who are legally authorized to view your personal information.

Your information may be provided to these people, organizations and service providers in jurisdictions outside Canada, and would therefore be subject to the laws of those foreign jurisdictions.

## Withdrawing your consent

You may withdraw your consent for us to use your SIN or BN, if applicable, for non-tax administration purposes as previously described in this Personal Information Statement. You may also withdraw your consent for us to use your personal information to provide you with other service or product offerings, excluding those mailed with your statements.



Except as set out above, you may not withdraw your consent for us to collect, use, retain or share personal information that we need to issue or administer the Contract unless federal or provincial laws give you this right. If you do so, then the following consequences may apply:

- a Contract will not be issued,
- benefits will not be payable under the Contract,
- we may treat your withdrawal of consent as a request to terminate the Contract, and
- your rights, and the rights of your estate or beneficiary under the Contract may be limited.

## Dealing with us by telephone

Customer service calls are recorded for the following purposes:

- quality service controls,
- information verification, and
- training.

If you do not wish to have your call recorded, you must communicate with us in writing and request that any response by us also be in writing.

## How to withdraw your consent

If you wish to withdraw your consent for us to collect, use, retain or share your personal information, you may contact us by phoning our customer care centre at 1-888-MANULIFE (626-8543), or 1-888-MANUVIE (626-8843) in Quebec, or by writing to the Privacy Officer at the address below.

## Questions, concerns and requests for additional information

If you have a question, a concern, or wish to receive more information about our privacy policies or to review your personal information in our files or correct any inaccuracies, you may send a written request to:

**Privacy Officer – Manulife Investments,  
500 King Street N, Del. Stn. 500-2-B  
P.O. Box 1602, Waterloo, ON, N2J 4C6**

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# 1. Communications

## 1.1 General

In this statement “you” and “your” refer to the person who has Policyowner’s or policyholder’s rights under the Contract. “We”, “us”, “our” and “the Company” refer to The Manufacturers Life Insurance Company (Manulife Financial). The “Contract” refers to Manulife GIF Investment Account (MLIA). Other key terms are defined in the Contract.

The Manufacturers Life Insurance Company (Manulife Financial) was incorporated in June 1887 by an Act of the Parliament of Canada. Manulife Financial’s Canadian Division Head Office is located at 500 King Street North, Waterloo, Ontario, N2J 4C6.

You do not become a unitholder of the Segregated Funds, Guaranteed Interest Accounts or any underlying investments available under the Contract. The amount you invest in Segregated Funds is notionally invested in Fund Units, although the Contract may refer to the purchase of Units of the Fund. This is how the value of the Segregated Funds is determined, but you don't legally own the Units since, by law, the Company is required to be the owner of all the investments available under this Contract. Please be mindful of this when you read the Contract documents.

In this Information Folder, we occasionally use the phrase, “according to the administrative rules that we have in place at the time.” We change our administrative rules as required to provide improved levels of service and to reflect corporate policy and economic and legislative changes, including revisions to the Income Tax Act (Canada).

## 1.2 Giving us the instructions

When we ask you to “advise us in writing,” please send your correspondence to: Manulife Financial, 500 King Street North, Waterloo, Ontario, N2J 4C6. In some cases where a third-party distributor is involved and the Contract is held externally in nominee name, the correspondence may be directed to the third party based on the authorization given by the third party, and where that authorization is acceptable to Manulife Financial.

From time to time we may offer service initiatives that enable you to issue transaction instructions and authorization to us through communication channels including electronic and telephone. Administrative rules may apply to transaction instructions communicated to us under these service initiatives, which may differ from rules that would otherwise apply under the Contract. We reserve the right to restrict or deny any written or non-written instructions if contrary to the laws of Canada or

other jurisdictions applicable to you or the Contract, or that are contrary to administrative procedures.

## 1.3 Correspondence you will receive from us

When we say, “we will advise you,” we mean that we will send a written notice to your address as shown in our files. Please advise us of any change in your address. In some cases where a third-party distributor is involved and the Contract is held externally in nominee name, the correspondence may be directed to the third party based on the authorization given by the third party, and where that authorization is acceptable to Manulife Financial.

We will send you:

- confirmations for most financial and non-financial transactions affecting the Contract,
- reinvestment notices for maturing terms,
- statements for the Contract at least once a year,
- upon request, a report that contains audited financial statements, and
- upon request, the semi-annual unaudited financial statements.

The annual audited and semi-annual unaudited financial statements, are available at any time on our website ([www.manulife.ca/investments](http://www.manulife.ca/investments)).

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# 2. Types of Contracts available

## 2.1 General information

A Contract may be purchased as registered or non-registered. The registered Contracts available include Registered Retirement Savings Plan (RRSP), Spousal RRSP, Locked-in Retirement Account or Locked-in RRSP (LIRA), Registered Retirement Income Fund (RRIF), Spousal RRIF, Life Income Fund (LIF), Locked-In Retirement Income Fund (LRIF), Prescribed Retirement Income Fund (PRIF) and any other Locked-in plan as allowed under pension legislation. Not all variations of the registered Contracts may be available to you depending on

the source of the initial Deposit and the provincial jurisdiction where you make the purchase.

The latest age in which you may purchase and become a Policyowner of a Contract varies with the type of Contract you select.

If the Contract is in force on the Maturity Date, and we have not been notified of a different maturity option, the Contract will be amended to provide a single life annuity with a 10-year guarantee with you as Policyowner.

The provisions of the annuity Contract will be provided to you at that time.

Contract type	Latest age to purchase	Latest age to hold
<b>NON-REGISTERED</b>	• up to Dec. 31, age 80 of Annuitant	• Dec. 31, age 100 of Annuitant
<b>REGISTERED*</b>		
• RRSP/LIRA	• up to Dec. 31, age 71 of owner	• Dec. 31, age 71 of owner (but will continue to RRIF/LIF)
• RRIF/LRIF/PRIF	• up to Dec. 31, age 80 of owner	• no age limit
• LIF	• up to Dec. 31, age 80 of owner (in some provinces)**	• up to Dec. 31, age 80 of owner (in some provinces)

\* Includes Contracts that are registered externally.

\*\* In provinces where legislation requires a LIF to be annuitized at age 80, the latest age to purchase is age 65.

**2.1.1** If the Contract is in force on the Maturity Date, and we have not been notified of a different maturity option, ***the Contract will provide a single life annuity with a 10-year guarantee with you as Policyowner.***

#### TERMS OF THE ANNUITY

The Default Annuity will be subject to the following provisions and will be subject to section 1(e)(iii) of the Income Tax Act (Canada) for registered Contracts. Please refer to Section 11 Additional RRSP provisions for the annuity provisions for registered Contracts.

- The annuity will be a single life annuity on the Annuitant's life.
- The annuity will provide annual income payments. The payments will be guaranteed for your life or for 10 years, except in the case of registered Contracts.

- The income payments will be equal, except in the case of registered contracts. Refer to section 11 for further details.
- The date of the first income payment will be such that a full year's worth of income payments are scheduled to be made in the calendar year following the year in which the Default Annuity provision applies.
- If you die after income payments commence and there is no named successor annuitant the commuted value of any remaining income payments will be paid in one sum. This payment will be made to your named beneficiary, if there is one, otherwise to your estate.

The following is an annuity table that specifies what an annuity payment will be per \$10,000.00 of contract value at the time of annuitization. (For Quebec contracts only)

Age (last attained)	Annual Rate per Contract Value
50	\$153.85
55	\$166.67
60	\$181.82
65	\$200.00
70	\$222.22
75	\$250.00
80	\$285.71
85	\$333.33
90	\$400.00
95	\$500.00
100	\$666.67

## **2.2 Non-registered Contracts**

A non-registered Contract may be purchased up to December 31 of the year in which the Annuitant attains age 80. A non-registered Contract may be owned by a single individual, a corporation or more than one individual in any form of ownership permitted under the applicable laws. An Annuitant or a third party may be an owner.

You may be able to transfer ownership of the Contract. A transfer of ownership must be in accordance with governing legislation and the administrative rules that we have in place at that time.

You cannot borrow money directly from an MLIA non-registered Contract. You may use the non-registered Contract as security for a loan by assigning it to the lender. The rights of the lender may take precedence over the rights of any other person claiming a death benefit. An assignment of this Contract may restrict or delay certain transactions otherwise permitted.

## **2.3 Registered Contracts**

Under a registered Contract, you are both the Policyowner and the Annuitant. You cannot borrow money from the Contract. You cannot use the registered Contract as security for a loan or assign it to a third party.

### **2.3.1 Registered Retirement Savings Plans (RRSPs)**

You may hold and make investments in an RRSP Contract up until the latest date you are permitted to hold an RRSP under the Income Tax Act (Canada), currently December 31 of the year that you attain age 71. Once you reach that date, you must convert the RRSP to:

- i) a Registered Retirement Income Fund (RRIF) or if you have locked-in Funds, a Locked-in Retirement Income Fund (LRIF), Life Income Fund (LIF), Prescribed Retirement Income Fund (PRIF) or any other locked-in plan as allowed under pension legislation, where applicable;
- ii) an immediate annuity; or
- iii) a cash withdrawal (if you have a LIRA you cannot take the proceeds in cash).

Unless you indicate otherwise, if the Contract is in force on the legislated RRSP maturity date, we will automatically amend the RRSP Contract to become a RRIF. If you have a Locked-in RRSP or LIRA Contract, the Contract will be amended to become a LIF, LRIF, PRIF or other locked-in plan, subject to provincial legislation.

### **2.3.2 Spousal RRSP/RRIF**

If your spouse makes Deposits to an RRSP held by you, it is a Spousal RRSP. You are the Policyowner and the Annuitant. A RRIF purchased with funds transferred from a Spousal RRSP will be a Spousal RRIF.

### **2.3.3 Life Income Funds (LIFs), Locked-in Retirement Income Funds (LRIFs) and Prescribed Retirement Income Funds (PRIFs)**

You may purchase a LIF, LRIF or PRIF with Funds transferred from a locked-in registered savings arrangement. LIFs and LRIFs are similar to a PRIF, but they also have a maximum annual income that can be paid out each year.

A LIF, LRIF or PRIF may be issued at the ages permitted by the legislation governing the former pension plan. Spousal rights prescribed under pension legislation are preserved when locked-in benefits are transferred to a LIF, LRIF or PRIF. Some jurisdictions may require that you obtain spousal consent or a spousal waiver form before the proceeds can be transferred to a LIF, LRIF or PRIF.

Depending on the rules governing the former pension plan, a LIF may require you to purchase a life annuity with the balance of the Funds by December 31 of the year in which you attain the age of 80. An LRIF, a PRIF and under some pension legislation, a LIF, can continue for your lifetime.

The LIF, LRIF or PRIF Contract will be registered under the RRIF provisions of the Income Tax Act (Canada). You are the Policyowner and Annuitant of the Contract.

## 3. Deposits

### 3.1 General information

To establish a Contract, you must Deposit a minimum amount as described below. The Contract date is the Valuation Date of the first Deposit.

Minimums		
Contract Minimums	RRSP and LIRA	\$1000 or \$100 PAC (RRSP only)
	Non-registered	\$5000
	RIF, LIF, LRIF or PRIF	\$25000
Investment Minimums	Dollar-Cost Averaging Fund	\$5000
	All other Segregated Funds	\$50 per Fund
	Basic Account	\$500
	Laddered Account-5 year	\$2500
	Laddered Account -10 year	\$5000
	Escalating Rate Account	\$5000
PAC Deposits	Non-registered and RSP	\$100

We have the right to refuse to accept Deposits or limit the amount of Deposits to an investment according to our administrative rules at the time. We have the right to limit the number of Contracts held by you. We have the right to request medical evidence of the health of the Annuitant based on our current administrative procedures, and refuse to accept Deposits based on incomplete or unsatisfactory medical evidence of the Annuitant.

### 3.2 Making Deposits

You may make Deposits to the Contract at any time, subject to the rules in place at that time.

For Guaranteed Interest Accounts the Deposit will be made on the Valuation Date.

For Segregated Funds we will purchase Units at the Unit Value on the Valuation Date that is applicable to the Fund you have selected. For information on the Valuation Date of a Deposit, please see Section 8.2 Unit Value and Valuation Date. The Deposit will initially be allocated to the Daily Interest Account (DIA). It will then be directed to the Segregated Funds for the purpose of completing the transaction. The Deposit will be considered to be received in the Segregated Fund on the Valuation Date of the Deposit. The Deposit will not earn interest while it is temporarily held in the DIA.

Please make your cheques payable to Manulife Financial. All payments must be made in Canadian dollars.

If the payment comes back to us marked NSF (Not Sufficient Funds) we reserve the right to charge a fee to cover our expenses. We also reserve the right to

attempt to make the withdrawal from your bank account a second time.

### 3.3 Regular deposits (Pre-authorized Chequing)

Regular Deposits are commonly referred to as Pre-Authorized Chequing (PACs) and are made for the same amount monthly.

You may make regular Deposits to the Contract on any date from the 1st to the 28th of the month, or you may specify "the last day of the month." We then make regular withdrawals directly from your bank account.

We have the right to cancel the regular Deposits at any time. For Segregated Funds, we may direct the regular Deposits to a similar Fund. For example, this may occur if we close a Fund or restrict new Deposits to a Fund. In this situation, Manulife will provide you with advance notice of our intent and the options that are available to you.

The regular Deposit option is not available for LIRA, RRIF, LIF, LRIF, PRIF, or other similar retirement income Contracts.

## 4. Transfers and Fund Switches

### 4.1 General information

You may request that we transfer and/or Fund switch all, or a portion, of the Contract's Market Value to different investment options within the Contract, subject to minimum investment limits. There may be a tax consequence to transfers or switches. Please refer to Section 11 Tax Information.

For the DIA, the amount available for transfer is equal to the sum of all Deposits (plus accrued interest), less any money that is already allocated for a Segregated Fund or GIA purchase. For a GIA, except non-cashable Basic Accounts, which can only be transferred at maturity, the amount available for transfer is equal to the Market Value of the initial Deposit minus any Surrender Charges, valued on the day of the transfer. Please refer to Section 5.2.2 GIA Surrender Charge.

For Segregated Funds, upon request, you may request we switch monies between Funds on an unscheduled or on a scheduled basis. When you switch between Funds, it is the Deposits that have been in the Fund the longest that are switched first.

**Fund switches and transfers will proportionally reduce the Segregated Fund Maturity and Death Benefit Guarantees.** Fund switches and transfers may result in a gain or a loss since they create a taxable disposition. Please refer to Section 11 Tax Information.

**The value of the Units of a Segregated Fund that are redeemed as a result of a Fund switch or transfer fluctuates with the Market Value of the underlying assets and is not guaranteed.**

### 4.2 Unscheduled Fund switches (Segregated Funds)

We allow up to 5 switches or transfers per year without charge, and, thereafter, a fee may apply. Moving money between classes of a Fund (A to B or vice versa) will be treated as a redemption from one Fund and a Deposit to the new Fund and we will adjust the Maturity Guarantee accordingly. The Death Benefit Guarantee is not affected.

**Moving money from Class A to Class B Funds should be considered carefully since it may reduce the Maturity Guarantee.**

We reserve the right to charge a fee of up to 2% (of the value of the Units allocated to the Funds you are switching or transferring in the Contract) if you request more than 5 switches or transfers within the Contract in a year, or request we withdraw or switch Units from a Fund within 90 days of allocating a Deposit to the Fund.

The switch or transfer amount will be reduced by any applicable fees or charges. We reserve the right to change any of the fees described above and the conditions under which they are charged. However, the fees will never be greater than those of a newly issued Contract.

### 4.3 Scheduled Fund switches (Segregated Funds)

You may request regularly scheduled monthly switches between the various Funds in the Contract on any date from the 1st to the 28th of the month, or you may specify "the end of the month." There is no fee for regular switches.

You can arrange for scheduled switches if you have a lump sum deposited into one Fund and you would like to make regularly scheduled investments into another Fund(s). The Units of the Fund with the lump sum Deposit are redeemed and the proceeds are used to purchase Units of the new Fund(s).

We have the right to cancel the scheduled switches at any time or direct the scheduled switches to a similar Fund, according to the administrative rules that we have in place at the time. For example, this may occur if we close a Fund or restrict new Deposits to a Fund. In this situation, Manulife will provide you with advance notice of our intent and the options that are available to you.



#### **4.4 Dollar-Cost Averaging Fund**

All Deposits to a Dollar-Cost Averaging Fund (DCA Fund) will be administered in accordance with current administrative rules. Upon receipt of the Deposit and any documentation that we may require, we will allocate the amount to the DCA Fund in the Contract. You are not permitted to request we switch monies from existing Funds within the Contract to the DCA Fund. We reserve the right to close the DCA Fund to new Deposits or limit the number of Funds you may request we switch into.

You must select a day of the month (subject to our current administrative rules) that you would like the monthly switch to occur. If the day of the monthly switch falls on a non-Valuation Date, the monthly switch will use the Unit Values as of the next Valuation Date.

You may choose a minimum of 6 and a maximum of 12 monthly switches from the DCA Fund. There is no administrative fee for monthly switches from the DCA Fund and they do not count towards the maximum number of free Fund switches permitted within the Contract.

Beginning on the day of the first monthly switch, and for the number of monthly switches you have selected, an equal number of Units purchased in the DCA Fund will be switched monthly to the Fund(s) you have selected. For example, if you deposit \$10,000 into the DCA Fund with a Unit Value of \$10 on the date of the Deposit, you will have 1,000 Units. If you choose 10 monthly switches, 100 Units a month will be switched (1,000 Units/10 months) to the Fund(s) you have selected.

You may request we switch to other Fund(s) within the Contract, withdraw amounts in cash from the Contract, or transfer to another financial institution at any time.

Following a withdrawal or a non-scheduled fund switch out of the DCA Fund, the monthly switches will continue unchanged if there are sufficient Units in the Fund. However, if there are insufficient Units remaining in the DCA Fund at the time of a monthly switch, the amount of Units remaining will be switched that month. Immediately following the last fund switch from the DCA Fund, the balance in the DCA Fund will be zero.

You can make additional Deposits to the existing DCA Fund at any time by providing the information we require. At the time of an additional Deposit, you must select the number of monthly switches (minimum of 6, maximum of 12) and indicate the Fund allocations. The new Fund allocations will override any previous Fund selections. You may also select a new switch day, subject to our then current administrative rules. An additional Deposit will be added together with the existing monies in the DCA Fund. The amount of the automated monthly switch will be recalculated at the time of an additional Deposit to be a) the number of existing Units you currently have allocated in the DCA Fund plus the number of new Units we purchase with the additional Deposit, divided by b) the number of monthly switches you have selected. For example, if you currently hold 500 Units of the DCA Fund and you make a Deposit that purchases 200 additional Units, you will hold 700 Units in the DCA Fund. If you choose a new monthly switch period of 7 months, 100 Units a month will be switched automatically (700 Units/7 months) to the most recent Fund(s) you have selected.

## 5. Withdrawals

### 5.1 General information

You may request a withdrawal on an unscheduled or on a scheduled basis. You must indicate to us from which Funds or accounts you would like us to redeem Units or withdraw monies. If you are the Policyowner of a RRIF, LIF, LRIF, PRIF, or other similar retirement income Contract, you will have scheduled payments made to you.

Any fees, charges or withholding taxes that you must pay are deducted from the withdrawal. The minimum withdrawal amounts are calculated before redemption fees, charges and withholding taxes are deducted.

If the value of the investment is not sufficient to permit us to make the requested withdrawal, we will make the withdrawal according to our administrative rules in place at that time. We have the right to either refuse a withdrawal request or require that the entire Contract be redeemed if the minimum balance requirements are not met.

**The value of the Units of a Segregated Fund that are redeemed fluctuates with the Market Value of the underlying assets and is not guaranteed.**

**Withdrawals and transfers will proportionally reduce the Segregated Fund Maturity and Death Benefit Guarantees**. Withdrawal and transfer requests may result in a gain or a loss since they create a taxable disposition. Please refer to Section 11 Tax Information.

You may request to withdraw or transfer monies from a GIA charge free on the Maturity Date of the investment. Withdrawal or transfers of monies from the DIA is available at any time without charge. Withdrawals and transfers from any other investments prior to the Maturity Date may be subject to a Surrender Charge. Withdrawal or transfer of monies from a non-cashable Basic Account is not permitted other than at the Maturity Date.

### 5.2 Unscheduled withdrawals

An unscheduled withdrawal is a one-time withdrawal made following your request.

#### 5.2.1 Guaranteed Interest Accounts (GIA) only

If this contract is issued as a RRIF, LIF, LRIF, PRIF, or other similar retirement income Contract, you may request to withdraw an amount over and above the scheduled payments. Once per calendar year you may request to have us waive the Surrender Charge for an unscheduled withdrawal. The maximum withdrawal amount for purposes of the charge-free option is limited to 10% of the value of the cashable Basic Account and Laddered Account at the time of withdrawal, or \$10,000, whichever is less.

You must specify the amount you wish to withdraw charge-free and the Accounts from which you wish the Funds withdrawn. If the total amount you are withdrawing from the Contract exceeds the charge-free withdrawal limit, we will consider the charge-free portion to have been withdrawn from those Accounts chosen with the highest Surrender Charges. The amount in excess of the charge-free amount will be subject to Surrender Charges. No further charge-free withdrawals will be permitted during that calendar year and any unused portion of the charge-free withdrawal amount cannot be carried forward to subsequent years. The charge-free option applies only to unscheduled cash withdrawals and does not apply to transfers between investment options within the Contract, or to transfers out of the Contract to other registered Contracts.

#### 5.2.2 GIA Surrender Charges

A Surrender Charge may be applied whenever a GIA, except a non-cashable Basic Account, is withdrawn (in whole or in part).

We retain the right to change any component of the Surrender Charge with prenotice.



## 5.3 Scheduled withdrawals

Scheduled withdrawals may be taken from the non-registered RRIF, LIF, LRIF or PRIF, or other similar retirement income Contract. They are not available from the RRSP or LIRA Contract.

Scheduled withdrawals are commonly referred to as Systematic Withdrawal Plans (SWPs).

You may choose to make the scheduled withdrawal from registered income products or non-registered Contracts monthly, quarterly, semi-annually or annually. You have the flexibility to choose the amount you will receive, subject to legislative minimums and maximums for registered income products, and when you receive it. You may receive scheduled withdrawals from the Contract on any date from the 1st to the 28th of the month (limited to one per month), or you may specify “the end of the month.” We will deposit the scheduled withdrawal directly into your bank account. For registered and non registered Contracts the Valuation Date will be several days in advance to ensure you receive the payment on time.

We reserve the right to change the order of withdrawal and the frequency of payment.

### 5.3.1 Non-registered scheduled payment options

#### LEVEL PAYMENTS (SEGREGATED FUNDS)

You choose the payment amount you wish to receive from a Fund(s). You will be able to select an amount or percentage of the payment to be funded from Fund(s). Each scheduled withdrawal will be of an equal amount for the payment frequency selected.

#### INTEREST ONLY PAYMENTS (GIA)

You may request to have interest payments taken from the non-registered GIA investments by selecting a payment frequency (monthly, quarterly, semi-annually or annually) and the first payment date.

Automatic interest payments are made from the DIA only. By selecting the simple interest option, you can have interest from the Account(s) credited automatically to the DIA to provide the funding for the payment frequency you have selected. Interest

credited to the DIA from the Account(s) will accumulate interest until the selected payment date.

If the balance in the DIA at the time of a scheduled payment is less than the amount of the payment, you will not receive a payment on that payment date. Future automatic payments will not be affected. The payments will continue on the next scheduled payout date, if the balance of the DIA at that time is sufficient to meet the payment amount. The minimum amount of payment is subject to our current administration rules at that time.

## 5.4 RRIF/LIF/LRIF/PRIF scheduled payment options

The payment amount selected for a year must be equal to or greater than the RRIF minimum amount, and for LIF and LRIF Contracts, not greater than the LIF and LRIF maximum amount.

The scheduled payment amounts on any Account cannot fully deplete the Account before the Account Maturity Date.

For RRIFs, LIFs, LRIFs, PRIFs, and other similar retirement income Contracts, the Surrender Charge will be waived for all scheduled withdrawals. We reserve the right to apply a Surrender Charge for scheduled withdrawal payments from the GIA(s) that exceed the RRIF minimum by providing you with at least 60 days advanced notice.

#### MINIMUM AMOUNT

The RRIF minimum amount is calculated by multiplying the Market Value of the Contract on January 1 of each year by the percentage determined by the formula stated in the Income Tax Act (Canada). The percentage may be based on your age or your spouse's age, as elected at the time you purchased the Contract.

In the year you purchase the RRIF, LIF, LRIF, or PRIF, or other similar retirement income Contract, you are not required to receive a withdrawal from the Contract. For calendar years following the year you purchased the Contract, you will be required to have at least the RRIF minimum paid to you prior to the end of each year.

### LEVEL CLIENT-SPECIFIED AMOUNT

You choose the payment amount you wish to receive. Each scheduled withdrawal will be of an equal amount for the payment frequency selected.

### MAXIMUM AMOUNT (FOR LIF AND LRIF ONLY)

The maximum payment amount for the LIF and LRIF is calculated in accordance with the formula specified by applicable legislation. For the initial calendar year, the maximum amount may be pro-rated based on the number of months the Deposit is held in the Contract as specified by the applicable legislation. Each scheduled withdrawal will be of an equal amount.

### INDEXED – CLIENT SPECIFIED AMOUNT

**Indexed Payment Option – available to RRIFs only.** Starting with the first payment date, we will pay you the amount you have specified. Beginning with the year following the first payment date, the payment amount will be increased by the annual index rate you have chosen.

### YEAR-END PAYMENT

If the total of the scheduled withdrawals and unscheduled withdrawals in a calendar year is less than the required RRIF minimum amount for that year, we are required to make a payment to you at the end of a calendar year to meet the legislated minimum amount.

## 5.4.1 Withdrawal Order Options

The client-specified options allow you to specify an amount or percentage of the payment to be funded from DIA, and amount or percentage of the payment to be funded from individual Segregated Funds, and an amount or percentage to be funded from GIAs as a whole.

The following withdrawal order options are available for GIA:

**1. Lowest Rate Term First** – Scheduled payments will be taken from the investments according to the following:

- a. accumulated interest that is available on the payout date from the Account with the lowest interest rate to the Account with the highest rate, then

- b. principal amount, from the Account with the lowest interest rate to the Account with the highest rate, subject to the Account payment limit.

In the event that there are Accounts with the same interest rate, payments will be withdrawn from the Accounts in accordance with our then current administrative rules.

**2. Pro-rated Across All Terms** – Scheduled payments will be made proportionate to the value of each Account at the time of withdrawal, subject to the Account payment amount limit.

## 5.5 Default withdrawal order for RRIF/LIF/LRIF/PRIF

To provide for income payments under all options, when you have not provided specific instructions, investments are withdrawn from the various investment options in the following default order:

- first from the DIA,
- second, by redeeming sufficient units in the Segregated Funds from lowest to highest volatility (if there is more than one investment with the same volatility, the Fund holding with the highest Market Value will be redeemed first),
- finally, by withdrawing investments (in whole or in part) in the GIA with the lowest rate term first.

The scheduled withdrawal option, payment allocation instructions and the payment frequency you select will remain in effect until you request we change them, or until we are required to change them to maintain the provisions of the Contract. Any changes will affect future payments only. There may be restrictions and charges applicable to any changes you request, according to our then current administration rules and fees.

We reserve the right to change this order of withdrawal and the frequency of payment.

Following any payment made to you, we retain the right to cancel any investment that fails to meet the current minimum required by us and transfer its Market Value to the DIA. A Surrender Charge may apply.

## 5.6 Early Withdrawal Fees (Segregated Funds)

We may apply early withdrawal fees of 2% of the Deposit Value if you request a withdrawal within 90 days of the purchase of Funds you have withdrawn. This fee will not apply to scheduled withdrawal payments from the RRIF, LIF, LRIF, PRIF, or other similar retirement income Contract, or to regular withdrawals (SWPs).

## 5.7 Recovery of expenses or investment losses

The fees and charges described in this Information Folder are the only ones that you will be charged

for the day-to-day activities of the Contract. If however, you make an error, we reserve the right to charge you for any expenses or investment losses that occur as a result of the error. Any charges passed on to you will be commensurate with any expenses or losses incurred by us. These expenses or investment losses might be caused by, among other things, NSF payments, or incorrect or incomplete instructions.

**THE MARKET VALUE OF UNITS WITHDRAWN WILL FLUCTUATE IN ACCORDANCE WITH THE MARKET VALUE OF ASSETS IN THE PARTICULAR FUND AND IS NOT GUARANTEED.**

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# 6. Maturity benefits, death benefits and the guarantees

## 6.1 General information

The Contract provides a guarantee on the Contract Maturity Date and upon our receipt of notification of the death of the last surviving Annuitant.

For Segregated Funds, if the guarantee amount is higher than the current Market Value:

- on the Maturity Date, or
- upon death of the last surviving Annuitant

we will increase the value of the Contract to equal the applicable guarantee amount by depositing the difference to a money market Fund. This Deposit is known as a "top-up." Please refer to Section 11.2.1 Taxation of guarantee top-up (Segregated Funds) and Section 11.2 Non-registered Contracts and Section 11.3 Registered Contracts for more information on top-ups.

On the date we are notified of the death of the annuitant, we will redeem all Units of the existing Segregated Funds and transfer the corresponding value to a money market Fund. For GIAs, upon notification of death of the annuitant, we will transfer all of the investments to the DIA. However, if you own a non-registered Contract or a RRIF, LIF,

LRIF, PRIF, or other similar retirement income Contract and you have named a successor Annuitant, the Contract may continue and all investments will remain invested. The investments will be adjusted for any Deposits received or payments made after the date of notification. Payment of the death benefit will discharge our obligations under the Contract and the Contract will be terminated.

See Section 12.3 Non-registered Contracts and Section 12.4 Registered Contracts for more information on successor owners and successor Annuitants.

All Segregated Fund guarantees will be proportionately reduced for any withdrawals from the Segregated Funds in the Contract. In no event will the Maturity Guarantee ever be less than 75% of Deposits proportionally reduced by the Market Value of all Units redeemed in each Fund.

**Please note that no amounts invested in the Segregated Funds are guaranteed prior to the Maturity Date except on the death of the last surviving Annuitant.**

## 6.2 Contract Maturity Date

The Contract Maturity Date is selected by you upon completing the application and must be a minimum of 15 years from the initial Deposit Date of any MLIA investment option.

Investments in a Segregated Fund require a minimum 15-year Contract Maturity Date from the effective date of the initial Deposit to the Segregated Fund.

For GIAs, the term maturity of the Account will be equal to the selected term of the investment specified by you and cannot be later than the minimum 15-year Contract Maturity Date of the Contract. In the final year of your Contract, you may have the option to extend the Contract for a minimum of 15 years, as long as Manulife Financial is still allowing new MLIA Contracts to be sold, and provided you are not beyond the latest age to purchase a new Contract (as described in Section 2.1). You will not be allowed to extend the Maturity Date beyond the latest age to own the Contract (also described in Section 2.1) By choosing to extend your Contract, your Death and Maturity Guarantees will remain the same, however you will again be eligible for the Automatic Daily Reset (ADR) of the Maturity Guarantee for Class A Funds, as per Section 6.3.1.

On the Contract Maturity Date, the Contract will provide a life annuity guaranteed for 10 years on the life of the Annuitant, if you have not selected another settlement option available at that time. If the Contract is a registered Contract or a Locked-in Contract, the annuity will comply with the regulations of the Income Tax Act (Canada).

Prior to the Maturity Date, transfer requests may be permitted to another available investment option that is offered under this Contract at that time. Surrender Charges may apply.

## 6.3 Maturity Guarantee (Segregated Funds)

For the purposes of determining the Maturity Guarantee for Segregated Funds, Funds are classified as either Class A or Class B.

The amount available on the Maturity Date to provide benefits is equal to the sum of sections (I) and (II) below.

### (I) Class A Funds – 100% Guarantee (75% in the Closing Decade)

For investments in **Class A** Funds, the greater of:

- A)** the Market Value of the Units held in **Class A** Funds, and
- B)** the most recently established Maturity Guarantee, proportionally reduced by withdrawals and transfers

### (II) Class B Funds – 75% Guarantee

For investments in **Class B** Funds, the greater of:

- A)** the Market Value of the Units held in **Class B** Funds, and
- B)** 75% of all Deposits made to **Class B** Funds, proportionally reduced by withdrawals and transfers.

### 6.3.1 Automatic Daily Reset® (ADR)

The Automatic Daily Reset applies to Class A Funds only; Class B Funds are not affected by the Automatic Daily Reset.

Prior to the Closing Decade, (when there are at least 10 years remaining until the Maturity Date) the Maturity Guarantee is reset every Valuation Date to the greater of:

- 1)** the sum of the Market Value of all Units held in **Class A** Funds,
- or
- 2)** The most recently established Maturity Guarantee plus 100% of Deposits made to **Class A** Funds since the last Maturity Guarantee was established, proportionally reduced by withdrawals and transfers from **Class A** Funds since the last Maturity Guarantee was established.

## Closing Decade

If there are less than 10 years remaining until the Segregate Fund Maturity Date, the Maturity Guarantee will be the last established value, plus 75% of the Deposits made to **Class A** Funds. The Maturity Guarantee will be proportionally reduced by withdrawals and transfers from **Class A** Funds since the last Maturity Guarantee was established.

For each class of Units, if the Market Value is higher than the Maturity Guarantee on the Maturity Date, you will receive the Market Value of the Contract.

If the Maturity Guarantee is higher than the Market Value you will receive the Maturity Guarantee.

Where a both Class A and Class B Funds are available in the Closing Decade, *there is no financial benefit in choosing a Class A Fund and it will cost more to own a Class A Fund due to the higher Guarantee prior to the closing decade.*

### How the Automatic Daily Reset® feature of the Maturity Guarantee works for Class A Funds where Deposits are made before and during the Closing Decade.

**Contract issued: January 2, 1999**

**Maturity Date: September 1, 2020**

DATE	DEPOSIT	MARKET VALUE	MATURITY GUARANTEE
Jan. 2, 1999	\$10,000	\$10,000	\$10,000
Jan. 3, 1999	\$0	\$9,900	\$10,000
Jan. 4, 1999	\$0	\$10,125	\$10,125
Mar. 1, 2005	\$0	\$12,500	\$12,500
Mar. 2, 2005	\$5,000	\$17,500	\$17,500
Sep. 2, 2007	\$0	\$16,250	\$17,500
Sep. 1, 2010	\$0	\$23,000	\$23,000
<b>Closing Decade begins September 2, 2010 (no further Automatic Daily Resets)</b>			
July 10, 2014	\$0	\$26,000	\$23,000
July 11, 2014	\$10,000	\$36,000	\$30,500
			(Maturity Guarantee increased by 75% of the Deposit)

## 6.4 Death Benefit

Upon the death of the last surviving Annuitant, as of the date of notification of death, a benefit is paid to the Beneficiary equal to the sum of:

- the Market Value of the DIA,
- the Market Value of each GIA,
- the greater of the sum of the Market Value of the Units held in each class of Funds calculated, and the Death Benefit Guarantee.

### 6.4.1 How the Death Benefit Guarantee is calculated (Segregated Funds)

The Death Benefit Guarantee is based on the age of the Annuitant at the time of Deposit.

The Death Benefit Guarantee is determined at the time of Deposit to be 100% of the Deposit Value for Deposits made before the Annuitant reaches age 80. Deposits made on or after the Annuitant's 80th birthday will have a Death Benefit Guarantee of 80% of the Deposit Value. The Death Benefit Guarantee calculation is the same for Deposits made to Class A Funds and Class B Funds.

- A.** For Class A Funds, the greater of:
- a. The Death Benefit Guarantee, and
  - b. The current Market Value of the Units representing the Deposit Value.

Plus

- B.** For Class B Funds, the greater of:
- a. The Death Benefit Guarantee, and
  - b. The current Market Value of the Units representing the Deposit Value.

The Death Benefit Guarantee is proportionally reduced for withdrawals and transfers from Segregated Funds.

### 6.5 Fund switches and the guarantee (Segregated Fund)

Fund switches between Funds within the same class do not affect the Maturity Guarantee. However, if you request we switch Funds from a Class A Fund to a Class B Fund, the Maturity Guarantee will be reduced. The Maturity Guarantee will be recalculated at the time of a switch to be 75% of the Market Value being switched.

**Moving money from Class A to Class B Funds should be considered carefully since it may reduce the Maturity Guarantee.**

A switch will not affect the Maturity Date or the Death Benefit Guarantee amount. Additionally, the age of the Units being switched is not affected. When you switch between Funds, it is the Deposits that have been in the Fund the longest that are switched first.

#### Example of a Class A to a Class B fund switch:

Class A Fund as of November 2, 2004	
Original investment into Class A Funds on February 15th, 2004	\$20,000
Maturity Date	February 15, 2019
Maturity Guarantee	\$22,000
Death Benefit Guarantee	\$20,000

After a Fund switch of the entire amount to a **Class B** Fund on November 2, 2004, this is what the Contract will look like:

Class B Fund as of November 2, 2004 (immediately following the fund switch)	
Current Market Value	\$22,000 (unchanged)
Maturity Date	February 15, 2019 (unchanged)
Maturity Guarantee	\$16,500 (75% of Market Value)
Death Benefit Guarantee	\$20,000 (unchanged)

This example assumes that all Units in **Class A** were switched to Class B and the original Deposit was made before the Annuitant's 80th birthday.

While the Death Benefit Guarantee is not affected by a switch to or from another Fund, it is proportionally reduced by the Market Value of Units redeemed to effect a transfer to a GIA or DIA. In addition, when transferring from a GIA or the DIA to a Fund, the Market Value of GIA or the DIA, less any applicable Surrender Charge, is treated as a Deposit to the chosen Fund, and is effective on the same Valuation Day as the transfer is effective.

## 6.6 Withdrawals, transfers and the guarantee (Segregated Fund)

Every time you make a withdrawal request from the Segregated Funds (including scheduled withdrawals) there is a proportional reduction in the Deposit Value used to calculate the guarantees. The proportional reduction is calculated based on the Market Value at the time of withdrawal or transfer. For example, in a situation where all Units had been purchased at the same time, if the amount withdrawn from a specific class of Units is equal to 25% of the Market Value of that class of Units on the date of withdrawal or transfer, the Deposit Value applicable to that class of Units is reduced by 25%. At the Maturity Date you will still receive the greater of the new Maturity Guarantee or Market Value.

Withdrawals and transfers are made on a first-in, first-out basis, by class of Units.

A withdrawal may include Funds attributable to different classes of Units and each relevant guarantee will be adjusted.

Withdrawals and transfers do not affect the Maturity Date.

The reduction in the value of the guarantee amount as a result of withdrawals and transfers will be calculated as follows:

Reduction in the value of the guarantee amount =  $G \times W/MV$  where:

- W** = Market Value of Units redeemed applicable to that class of Units;
- MV** = total Market Value of the Units applicable to that class of Units prior to withdrawal;
- G** = guarantee applicable to that class of Units prior to withdrawal.

The new guarantee amount is the original guarantee amount prior to withdrawal minus the calculated reduction in the value of the guarantee amount for that class of Units.

**Example:** You made a Deposit of \$5,000, requested that it be allocated to Class B Funds, and it has a current Market Value of \$8,000. The Death Benefit Guarantee immediately prior to the withdrawal is \$5,000 and the Maturity Guarantee is \$3,750 (Class B Funds). You instruct us to withdraw \$800.

### The reduction of the guarantees works as follows:

Maturity Guarantee (Class B Funds):	\$3,750
Death Benefit Guarantee (Class B Funds):	\$5,000
Market Value:	\$8,000
Reduction in Maturity Guarantee:	$\$3,750 \times \$800/\$8,000 = \$375$
Reduction in Death Benefit Guarantee:	$\$5,000 \times \$800/\$8,000 = \$500$
New Maturity Guarantee:	$\$3,750 - \$375 = \$3,375$
New Death Benefit Guarantee:	$\$5,000 - \$500 = \$4,500$



## 6.7 RRSP to RRIF guarantee transition

If you hold an RRSP or LIRA Contract, the guarantee amounts and guarantee dates automatically extend into a RRIF, LIF, LRIF, PRIF or other similar retirement income Contract, as applicable. Please refer to the Contract for more information on how the RRSP is amended to a RRIF.

### Example:

Assume you are 65 years old. You purchase an MLIA RRSP on February 12, 1999, with \$54,000 transferred from another financial institution, and choose to invest in Class B Funds. Although there are only six years left until you must close the RRSP,

the guarantee amount and guarantee date extends to the RRIF.

	RRSP	RRIF (Amendment on December 31, 2005)
Maturity Date	February 12, 2016	February 12, 2016 (unchanged)
Maturity Guarantee	\$40,500	\$40,500 (unchanged)
Death Benefit Guarantee	\$54,000	\$54,000 (unchanged)

The Maturity Guarantee, the Death Benefit Guarantee and the Maturity Date are all unchanged after the RRSP is amended to be a RRIF.

# 7. The investment options

## 7.1 General information

Deposits can be allocated to a Daily Interest Account (DIA), Guaranteed Interest Accounts (GIAs), and/or Segregated Fund investment options.

It is the intention of Manulife Financial to continue to offer you a variety of investment options within the Contract, however there may be situations where we may close investments to new deposits, or limit the amount of deposits to the Contract or investment option. We will continue to administer the Contract in accordance with the existing Contract provisions.

We may also provide you with additional investment choices within the Contract that have different contractual provisions, such as Maturity or Death Benefit Guarantee levels. In this event, the provisions of the Contract may be amended to permit you to invest in the additional investment choices. If you initiate a transaction to the new investment choice, you agree to the terms of the amendment, which will form part of the Contract.

From time to time, Manulife may offer you the benefit of a switch or product transfer program to a new or existing Segregated Fund Contract, or to an enhanced version of the current Contract.

You may invest in any of the investment choices that are available at the time of the deposit. If we do not receive instructions, or receive incomplete instructions, the deposit will be made to the DIA. The

investment choices are as listed below and/or on any investment option addendum that is attached to the Contract.

We have the right to refuse to accept Deposits or GIA reinvestment instructions according to our administrative rules at the time. We reserve the right to redeem the value of an investment and pay the proceeds to you, or transfer the amount to another investment option of our choice if the value of the investment or Contract value falls below the minimum amount required by us at that time.

We reserve the right to discontinue offering, to merge, or to split any of the Segregated Funds available through the Contract at any time. We will provide you with at least 60 days advance notice in this event.

We have the right to change a Fund manager of any of the Funds at any time at our discretion. You will be notified of any change in Fund managers.

In the event of a Fund merger, split or discontinuance of a Fund or Funds, the Market Value of the Contract will not be affected by that event.

It is the intention of Manulife Financial to engage in the continuous sale of individual variable insurance Contracts.

In certain situations, changes to a Fund may be considered a Fundamental Change. Please see Section 7.11 Fundamental Changes for more information.



### 7.1.1 Account types

#### Daily Interest Account (DIA)

An investment in this Account has interest that is calculated daily and credited monthly at the rate we set periodically.

#### Guaranteed Interest Account (GIA)

##### BASIC ACCOUNT

An investment in this Account will earn a specified rate of interest for a specified term. You may select any terms that are then available, or you may specify a date that you want the investment to mature. A Basic Account may be available on a cashable and non-cashable basis. There may be partial year terms available, which will have a rate determined by us.

##### ESCALATING RATE ACCOUNT

An investment in this Account will earn a specified rate of interest for multiple one-year periods. The rate, set at the time of purchase, may increase for successive periods but will not decrease during the length of the term. You may select any terms that are then available. This investment option is not available in a RRIF, LIF, LRIF, PRIF and non-registered Contract.

##### LADDERED ACCOUNT

An investment in this Account will be split into equal amounts, each invested into a term maturing at different pre-determined dates. The same rate will be applied to all terms at the time of purchase. You may select any terms that are then available.

### 7.1.2 GIA interest options

You may have investments in various Accounts and interest options within this Contract. Interest accrues daily and will accumulate under one of the two interest options described below:

**a) Compound interest option.** Interest is compounded daily until the Maturity Date of the specified term.

**b) Simple interest option.** Interest will be credited to the DIA on a monthly, quarterly, semi-annual or annual basis. The simple interest option is only available to non-registered Contracts.

The above options do not apply to the Daily Interest Account (DIA). Interest for the DIA is calculated daily and is credited monthly.

### 7.1.3 Reinvestment instructions (GIA)

On the Maturity Date, the value of the Account will be automatically reinvested into a similar GIA Account. You will be advised of the reinvestment provisions prior to the Maturity Date. Any change to a reinvestment selection must be done in accordance with our administrative rules in place at the time.

Maturity Date of the GIA may not be later than the Contract Maturity Date selected and must be a minimum of 15 years. In the event of an auto-reinvestment for a GIA, the reinvestment term may not exceed and will be equal to the Contract Maturity Date.

### 7.1.4 Segregated Funds

The available Fund categories include money market, fixed income and equities. Each Fund manager has a particular investment strategy and the underlying securities are different. As such, the performance of Funds within any one category will vary.

The underlying investment in some Funds are units of a mutual fund(s) or another selected investment Fund(s).

You do not acquire any ownership interest in the Underlying Fund or Segregated Fund Units when you invest in a Fund.

If you would like additional information regarding the Underlying Funds, please see the Fund Highlights booklet, visit our website ([www.manulife.ca/investments](http://www.manulife.ca/investments)), or contact your financial advisor.

### 7.2 Management fees (Segregated Funds)

Each Fund will pay Manulife Financial management fees for the management of a Fund. The management fees of a Fund are calculated and accrued on a daily basis and reimbursed monthly to Manulife Financial. You do not directly pay for the management fees.

The management fees are subject to change at our discretion. The annual management fees shall not exceed two times the current management fees. You will receive at least 60 days advance notice of any increase in management fees.

The management fees of a Fund include all management fees charged by Manulife and the Underlying Fund. Please see Section 7.11 Fundamental Changes for more information.

### **7.3 Management Expense Ratio (MER) (Segregated Funds)**

The Management Expense Ratio (MER) is the cost of investing in a Fund. The MER is the management fee plus operating expenses of the Fund. You do not directly pay for the MER since it is paid from the Fund before the Unit Value of the Fund is calculated.

The operating expenses of a Fund include:

- operating and administrative costs,
- guarantee costs,
- legal fees,
- audit fees.

The MER for a Fund is subject to change without prior notification. Please see the most recent Fund Highlights booklet for more information on the MER. The MER includes any expenses charged by the Underlying Fund.

The MER for the Funds for the current year is estimated based on actual expenses from the previous year. It is subject to change and will be confirmed in the annual Audited Financial Statements.

### **7.4 Net asset value (Segregated Funds)**

The net asset value of a Fund represents the total Market Value of all the assets of a Fund minus its liabilities. The net asset value is divided by the number of Units held by investors to calculate the net asset value per Unit. We calculate the net asset value and the net asset value per Unit of each Fund at the close of business on every Valuation Date.

**The net asset value of a Segregated Fund fluctuates with the Market Value of the underlying assets of the Segregated Fund and is not guaranteed.**

### **7.5 Investment policy and restrictions(Segregated Funds)**

The Funds have been established to provide benefits which will vary in amount depending upon the Market Value of the assets of each of the Funds. Each Fund has a fundamental investment

objective which determines the investment policies and restrictions for the Fund. The investment policies and restrictions may change from time to time, and you will be notified in writing of any material change. Please see Section 7.11 Fundamental Changes for more information.

The Contract is subject to compliance with the CLHIA Individual Variable Insurance Contract Guidelines relating to Segregated Funds.

### **7.6 Potential risks of investing (Segregated Funds)**

**MARKET RISK** is the fundamental risk of investing in the capital markets. It is the risk that the assets of the Underlying Fund will decline in value simply because the market as a whole declines in value, thereby lowering the overall return of the Contract.

**INTEREST RATE RISK** is the chance that interest rates may fluctuate, and thereby may negatively impact the value of the assets within an Underlying Fund, thus lowering the overall return of the Contract.

**MANAGER RISK** is the chance that a Fund manager may purchase a poor asset or may dispose of an asset that continues to grow in value; the Fund manager may fail to recognize increasing or decreasing market conditions. Any or all of these can directly affect the performance of the Contract.

**INFLATION RISK** is the risk that inflation will affect interest rates and in turn make assets within an Underlying Fund less attractive from a price perspective, thus hurting the overall Contract performance.

**FOREIGN CURRENCY RISK** occurs when an Underlying Fund invests in countries other than Canada or holds assets valued in another currency, which may decline in value relative to the Canadian currency. This situation will adversely affect the returns of those foreign assets held in the underlying fund and the total return of the Contract.

**DERIVATIVE RISK** occurs when derivatives are used as a risk management tool to mitigate or diversify risks that are not desired. The Contract does not directly invest in derivatives. However, some underlying mutual funds may invest in derivatives for hedging purposes or for achieving the duration

target. In particular, the use of derivative instruments is prohibited in acquiring investment exposures not otherwise permitted in the Underlying Fund's investment description.

**CREDIT RISK** is the risk of default by the issuer of debt instruments, such as bond or money market instruments. Default will negatively impact the value of assets within the Underlying Fund, thus lowering the overall return of the Fund.

**SOVEREIGN RISK** applies when investing abroad as there may be additional risk of the Fund's capital to companies outside the laws of Canada. Information flow, liquidity, political stability and social policy may all affect the prices of foreign investments and in return the value of the assets within the Fund, thus hurting the overall performance of the Fund.

**SMALL COMPANY RISK** is the result of smaller companies having valuations that tend to be more volatile than those of large established companies. As such, the value of Funds that buy investments in smaller companies may rise and fall significantly.

## **7.7 Reinvestment of earnings (Segregated Funds)**

The realized earnings of the assets in the Funds will be reinvested in the Fund and will increase the value of the Units. The Policyowner of the Contract acquires no direct claim on the Fund assets but only on the Contract benefits.

## **7.8 Interest of management and others in material transactions**

No director, officer, associate or affiliate of Manulife Financial has had any material interest, direct or indirect, in any transactions, or in any proposed transactions within three years prior to the date of filing of this Information Folder, that would or will materially affect Manulife Financial with respect to the investment options.

## **7.9 Material contracts/facts**

No material contract that can be reasonably regarded as presently material to proposed policyholders with respect to the investment

options has been entered into within two years prior to the date of filing of this Information Folder. There are no other material facts relating to the policies that have not been disclosed herein.

## **7.10 Custodian of Fund portfolio securities (Segregated Funds)**

CIBC Mellon Global Securities Services Company, located at 320 Bay Street, P.O. Box 1, Toronto, ON. M5H 4A6 has custody and control of cash and securities of the Segregated Funds. All investments and Deposits of the Funds are made in the name of Manulife Financial. Manulife Financial has the ultimate responsibility for custody of the securities of the Funds. The portfolio of securities of the Funds is physically situated in the jurisdiction of the Province of Ontario.

## **7.11 Fundamental changes (Segregated Funds)**

In the event of a fundamental change to the Contract, you will be given the opportunity in certain circumstances to fund switch or withdraw Units of the Fund(s) without incurring charges. We will provide you with the withdrawal options and/or details of any fund switch opportunities at least 60 days prior to the effective date of the fundamental change.

A fundamental change includes:

- an increase in the management fee of a Fund
- a change in the Fundamental Investment Objectives of a Fund
- a decrease in the frequency with which funds are valued, or
- an increase in the guarantee cost of a Fund that exceeds the limit specified in the financial statements, if such costs are disclosed separately from the management fee.

A Fundamental Change may also occur in the event that two or more Funds are merged. Fund mergers may be subject to similar notice provisions and rights. For the purposes of being considered a similar fund, a Fund must have a comparable investment objective, be in the same fund investment category and have the same or lower management fee and guarantee cost as the original Fund.

## 8. Valuation

### 8.1 Market value of the Contract

The Market Value of the Contract is determined as the sum of:

- 1) The Market Value in the DIA. Deposits (plus accrued interest), less any money that is already allocated for a Segregated Fund or GIA purchase.
- 2) The Market Value of each GIA investment. For each investment the Market Value is equal to the investment plus any interest earned thereon.
- 3) The sum of the Market Value of Units credited to the Contract in each Fund. On any Valuation Day, the Market Value of Units in each Fund is equal to the number of Units allocated to that Fund, multiplied by the corresponding Unit Value on the Valuation Day.

Upon the death of the last surviving Annuitant, we will pay the Beneficiary the Market Value of the DIA and GIA investments and the greater of the Segregated Fund Market Value and the Segregated Fund Death Benefit Guarantee (Please refer to Section 6 Death Benefit Guarantee).

If you request a withdrawal of the Market Value of the Contract, all units held in each Fund and any investments in GIAs or DIAs will be redeemed, and the Market Value will be paid to the owner of the Contract. After the Cash Value of the Contract has been paid, the Contract will no longer be in effect and will terminate.

### 8.2 Unit Values And Valuation Date

A Valuation Date for the Contract occurs every day that:

- i) the Toronto Stock Exchange is open for business, and
- ii) a value is available for the underlying assets. All transactions affecting the Contract (i.e. Deposits, withdrawals, transfers, switches and resets) are processed based upon the Market Value as at the close of business on the Valuation Date. Valuation Dates are considered to end at the Valuation Date cut-off time, as determined by Manulife Financial. Any instructions or transactions

received by Manulife Financial's IHead Office after the Valuation Date cut-off time will be considered to be received as of the next Valuation Date.

Manulife reserves the right to change the Valuation Date cut-off time (earlier or later) to accept instructions or transactions. For example, we may require an earlier Valuation Date cut-off time for instructions or transactions received through different distribution or communication channels. Please contact your financial advisor for the Valuation Date cut-off time that may apply to specific transaction requests.

For Segregated Funds, we will normally value the Funds on every Valuation Date; however, we may postpone valuation of the Funds:

- a) for any period during which one or more of the nationally recognized stock exchanges are closed for other than a customary weekend or holiday closing,
- b) for a period during which trading on securities exchanges is restricted, or
- c) when there is an emergency during which it is not reasonable for us to dispose of investments owned by the Funds or to acquire investments on behalf of the Funds or to determine the total value of the Funds.

The Segregated Funds will be valued at least monthly irrespective of any postponement. If there is a change to the frequency of valuation of the Funds, you may have rights of free withdrawal or Fund switch. Please see Section 7.11 Fundamental Changes for more information.

The Toronto Stock Exchange is currently the principal exchange used for purposes of determining the Valuation Dates. Manulife Financial reserves the right to change the principal exchange to another exchange for purposes of this section and for determining the valuation of the Funds.

### 8.3 Adjusted cost base

The adjusted cost base of the Contract is the total cost of acquiring the Units of the Contract plus any reinvested allocations.

A Fund's adjusted cost base is the total cost of acquiring the underlying investments.

## 9. Fees and Charges

### 9.1 Fee Option

9.1 Fee Option refers to sales charges associated with Segregated Funds. The Segregated Funds are only available with a No-load sales charge option and do not incur sales charges, other than early withdrawal fees. Please refer to Section 5.6 Early Withdrawal Fees and Section 5.2.2 GIA Surrender Charges.

### CONTRACT CHARGES

#### 9.2 Early withdrawal fees

We may apply early withdrawal fees of 2% of the Deposit Value if you request a withdrawal within 90 days of allocating a Deposit to a Fund. This fee will not apply to scheduled payments from a RRIF, LIF, LRIF, PRIF or other similar retirement income Contract, or to regular withdrawals (SWPs).

#### 9.3 Recovery of expenses or investment losses

The fees and charges described in this Information Folder are the only ones that you will be charged for the day-to-day activities of the Contract. If, however, you make an error (e.g. an NSF cheque), we reserve the right to charge you for any expenses or investment losses that occur as a result of the error. Any charges passed on to you will be commensurate with any expenses or losses incurred by us. These expenses or investment losses might be caused by, among other things, NSF (Not Sufficient Funds) payments, or incorrect or incomplete instructions.

### FUND CHARGES

#### 9.4 Management fees

Each Manulife Guaranteed Investment Fund will pay Manulife Financial a management fee for the management of a Fund.

The management fee of a Fund is calculated and accrued on a daily basis and reimbursed monthly to Manulife Financial. You do not directly pay for the management fees.

The management fees are subject to change at our discretion. The annual management fees shall not exceed two times the current management fees. You will receive at least 60 days advance notice of any increase in management fees. Please see Section 7.11 Fundamental Changes for more information.

The management fees of a Manulife Guaranteed Investment Fund include all management fees charged by Manulife and the Underlying Fund.

#### 9.5 Management Expense Ratio (MER)

The Management Expense Ratio (MER) is the cost of investing in a Fund. The MER is the management fee plus operating expenses of the Fund. You do not directly pay for the MER since it is paid from the Fund before the Unit Value of a Fund is calculated.

The operating expenses of a Fund include;

- operating and administrative costs,
- guarantee costs,
- legal fees,
- audit fees.

The MER for a Fund is subject to change without prior notification. Please see the most recent Fund Highlights booklet for more information on the MER. The MERs include any expenses charged by the Underlying Fund.

## 10. Compensation

### 10.1 General information

Manulife GIF Investment Account Contracts are sold through financial advisors and brokers. The advisor will be compensated for the professional advice and services provided to you. The amount of compensation will depend upon the contractual agreement between your financial advisor and their dealership or with Manulife Financial, whichever is applicable. In some instances, a product transfer program may be available to potentially reduce or eliminate sales charges through a reduction of advisor compensation. Manulife Financial reserves the right to change or cancel compensation arrangements at any time.

### 10.2 Sales commission

The sales commission paid will vary depending on the investment you purchase.

When a GIA matures, and a reinvestment occurs, a sales commission will be paid. For Segregated Funds, if an additional Deposit is made to the Contract as a result of a Maturity or Death Benefit Guarantee (i.e. a "top-up" Deposit), a sales commission will not be paid on that Deposit.



A sales commission will not be paid on Segregated Fund switches.

### 10.3 Transfer sales commission

A transfer sales commission may be paid by the company to the representative when transferring monies from selected RRSP Contracts to a RRIF, LIF, LRIF, PRIF, or similar retirement income Contract according to the administrative rules that we have in place at that time.

### 10.4 Servicing commission (Segregated Funds only)

A regular servicing commission will be paid by the company to your financial advisor to recognize the ongoing service he/she provides.

- ii) the trading activities of the Funds,
- iii) your trading activities (i.e. transfers and withdrawals),
- iv) sales charges and redemption fees,
- v) Fund discontinuances and Underlying Fund substitutions,
- vi) transfers of ownership in certain situations.

- Canadian dividends that reflect the amount of dividends received from shares of Canadian resident corporations.
- Other Canadian income from the cash portion of the Fund or income on investments such as Canadian bonds or mortgages.
- Foreign income received through investment in a mutual fund and foreign taxes that may be used to reduce your Canadian income tax.

## 11. Tax information

### 11.1 General information

This section outlines general tax information as it applies to the Contract. It applies to Canadian residents and is based on the current Income Tax Act (Canada).

#### Segregated Funds

The policy of each Fund is to allocate its income and realized capital gains and losses to unitholders in each year so that no income tax will be payable by a Fund (after taking into account any applicable losses of the Fund). Each Fund (other than a money market Fund) will allocate the income and realized capital gains and losses proportionally by Fund Units to all unitholders on December 31 of each year, and the allocation is not proportionate to the length of time the Units are held in a Fund during a calendar year.

**Note:** This summary does not include all possible tax considerations and you should consult your personal tax advisor about your individual circumstances.

### 11.2 Non-registered Contracts

#### Segregated Funds

When filing your income tax return, you are required to include information on the following, as allocated to you:

- Capital gains or capital losses from six sources:
  - i) distributions from underlying investments,

#### Guaranteed Interest Accounts

Interest earned on income is reported on a Contract anniversary basis. Interest income is also calculated on a proportional basis on any withdrawals which occur after the anniversary date. This amount is reportable in the year the withdrawal occurs. The amount of interest calculated on withdrawals may be reduced by charges or fees if applicable.

To make the tax reporting easier, we will provide you with detailed information on all of the categories listed above, subject to the minimum reporting limits in effect at the time.

#### 11.2.1 Taxation of guarantee “top-up” (Segregated Funds)

For each class of Units, if the guarantee amount is greater than the Market Value at death or maturity, we will deposit the difference into the Contract. This Deposit is referred to as a “top-up” and is taxable to you when paid into the Contract. The amount will be reported to you as a capital gain on a T3 slip. On surrender of the Contract at death or maturity, the difference between the Market Value of the Contract (before any top-up) and the adjusted cost base may result in a capital gain or loss. The required taxation of the top-up is not certain at this time. Legislative changes may require a change to the taxation of the top-up.

## 11.3 Registered Contracts

Income can accumulate in a registered Contract on a tax-deferred basis.

If you request we switch or transfer between investments in the registered Contract or you switch directly to another permitted registered Contract, you do not have to pay tax.

### RRSP

You can deduct the Deposits that you make to an RRSP from the taxable income, up to a maximum amount determined under the Income Tax Act (Canada). If you have a spousal RRSP, the Deposits may be deducted from the taxable income. If you withdraw cash from the RRSP Contract, you must pay tax on the amount that you have withdrawn. We may be required to deduct tax from the withdrawal according to the current Canadian laws. If you hold a spousal RRSP, your spouse may have to pay tax on the amount withdrawn to the extent that your spouse deposited amounts to this or any other spousal RRSP in the current or two immediately preceding taxation years.

### RRIF/LIF/LRIF/PRIF

Payments and cash withdrawals from the RRIF, LIF, LRIF, PRIF, or other similar retirement income Contract will be included in your income for the year the payments are made.

We are required to withhold tax at the government prescribed rates from any withdrawals that exceed the RRIF, LIF, LRIF, PRIF, or other similar retirement income Contract minimum amount. There are two options available, based upon your specific needs:

**Levelized minimum rate** – We will withhold tax at the minimum rate required by law and apply it evenly to all scheduled payments for a year.

**Client-specified rate** – We will withhold tax at a rate specified by you and apply it evenly to all scheduled payments for a year. If the rate specified is less than the minimum rate required by law, we will withhold the required minimum.

Unless you specifically request a rate, withholding tax for unscheduled withdrawals will be at the legislative rates.

### 11.3.1 Taxation of guarantee “top-up”

If we increase the value of the registered Contract in accordance with the provisions of the Maturity Guarantee or Death Benefit Guarantee (called “topping-up”), the following applies:

**Maturity Guarantee “top-up”** – the top-up amount is not taxed when deposited into the Contract. However, when amounts are withdrawn (including the top-up), all amounts are taxable to you.

**Death Benefit Guarantee “top-up”** – the top-up amount is not taxed when deposited into the Contract. However, when the final death benefit is paid to the beneficiary, all amounts (including the top-up) are taxable to the appropriate individual.

## 12. Estate planning

### 12.1 General information

The Contract provides valuable estate planning advantages that vary depending on the type of Contract you purchase.

**Note: This summary does not include all possible tax considerations. You should consult your personal tax advisor about your individual circumstances.**

### 12.2 Beneficiaries

Upon the death of the last surviving Annuitant, we will pay the proceeds of the Contract to any surviving primary beneficiaries. If no primary beneficiary is alive when the Annuitant dies, we will pay the proceeds to any surviving secondary beneficiaries. If there is no surviving secondary beneficiary, we pay the proceeds to you, the owner, if you are not the Annuitant, otherwise, to your estate.

The proceeds of the Contract are paid to the beneficiaries named under the Contract without passing through your estate.

If you have named your spouse as successor Annuitant on the RRIF, LIF, LRIF, PRIF, or other similar retirement income Contract, your spouse will automatically become owner of the Contract and payments will continue to your spouse as successor Annuitant. In this case, your successor Annuitant may exercise every right as owner of this Contract.

However, if you have named an irrevocable beneficiary, the successor Annuitant’s ownership rights will be restricted. He/she will not be able to increase the amount or frequency of the scheduled payments,

to make withdrawals nor change your beneficiary designation without the irrevocable beneficiary's consent.

If you have named more than one primary beneficiary, you may specify how the proceeds are to be divided. If you have not indicated how the proceeds are to be divided, we will assume the proceeds should be divided equally among the surviving primary beneficiaries. The same applies for secondary beneficiaries. Please remember that secondary beneficiaries do not have any rights if any primary beneficiary exists at the time of the Annuitant's death.

You may change the beneficiary or beneficiaries at any time, as permitted by any laws that apply to the Contract, by filing a designation with us. The change will be effective the date that you signed the designation. However, we will only be responsible for acting upon information that has reached us by the date we make any payments or take any action. We are not responsible for confirming the accuracy or validity of any information that you provide to us.

If you have designated the beneficiary as irrevocable, you cannot change the designation without the beneficiary's written consent. Certain other rights and options, such as withdrawals, assignments, or transfer of ownership, can be exercised only with the written consent of the irrevocable beneficiary. An irrevocable beneficiary who is a minor cannot provide consent. A parent, guardian or tutor cannot provide consent on behalf of a minor who has been named as irrevocable beneficiary.

If the beneficiary has not reached the age of majority, we must pay the proceeds of the Contract according to the applicable laws. If you have used the non-registered Contract as security for a loan, the rights of a collateral assignee or, under the Quebec Civil Code, a hypothecary creditor will normally take precedence over the rights of a beneficiary.

### **12.3 Non-registered Contracts**

In some instances, the non-registered Contract may continue following your death, or upon the death of the Annuitant, by making certain elections prior to death. Certain provisions of the Contract are based on the age of the Annuitant. If the Annuitant of the Contract is subsequently changed, some of the

provisions may also change. If the Contract continues, no death benefit is payable, and, therefore, no guarantee top-up would apply.

**The tax treatment will vary depending on the situation. You should consult your personal tax advisor about your individual circumstances.**

#### **I) SUCCESSOR OWNER**

You may appoint a successor owner or owners under the Contract. Then, in the event of your death, ownership of the Contract is transferred to your successor owner. In the province of Quebec, a successor owner is known as a subrogated policyholder. This transfer in ownership occurs without the Contract passing through your estate. Please note that if you are also the Annuitant of the Contract, the Contract will end and the death benefit guarantee will be paid to the named beneficiary. If you intend to have the Contract continue, you may also name a successor Annuitant. Please see (II) below. Also note that if the successor owner is someone other than your spouse, the transfer of ownership will be considered a taxable disposition and all realized and unrealized gains will be reported on your final tax return.

#### **II) SUCCESSOR ANNUITANT**

You may appoint a successor Annuitant under the Contract. Then, in the event of the primary Annuitant's death, the successor Annuitant will automatically become the primary Annuitant of the Contract. In this case, the Contract will continue, and no death benefit is payable. The appointment of a successor Annuitant must be made prior to the death of the primary Annuitant. You may remove a previously appointed successor Annuitant at any time.

### **12.4 Registered Contracts**

For a RRIF, LIF, LRIF, PRIF, or other similar retirement income Contract, if you have named your spouse as successor Annuitant, your spouse will automatically become owner of the Contract and payments will continue to your spouse. In this case, your spouse may exercise rights as the Policyowner of this Contract, and any secondary or subsequent beneficiary appointments made prior to your death are ineffective. However, if you have named a successor Annuitant and an irrevocable beneficiary,



the successor Annuitant will not be able to change the beneficiary designation on the Contract without the irrevocable beneficiary's consent.

All investments remain intact and are not transferred to a Money Market Fund or the DIA. Your spouse can choose to take the Market Value in cash, continue on with the Contract, or transfer the Market Value in accordance with applicable legislation, and the administrative rules we have in place at that time.

You cannot appoint a successor owner for a RRSP Contract.

If your spouse is the beneficiary of the RRSP Contract, your spouse has the option of electing to transfer the proceeds of the registered Contract to an RRSP or RRIF on a tax-deferred basis, subject to applicable legislation.

If the beneficiary is a child or children who are financially dependent on you due to mental or physical disability, they may make the same election of rolling the registered Contract into their RRSP or RRIF on a tax-deferred basis, subject to applicable legislation, or they may purchase an annuity.

If the beneficiary is a child or children who are financially dependent on you, they may elect to defer tax by purchasing a term certain annuity payable until age 18. This will allow them to pay tax only on the annuity income they receive in a year.

If your spouse or child elects not to use the transfer provisions, or if someone other than your spouse or a child is the beneficiary as described above, or you have not named a beneficiary, the fair market value of the Contract on the date of your death will be taxable income on your final return.

## **12.5 No probate fees**

If you have named a valid beneficiary or a valid successor owner, upon your death or the death of the Annuitant, the Contract does not form part of your estate. Therefore, probate fees will not apply to the Contract in accordance with current legislation.

## **12.6 Potential creditor protection**

The Contract may offer some creditor protection. When a named beneficiary is a spouse, parent, child, grandchild of the Annuitant (for Quebec, ascendants and descendants of the owner), or is named irrevocably, the Contract may be protected against claims of your creditors.

**Note: There are important limitations with respect to this protection and this summary does not include all possible considerations. You should consult your financial advisor about your individual circumstances.**

## Important Information:

The Contract shown on the following pages will become effective on the Valuation Date of the first Deposit and upon acceptance by Manulife Financial that the initial Contract set-up criteria have been met. Delivery of the Contract provisions do not constitute acceptance by Manulife Financial of a Contract purchase. Confirmation of a Contract purchase will be sent to you upon meeting the necessary Contract set-up requirements as determined by Manulife Financial, and when the initial Deposit has been made. The effective date of the Contract will be stated on a confirmation notice. Any endorsements or amendments that may be required will be sent to you and will form part of the Contract. Please contact your financial advisor if you have any questions about the Contract you have purchased.

# Manulife GIF Investment Account Contract Provisions

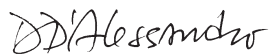
In these policy provisions, “you” and “your” refer to the person who has Policyowner’s or policyholder’s rights under the Contract. “We”, “us”, “our” and “Manulife” refer to The Manufacturers Life Insurance Company (Manulife Financial). “Head Office” refers to the Canadian Head Office of The Manufacturers Life Insurance Company located in Waterloo, Ontario, or to any other location that we might specify to be our Head Office.

This Contract is available as a non-registered Contract, or, if you are applying for a registered Contract, you may request us to apply for registration of the Contract under the Income Tax Act (Canada) and any applicable provincial income tax legislation as a Retirement Savings Plan (RSP), Locked-in RSP, Locked-in Retirement Account (LIRA), Retirement Income Fund (RIF), Life Income Fund (LIF), Locked-in Retirement Income Fund (LRIF), Prescribed Retirement Income Fund (PRIF), or other retirement income Contract that may become available under legislation and that is offered by us within this Contract.

**ANY AMOUNT THAT IS ALLOCATED TO A SEGREGATED FUND IS INVESTED AT THE RISK OF THE POLICYOWNER AND MAY INCREASE OR DECREASE IN VALUE.**

The Manufacturers Life Insurance Company (“Manulife Financial”) is the sole issuer of this annuity Contract and the guarantor of any guarantee provisions contained therein.

The Manufacturers Life Insurance Company



President and Chief Executive Officer

## Definitions & Key Terms

### **Annuitant**

The Annuitant, as defined under this Contract, is the measuring life; the individual on whose life the Maturity and Death Benefit Guarantees are based. The Annuitant can be you, as the Policyowner, or an individual whom you designate.

### **Beneficiary**

The Beneficiary is the designated individual(s) or organization(s) who will receive the value of the Contract upon the death of the last surviving Annuitant.

### **Cash Value**

The cash value of the Contract at any time is equal to the Contract value reduced by any Surrender Charges applicable to each investment option and term. As a result of legislative requirements pertaining to registered plans, there may be restrictions and/or limits on the amount of income that may be received, and restrictions on withdrawal privileges.

### **Contract**

Also referred to as the policy or the Plan. The Contract is the Manulife Guaranteed Investment Funds (GIF) Investment Account (MLIA) contract which is a deferred annuity product which is supported by a Daily Interest Account, Guaranteed Interest Accounts and a family of Segregated Funds to help you meet your financial objectives. The Contract is governed by the applicable provincial insurance and pension legislation and the Income Tax Act (Canada).

### **Contract Date**

The date the Contract will become effective. The Contract becomes effective on the Valuation Date of the first Deposit and upon acceptance by The Manufacturers Life Insurance Company (Manulife Financial) that the initial Contract set-up criteria has been met.

### **Daily Interest Account (DIA)**

An investment in this account has interest that is calculated daily and credited monthly at the rate we set periodically.

### **Death Benefit Guarantee**

The minimum amount that is payable upon the death of the last surviving Annuitant.

### **Deposit**

Also referred to as the Premium as there are life insurance components in the Contract. The Deposit is the amount of money you pay to Manulife in exchange for contractual benefits before the deduction of any applicable sales charges or fees. After the applicable sales charges and fees are deducted, the remaining amount of money payable to Manulife Financial's general accounts is used by Manulife Financial to meet its financial obligations under the Contract[t2].

### **Deposit Value**

The total amount deposited to the Contract before fees are deducted.

### **Fund(s)**

The Segregated Fund(s) currently available to receive all or a portion of the Deposits in the Contract.

### **Fundamental Investment Objective**

The investment objective of a Fund that defines both the fundamental nature of the Fund and the fundamental investment features that distinguish it from other Funds.

### **Guaranteed Interest Account (GIA)**

An investment option in which a Deposit is invested at a fixed interest rate for a predetermined period of time.

### **Interest Rate**

Interest rates are effective annual interest rates and are assigned to all GIAs and DIAs.

## Definitions & Key Terms (cont'd)

### Locked-in Contracts

If Deposits originate from a pension plan, they continue to be locked-in under this Contract. "Locked-in" refers to the restrictions and limitations that are imposed by the applicable pension legislation.

### Market Value

The Market Value of the Contract is determined to be the sum of the Market Value of Units notionally credited to each Fund, the Market Value of the DIA and the Market Value of each GIA in the Contract.

### Maturity Date

The last date you may own the rights under the Contract for purposes of accumulating capital. It is the date on which the Maturity Guarantee applies. It is also referred as the "Annuity Date."

### Maturity Guarantee

The value of the Segregated Fund assets that will be used as the basis for the calculation to provide the annuity benefit on the Maturity Date as provided under the Contract.

### Net Assets

The net assets of a Contract are determined by calculating the Market Value of all of its assets (its investments) and subtracting its liabilities (such as the Fund's management fees and operating expenses).

### Policyowner

The Policyowner, referred to as the owner throughout this Contract, is the individual or organization who is the legal owner of the rights under this Contract. The Policyowner will receive the benefits of the annuity unless a third party is designated by the Policyowner to receive such benefits. In the province of Quebec, the Policyowner is referred to as the policyholder.

### Segregated Fund(s)

Also referred to as Fund(s). An aggregate of money, stocks, bonds, mutual funds and/or other types of investments that is held separate from the insurer's general assets to be available to assist the insurer in meeting its financial obligations under the Contract.

### Surrender Charge

A charge that is generally implemented when a withdrawal or transfer is made from an GIA investment option prior to the end of the term. A Surrender Charge will be deducted from the amount withdrawn and is calculated in accordance with our current administrative rules.

### Underlying Fund

An investment fund in which a Fund invests all or part of its assets. The underlying investments of the Funds may be units of mutual funds, pooled funds or other selected investment funds owned by us.

### Units

The measurement attributed to the Segregated Fund assets to determine the value of the insurance benefits and our financial obligation to you. You do not acquire any ownership interest of the Units. Units are notional, are not transferable or assignable.

### Unit Value

A notional value used to measure the Market Value of one Unit (or share) of a Segregated Fund.

### Valuation Date

A Valuation Date for the Contract occurs every date that

- (i) the Toronto Stock Exchange is open for business,
- and,
- (ii) a value is available for the underlying assets.

# 1. The Contract

The Contract is made up of this policy, which includes the terms of the Contract, the application form, the confirmation of Deposit, applicable endorsements and any amendments. We will not be bound by any amendment to the Contract made by you or the representative, unless it is agreed to in writing and signed by our President or one of our Vice-Presidents.

If you request that the Contract be registered, the RSP endorsement, or RIF, LIF, LRIF, PRIF, or other similar retirement income product endorsement and any applicable locking-in endorsement will be included and made a part of the Contract. The terms of the endorsements, where applicable, will override any conflicting provisions of the Contract.

We have the right to limit the number of Contracts where you are the Policyowner, by refusing to accept subsequent applications for the same taxation type.

## 2. General overview

### 2.1 Contract date

The Contract Date is the Valuation Date of the first Deposit made to the Contract. Refer to Section 8.2 Valuation Date of requests.

### 2.2 Currency

All payments to or by us will be in Canadian dollars.

### 2.3 Ownership

You may exercise rights as owner of this Contract, subject to any limitation provided by law. Your rights may be restricted if a beneficiary has been appointed irrevocably, or if this Contract has been hypothecated or assigned as collateral security.

### 2.4 Annuitant

This refers to the person on whose life the Segregated Fund guarantees of the Contract are based, and upon whose death the death benefit is payable. You may also appoint a successor Annuitant who will replace a deceased Annuitant. If you have a successor Annuitant named under the Contract who is still alive on the death of the Annuitant, no death benefit will be payable until the death of the last surviving Annuitant.

### 2.5 Beneficiary

You may appoint a beneficiary or beneficiaries to receive any amounts payable under this Contract after the last surviving Annuitant's death. So far as the law allows, you may change or revoke the beneficiary appointment. If the appointment is irrevocable, you will not be permitted to change or revoke it without the beneficiary's consent. Any appointment of a beneficiary, or any change or revocation of an appointment, unless otherwise permitted by law, must be made in writing and will then be effective as of the date of signing; however we will not be bound by any appointment, change or revocation that has not been received at our Head Office at the date we make any payment or take any action. We assume no responsibility for the validity or effect of any appointment or change or revocation. If there is no surviving beneficiary at the time of the last surviving Annuitant's death, which results in a death benefit being payable, any amount payable will be paid to you if you are not the Annuitant, otherwise to your estate.

### 2.6 Successor owner

If you are not the Annuitant, you may appoint one or more successor owners for non-registered Contracts, who may exercise rights as owner of this Contract after your death. In the Province of Quebec, a successor owner is referred to as a subrogated policyholder.

### 2.7 Protection against creditors

So far as the law and your personal circumstances allow, this Contract may be potentially exempt from seizure by your creditors. Please consult with your legal advisor for more information.

## 2.8 Service initiatives

Throughout the Contract we ask you to send us written instructions in order to effect certain transactions. Over time we may introduce service initiatives that allow you to issue non-written instructions, including instructions in electronic form, to us. To the extent you choose to make use of such service initiatives, you will be deemed to have agreed to be bound by those instructions to the same extent as if they had been provided in writing.

## 2.9 Administrative rules

In the Contract we refer to the current administrative rules. We change our administrative rules from time to time in order to provide improved levels of service and to reflect corporate policy and economic and legislative changes, including changes to the Income Tax Act (Canada). Administrative rules, which may differ from rules that would otherwise apply under the Contract, may apply to transaction instructions communicated to us under different service initiatives.

The administrative rules in place at the time of the first purchase are detailed in writing at Manulife Financial Head Office, or in the Information Folder.

# 3. Deposit provisions

## 3.1 Deposits

A Deposit is the gross amount you pay Manulife in exchange for contractual benefits. You may make a Deposit to this Contract while this Contract remains in force, according to our administrative rules in effect at the time you make the Deposit. We consider a Deposit to be made on the applicable Valuation Date based upon when we receive it. Refer to Section 7.3 Valuation Date of requests.

You must state in writing the investments, Fund(s), DIA and GIAs you select, and, if you select more than one investment, you must state the amount of the Deposit to be allocated to each one.

We have the right to refuse to accept any Deposit and to establish maximum and minimum Deposit amounts from time to time. We have the right to refund any Deposit.

We have the right to request medical evidence of the Annuitant based on our current administrative procedures, and to refuse to accept Deposits based on incomplete or unsatisfactory medical evidence of the Annuitant.

### 3.1.1 Daily Interest Accounts (DIAs)

For Daily Interest Accounts (DIAs), an investment in this account has interest that is calculated daily and credited monthly at the rate we set periodically.

### 3.1.2 Segregated Funds

For Segregated Funds the Deposit will be allocated to purchase Units in one or more of the Funds then available.

There are two classes of investment Funds that may be available within the Contract. Class A Funds are investment funds that provide a 100% guarantee on the Maturity Date. Class B Funds are investment Funds that provide a 75% guarantee on the Maturity Date. We can decline to permit a Deposit into a Class A or Class B Fund at any time.

### 3.1.3 Guaranteed Interest Accounts (GIAs)

For Guaranteed Interest Accounts there are several investment options available.

**Basic Account.** An investment in this account will earn a specified rate of interest during a specified term. You may select any terms that are then available, or you may specify a date that you want the investment to mature, which can be no less than 15 years. A Basic Account may be available on a cashable and non-cashable basis. There may be partial-year terms available, which will have a rate determined by us.

**Escalating Rate Account.** An investment in this account will earn a specified rate of interest for multiple one-year periods. The rate, set at the time of purchase, may increase for successive periods but will not decrease during the length of the term. You may select any terms that are then available. This investment option is not available in a non-registered RIF, LIF, LRIF and PRIF, or other similar retirement income Contract.

**Laddered Account.** An investment in this account will be split into equal amounts, each invested into a term maturing at different pre-determined dates. The same rate will be applied to all terms at the time of purchase. You may select any terms that are then available.

Each Deposit is assigned an investment term, that cannot exceed the minimum 15-year Contract Maturity Date (also referred to as the Annuity Date) and a corresponding interest rate. If a selected investment term extends beyond the Contract Maturity Date, we will assign the longest appropriate investment term from those available.

Initially, investment terms of any duration between 6 months and 10 years are available. Interest is accumulated under one of two interest options described below:

- a) **Compound Interest Option** - interest is compounded annually at the assigned interest rate until the end of the investment term.
- b) **Simple Interest Option** - Interest may be credited to the DIA on a monthly, quarterly, semi-annual or annual basis. The simple interest option is only available to non-registered Contracts.

At the end of the investment term, the accumulated investment for the Compound Interest Option and the initial investment for the Simple Interest Option are reinvested in a like term unless you have instructed us to reinvest it in another allowable Deposit Option.

You may request we transfer amounts between the different investments subject to minimum investment limits associated with the new investment. If an investment in the Guaranteed Interest Account is withdrawn before the end of the investment term, a Surrender Charge may apply.

We reserve the right to add or delete options available for investment.

In the event we delete a Deposit option, we will provide 60 days written notice. You may transfer the Market Value of the investments in the Daily Interest Account and the Market Value of any investments in the Guaranteed Interest Account at the end of the investment term to any other investment option then currently available, or you may choose to surrender the Market Value of any investments (a Surrender Charge may apply). If you do not provide us with instructions, we will transfer the Market Value of the investments to another investment option then currently available, at our discretion.

### **3.2 Sales charge options (Segregated Funds)**

The Manulife GIF Investment Account Segregated Fund portion of the Contract does not have sales charges. The Segregated Fund sales charges are known as No-load and the Funds do not incur sales charges on deposit or redemption.

**The value of a Unit in any Fund is not guaranteed but fluctuates with the investment performance of the assets of the Fund.** Refer to Section 7.2 Units allocated to a Fund.

### **3.3 Dollar-Cost Averaging (Segregated Funds)**

The Dollar-Cost Averaging Fund (DCA Fund) is similar to Funds where you establish regular fund switches, except you are required to deplete the Deposit to the DCA Fund over a specified period. You cannot switch monies into the DCA Fund. Please refer to the Information Folder for additional information.

### **3.4 Fund availability (Segregated Funds)**

Additional Funds may be added from time to time without notice. We also reserve the right to designate that any of our Funds will no longer be available for new Deposits, or we may close a Fund completely. If we close a Fund completely, we will give you written notice of our intent at least 60 days in advance. Our written notice to you will specify the Fund(s) that will no longer be available, the Fund in which we propose to purchase Units, and the date this automatic fund switch is to be effective. We will send notice to the last address you provided to us.

In the event a Fund is no longer available, you may request that we transfer the Market Value of Units in the particular Fund to a Fund option then currently available, or you may choose to request we redeem the Market Value of the Units held in the particular Fund. If you do not provide us with instructions, we will switch the Market Value of Units in the particular Fund to a Fund option then currently available, at our discretion. For the purposes of either a switch or a surrender of Units, the Valuation Date for these Units will coincide with the effective date we receive instructions from you, or, if we do not receive instructions from you, the automatic Fund switch will take place. We reserve the right to merge and to split Funds.

We reserve the right to alter the investment policies of each Fund, including the asset allocation and Underlying Fund selections. Changes may be made only to the extent the new investment policy is deemed by us to enhance our ability to be effective in meeting the stated investment objectives.



We will notify you in writing at least 60 days before we make a change in a Fundamental Investment Objective. The notice will give you the option free of charge, to either request a transfer of the affected Units to a similar Fund that is not subject to the change, or, if a similar Fund isn't available, request that we withdraw the affected Units in the affected Fund. Your choice must be made in writing and received by us anytime prior to 5 days before the end of the notice period. During the notice period, switches into the affected Fund are not permitted unless you waive your right to request we withdraw those Units charge-free from the Fund during the notice period.

The mutual funds underlying any of the Funds will be invested in accordance with the objectives and policies of those mutual funds, and the standard investment restrictions and practices in securities legislation governing mutual funds set out in the simplified prospectuses of the mutual funds.

The Segregated Funds underlying any of the Funds will be invested in accordance with the objectives and policies of those Segregated Funds, and the investment restrictions and practices under insurance legislation and insurance industry regulation governing Segregated Funds.

## 4. Fund switch and transfer provisions

You may request that we transfer and/or Fund switch all or a portion of the Contract's Market Value to different Investment Options within the Contract subject to minimum investment limits. There may be a tax consequence to transfers.

### 4.1 Fund switches (Segregated Funds)

You may request that we switch monies between Funds in the Contract up to 5 times per calendar year free of charge. There may be a tax consequence to switches. All transactions affecting the Contract are processed based upon the Market Value as at the close of business on the Valuation Date. Valuation Dates are considered to end at the valuation cut-off time, as determined by Manulife Financial. Any instructions or transactions received after the Valuation Date cut-off time will be considered to be received as of the next Valuation Date. The Unit Value of the Fund used to determine the value of the redeemed Units will be that which is in effect on such Valuation Date.

If you request that we move monies between different Classes (i.e. Class A to Class B and vice versa) you may incur early redemption fees since this will be treated as a redemption from one Fund and a purchase of another. In this situation, the Units of the Fund that you are requesting we move Units to will be purchased with a Valuation Date following the Valuation Date of the redemption. Refer to Section 3.1 Deposits

We reserve the right to charge an administrative fee of 2%, or disallow switches if you request switches in excess of 5 per calendar year. We reserve the right to charge a fee of up to 2% (of the value of the Units) if you request that we redeem or switch Units from a Fund within 90 days of requesting that we purchase them.

**The value of the Units of a Fund that are redeemed is not guaranteed but fluctuates with the investment performance of the assets of the Fund.**

#### 4.1.1 Transfers

For the DIA, the amount available for transfer is equal to the Market Value of that account, evaluated on the day of the transfer, and does not include amounts that you have instructed us to allocate to other investment options.

For a GIA, the amount available for transfer is equal to the Market Value of the initial Deposit minus any Surrender Charges, evaluated on the day of the transfer request.

## 5. Withdrawal provisions

### 5.1 Withdrawals

You may request a withdrawal at any time while this Contract remains in force by requesting in writing that we redeem some or all of the investments to the Contract's credit in one or more of our investments.

If you request that we redeem all the investments and/or Units to the Contract's credit, Section 9.1 Cancellation of this Contract applies.

The Valuation Date of your request for a withdrawal is described in Section 7.3 Valuation Date of requests.

The number of Units redeemed from a Fund will be equal to the amount withdrawn from that Fund divided by the value of a Unit in that Fund on the applicable Valuation Date.

For Segregated Funds we reserve the right to charge a fee of up to 2% (of the value of the Units) if you request we withdraw Units from a Fund within 90 days of requesting that we purchase them.

The Segregated Fund Maturity Guarantee and Death Benefit Guarantee under the Contract will be proportionally reduced by any withdrawals. A withdrawal may result in a gain or a loss since it creates a taxable disposition to the owner of the Contract.

**The value of the Segregated Fund Units of a Segregated Fund that are redeemed is not guaranteed but fluctuates with the investment performance of the assets of the Segregated Fund. Refer to Section 7.2 Units allocated to a Fund.**

## 5.2 Scheduled payment options for RRIF/LIF/LRIF/PRIF

At any time while this Contract is in effect, and subject to any legislative requirements pertaining to registered Contracts and Locked-in Plans, you can ask to receive withdrawals, as outlined below, provided the Market Value of the Contract on the Valuation Date immediately prior to receiving an withdrawal exceeds a minimum amount. We reserve the right to change these minimum amounts. There may be a tax consequence to withdrawals.

### RRIF MINIMUM AMOUNT

In the first calendar year, the RRIF minimum amount is zero. For each subsequent calendar year, the RRIF minimum amount is based on the January 1st Market Value of the Contract using the formula indicated under the Income Tax Act (Canada). Note: if you select this option, the payments will begin in the calendar year following the year of purchase.

As a result of legislative requirements pertaining to registered Plans and Locked-In Plans, there are restrictions and/or limits on the amount of income that may be received as withdrawals, if any. If this Contract is issued as a registered Plan, the applicable RRSP (See Section 10 Additional Retirement Savings Plan Provisions) or RRIF (see Section 11 Additional Retirement Income Fund Provisions), will specify these restrictions and limitations. In addition, if this Contract is issued as a Locked-in Plan, the Locked-in Endorsement for the applicable pension jurisdiction will specify the additional restrictions and limitations.

### TAX WITHHOLDING OPTIONS

There are tax implications that will vary depending on the withdrawal amount you request. Under the Income Tax Act (Canada), we are required to withhold tax from withdrawals which exceed the RIF minimum amount. We will withhold tax according to the basis you selected on application, unless you have filed a request with us to change it. The following scheduled withdrawal payment withholding tax options are available:

**Levelized minimum** – If you elect to receive scheduled withdrawal that will exceed the RIF minimum amount in a calendar year, we will withhold tax at the government prescribed rate and apply it evenly to all scheduled withdrawal payments for that year.

**Client specified** – We will withhold tax at a rate specified by you and apply it evenly to all scheduled withdrawal payments. The withholding tax is subject to the minimum withholding tax determined by the government prescribed rate.

Unless you specifically request a rate, withholding tax for unscheduled withdrawal will be at the legislative rates.

## 5.3 Scheduled payment options for non-registered Contracts

Scheduled withdrawal payments may be taken from a non-registered Contract. They are not available from an RRSP, LIRA or Locked-in RSP Contract. Scheduled withdrawal payments are commonly referred to as Systematic Withdrawal Plans (SWPs).

You may choose to request the scheduled withdrawal monthly, quarterly, semi-annually or annually. You have the flexibility to choose the amount you will receive and when you receive it, subject to our then current administrative rules.

We will deposit the scheduled withdrawal payments directly into your bank account.

## 5.4 Charge-free amount (Guaranteed Interest Account)

The maximum withdrawal amount for purposes of the charge free option is limited to 10% of the value of the cashable Basic Account and cashable Laddered Account at the time of withdrawal or \$10,000, whichever is less.

You must specify the amount you wish to withdraw charge-free and the Accounts from which you wish the funds withdrawn. If the total amount you are withdrawing from the Contract exceeds the charge-free withdrawal limit, we will consider the charge-free portion to have been withdrawn from those Accounts chosen with the highest Surrender Charges.

Any investments in non-cashable investment options are not used when determining the charge-free withdrawal amount. No further charge-free withdrawals will be permitted during that calendar year and any unused portion of the charge-free withdrawal amount cannot be carried forward to subsequent years. The charge-free option applies only to unscheduled cash withdrawals and does not apply to transfers between investment options within the Contract, or to transfers out of the Contract to other registered Contracts.

### **5.5 Early withdrawal fee (Segregated Funds)**

An early withdrawal fee of 2% of the Deposit Value may apply if you request a withdrawal within 90 days of the Contract Date. This fee will not apply to scheduled withdrawal payments made under a RRIF, LIF, LRIF, PRIF, or other retirement income product Contract that may be available, or to scheduled withdrawal payments taken from non-registered Contracts.

### **5.6 Minimum value of the Contract**

If the Market Value of the Contract is less than the stated minimum balance according to our then current administrative rules, we reserve the right to redeem all the investments to the Contract's credit. Refer to Section 7.1 Market Value of the Contract. In this case the Market Value of the Contract, less any redemption fees, will be paid to you. Payment of this amount will discharge our obligations under this Contract. This right will not be affected by the fact that we may have waived this right at any time previously. Note that all guarantees under this Contract are proportionally reduced by any withdrawal.

## **6. Terms of the guarantee**

The Contract provides guarantees on the Maturity Date or upon our receipt of notification of death of the last surviving Annuitant. For the purpose of this document, "guarantee" (for Segregated Funds) shall mean the amount that we guarantee to return to you on the Maturity Date or death of the last surviving Annuitant.

### **6.1 Contract Maturity Date**

This is the date chosen by you on the application and is the last date on which you may hold the Contract. The Contract Maturity Date must be at least 15 years from the date of the initial Deposit to a Segregated Fund. Once you make the initial Deposit to an investment you cannot change the Contract Maturity Date until the final year of the Contract. At that time you may have the option to extend your Contract for a minimum of 15 years, based on our administrative rules at the time, the availability of the Contract type and provided you are not beyond the latest age to purchase a new Contract. You will not be allowed to extend the Maturity Date beyond the latest age to own the Contract. For registered Contracts, you may choose a Contract Maturity Date past the date that is the latest maturity date for Registered Retirement Savings Plans, as specified under the Income Tax Act (Canada). However, unless we have been notified otherwise of another Contract maturity settlement option, the Contract will continue and will be amended to become a RRIF, LIF, LRIF, PRIF, or other retirement income product, where applicable, on this date.

For RRIF, LIF, LRIF, PRIF, or other retirement income product Contracts, please refer to the Information Folder for information on the Maturity Date.

### **6.2 Closing Decade (Segregated Funds)**

This is the 10-year period before the Contract Maturity Date.

### **6.3 Maturity Guarantee (Segregated Funds)**

If this Contract is issued as a registered Plan, the RRSP or RRIF provisions, as the case may be, will specify the restrictions and limitations on the use of the Maturity Guarantee. In addition, if this Contract is issued as a Locked-in Plan, the Locked-in Special Endorsement for the applicable pension jurisdiction, as the case may be, will specify the additional restrictions and limitations.

If this Contract is in force on the Maturity Date, the amount defined below will be available for you:

- to purchase a life annuity on the life of the Annuitant(s), guaranteed for 10 years, with income commencing immediately,
- to request a withdrawal in a lump sum subject to any legislative requirements pertaining to registered Plans and Locked-in Plans, or
- to select any other annuity or product then offered by us.

**If you do not choose a settlement option before the Maturity Date, the provisions in Section 9.3 Annuity Purchase, will apply.**

Funds are categorized as either **Class A** or **Class B**. Please refer to the Fund Highlights booklet for each Fund's Class. The amount available on the Contract Maturity Date to provide benefits is equal to the sum of sections (I) and (II) below:

- I) As it pertains to investments in **Class A** Funds, the greater of:
  - a) the Market Value of Units held in **Class A** Funds on the Contract Maturity Date, or
  - b) the most recently established Maturity Guarantee, proportionally reduced by withdrawals.
- II) As it pertains to investments in **Class B** Funds, the greater of:
  - a) the Market Value of Units held in **Class B** Funds, or
  - b) 75% of all Deposits to **Class B** Funds, proportionally reduced by withdrawals.

The amount available on the Contract Maturity Date will never be less than 75% of the sum of Deposits made to the Contract, proportionally reduced by withdrawals.

### **6.3.1 Automatic Daily Reset® (ADR) (Segregated Funds)**

The Automatic Daily Reset applies to Class A Funds; Class B Funds are not affected by the Automatic Daily Reset.

On each Valuation Date, if there are at least 10 years remaining until the Maturity Date, the Maturity Guarantee is established as the greater of:

- a) the Market Value of all Units held in Class A Fund,
- or
- b) the most recently established Maturity Guarantee plus 100% of Deposits made to **Class A** Funds since the last Maturity Guarantee was established, proportionally reduced by withdrawals from **Class A** Funds since the last Maturity Guarantee was established.

#### **CLOSING DECADE**

If there are less than 10 years remaining until the Contract Maturity Date, the Maturity Guarantee will be set at the most recently established Maturity Guarantee plus 75% of the Deposits allocated to Class A Funds since the Maturity Guarantee was last established, proportionally reduced by withdrawals.

### **6.4 Death benefit date**

If the Annuitant's death occurs and there is no successor Annuitant named under the Contract, and if we receive written notice of death at our Head Office while this Contract is in force, the death benefit will be payable under this Contract.

The death benefit date is the Valuation Date on which we receive sufficient notification of death of the Annuitant at our Head Office. Please refer to Section 8.2 Valuation Date. Notification requirements are detailed in our administrative procedures.

### **6.5 The Death Benefit Guarantee (Segregated Funds)**

The Death Benefit Guarantee is determined at the time of Deposit to be 100% of the Deposit Value up until the Annuitant reaches age 80. For Deposits made on or after the Annuitant reaches age 80, the Death Benefit Guarantee will be 80% of the Deposit Value. The Death Benefit Guarantee is proportionately reduced for withdrawals.

### **6.6 The death benefit**

Upon our receipt of all required documentation of the last surviving Annuitant's death and of the claimant's right to the proceeds, the death benefit will be payable to the beneficiaries. In some situations, upon your death or the death of the Annuitant, the Contract may continue. If the Contract continues, no death benefit is payable and no guarantee top-up (Segregated Funds) would apply. Please refer to Section 6.7 Contract continuation at death for more information.

For GIAs upon notification of death of the Annuitant, we will transfer all of the investments to the DIA effective from the date of notification.

Interest will be earned in the DIA until the date the death benefit is paid to the beneficiary. The investments will be adjusted for any deposits received or payments made after the date of death.

For Segregated Funds on date of notification of death (the death benefit date), the death benefit is determined as the sum of:

A) for **Class A** Funds, the greater of:

- 1) the Death Benefit Guarantee, and
- 2) the current Market Value of the Units representing the Deposit Value, proportionally reduced by withdrawals.

**Plus,**

B) for **Class B** Funds, the greater of:

- 1) the Death Benefit Guarantee, and
- 2) the current Market Value of the Units representing the Deposit Value, proportionally reduced by withdrawals.

If necessary, we will increase the value of the Contract to equal the Death Benefit Guarantee by Depositing the difference to a Money Market Fund.

As at the death benefit date, we will redeem all of the Units in the Funds the Deposits were allocated to, other than a Money Market Fund, if you had requested Deposit(s) be allocated to that Fund. The value of the Units we redeem will be transferred to a money market Fund.

**The Death Benefit Guarantee will be adjusted for any payments made after the death benefit date. Any returned scheduled payments made after the death of the Annuitant will be used to purchase Units of a Money Market Fund.**

The Contract is frozen as at the death benefit date and no additional transactions are permitted, unless the transaction was initiated before the death benefit date. Any unallocated Deposits or returned payments will be used to purchase Units of a money market Fund.

Subject to legislation or other restrictions that may be imposed on the Contract, the death benefit may be taken in cash, or may be applied under one of the optional methods of settlement that we are then offering for that purpose. Payment of the Death Benefit Guarantee will discharge our obligations under this Contract and the Contract will be terminated.

## 6.7 Contract continuation at death

If the Contract continues, no death benefit is payable and, therefore, no guarantee top-up would apply.

**i) Successor Owner.** You may appoint a successor owner or owners under the Contract for non-registered Contracts only. Then, in the event of your death, ownership of the rights under the Contract is transferred to your successor owner. However, if you are also the Annuitant of the Contract, the Contract will end and the death benefit will be paid to the person entitled unless you named a successor Annuitant.

**ii) Successor Annuitant.** You may appoint a successor Annuitant under the Contract. Then, in the event of the primary Annuitant's death, the successor Annuitant will automatically become the primary Annuitant of the Contract. The appointment of a successor Annuitant must be made prior to the death of the primary Annuitant.

If you have named your spouse as the successor Annuitant for a RRIF, LIF, LRIF, PRIF, or similar retirement income Contract, and have named other irrevocable beneficiaries, your spouse's ownership rights will be restricted. He/she will need all irrevocable beneficiaries' written consent in order to make contractual changes, such as changing their scheduled payments or the beneficiary designation. There will be no change to the Maturity Date or to the allocation of the investments as a result of death of the Annuitant with a successor owner. Your spouse may elect to take the death benefit amount in cash, or transfer the death benefit amount in accordance with applicable legislation.

## 6.8 Guarantee and Segregated Fund switches

The Market Value of any Units you request we purchase or withdraw to move money between **Class A** Funds and **Class B** Funds (or vice versa) will be treated as a withdrawal from one Fund and a Deposit to the new Fund and we will adjust the Maturity Guarantee accordingly. The Market Value of any Units you request we purchase or withdraw to effect a switch between Funds within the same Class does not affect the Maturity Guarantee. Fees for such switches may apply, as provided for in this Contract. Moving money from **Class A** to **Class B** Funds should be considered carefully since it may reduce the guarantees.

If you move money between classes the Death Benefit Guarantee will be proportionally reduced from the Units in the class of Fund being redeemed and will be proportionally increased for the Units of the class of Fund being purchased.

## 6.9 Guarantee and withdrawals

Withdrawals from the Contract will reduce the amount of the guarantees described in this section of the Contract proportionally for the applicable class of Units. The reduction will be calculated as follows:

Reduction =  $c \times a/b$

where:

a = Market Value of the Units withdrawn applicable to that class of Units;

b = total Market Value of the Units applicable to that class of Units prior to withdrawal;

c = amount of the guarantee applicable to that class of Units.

The applicable Valuation Date for purposes of the death benefit is the death benefit date. Refer to Section 6.6 The death benefit and Section 8.2 Valuation Date.

## **7. Values for this Contract**

### **7.1 Market Value of the Contract**

The Market Value of the Contract on any date will be the total of:

- 1) the Market Value of each investment in the DIA. This is equal to the sum of investments in this account plus interest earned thereon;
- 2) the Market Value of each investment in the GIA. For each investment the Market Value is equal to the investment plus any interest earned thereon;
- 3) the sum of the Market Value of units credited to the Contract in each Fund. On any Valuation Day, the Market Value of units in each Fund is equal to the number of units allocated to that Fund multiplied by the corresponding Unit Value on the Valuation Day.

The Market Value of the Segregated Funds are not guaranteed but fluctuates with the investment performance of the assets of the Fund(s).

### **7.2 Units allocated to a Fund (Segregated Funds)**

Each time Units are allocated to a Fund under this Contract, the number of Units to this Contract's credit in that Fund will be increased by the number of Units then purchased in that Fund under this Contract.

Each time Units in a Fund are redeemed under this Contract, the number of Units to this Contract's credit in that Fund will be reduced by the number of Units then redeemed in that Fund under this Contract.

At any time, the value of the Units to the Contract's credit in any Fund will be equal to:

- 1) the number of Units then to the Contract's credit in that Fund, multiplied by
- 2) the value of a Unit in that Fund on the applicable Valuation Date.

### **7.3 Valuation Date of requests**

Valuation Dates are considered to end at the Valuation Date cut-off time, as determined by Manulife Financial. Any instructions or transactions received by Manulife Head Office after the Valuation Date cut-off time will be considered to be received as of the next Valuation Date.

Manulife Financial reserves the right to change the Valuation Date cut-off time (earlier or later) to accept instructions or transactions. For example, we may require an earlier Valuation Date cut-off time for instructions or transactions received through different distribution or communication channels. We may require an earlier Valuation Date cut-off time in situations where the Toronto Stock Exchange or Manulife Financial has closed earlier. Please contact your representative for the Valuation Date cut-off time that may apply to your specific transaction. There may be situations during which the valuation of one or more Fund(s) may be postponed due to national emergencies, security exchange restrictions or where it is not reasonably practical to provide values for the Fund(s). For more information, please refer to your Information Folder.

## **8. Operation of the Segregated Funds**

### **8.1 Fund**

In this Contract, "Fund" refers to one of the segregated investment Funds offered from time to time under this Contract and "Manager" refers to the person(s) who determines the Market Value of the Units owned of any Underlying Fund.

## 8.2 Valuation Date

A Valuation Date occurs every day that:

- 1) the Toronto Stock Exchange is open for trading,  
and
- 2) a value is available for the underlying assets.

On these days we value each of the Funds to determine the Market Value of the assets and, therefore, the value of a Unit in each Fund.

We will value the Funds on every Valuation Date. However, we may postpone valuation of the Funds:

- 1) for any period during which one or more of the nationally recognized stock exchanges are closed for other than a customary weekend or holiday closing,
- 2) for a period during which trading on securities exchanges is restricted, or
- 3) when there is an emergency during which it is not reasonably practical for us to dispose of investments owned by the Funds or to acquire investments on behalf of the Funds or to determine the total value of the Funds.

The Funds will be valued at least monthly irrespective of any postponement.

## 8.3 Net asset value of a Unit

The value of a Unit in any Fund on any Valuation Date is calculated by determining the Market Value of all of its assets and subtracting all of its liabilities. The resulting amount is called the net asset value of the Fund. This amount is divided by the number of Units outstanding in order to calculate the net asset value of a Unit.

All guarantees provided under this Contract are calculated taking into account the value of a Unit on the applicable Valuation Date for purposes of that benefit. Refer to Section 6 Terms of the guarantee.

**The net asset value of a Unit in any Fund is not guaranteed but fluctuates with the investment performance of the assets of the Fund(s).**

## 8.4 Market Value of Fund assets

The Manager of any Underlying Fund in which any of our Funds holds an interest will provide us with the net asset value per Unit ("Unit Value") of the applicable Fund on every day that the Underlying Fund is valued. This Unit Value, multiplied by the number of Units of the Underlying Fund held by the applicable Fund will be the Market Value of the applicable Fund. If there is no Unit Value provided to us on a Valuation Date, we will exercise our option to postpone the valuation of our Fund.

## 8.5 Management fees (Segregated Funds)

Each Fund offered within the Contract will pay Manulife Financial management fees for the management of a Fund. The management fees of a Fund are calculated and accrued on a daily basis and reimbursed monthly to Manulife Financial. You do not directly pay for the management fees. The management fees are subject to change at our discretion. The annual management fees shall not exceed two times the current management fees. The management fees of a Fund include all management fees charged by Manulife and the Underlying Fund.

We have the right to change the management fees applicable to a Fund or a Fund type, by giving you at least 60 days advance written notice. In certain circumstances you may have the ability to request we withdraw any money allocated to the affected Funds from the Contract without any charges. Please refer to the Information Folder for details.

Under current legislation, the Goods and Services Tax is applicable to management fees.

### Management Expense Ratio (MER)

The MER will vary for each of the Funds. Our fee for managing each Fund is calculated and deducted on each Valuation Date. The fee is equal to an annual percentage, multiplied by the Fund's Market Value, and is adjusted by a daily factor. The daily factor will reflect the time since the previous Valuation Date and will adjust the annual percentage to a daily percentage. If a Fund invests in an Underlying Fund(s), the management fees and other expenses will not be duplicated (see Fund Highlights booklet and Audited Financial Statements).

The MER for a Fund is calculated by dividing the total of the management fees and the operating expenses that are paid by the Fund, and where applicable, any Underlying Fund, over a financial year by the average net asset value of the Fund over that same financial year. The MERs for the Funds for the current year are estimated based on actual expenses from the previous year. These are subject to change and will be confirmed in the annual Audited Financial Report (see the Fund Highlights booklet, which accompanies this Information Folder and Contract).



## 8.6 Recovery of expenses and trading losses

The fees described in this Contract and the Information Folder are intended to cover the normal day-to-day activities and reporting associated with the Contract. However, we reserve the right to recover from you, by deducting Units allocated to the Fund(s), any expenses or trading losses incurred by us due to errors on your part including, but not limited to, NSF cheques or incorrect or incomplete instructions.

## 9. Termination provisions

### 9.1 Cancellation of this Contract

You may effect the cancellation of this Contract at any time by requesting in writing that we withdraw the Market Value of the Contract. Cancellation of this Contract is subject to our then current administrative rules and fees.

For Segregated Funds, if this Contract is cancelled within 90 days after the first Deposit, it may be subject to a withdrawal fee of 2% of the Deposits.

The effective date of the request for cancellation and the applicable Valuation Date are described in Section 7.3 Valuation Date of requests. The value of a Unit in any Fund on the date the Units are withdrawn will be equal to the value of a Unit in that Fund on the applicable Valuation Date.

When you request cancellation of this Contract, you must elect one of the following options:

- a) you may choose to apply the Market Value of the Contract, less any redemption fees, towards the purchase of an annuity in accordance with applicable legislation, or
- b) you may elect to receive the Market Value of the Contract, less any redemption fees, in cash (subject to applicable legislation), or
- c) another method of settlement that we are then offering.

Manulife Financial reserves the right to close any or all of the Funds available to receive Deposits in the Contract upon advance written notice. In the event that we require all the Funds within the current Contract to be closed completely, we will provide you with the withdrawal options at least 60 days in advance of the Contract closing date. If you do not elect one of the options that are available to you by the Contract closing date, Manulife Financial reserves the right to transfer the Market Value of the Contract to a new or existing Segregated Fund product on the Contract closing date.

Upon cancellation of this Contract, all of the investments will be redeemed. The investment's value to the Contract's credit will be reduced to zero. This Contract will terminate immediately. Payments made under this section will discharge our obligations under this Contract.

### 9.2 RRSP to RRIF/LIF/LRIF/PRIF/other similar retirement income product provision

If the Contract is registered, you have the right to request that it be amended to become a RRIF, LIF, LRIF, PRIF or other similar retirement income product as set out in this section, provided that the Market Value is then equal to at least \$25,000. Refer to Section 7.1 Market Value of the Contract.

For purposes of this section, "RRIF" refers to a Registered Retirement Income Fund (or LIF, LRIF, PRIF, or other similar retirement income Contract, where applicable).

The value of a Unit in any Fund on the Valuation Date of the request will be equal to the value of a Unit in that Fund on the applicable Valuation Date. The value of the Units in each Fund under the RRIF Contract immediately after the effective date of the amendment request will be equal to the value of the Units in the same Fund under this Contract immediately prior to the effective date of the amendment request.

On the Valuation Date of the amendment request:

- a) the RRSP provisions of the Contract will terminate, and the RRIF provisions will be effective,
- b) the Maturity Date under the RRSP provisions will become the Maturity Date under the RRIF provisions,
- c) the Maturity Guarantee and the Death Benefit Guarantee under the RRSP provisions of the Contract will become the guarantees under the RRIF provisions.

To exercise this privilege you must send us a written request and any administrative forms we require at our Head Office.

The RRIF amendment process will be subject to our then current administrative rules. The Valuation Date of the transfer request will normally be the date we receive the written request at our Head Office. Refer to Section 7.3 Valuation Date of requests.



However, if you specify a date that is later than the date on which we receive your request, the Valuation Date will be the date you specify in your request. If the date you specify is not a Valuation Date, the applicable Valuation Date will be the one immediately after the date you specify. Refer to Sections 7.3 Valuation Date of requests and 8.2 Valuation Date.

You will not be permitted to exercise this RRIF amendment privilege at any time that is not allowed under the terms of the Income Tax Act (Canada) and any applicable provincial legislation.

If your death occurs on or before the Valuation Date of the amendment request, and we receive written notice of death at our Head Office after that date, the death benefit date will be deemed to be the Valuation Date of the amendment request, rather than the date we receive written notice of your death at our Head Office. Refer to Section 6.6 The Death Benefit.

### 9.3 Default Annuity

The Contract will provide a life annuity with payments guaranteed for 10 years with you as owner in accordance with our administrative rules and applicable legislation if you do not elect one of the optional methods of settlement prior to reaching the Maturity Date for the non-registered or registered Contract, or you have notified us in writing that Section 9.4 Automatic RRIF, LIF, LRIF, PRIF or other similar retirement income product provision should not be applied to an RRSP Contract.

Except for the obligations related to the annuity payments, the establishment of an annuity will discharge our obligations under this Contract.

#### TERMS OF THE ANNUITY

The Default Annuity will be subject to the following provisions and will be subject to subsection 4 of *Section 11, Additional Registered Retirement Savings Plan provisions*, for registered Contracts.

- The annuity will be a single life annuity on the Annuitant's life.
- The annuity will provide annual income payments. The payments will be guaranteed for your life or for 10 years, except in the case of registered Contracts.
- The income payments will be equal, except in the case of registered contracts. Refer to section 11 for further details.
- The date of the first income payment will be such that a full year's worth of income payments are scheduled to be made in the calendar year following the year in which the Default Annuity provision applies.
- If you die after income payments commence and there is no named successor annuitant the commuted value of any remaining income payments will be paid in one sum. This payment will be made to your named beneficiary, if there is one, otherwise to your estate.

#### 9.3.1 The following is an annuity table that specifies what the minimum annuity payment will be per \$10,000.00 of contract value at the time of annuitization. (For Quebec contracts only)

Age (last attained)	Annual Rate per Contract Value
50	\$153.85
55	\$166.67
60	\$181.82
65	\$200.00
70	\$222.22
75	\$250.00
80	\$285.71
85	\$333.33
90	\$400.00
95	\$500.00
100	\$666.67

## **9.4 Automatic RRSP to RRIF/LIF/LRIF/PRIF/other similar retirement income product provision**

If the registered Contract is in force on the Contract Maturity Date, we will automatically amend the Contract to be a RRIF, LIF, LRIF, PRIF, or other similar retirement income product Contract, subject to applicable legislation.

For purposes of this section, "RRIF" refers to a Registered Retirement Income Fund (or LIF, LRIF, PRIF, or other similar retirement income Contract, where applicable). "RRIF Minimum Amount" refers to the minimum amount as defined in paragraph 146.3(1) of the Income Tax Act (Canada).

The automatic amendment date is the last date on which you are allowed to hold an RRSP under the Income Tax Act (Canada). Section 9.2 RRSP to RRIF, LIF, LRIF, PRIF or other similar retirement income product provisions will apply on the automatic amendment date. The applicable Valuation Date will be the Valuation Date coinciding with the automatic amendment date. Refer to Section 8.2 Valuation Date. For Segregated Funds, the value of a Unit in any Fund on the automatic amendment date will be equal to the value of a Unit in that Fund on the applicable Valuation Date.

**The value of a Unit in any Segregated Fund is not guaranteed but fluctuates with the investment performance of the assets of the Fund(s).**

You may elect any options available under the RRIF Contract by filing any administrative forms we require at our Head Office.

In the absence of any election to the contrary, the following provisions will apply automatically:

- a) On January 1 of each year following the automatic amendment date, we will calculate the RRIF Minimum Amount applicable to that year.
- b) On December 31st of each calendar year, we will pay you an annuity income amount equal to the RRIF Minimum Amount applicable to that year.
- c) We will surrender amounts credited to the Contract in one or more of the investments in accordance with the provisions of the RRIF Contract in order to pay each annuity income amount in b). We will determine the Fund(s), in accordance with our then current administrative rules.
- d) The beneficiary designation in effect under this Contract on the automatic amendment date will continue to be in effect.
- e) If your spouse has been named successor Annuitant under the RRIF Contract, entitled to receive payments at the time of your death, then your successor Annuitant will become the Policyowner of the rights under the Contract following your death.

## **Section 10. Additional Registered Retirement Savings Plan provisions**

The following provisions apply to the Contract if you requested the Contract be registered as an RSP under the Income Tax Act (Canada):

1. In these provisions "you", "your" and "owner" refer to the person who has Policyowner's or policyholder's rights under the Contract, the Annuitant as defined under the Income Tax Act (Canada) ("The Act"). As used in these provisions, "spouse" or "common-law partner" does not include any person who is not recognized as a spouse or common-law partner for the purposes of any provision of The Act respecting Registered Retirement Savings Plans.
  - a) The Contract will be registered as a Registered Retirement Savings Plan (RRSP) under The Act and any applicable provincial income tax legislation.
  - b) No advantage that is conditional in any way on the existence of the Contract may be extended to you or to a person with whom you are not dealing at arm's length, other than as provided under subparagraphs 146(2)(c.4)(i) to (iv) of The Act.
  - c) All Deposits will be invested in "qualified investments" as defined in subsection 146(10) of The Act. No Deposits will be accepted under the Contract after income payments commence. The Contract cannot be assigned either absolutely or as collateral security.
  - d) No payments will be made prior to the Contract maturity except a refund of premiums in a lump sum or an annuity payment to you.
  - e) If you request a withdrawal under the Contract you may elect to take the Market Value of the Contract, after any Surrender Charges specified in the Contract, under one of the following options:
    - i. transfer it to another Registered Retirement Savings Plan,
    - ii. transfer it to a Registered Retirement Income Fund,

- iii. use it to purchase an annuity as described in Section 4 below, or
  - iv. take it in cash, less any tax we are required to withhold. or
  - v. Transfer it to a registered pension plan, where permitted.
2. If you die before income payments commence, the proceeds will be paid in one sum, unless a "refund of premiums" as defined in subsection 146(1) of The Act has been requested.
  3. Upon request, we will pay an amount to the taxpayer before the date of the first income payment for the purpose of reducing the amount of income tax otherwise payable by the taxpayer under Part X.1 of The Act.
  4. Under the terms of The Act, any annuity purchased under section 1(e)(iii) herein must satisfy the following requirements:
    - a) The annuity elected must be a single life annuity on your life, a joint and survivor life annuity on the lives of you and your spouse or common-law partner, or a term certain annuity on your life.
      - i. If a single life annuity or a joint life annuity is elected, the period of the guarantee must not exceed a period of years equal to 90 minus your age in whole years, or your spouse's or common-law partner's age in whole years, if younger.
      - ii. If a term certain annuity is elected, the term of the annuity must be equal to one of the periods of years specified in the preceding paragraph.
    - b) The annuity must provide annual or more frequent income payments.
    - c) The income payments must be equal, except that the amount of each income payment may be increased or reduced in accordance with paragraph 146(3)(b) of The Act. Income payments are not permitted to be increased as a consequence of your death.
    - d) The date of the first annuity income payment must be such that a full year's worth of annuity income payments are scheduled to be made in the calendar year following the year in which the Retirement Savings Plan matures in accordance with The Act.
    - e) If you die after annuity income payments commence, and the beneficiary is not your spouse or common-law partner, the commuted value of any remaining annuity income payments will be paid in one sum. This payment will be made to your named beneficiary, if there is one, otherwise to your estate.
    - f) The annuity income payments may not be assigned in whole or in part.
    - g) During your lifetime, all annuity income payments must be made to you.
  5. The provisions of the Retirement Savings Plan will take precedence over any other provisions contained elsewhere in this Contract, in case of conflict or inconsistency. Future amendments to The Act or subsequent legislation may override these provisions.
  6. We reserve the right to resign as the issuer of the registered plan and appoint a successor issuer.

## **Section 11. Additional Retirement Income Fund provisions**

The following provisions apply to the Contract if you have been issued a RRIF, LIF, LRIF, PRIF, or other similar retirement income Contract.

1. In these provisions "you", "your" and "owner" refer to the person who has Policyowner's or policyholder rights under the Contract, the Annuitant as defined under the Income Tax Act (Canada) ("The Act"). As used in these provisions "spouse" or "common-law partner" does not include any person who is not recognized as a spouse or common-law partner for the purposes of any provision of The Act respecting Retirement Income Funds.
2. The Contract will be registered as a Registered Retirement Income Fund (RRIF) under The Act and any applicable provincial income tax legislation.
3. We will not accept money under this Contract other than money transferred from:
  - a) a Registered Retirement Savings Plan (RRSP) under which you are the owner,
  - b) a Registered Pension Plan (RPP) under which you are a member or former member,
  - c) another Registered Retirement Income Fund (RRIF) under which you are the owner,
  - d) the owner, to the extent that the amount qualifies as an amount described in sub-paragraph 60(l)(v) of The Act,
  - e) an RPP of your spouse, common-law partner or former spouse in accordance with subsection 147.3(5) or (7) of The Act,

- f) an RRSP or RRIF of your spouse, common-law partner or former spouse as a result of marriage breakdown or upon death,
  - g) a provincial pension plan under which subsection 146(21) of The Act applies.
4. Unless prevented by applicable legislation, you may request a transfer of all or a part of the value of the Contract to:
- a) another RRIF of which you are the owner,
  - b) an RRSP of which you are the owner, provided that the transfer is prior to the latest RRSP maturity date as specified under The Act,
  - c) a RRIF or RRSP of the owner's spouse, common-law partner or former spouse as a result of marriage breakdown or upon death, in accordance with subsection 146.3(1) of The Act,
  - d) purchase an immediate life annuity in accordance with clause 60(l)(ii)(A) of The Act.

**The transfer amount shall be reduced by the amount by which the RIF minimum amount for the year exceeds the total of scheduled and unscheduled withdrawal payments that have been made under the Contract during the year, including any tax withheld and any Surrender Charges. We are required by law to pay you this excess amount at the time of transfer in order to meet the RIF minimum amount for the year, less any tax or Surrender Charges applicable.**

5. The RRIF Contract is also subject to the following:
- a) We shall make no annuity payments under this Contract other than:
    - i. the annuity payments and withdrawals permitted within this Contract,
    - ii. the death benefit described in the death benefit section,
    - iii. transfers to other plans described in paragraph 4 herein.
  - b) No payments under the Contract may be assigned either in whole or in part. This Contract can not be assigned either absolutely or as collateral security.
  - c) Any transfer made under this Contract shall be in the form and manner prescribed by The Act, and required information necessary to administer the transferred amount will be provided to the transferee company.
  - d) The Contract provides that:
    - i. a minimum amount will be paid each calendar year, as referred to in subsection 146.3(1) of The Act.
    - ii. the carrier has no right to offset as regards the property held in connection with the Contract in respect of any debt or obligation owing to the carrier,
    - iii. the property held cannot be pledged, assigned, or in any way alienated as security for a loan or for any purpose other than that of the carrier making to the Annuitant those payments permitted under this Contract.
  - e) No benefit or loan, other than:
    - i. a benefit, the amount of which is required to be included in computing the Annuitant's income,
    - ii. any amount referred to in paragraph 146.3(5)(a) or in paragraph 146.3(5)(b) of The Act,
    - iii. the benefit derived from the provision of administration or investment services in respect of this Contract that is conditional in any way on the existence of this Contract may be extended to you or to a person with whom you were not dealing at arm's length.
6. We reserve the right to resign as the issuer of the plan and to appoint a successor issuer.









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