



Information Folder and Contract



**NOT COMPLETE WITHOUT THE FUND FACTS AND
APPENDIX A AND B OF THE INFORMATION FOLDER AND CONTRACT**

This document contains the Manulife PensionBuilder Information Folder and Contract provisions. 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 issuer of the Manulife PensionBuilder Individual Variable Insurance Contract and the guarantor of any guarantee provisions therein.

Key Facts

Manulife PensionBuilder

This summary provides a brief description of the basic things you should know before you apply for a Manulife PensionBuilder Contract. This summary is not your Contract. A full description of all the features and how they work is contained in this Information Folder and your Contract. You should review these documents and discuss any questions you have with your advisor.

What am I purchasing?

Manulife PensionBuilder is an individual variable insurance contract, also referred to as a segregated fund contract. It is issued by The Manufacturers Life Insurance Company (Manulife Financial). You may allocate your deposits into the Fund and you may designate a beneficiary. Deposits into Manulife PensionBuilder provide for an Income Benefit Guarantee and Maturity and Death Benefit Guarantees.

You may choose the registration type of your Contract. The choice you make may have tax implications.

The value of your Contract can go up or down. The Contract provides for different guarantees that can protect the value of your Contract.

What guarantees are available?

The Contract gives you an Income Benefit Guarantee and Maturity and Death Benefit Guarantees. You pay fees for these guarantees. The fees are described in "How much will this cost?"

INCOME BENEFIT GUARANTEE	<ul style="list-style-type: none">■ Provides a guaranteed income stream for life, starting as early as age 50■ May increase for additional deposits, through Income Bonuses and payout deferral■ The payout option may be based on one life or two
MATURITY GUARANTEE	<ul style="list-style-type: none">■ Protects the value of your Deposits on the Contract Maturity Date■ Provides 75% of your Deposits or the current market value, if greater
DEATH BENEFIT GUARANTEE	<ul style="list-style-type: none">■ Protects the value of your Deposits if the annuitant or, if applicable, the survivor of the annuitant and the Joint Life, dies■ Provides 75% of your Deposits or the current market value, if greater

Any withdrawal you make will proportionally reduce the Maturity and Death Benefit Guarantees. Withdrawals that Exceed the Income Benefit or that are taken prior to the Election of the Income Benefit will reduce the Benefit Base proportionally and provide you with a reduced guaranteed income stream. For full details, refer to Section 3, Guarantees, in the Information Folder.

What investments are available?

INVESTMENT OPTIONS	<ul style="list-style-type: none">■ There is one Fund offered with different sales charge options available. See the Fund Facts for more information■ The Fund is valued daily■ Risks associated with the Fund are summarized in the Fund Facts
FINANCIAL INFORMATION	<ul style="list-style-type: none">■ Review the Fund Facts, which includes the financial highlights, with the Information Folder before purchasing the Contract

Manulife Financial does not guarantee the performance of the Fund. You should carefully consider your risk tolerance when purchasing the Contract.

How much will this cost?

The sales charge option you choose will affect your costs.

FEES	<p>Management Expense Ratios (MER)</p> <ul style="list-style-type: none">■ The MER includes all management fees, operating expenses and insurance fees■ The Unit Value of the Fund is reduced by the MER <p>Sales Charge Options</p> <ul style="list-style-type: none">■ You may pay sales charges at the time of Deposit or on a deferred basis depending on the option you choose■ Back-end sales charges may apply for withdrawals made during the first 7 years following the date of Deposit■ Low-load sales charges may apply for withdrawals made during the first 3 years following the date of Deposit <p>Other Fees</p> <ul style="list-style-type: none">■ Charges may apply if you make certain transactions, including early withdrawals■ A Small Policy Fee may apply if your Benefit Base balance is below the initial Deposit minimum listed in this document
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For full details, refer to Section 6 of the Information Folder, Fees and charges, and the Fund Facts.

What can I do after I purchase this Contract?

You can make additional Deposits and reallocate Deposits (among certain sales charge options and subject to our administrative rules in place at the time). You may also make withdrawals. At maturity, your Contract will provide you with annuity payments, unless you select another option.

DEPOSITS		LATEST AGE TO DEPOSIT	LATEST AGE TO OWN
All dates are as of December 31 of the annuitant's age or older of the annuitant and Joint Life's age, if applicable, except RRSP, RLSP, LIRA and LIF (in pension jurisdictions requiring annuitization at age 80) where all dates are as of December 31 of the annuitant's age	Non-registered, RRIF, LIF, RLIF, LRIF, PRIF	90 (for Front-end, Low-load and F-class Sales Charge options in Non-registered Contracts only) 80 (for Back-end Sales Charge option in Non-registered Contracts and all Sales Charge Options in the Registered Contracts listed)	100
	RRSP, RLSP, LIRA	71 Or the latest age to own under the <i>Income Tax Act</i> (Canada)	71 Or the latest age to own under the <i>Income Tax Act</i> (Canada)
	LIF (pension jurisdictions requiring annuitization at age 80)	71	80
	Deposit Amounts <ul style="list-style-type: none"> ■ Minimum \$25,000 initial deposit ■ Monthly PAC of \$100/month (upon meeting minimum deposit requirements and under eligible registration types) ■ Minimum \$500 for subsequent deposits 		
WITHDRAWALS		<ul style="list-style-type: none"> ■ Minimum \$500 unscheduled or \$100/month scheduled 	

Certain restrictions and other conditions may apply. The latest age to deposit is subject to our administrative rules. You should review the Contract for your rights and obligations and discuss any questions with your advisor.

What information will I receive about my Contract?

WHAT WE WILL SEND YOU (OR YOUR DEALER, ACCORDING TO YOUR INSTRUCTIONS)	<ul style="list-style-type: none"> ■ Confirmations for most financial and non-financial transactions affecting the Contract ■ Statements for the Contract at least once a year ■ Important updates affecting your Contract
AVAILABLE UPON REQUEST	<ul style="list-style-type: none"> ■ A report that contains audited financial statements ■ The semi-annual financial statements ■ The current version of the Fund Facts

Can I change my mind?

You can change your mind about purchasing the Contract or allocating a Deposit into the Fund within two business days of the earlier of the date you received confirmation of the transaction or five business days after it is mailed. In the case of a subsequent transaction the right to cancel only applies to the new transaction. You have to tell us in writing that you want to cancel. The amount returned will be the lesser of the amount you invested or the value of the Fund if it has gone down. The amount returned will include a refund of any sales charges or other fees you paid.

Where can I get more information or help?

For more information, please read the Information Folder and Contract or you may contact us at:

Manulife Financial
500 King St. N
Waterloo, ON
N2J 4C6

www.manulife.ca/investments

WMHELP@manulife.com

1-888-626-8543

For information about handling issues you are unable to resolve with us, contact the OmbudService for Life and Health Insurance at 1-800-268-8099 or on the web at www.olhi.ca

For information about additional protection that is available for all life insurance contractholders, contact Assuris, a company established by the Canadian life insurance industry. See www.assuris.ca for details.

For information regarding how to contact the insurance regulator in your province visit the Canadian Council of Insurance Regulators website at www.ccir-ccrra.org

Table of Contents

Personal Information Statement	9
Terms used in this Information Folder	12
1. General information	14
1.1 Communications	14
1.2 Types of Contracts available	15
1.2.1 Registered Contract	15
1.2.2 Non-registered Contracts	16
2. Financial transactions	17
2.1 Deposits	17
2.2 Withdrawals	17
2.2.1 Early withdrawal fees	18
2.2.2 Withdrawals free of sales charges	18
3. Guarantees	19
3.1 Income Benefit Guarantee	19
3.1.1 General information	19
3.1.2 The Benefit Base	19
3.1.3 The Bonus Base	19
3.1.4 Income Bonuses	19
3.1.5 The Income Benefit	20
3.1.6 Income Benefit Payout Options	21
3.1.7 Recalculation of the Income Benefit (after the Election of the Income Benefit)	21
3.1.8 Scheduled payment options	22
3.1.9 Guaranteed Payment Phase	24
3.2 Maturity and Death Benefit Guarantees	24
3.2.1 General information	24
3.2.2 Maturity Guarantee	25
3.2.3 Death Benefit Guarantee	25
4. The Investment	26
4.1 General Information	26
4.2 Net asset value	26
4.3 Investment policy and restrictions	26
4.4 Potential risks of investing	26
4.5 Reinvestment of earnings	26
4.6 Interest of management and others in material transactions	26
4.7 Material Contracts/facts	27
4.8 Custodian of Fund portfolio securities	27
4.9 Fundamental changes	27
5. Valuation	28
5.1 Market Value of the Contract	28
5.2 Valuation Date	28

6. Fees and charges	29
6.1 General information	29
6.2 Sales charge options	29
6.2.1 Front-end options	29
6.2.2 Back-end and Low-load options	29
6.2.3 F-class option	30
6.3 Early withdrawal fees and recovery of expenses	30
6.4 Small policy fee	30
6.5 Management Expense Ratio (MER)	30
6.6 Management fees	31
6.7 Insurance fee	31
7. Compensation paid to your advisor	32
7.1 General information	32
7.2 Sales commission	32
7.3 Servicing commission	32
8. Tax information	33
8.1 General information	33
8.2 Non-registered Contracts	33
8.3 Registered Contracts	34
8.4 Taxation of guarantee "top-up"	34
9. Estate planning	35
9.1 Beneficiaries	35
9.1.1 Irrevocable beneficiaries	35
9.2 Non-registered Contracts	35
9.3 Registered Contracts	35
9.4 No probate fees	36
9.5 Potential creditor protection	36
Important information	37
Manulife PensionBuilder Contract Provisions	38

Fund Facts and Appendix A and B of the Information Folder also form part of this booklet

Personal Information Statement

Definitions

In this statement “you”, “your” and “owner” mean the person who is the Policyowner or holder of 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” mean The Manufacturers Life Insurance Company.

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 your 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.

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

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

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, issue and administer the rights under 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 your 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, data storage, market research, printing, mailing and distribution services and investigative agencies,
- your advisor and any agency which 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 jurisdictions. If you want details about parties who have access to your information please send a written request to the Privacy Officer

Withdrawing your consent

You may withdraw your consent for us to use your Social Insurance Number or Business Number, 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, wish to receive more information about parties who have access to your information or about our privacy policies and procedures, wish 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 North, Delivery Station 500-2-B,
P.O. Box 1602,
Waterloo, ON N2J 4C6**

This document contains the Information Folder and Contract provisions. Delivery of the Contract provisions does not constitute acceptance by The Manufacturers Life Insurance Company (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 have 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. Any endorsement or amendments that may be required will be provided to you and will form part of the Contract.

The Information Folder provides brief and plain disclosure of all material facts relating to the Manulife PensionBuilder Contract issued by Manulife Financial (the "Contract").

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. The Contract has insurance benefits and invests in an underlying Segregated Fund (referred to as the "Fund"). For a description of the Fund, please see the Fund Facts. Upon request, you may also receive a copy of the audited financial statements for the most recent year-end of the Fund. Semi-annual unaudited financial statements and a current copy of the Fund Facts are also available upon request.

The Contract is an Individual Variable Insurance contract that contains provisions of an annuity such as a life annuity or a retirement income product provision at the Contract Maturity Date. The Contract provides return of deposit guarantees which are payable on the Contract Maturity Date, upon receipt of sufficient notification of death of the annuitant and in some instances over the life of the 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.



Paul Lorentz
Executive Vice President
Investment and Insurance Solutions
Manulife Financial



Joanna Lohrenz
Vice President, Operations
Manulife Financial

Terms used in this Information Folder (other key terms are defined in the Contract)

Annual Income Benefit ("Income Benefit")

- The maximum amount guaranteed to be available each calendar year for withdrawals for the life of the annuitant, and Joint Life if applicable, provided minimum age requirements are met and annual withdrawal maximums are not exceeded
- The Income Benefit is calculated based on your chosen payout option: Single Life Payout Option or Joint Life Payout Option, the applicable payout percentage and the Benefit Base
- The payout percentage will be determined at the time of the Election of the Income Benefit and is based on the age of the younger of the annuitant and Joint Life, if applicable, on December 31 of the year you elect the Income Benefit. Refer to Appendix A of this booklet for more information

Benefit Base

- The total of all deposits adjusted by Income Bonuses, and/or withdrawals
- One of the factors for calculating the Income Benefit, in addition to the Income Benefit payout percentage

Bonus Base

- The amount used to calculate the Income Bonus at the end of the calendar year

Election of the Income Benefit

- Occurs when you and/or your advisor request a withdrawal and notify us you want your Income Benefit to be calculated based on the applicable Income Benefit payout percentage and becomes effective the date of the withdrawal

- Requesting scheduled withdrawals will result in an automatic notification that you want your Income Benefit to be calculated based on the applicable Income Benefit payout percentage, which becomes effective on the date of the first withdrawal
- Available on January 1 the year the younger of the annuitant and Joint Life, if applicable, turns 50 years old
- Once elected, cannot be changed, including changes to the Income Benefit payout percentage
- **Prior to election, any withdrawal may have a negative impact on future guaranteed Income Benefit payments**

Exceed (ed), (ing) the Income Benefit

- Occurs when total withdrawals in a calendar year exceed the Income Benefit and/or when withdrawal(s) are made prior to the Election of the Income Benefit
- For RRIF, LIF and other similar retirement income Contracts, occurs when withdrawals in a calendar year Exceed the Income Benefit and the RRIF Minimum Amount and/or when withdrawal(s) are made prior to the Election of the Income Benefit

Guarantee Guard

- Under this service we will not process any withdrawals that are requested prior to the Election of the Income Benefit or that would Exceed the Income Benefit, until we are notified by you and/or your advisor to proceed. This service is applied upon first deposit; however we will allow you to instruct us in how we apply this service to your Contract, which could include turning this service off

Guaranteed Payment Phase

- Occurs when the market value of the Contract reduces to \$0 while there is a positive Benefit Base
- With a Benefit Base greater than \$0, you may continue taking payments up to the Income Benefit each year for the life of the annuitant, and in the case of the Joint Life Payout Option, for the lives of the annuitant and the Joint Life

Income Benefit Guarantee

- Once the Election of the Income Benefit has occurred, the Income Benefit Guarantee provides for withdrawals for the life of the annuitant, and in the case of the Joint Life Payout Option, for the lives of the annuitant and the Joint Life, provided minimum age requirements are met and annual withdrawal maximums are not exceeded

Income Bonus

- An amount added to the Benefit Base at the end of any calendar year, if no withdrawals are taken for that year

Joint Life

- The person whose life is used in the Joint Life Payout Option calculation
- Must be the annuitant's spouse or common-law partner as defined by the *Income Tax Act* (Canada) at the time of election of the Joint Life Payout Option
- Only one person can be named as the Joint Life and may not be changed

Joint Life Payout Option

- A guaranteed income stream based on the lives of the annuitant and the Joint Life
- Under this option the Income Benefit is calculated by multiplying the Benefit Base by the applicable payout percentage. Refer to Appendix A of this booklet for more information

Net Deposits

- The amount by which the total of all deposits exceeds the total of all withdrawals, and is greater than zero at a particular time in a calendar year

Remaining Income Benefit

- The amount that can be withdrawn during the remainder of the calendar year without Exceeding the Income Benefit
- Calculated as the difference between the Income Benefit for the calendar year and withdrawals taken during the calendar year

Single Life Payout Option

- A guaranteed income stream based on the life of the annuitant and is not eligible to continue after the annuitant's death
- Under this option the Income Benefit is calculated by multiplying the Benefit Base by the applicable payout percentage. Refer to Appendix A of this booklet for more information

1. General information

1.1 Communications

- In this Information Folder, 'you', 'your' and 'owner' mean the person who is the Policyowner or holder of rights under the Contract
- 'We', 'our', 'us' and 'Manulife Financial' mean The Manufacturers Life Insurance Company which 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 Fund or underlying funds available under the Contract
- The amount you invest (your "Premium", also referred to as "deposit") is notionally invested in Fund Units. References in this document to purchases of Units are referring to notional purchases. This is how the value of the Contract is determined, but you don't legally own the Units since by law, Manulife Financial is required to be the owner of the assets of the Fund. You are only entitled to the benefits described under the Contract. Please be mindful of this when you read the Contract documents
- We occasionally use the phrase "administrative rules." We may change our administrative rules at our discretion in order to provide improved levels of service or to reflect corporate policy, economic and legislative changes, including revisions to the *Income Tax Act* (Canada). Unless otherwise stated, current administrative rules refers to the administrative rules in place at the time of the applicable transaction
- In some cases where a third party distributor is involved and the Contract is held externally in nominee name, correspondence may be directed to the third party based on the authorization you have given to the third party, and where that authorization is acceptable to Manulife Financial
- When we ask you to "advise us in writing," please send your correspondence to: Manulife Financial, 500 King Street North, Waterloo, Ontario, N2J 4C6
- From time to time we may offer communication alternatives, which enable you to issue transaction instructions and authorization to us through improved communication channels. Administrative rules may apply to transaction instructions communicated to us under these service initiatives, which may differ to rules that would otherwise apply under the Contract and may include accepting instructions from your advisor, based on your instruction and authorization, where acceptable to Manulife Financial
- 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 our administrative rules that we have in place at the time
- When we say "we will advise you," we mean that we will send a written notice to your address as shown in our files. It is your obligation to advise us of any change in your address as we are not responsible for any missed opportunities or losses resulting from your address not being kept up to date

- From time to time we may make changes to the product, and will advise you of important information and provisions of the Contract. The Information Folder is a disclosure document about the attached Contract only as at the date of issue. If there are changes to the provisions of your original Contract, we will provide you with notification that your Contract has been amended
- We will send you:
 - confirmations for most financial and non-financial transactions affecting the Contract (in certain situations confirmations may be received directly by your dealer),
 - statements for the Contract at least once a year,
 - if applicable, notification of change to the insurance fee limit. Please see Section 6, Fees and charges, for details,
 - upon request, a report that contains audited financial statements,
 - upon request, the semi-annual financial statements, and upon request, the current version of the Fund Facts
- **Note: The annual audited and semi-annual unaudited financial statements and the Fund Facts are available at any time on our website (www.manulife.ca/investments)**

1.2 Types of Contracts available

- A Manulife PensionBuilder Contract can be registered or non-registered. Not all tax types may be available to you depending on the source of the initial deposit and applicable legislation
- A Manulife PensionBuilder Contract is not a pension plan as defined in federal or provincial pension legislation. Reference to pension plan and pension legislation in this Information Folder and Contract refers to the rules under which we must administer this Contract when registered as a LIRA, RLSP, LIF, RLIF, PRIF or LRIF in specific jurisdictions
- We may refer to “other similar retirement income contracts” throughout the Information Folder and Contract which includes but is not limited to LRIF, PRIF, and RLIF and any other contract type that may be introduced under pension legislation
- A Contract held as an investment of an external self-directed RRIF (including LIF or other similar retirement income Contracts) or RRSP (including LIRA, RLSP) is a non-registered Contract with Manulife Financial. You are the beneficial owner of the Contract and the trustee of the external plan holds the Contract in trust for you. The dealer transmits your instructions and the instructions of the trustee to us on your behalf
- We have the right to limit the number of Manulife PensionBuilder Contracts held by you

1.2.1 Registered Contracts

- The Contract will be registered under the provisions of the *Income Tax Act* (Canada)
- All Deposits will be invested in “qualified investments” as defined under the provisions of the *Income Tax Act* (Canada)
- You are both the owner and the annuitant
- You cannot borrow money from the Contract
- You cannot use the Contract as security for a loan or assign it to a third party

- Unless you indicate otherwise, if an RRSP Contract is in force on December 31 of the year you turn 71 (or the latest age to own under the *Income Tax Act* (Canada)), we will automatically amend the RRSP Contract to become a RRIF. If you have a LIRA or RLSP Contract, the Contract will be amended automatically to become a LIF or other similar retirement income Contract as allowed under pension legislation
- If your spouse makes deposits to an RRSP owned by you, it is a Spousal RRSP. You are the Policyowner and the annuitant of a Spousal RRSP and your spouse is the contributor of deposits
- A RRIF purchased with funds transferred from a Spousal RRSP will be a Spousal RRIF
- LIFs and other similar retirement income Contracts may be purchased with funds transferred from locked-in plans, and may be issued at the ages permitted by the legislation governing the former pension plan
- When LIFs and other similar retirement income Contracts are transferred, spousal rights prescribed under pension legislation are preserved unless otherwise waived. When transferred, some jurisdictions may require that you obtain spousal consent or a spousal waiver form before the proceeds can be moved
- 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. A LRIF, PRIF, RLIF and under some pension legislation, a LIF, can continue for your lifetime
- A LIF, LRIF or RLIF is similar to a RRIF, but has a maximum annual income that can be paid out each year

1.2.2 Non-registered Contracts

- May be owned by an individual, a corporation or more than one individual in any form of ownership permitted under the applicable laws
- May have either the annuitant or a third party as owner
- You may be eligible to transfer ownership rights 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. We reserve the right to limit or refuse a transfer of ownership to a non-related entity
- You cannot borrow money from the Contract
- You may be able to use the 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 having a claim. An assignment of this Contract may restrict or delay certain transactions, including withdrawals, which are otherwise permitted

2. Financial transactions

For the impact of financial transactions on your guarantees, see Section 3, Guarantees

2.1 Deposits

- The Contract date is the Valuation Date of the first deposit, upon acceptance by Manulife that the initial Contract set-up criteria have been met
- You may make deposits at any time up to the latest age to deposit as listed in the Key Facts. We have the right to refuse to accept deposits and limit the amount of deposits allocated to specific sales charge options
- We will purchase Units at the unit value on the Valuation Date that is applicable to the sales charge option you have selected. Please see Section 5.2, Valuation Date, for more information
- All deposits must be made in Canadian dollars. Please make cheques payable to Manulife Financial
- If the payment comes back to us marked NSF (Not Sufficient Funds), we reserve the right to charge a fee to cover our expenses
- Regular deposits are commonly referred to as Pre-Authorized Chequing or PACs and are made for the same amount monthly in the form of regular withdrawals directly from your bank account. For PAC deposits that come back to us marked NSF, we reserve the right to attempt to make the withdrawal from your bank account a second time
- We have the right to cancel the PAC at any time, or direct the PAC to a similar Fund according to the administrative rules that we have in place at the time
- During the Guaranteed Payment Phase no further deposits may be made to the Contract. Please see Section 3, Guarantees, for more information

- We have the right to request medical evidence of the health of the annuitant, and to refuse to accept deposits based on incomplete or unsatisfactory medical evidence of the annuitant
- We may require proof of age, sex, marital status or survival of any person upon whose age, sex, marital status or survival any payment depends. If this information has been misstated, we reserve the right to recalculate the benefits to those that would have been provided for the annuitant's correct age, sex, marital status and survival
- You may have rescission rights under this Contract. Refer to the Key Facts for more information

2.2 Withdrawals

- You may request payments out of the Contract (also referred to as "withdrawals") on a scheduled or unscheduled basis, depending on the taxation type of the Contract

Please see Section 3.1, Income Benefit Guarantee, for additional detailed information regarding scheduled withdrawals

- Requests for withdrawals must meet minimum amounts applicable at the time you make the request
- If the value of the Fund or Units of the Fund on the date of any withdrawal is not sufficient to permit us to make the requested withdrawal, we will make the withdrawal in accordance with our administrative rules in place at that time
- Withdrawals may result in a capital gain or a capital loss since they create a taxable disposition. Please see Section 8, Tax information, for more information
- Fees may apply to withdrawals. Please see Section 6, Fees and charges, for details

- Scheduled withdrawals are not available from a RRSP, LIRA or RLSP Contract unless permitted by applicable pension legislation
- You may request unscheduled withdrawals on any day of the month and they will be processed on the first available Valuation Date. Please see Section 5, Valuation, for more information
- Any redemption fees or withholding taxes that you must pay are deducted from the withdrawal. The legislated minimum withdrawal amounts, where applicable, are calculated before withholding taxes are deducted. Please see the Key Facts for details
- A Contract that has been assigned to a lender as security for a loan may delay or restrict withdrawals from the Contract. We must receive authorization from the lender prior to making any withdrawals

2.2.1 Early withdrawal fees

- We may apply an early withdrawal fee of 2% of the market value if you make a withdrawal within 365 days of a deposit to the Fund. This fee does not apply to scheduled withdrawals and is in addition to any deferred sales charges or fees that may apply. Please see Section 6, Fees and charges, for more information

2.2.2 Withdrawals free of sales charges

- Redemption fees only apply to withdrawals that exceed the sales charge-free withdrawal amount calculated for the year. Early withdrawal fees may still apply as described in Section 2.2.1, Early withdrawal fees. Please see Section 6.2, Sales charge options, for more information on redemption fees

Front-end and F-class options

- There are no redemption fees for withdrawals under Front-end and F-class Sales Charge options, unless you request a withdrawal within 365 days of a deposit. Please refer to Section 6, Fees and charges, for more information

There are no sales charges for withdrawals from the Back-end and Low-load options up to the annual sales charge-free withdrawal limit

- The sales charge-free withdrawal limit is:
 - a percentage of the Units allocated to the Fund as of the previous December 31,
 PLUS
 - a percentage of the Units allocated to the Fund from deposits made in the current calendar year
- Any unused portion of the charge-free amount cannot be carried forward to the next calendar year
- When calculating the sales charge-free withdrawal limit, only Units of the Fund that have outstanding redemption fees will be included

	% of Fund Units on December 31	% of Fund Units purchased in current year
Non-registered, RRSP, LIRA, RLSP	10%	10%
RRIF, LIF, LRIF, PRIF and RLIF contracts*	20%	20%

*Includes contracts that are registered externally

Example of a non-registered contract

If there are 1,000 Units of the Fund with a Back-end Sales Charge option on December 31 of the previous year, and another 150 Units of the Fund are purchased on February 14 of the current year, there are 115 Units for the current year where no sales charges would apply $(1,000 + 150) \times 10\% = 115$.

The Value of the Units of the Fund that are redeemed fluctuate with the market value of the underlying assets and is not guaranteed.

Withdrawals will reduce the Maturity and Death Benefit Guarantees and may reduce the Income Benefit Guarantee.

3. Guarantees

3.1 Income Benefit Guarantee

3.1.1 General information

- The Income Benefit Guarantee provides for withdrawals in a set amount over the life of the Contract, called the Income Benefit, after the Election of the Income Benefit has occurred
- Election of the Income Benefit cannot be deferred past age 72 for RRIF, LIF and other similar retirement income Contracts
- The initial deposit to the Contract will:
 - i. set the initial Benefit Base to equal the amount of the initial deposit
 - ii. set the initial Bonus Base to equal the amount of the initial deposit
 - iii. start the Guarantee Guard

Note: The initial deposit will not set the Income Benefit

- To assist you in managing the Income Benefit Guarantee, we apply a service called Guarantee Guard. Under this service we will not process any withdrawals that are requested prior to the Election of the Income Benefit or that would Exceed the Income Benefit, until we are notified by you and/or your advisor to proceed. We will allow you to instruct us in how we will apply this service to your Contract, which could include turning this service off

3.1.2 The Benefit Base

- The value of the Income Benefit is determined in part by the Benefit Base
- At the time of deposit, the Benefit Base will increase by the amount of the Net Deposit in the calendar year
- Withdrawals taken up to the elected Income Benefit or RRIF Minimum, if applicable, will not reduce the Benefit Base. Only withdrawals that Exceed the Income Benefit or RRIF Minimum, if applicable, or

that are made prior to the Election of the Income Benefit will reduce the Benefit Base. When withdrawals cause the Benefit Base to decrease, this will be on a proportional basis

- The Formula used for proportional reductions of the Benefit Base is defined below

B = **W/MV** where:

B = Benefit Base reduction

W = withdrawal amount

MV = total market value of the Units prior to withdrawal

3.1.3 The Bonus Base

- The value of any Income Bonus is determined in part by the Bonus Base
- The Bonus Base will increase immediately by the amount of increase to the Benefit Base for all Net Deposits
- If the Benefit Base is reduced for a withdrawal, the Bonus Base will decrease immediately on a proportional basis

3.1.4 Income Bonuses

- The Contract is eligible for Income Bonuses at the end of each calendar year following the initial deposit, if no withdrawals are taken in the calendar year
- The Income Bonus will increase the Benefit Base
- The Income Bonus rate is a set percentage of the Bonus Base annually for all calendar years where no withdrawals have been taken. Refer to Appendix A of this booklet for the bonus rate percentage in effect for this Contract
- We may increase the amount of bonuses, at our discretion. As this would provide an additional benefit to you, we may not provide prior notification to you, as the benefit will be applied automatically

- Income Bonuses are applied on December 31 after all transactions have been processed

Income Bonuses are added to the Benefit Base and do not affect the market value of the Contract. The Income Bonus is not a cash bonus

3.1.5 The Income Benefit

- The Income Benefit is the maximum amount guaranteed to be available each calendar year for withdrawals for the life of the annuitant, and when applicable, the Joint Life, provided minimum age requirements are met, the Election of the Income Benefit has occurred and annual withdrawal maximums are not exceeded
- The Income Benefit is not calculated until the Election of the Income Benefit occurs
- The payout percentage applicable to the Income Benefit will not change following the Election of the Income Benefit
- You are not eligible to elect the Income Benefit until January 1 of the year the annuitant or the younger of the annuitant and the Joint Life, if applicable, turns 50 years old
- Upon Election of the Income Benefit your Income Benefit is calculated as follows for each calendar year:
Income Benefit = Benefit Base x Payout Percentage
- After Election of the Income Benefit, if you do not Exceed the Income Benefit, or RRIF minimum, if applicable, the Income Benefit will be available for withdrawal each year for the life of the annuitant, or for the Joint Life Payout Option, the lives of the annuitant and Joint Life
- The Income Benefit may increase over time if subsequent deposits are made or no withdrawals are taken in a calendar year

Please refer to the Case Studies in Appendix B of this booklet for more information

- You may request to receive your Income Benefit as scheduled or unscheduled withdrawals
- At the time you wish to begin taking withdrawals, you must instruct us whether or not you wish to Elect the Income Benefit based on the payout percentage that is applicable at the time of withdrawal

Requesting scheduled withdrawals will result in an automatic Election of the Income Benefit, unless previously elected

- For scheduled withdrawals we will use the applicable payout percentage on the date of the first scheduled withdrawal. For unscheduled withdrawals we will use the applicable payout percentage on the date of the withdrawal
- For the Single Life Payout Option, the Income Benefit continues until the Benefit Base and Income Benefit are reduced to \$0, the Contract reaches the Contract Maturity Date or on the death of the annuitant
- For the Joint Life Payout Option, the Income Benefit continues until the Benefit Base and Income Benefit are reduced to \$0, the Contract reaches the Contract Maturity Date or on the death of the survivor of the annuitant and the Joint Life
- Even if the market value of the Contract reduces to \$0, future payments will be made to you if there is a positive Benefit Base
- To assist you in managing the Income Benefit, we apply a service called Guarantee Guard. Under this service we will not process any withdrawals that are requested prior to Election of the Income Benefit or that would Exceed the Income Benefit, until we are notified by you and/or your advisor to proceed. We will allow you to instruct us in how we will apply this service to your Contract, which could include turning this service off

Please refer to the Case Studies in Appendix B of this booklet for more information

3.1.6 Income Benefit payout options

At the time of initial deposit you must elect a payout option and will not be able to change this option, unless offered under current administrative rules

Single Life Payout Option

- The Single Life Payout Option is a guaranteed income stream based on the life of the annuitant and is not eligible to continue after the annuitant's death
- The Income Benefit rate for this option is determined by the applicable payout percentage based on the age of the annuitant. Refer to Appendix A of this booklet for more information

Joint Life Payout Option

- The Joint Life Payout Option is a guaranteed income stream based on the lives of both the annuitant and the Joint Life, who must be the spouse or common-law partner of the annuitant
- The Income Benefit for this option is determined by the applicable payout percentage based on the age of the younger of the annuitant and Joint Life. Refer to Appendix A of this booklet for more information
- If you have elected the Joint Life Payout Option you will NOT be eligible to change to a different payout option at a subsequent time, unless allowed under our then current administrative rules
- You may be eligible to remove the individual you designated as the Joint Life entity from your Contract. If this occurs, the Income Benefit will continue to be determined by the applicable payout percentage based on the age of the younger of the annuitant and the former Joint Life

Non-registered and RRIF Contracts

- Upon the death of the annuitant or Joint Life, whichever is earlier, the Contract will continue, including the elected Income Benefit under the Joint Life Payout Option, until the death of the survivor of the annuitant and Joint Life. Another Joint Life cannot be named

Note: If the owner is either the annuitant or the Joint Life, the surviving spouse or common-law partner will become the owner of the Contract, unless otherwise designated

RRSP (or LIRA) Contracts

- Under the Joint Life Payout Option, the owner must name the spouse or common-law partner as the Joint Life, and sole beneficiary. If the Contract is still an RRSP upon death of the annuitant, the Joint Life will have the option to receive the death benefit for the Contract, or continue the guaranteed income and other contractual benefits in a new RRSP (or RRIF) Contract in his/her name (at the same Joint Life Payout Option rate)

3.1.7 Recalculation of the Income Benefit (after the Election of the Income Benefit)

- Recalculation of the Income Benefit will occur annually on December 31 using the year-end Benefit Base
- Recalculation of the Income Benefit will occur immediately after subsequent deposit(s) (Net Deposits)*
- When recalculated, the Income Benefit is always set to equal the Benefit Base multiplied by the payout percentage applicable to the payout option chosen. Once the payout percentage has been determined it cannot be changed, unless offered under our current administrative rules

* If withdrawals have already Exceeded the Income Benefit in the calendar year, the Income Benefit and Remaining Income Benefit will not be eligible for increases until recalculation at year-end

Timing of changes to the Income Benefit (after the Election of the Income Benefit)

Transaction/Event	Initiate recalculation of Income Benefit
Subsequent Deposits (Net Deposits)	Immediately
Subsequent Deposits (Net Deposits) (in calendar year after Exceeding the Income Benefit)	December 31
Withdrawals (in calendar year after Exceeding the Income Benefit)	December 31
Income Bonus	December 31

3.1.8 Scheduled payment options

- Setting up any scheduled withdrawal amount option (commonly referred to as a SWP) will result in the automatic Election of the Income Benefit, unless previously elected, and determine the applicable payout percentage
- Scheduled withdrawals may be taken from a non-registered, RRIF, LIF or other similar retirement income Contract. They are not available from a RRSP, RLSP or LIRA Contract
- You may request scheduled withdrawals on the 15th or “end of the month”
- We will deposit the scheduled payment directly into your bank account on the day that you specify. If the day specified is on a weekend or a day when a bank deposit cannot be made, we will deposit the payment into your account on a day prior to the day you have specified
- The Valuation Date for the scheduled withdrawal will be several days in advance so you can receive your payment on time. You may choose to have scheduled withdrawals on a monthly, quarterly, semi-annual or annual basis, subject to any applicable pension legislation
- You may request a change to your scheduled withdrawal instructions at any time, subject to our administrative rules in place at that time
- Early withdrawal fees do not apply to scheduled payments. Sales charges such as Back-end and Low-load charges may apply. For more information please Section 6.2, Sales charge options and 6.3, Early withdrawal fees and recovery of expenses

There are several payment options available to you depending on the type of contract you hold

Scheduled payment options available to all contract types:

Income Benefit – Under this option, the sum of all payments for the calendar year will equal the Income Benefit. Where subsequent deposits or withdrawals affect the Remaining Income Benefit, the remaining payments under this option will be recalculated for the remainder of the year

- For each deposit, as long as the total of all deposits previously made in the calendar year exceeds the total withdrawals previously made in that calendar year, the deposit may result in an increase to the Income Benefit
- When an unscheduled withdrawal is made that does not Exceed the Income Benefit, we will immediately recalculate the remaining scheduled payments for the calendar year using the current Remaining Income Benefit
- When an unscheduled withdrawal reduces the Remaining Income Benefit to \$0, the Contract is ineligible for future scheduled withdrawals in that calendar year. The Income Benefit for the following year will be recalculated on December 31 of that calendar year
- When the Remaining Income Benefit increases following the last scheduled withdrawal in a calendar year, we may make a payment to you at year-end to ensure you receive the entire guaranteed amount available for withdrawal

- If the Income Benefit is higher than the LIF/LRIF/RLIF Maximum, and you have selected the Income Benefit as your withdrawal option, you may choose to withdraw up to the Income Benefit. In this situation your withdrawal may be considered a life annuity payment

Level Amount – Under this option each scheduled payment will be in the amount, and for the payment frequency you have selected

- The amount you select should not Exceed the Income Benefit
- The Income Benefit and RRIF Minimum Amount applicable to the calendar year will be recalculated at least annually (on December 31). If the level amount that has been elected is greater than these recalculated values then withdrawals may Exceed the Income Benefit, which may have a negative impact on future guaranteed Income Benefit payments

Scheduled payment options specific to RRIF/LIF or other similar retirement income contracts

General information

- If you are the owner of a RRIF, LIF or other similar retirement income contract:
 - You will have scheduled payments made to you
 - Starting in the second calendar year, there will be a minimum amount that is required to be withdrawn from the Contract each calendar year. We refer to this amount as the RRIF Minimum Amount regardless of taxation type of the Contract
 - If the total of your scheduled and unscheduled withdrawals in the calendar year is less than the RRIF Minimum Amount for that year, we are required to make a year-end payment to you to meet the RRIF Minimum Amount
 - Year-end payments will be applied using the scheduled withdrawal allocation we have on file, or if there are no allocations on file, using the default allocation in place at the time

Allowances made for Contracts with legislated minimums

- After the Election of the Income Benefit, the Income Benefit is calculated. We will also calculate the RRIF Minimum Amount, and if it is higher than the Income Benefit in a given year, we will allow you to withdraw up to the RRIF Minimum Amount without Exceeding the Income Benefit. Please see the Definitions section at the beginning of this booklet for a definition of Exceeding the Income Benefit
- We reserve the right to restrict the use of the spouse's age in determining the allowances made for Contracts with legislated minimums

Allowances made for Contracts held in an external RRIF (including LIF/LRIF/PRIF/RLIF)

- A Contract that is registered externally as a RRIF is non-registered with Manulife Financial. For these Contracts, the trustee of the external RRIF is required to make payments to you, as beneficial owner, of at least the RRIF Minimum Amount (as defined under the *Income Tax Act* (Canada)). Where the trustee has notified us that the Contract is held in an external RRIF and you have elected the Income Benefit, we will allow for withdrawals from the Contract up to a notional RRIF Minimum Amount without Exceeding the Income Benefit. At the end of each calendar year, for those Contracts that we have been notified are being held in an external RRIF and you have elected the Income Benefit, we will calculate a notional RRIF Minimum Amount that we will apply for the following calendar year. The calculation of the notional amounts will:
 - take into consideration only the market value of the Contract and not any other investments held within the external RRIF
 - be based on your date of birth, as the beneficial owner of the external RRIF, unless notified otherwise by the trustee

In addition to the Income Benefit and Level Amount payment options, the following payment options are available to you:

RRIF Minimum Amount – Under this option, each scheduled payment will be for an equal amount with the sum of all payments for the calendar year equaling the RRIF Minimum Amount

- This amount is calculated by multiplying the closing market value of the Contract on December 31 of the previous year by the percentage determined by the formula stated in the *Income Tax Act* (Canada)
- For calendar years following the year you purchased the Contract, you will be required to have at least the RRIF Minimum Amount paid to you
- Where payments are greater than the Income Benefit and the RRIF Minimum Amount, the Contract will exceed the Income Benefit for the calendar year which may have a negative impact on future guaranteed Income Benefit payments

LIF/LRIF/RLIF Maximum Amount – Under this option, each scheduled payment will be for an equal amount with the sum of all payments for the calendar year equaling the LIF/LRIF/RLIF Maximum Amount

- Payment of the LIF/LRIF/RLIF Maximum may exceed the Income Benefit in a given year, which may have a negative impact on future guaranteed Income Benefit payments
- The maximum payment amount for LIF, LRIF and RLIF Contracts is calculated in accordance with the formula specified by applicable legislation
- The total of all scheduled and unscheduled withdrawals in a calendar year must be less than or equal to the maximum amount
- 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
- If the Income Benefit is higher than the LIF/LRIF/RLIF Maximum, and you have selected the Income Benefit as your withdrawal option, you may choose to

withdraw an amount up to the Income Benefit. In this situation your withdrawal may be considered a life annuity payment

3.1.9 Guaranteed Payment Phase

- If the market value goes to \$0 while the Benefit Base has a positive value, the Contract will move into the Guaranteed Payment Phase

In the Guaranteed Payment Phase the following will apply:

- The Income Benefit Guarantee will provide payment of the Income Benefit for the life of the annuitant (or in the case of the Joint Life Payout Option, both the annuitant and Joint Life) if the Income Benefit is greater than \$0
- Automatic Election of the Income Benefit will occur when eligible, if not previously elected
- No further deposits may be made
- Maturity and Death Benefit Guarantees will be set to \$0
- The year-end Income Benefit calculations will continue based on existing rules

The Contract will remain in effect until:

1. you are not eligible for further payments under the Income Benefit,
2. the Contract reaches the Contract Maturity Date, or
3. the death of the annuitant for the Single Life Payout Option, or the death of survivor of the annuitant and Joint Life for the Joint Life Payout Option

3.2. Maturity and Death Benefit Guarantees

3.2.1 General information

- The Contract provides Maturity and Death Benefit Guarantees in addition to the Income Benefit Guarantee
- Maturity and Death Benefit Guarantees increase as a result of deposits

- Maturity and Death Benefit Guarantees are reduced proportionally when a withdrawal is made
- The Formula used for proportional reductions of the Maturity and the Death Benefit Guarantee is defined below

Proportional reduction = $G \times W/MV$ where:

G = guarantee value prior to withdrawal

W = market value of Units withdrawn prior to withdrawal

MV = total market value of the Units prior to withdrawal

3.2.2 Maturity Guarantee

- The Maturity Guarantee is determined at time of deposit to be 75% of the Deposit Value
- On the Contract Maturity Date, the maturity benefit payable is the greater of the market value of the Contract or the Maturity Guarantee on that date. If the Maturity Guarantee is higher than the current market value of the Contract, we will increase the value of the Contract to equal the guarantee amount. We call this a 'top-up'
- For non-registered, RRIF, LRIF, PRIF, RLIF and some LIF Contracts, the Contract Maturity Date will be December 31 of the year the annuitant turns 100, however, prior to reaching your Contract Maturity Date you will have the option to extend the Contract Maturity Date to allow for the continuation of contractual benefits, including the payment of your Income Benefit
- LIF Contracts under certain pension jurisdictions will have a Contract Maturity Date of December 31 of the year the annuitant turns 80
- RRSP, RLSP and LIRA Contracts cannot be held after December 31 of the year the annuitant reaches age 71 (or the latest age to own under the *Income Tax Act* (Canada)), and unless you give us alternate instructions prior to the latest age to own the Contract, the Contract will be amended to become a RRIF, LIF or other similar retirement income Contract on that date. Therefore, the Contract Maturity Date used for calculating the Maturity Guarantee will be either

December 31 of the year the annuitant reaches age 80 or 100, depending on the tax type and pension jurisdiction. Please refer to Section 10.2.1 in the Contract for more information about the Automatic RRSP to RRIF transition

- The Contract will provide a single life annuity with a 10-year guarantee if, on the Contract Maturity Date, the Contract is in force, has a Market Value available, and we have not been previously notified of your maturity option selection. Please see Section 10.3 of the Contract for more information about the Default Annuity

Upon maturity, the Contract will end and all benefits, including the Income Benefit will cease.

3.2.3 Death Benefit Guarantee

- The Death Benefit Guarantee is determined at time of deposit to be 75% of the Deposit Value
- On the Death Benefit Date, the death benefit payable is the greater of the market value of the Contract or the Death Benefit Guarantee on that date. If the Death Benefit Guarantee is greater than the current market value of the Contract, we will increase the value of the Contract to equal the guarantee amount. We call this a 'top-up'
- On the Death Benefit Date, the Contract is frozen and no additional transactions are permitted, unless the transactions were initiated prior to the Death Benefit Date
- If the annuitant dies and the Joint Life Payout Option has been elected and the Joint Life is living, the Contract will continue
- When we receive all required documentation the death benefit will be paid to the beneficiary named under the Contract. This documentation may include (but is not limited to) sufficient notification of death of the annuitant, sufficient notification of death of the survivor of the annuitant and Joint Life, and the claimant's rights to the proceeds
- No redemption fees are charged under Back-end or Low-load Sales Charge options when paying the death benefit

4. The Investment

4.1 General information

- Please see the Fund Facts for the Fund available at the time of purchase of the Contract
- The underlying investments in the Fund may be units of a mutual fund, stocks, bonds, or other selected investment funds. You do not acquire any ownership interest in the Fund or in the underlying investments of the Fund. Additional information about underlying investments can be found in the Fund Facts, or by contacting your advisor
- We may discontinue offering, merge, split or substitute the underlying fund for a substantially similar underlying fund at any time, in accordance with applicable requirements, and by providing you with advanced written notice. In certain situations, changes to the Fund may be considered a fundamental change. Please see Section 4.9, Fundamental changes, for more information

4.2 Net asset value

- The net asset value of the Fund is the total market value of all the assets of the Fund minus its liabilities. The net asset value is divided by the number of Units held by the policyowners to calculate the net asset value per Unit
- We calculate the net asset value and the net asset value per Unit of the Fund at the close of business on every Valuation Date. Please see Section 5.2, Valuation Date, for more information

The net asset value of the Fund fluctuates with the market value of the underlying assets of the Fund and is not guaranteed.

4.3 Investment policy and restrictions

- The Fund has a Fundamental Investment Objective, which determines the investment policies and restrictions for the Fund. The investment policies may change from time to time, and you may be notified of any material change. A change to the Fundamental Investment Objective will be considered a fundamental change. Please see Section 4.9, Fundamental changes, for more information
- The Manulife PensionBuilder Contract is subject to compliance with the Individual Variable Insurance Contract Guidelines relating to Segregated Funds of the Canadian Life and Health Insurance Association Inc. (CLHIA) and The Autorité des marchés financiers (AMF) and the applicable provincial insurance laws

4.4 Potential risks of investing

- There are a number of risks of investing, including market risk, interest rate risk, manager risk, inflation risk, derivative risk, currency risk, credit risk, sovereign risk, and small company risk
- For details of these risks and information on the Fund, please refer to the Fund Facts

4.5 Reinvestment of earnings

- Any realized earnings of the assets of the Fund will be reinvested in the Fund and will increase the value of the Units. You acquire no direct claim of the Fund assets, only the Contract benefits

4.6 Interest of management and others in material transactions

- No director, senior officer, associate or affiliate of Manulife Financial has had any material interest, direct or indirect, in any transactions, or in any proposed transactions within 3 years prior to the date of filing this Information Folder, that would or will materially affect Manulife Financial, or any of its subsidiaries, with respect to the Fund

4.7 Material Contracts/facts

- There have been no material Contracts entered into by Manulife Financial, or any of its subsidiaries, within 2 years prior to the date of filing this Information Folder, or other material facts relating to the policies that have not been otherwise disclosed, that may be considered material to the Contract or policyholder

4.8 Custodian of Fund portfolio securities

- RBC Dexia Investor Services, 155 Wellington Street West, 2nd Floor, Toronto, Ontario, M5V 3L3, has custody and control of cash and securities of the Fund
- All investments and deposits of the Fund are made in the name of Manulife Financial. Manulife Financial has the ultimate responsibility for custody of the securities of the Fund. The portfolio of securities of the Fund is physically located in and under the jurisdiction of the Province of Ontario

4.9 Fundamental changes

- A fundamental change is:
 - an increase in the management fee of the Fund,
 - an increase in the insurance fee limit,
 - a change in the fundamental investment objective of the Fund, or
 - a decrease in the frequency with which Units of the Fund are valued
- A fundamental change to the Contract and/or the Fund may provide you with certain rights
- In the event of a fundamental change to the Contract and/or the Fund, you will be given the opportunity in certain circumstances to withdraw units of the Fund without incurring charges.

A fundamental change will occur in the event of Fund(s) being closed. Fund closures will be subject to similar notice provisions and rights. We will provide you with the withdrawal options at least 60 days prior to the effective date of the fundamental change. If we do not offer a similar Fund, you may request in writing to withdraw Units of the Fund without incurring charges

- 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 insurance fee as the original Fund
- We reserve the right to make fundamental changes from time to time, subject to compliance with the provisions noted above. We also reserve the right to change underlying funds. If such a change is a fundamental change, you will have the rights described in the section above. Changing an underlying fund to another substantially similar underlying fund will not constitute a fundamental change provided immediately following the change the total management fee and insurance fee of the Fund is the same as, or lower than, its total management and insurance fee immediately before the change. A substantially similar underlying fund is one that has a comparable Fundamental Investment Objective, is in the same fund investment category and has the same or lower management fee, and insurance fee, if applicable, as the original underlying Fund. We will (a) notify you, our regulators and the CLHIA at least 60 days in advance of the change (unless such notice is not practical in the circumstances, in which event we will provide notice as soon as possible as reasonably practical), and (b) amend or re-file the Fund Facts to reflect the change. The foregoing may be superseded by any regulatory developments governing changes to segregated funds

5. Valuation

5.1 Market Value of the Contract

On any date, the Market Value of the Contract will be the total of:

- i. the value of the Units of the Fund in the Contract at the close of business on the previous Valuation Date, plus
- ii. any deposit that we have received, less any deductions, which has not yet been used to purchase Units of the Fund

5.2 Valuation Date

■ A Valuation Date occurs every day that:

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

■ All transactions (e.g. deposits, withdrawals) are processed based on 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 us. Instructions or transactions received by Manulife Financial Head Office after this 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

■ The Fund is normally valued on every Valuation Date, however, we may postpone valuation:

- 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 Fund or to acquire investments on behalf of the Fund or to determine the total value of the Fund

■ The Fund will be valued at least monthly, irrespective of any postponement. If there is a change to the frequency of valuation of the Fund, you may have rights of free withdrawal. Please see Section 4.9, Fundamental changes, for more information

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

6. Fees and charges

6.1 General information

- You may have to pay sales charges when depositing to or withdrawing from the Contract, depending on the sales charge option that you choose
- We offer four sales charge options under the Contract: Front-end, Back-end, Low-load and F-class options
- The fee you pay for the Guarantees, called the Insurance Fee, is incorporated in the Management Expense Ratio (MER) of the Fund

6.2 Sales charge options

- The amount of sales charges are determined by the sales charge option in which you originally purchase Units
- You may not transfer Units of the Fund between sales charge options unless allowed under our current administrative rules
- There are no sales charges or redemption fees applicable to a deposit made as a result of a guarantee top-up
- We reserve the right to offer a separate sales charge option(s) with access reserved for Contracts which meet our administrative rules in place at the time. Contracts within this (these) separate sales charge option(s) which no longer meet our administrative rules will be transferred to the similar sales charge option without the restrictions. This movement will not affect guarantees and will not create a taxable disposition

6.2.1 Front-end options

- Under a Front-end option you may pay a sales charge at the time of deposit to the Contract
- The amount you pay is negotiable and calculated as a percentage of the gross deposit amount

- The minimum sales charge you will pay will be 0%. The maximum sales charge available under this sales charge option is 3%

6.2.2 Back-end and Low-load options

- Under these sales charge options you may pay a deferred sales charge, referred to as a redemption fee, at the time of any withdrawals from the Contract
- The amount you pay is calculated as a percentage of the original purchase price of the Units that you request be redeemed
- Redemption fees will apply to the earliest deposits first
- Redemption fees only apply to withdrawals that exceed the charge-free withdrawal amount calculated for the year. Please see Section 2.2, Withdrawals, for more information
- The redemption fees for the death benefit are waived

Redemption made during the first 7 years following the date of Deposit	Back-end redemption fees as a percentage of original Deposit amount	Low-load redemption fees as a percentage of original Deposit amount
Year 1	5.50	2.50
Year 2	5.00	2.00
Year 3	5.00	1.50
Year 4	4.00	0
Year 5	4.00	0
Year 6	3.00	0
Year 7	2.00	0
Year 8 and subsequent years	0	0

6.2.3 F-class option

- If eligible, you can allocate deposits to the F-class Sales Charge option
- The F-class Sales Charge option is available for investors who have fee-based or wrap accounts with their dealer
- Sales charges for the F-class option are generally negotiated between you and your dealer, as defined in the terms of the dealer account agreement. Collection of these fees will occur within the dealer account and not from your Contract
- Under this sales charge option you will not pay Manulife Financial any sales charges at the time of deposit to or withdrawal from the Contract
- If we are notified that you no longer have a fee-based or wrap account, we reserve the right to move the F-class option assets to the Front-end sales charge option, in accordance with our administrative rules in place at the time. This movement will not result in a taxable disposition
- Movement from externally registered wrap accounts or fee-based accounts to Contracts registered directly with Manulife will result in a Fund switch from the F-class sales charge option to the Fund in the Front-end sales charge option within the same Contract. This movement will not affect guarantees and will not create a taxable disposition

6.3 Early withdrawal fees and recovery of expenses

- We may apply an early withdrawal fee of 2% of the market value if you make a withdrawal within 365 days of a deposit to the Fund. This fee will not apply to scheduled withdrawal payments or unscheduled withdrawals up to the Income Benefit once the Election of the Income Benefit has occurred. This fee is in addition to any deferred sales charges or other fees that may apply

- 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

6.4 Small policy fee

- We may apply an annual fee of up to \$100 to Contracts with a Benefit Base balance at the end of the calendar year (December 31) below the initial Deposit minimum listed in the Key Facts
- The fee is collected at the beginning of the calendar year based on the Benefit Base balance as of December 31 of the prior calendar year. It is paid to Manulife Financial through a withdrawal of Fund Units
- Withdrawals to pay for the fee will not establish the Income Benefit or reduce the Maturity or Death Benefit Guarantees. There will be no reduction in the Benefit Base or impact to Income Bonus eligibility
- During the Guaranteed Payment Phase, no fee will be charged
- The fee is not currently subject to Goods and Services Tax (GST) or Harmonized Sales Tax (HST), where applicable

Fund Charges

6.5 Management Expense Ratio (MER)

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

- The operating expenses include costs relating to administration, legal and audit fees. The MER includes the MER of any underlying fund and any fees or sales charges associated with that underlying fund. There is no duplication of fees or sales charges for the same service
- Subject to Section 6.6, Management fees, and Section 4.9, Fundamental changes, we may change the MER of the Fund without prior notification provided the change results from operating expenses. Please see the Fund Facts for more information about current MERs

6.6 Management fees

- The management fee of the Fund is calculated and accrued on a daily basis and paid to Manulife Financial for the management of the Fund
- You do not directly pay for the management fees as they are paid by the Fund
- The management fees of the Fund include all management fees charged by Manulife Financial and any underlying funds. There is no duplication of fees or charges for the same service
- We may change the management fee of the Fund by providing you with at least 60 days advanced written notice. Please see Section 4.9, Fundamental changes, for more information

6.7 Insurance fee

- The insurance fee of the Fund is paid to Manulife Financial for providing 75% Maturity Guarantee, 75% Death Benefit Guarantee, and the Income Benefit under the Contract
- You do not directly pay for the insurance fee as it is paid by the Fund
- We reserve the right to increase the insurance fee up to the insurance fee limit without prior notification. Any increase in the insurance fee will be communicated to you in your annual statement
- The insurance fee limit is the current insurance fee plus the greater of 50 basis points or 50% of the current insurance fee. Refer to the Fund Facts for the current insurance fee
- We may increase the insurance fee limit by providing you with at least 60 days advanced written notice. Please see Section 4.9, Fundamental changes, for more information

7. Compensation paid to your advisor

7.1 General information

- Contracts are sold through independent 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 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

7.2 Sales commission

- The sales commission paid will vary depending on the sales charge option and in some cases, the amount of the deposit
- Front-end Sales Charge option:
 - The amount of the sales charge you pay equals the commission paid to your advisor by Manulife Financial

- Back-end and Low-load Sales Charge options:

- Manulife Financial pays the commission on the purchase, but you may have to pay a deferred sales charge depending on when you request to redeem Units

- F-class Sales Charge option:

- No sales commission will be paid to your advisor by Manulife Financial

- Sales commission will not be paid for the following:

- Maturity and Death Benefit top-ups
- Transfer of a registered savings Contract (e.g. RRSP, LIRA) to a registered income Contract (e.g. RRIF, LIF)

7.3 Servicing commission

- For all sales charge options, except F-class option, Manulife Financial will pay a regular servicing commission to your advisor to recognize the ongoing service they provide

8. Tax information

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

8.1 General information

- This is an outline of general tax information as it applies to the Contract. It applies to Canadian resident individuals and is based on the current *Income Tax Act* (Canada)
- You are liable for any tax liabilities resulting from any change in law, interpretation or assessing practices. You should consult your personal tax advisor about your individual circumstances
- The Fund is to allocate its income and realized capital gains and losses to Policyowners in each year
- The Fund will allocate the income proportionally by Fund Units to all Policyowners at the end of each quarter throughout each year. Realized capital gains and losses are allocated first to surrendering Policyowners; any residual is allocated proportionally by Fund Units to all Policyowners at the end of each quarter throughout each year
- There is no change in a Unit Value on an allocation date, nor is there any change in the number of Units allocated to the Contract
- The adjusted cost base of Units allocated to your Contract is determined under the *Income Tax Act* (Canada). Generally it is the weighted-average cost of these Units, including any tax allocations of income, capital gains and capital losses for these Units
- The taxation of certain benefits available with this product is not certain at this time. You are responsible for the proper reporting of all taxable income applicable to you as Policyowner and payment of all related taxes. You are also responsible for any tax liabilities arising from any change in law,

interpretation, or Canada Revenue Agency (CRA) assessing practice. We recommend that you contact your tax advisor regarding the tax treatment of this product in your particular circumstances

8.2 Non-registered Contracts

- You may have to pay taxes on your investments in non-registered Contracts
- When filing your income tax return, you are required to include capital gains, capital losses, dividends, interest, foreign income, and other income allocated to you. You may also claim the foreign taxes allocated to you
- Capital gains or capital losses reported to you may include gains and losses resulting from withdrawals, trading activities of the Fund and underlying fund distributions and substitutions. These tax allocations will be reported to you on the appropriate tax slip(s)

Taxation of payments during Guaranteed Payment Phase

- The taxation of these payments is not certain at this time. Please consult your tax advisor for further information. We will report any payments during the Guaranteed Payment Phase based on our understanding of tax legislation and CRA assessing practices at that time
- The Policyowner is responsible for any tax liabilities arising from any change in law, interpretation or CRA assessing practice

Taxation of small policy fee

- The fee is an expense of the Policyowner. We recommend that you contact your tax advisor regarding the tax deductibility of this fee in your particular circumstances
- The withdrawal of units to pay for the fee will result in a taxable disposition and create capital gains or capital losses that will be reported to the Policyowner

8.3 Registered Contracts

- Income can accumulate in a registered Contract on a tax-deferred basis
- If you transfer directly to another permitted registered Contract, you do not have to pay tax at that time

RRSP

- Deposits made to an RRSP or Spousal RRSP may be deductible from taxable income, up to a maximum amount determined under the *Income Tax Act* (Canada)
- You, or your spouse, if applicable, must pay tax on the amount that you have withdrawn
- We may be required to withhold tax from withdrawals from the Contract under current tax legislation

RRIF/LIF or other similar retirement income contracts

- Payments and cash withdrawals from a RRIF, LIF or other similar retirement income contracts will be included in your income for the year the payments are made
 - We are required to withhold tax from any withdrawals that exceed the RRIF, LIF or other similar retirement income Contract minimum amount under current tax legislation

Taxation of payments during Guaranteed Payment Phase

- The amount of the payments made during the Guaranteed Payment Phase will be taxable to you when withdrawn from the Contract

Taxation of small policy fee

- The fee is considered an expense of the registered plan
- The fee will not be subject to withholding taxes and will not be reported as income to you

8.4 Taxation of guarantee "top-up"

Non-registered Contracts

- 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
- 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 tax treatment of the top-up is not certain at this time. We recommend that you contact your tax advisor regarding the tax treatment of top-ups in your particular circumstances. We will report guarantee "top-up" amounts paid based on our understanding of tax legislation and CRA assessing practices at that time. You are responsible for any tax liabilities applicable to you as a Policyowner arising from any change in law, interpretation, or CRA assessing practice

Registered Contracts

- For the Maturity Guarantee and Death Benefit Guarantee, top-up amounts are not taxed when deposited into the Contract. However, when amounts are withdrawn, all amounts (including the top-ups) are taxable to you

9. Estate planning

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

9.1 Beneficiaries

- On the death of the annuitant for Single Life Payout Option, or the death of the last survivor of the annuitant and Joint Life for Joint Life Payout Option, we will pay the proceeds of the Contract to any surviving primary beneficiary
- 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
- We are not responsible for confirming the accuracy or validity of any information that you provide to us
- If you have used the Contract as security for a loan (where allowed), 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

9.1.1 Irrevocable beneficiaries

- If you have designated the beneficiary as irrevocable, you cannot change the designation without the beneficiary's written consent, unless otherwise permitted by law
- Certain other rights and options, such as changes to 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
- You may be able to apply to the court for an order permitting you to deal with the Contract without the consent of the irrevocable beneficiary

9.2 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
- If the Contract continues, no death benefit is payable, and therefore no guarantee top-up would apply

Successor owner

- You may appoint a successor owner or owners (referred to as subrogated policyholder(s) in Quebec) prior to the death of the annuitant (for the Single Life Payout Option where you are not the annuitant) or the death of the survivor of the annuitant and Joint Life (for the Joint Life Payout Option)
- In the event of your death, ownership of the Contract is transferred to the successor owner
- This transfer in ownership occurs without the Contract passing through your estate
- 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

9.3 Registered Contracts

RRSP Contracts

- You cannot appoint a successor owner for an RRSP Contract

Note: A Contract held as an investment of an external self-directed RRIF (including LIF or other similar retirement income Contracts) or RRSP (including LIRA, RLSP) and TFSA, is a non-registered Contract with Manulife Financial. For these Contracts, the Contract may continue according to our administrative rules, the provisions of the trust arrangement, and the trustee's administrative practices

9.4 No probate fees

- If you have named a valid beneficiary or a valid successor owner other than your estate, upon your death for Single Life Payout Option, or the death of the last survivor of the annuitant and Joint Life for Joint Life Payout Option, the Contract does not form part of your estate. Probate fees, where applicable, will not apply to the Contract in accordance with current legislation

9.5 Potential 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 tax or legal advisor about your individual circumstances

Manulife PensionBuilder Contract

Important information

The Contract shown on the following pages will become effective on the Valuation Date of the first Deposit to the Manulife PensionBuilder Contract 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 provided to you and will form part of the Contract.

The following pages include provisions for Manulife PensionBuilder. The Contract tax type you purchase will be indicated on your copy of the application and on subsequent statements. A confirmation notice will be sent to you following acceptance by Manulife Financial. Please contact your advisor if you have any questions about the Contract you have purchased.

For RRSP/LIRA/RLSP contracts with the Joint Life Payout Option only: This policy contains a provision removing or restricting the right of the insured to designate persons to whom or for whose benefit insurance money is to be payable.

Manulife PensionBuilder Contract Provisions

Any amount that is allocated to a Segregated Fund is invested at the risk of the Policyowner and may increase or decrease in value.

In these policy provisions, “you”, “your” and “owner” refer to the person who has Policyowner’s or policyholder’s rights under the Contract. “We”, “us”, “our”, “Manulife Financial” and “Manulife” refer to The Manufacturers Life Insurance Company. “Head Office” refers to the Canadian Head Office of Manulife Financial 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. 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 or Locked-in Retirement Account (LIRA), Restricted Locked-in Savings Plan (RLSP), Retirement Income Fund (RIF), Life Income Fund (LIF), Locked-in Retirement Income Fund (LRIF), Prescribed Retirement Income Fund (PRIF), Restricted Life Income Fund (RLIF) or other retirement income Contract that may become available under legislation and that is offered by us within this Contract.

The Manufacturers Life Insurance Company is the issuer of this Individual Variable Insurance Contract and the guarantor of any guarantee provisions contained herein.

The Manufacturers Life Insurance Company



Paul Lorentz
Executive Vice President
Investment and Insurance Solutions
Manulife Financial

Definitions & Key Terms

Annual Income Benefit ("Income Benefit")

The maximum amount guaranteed to be available each calendar year for withdrawals from the Contract for the life of the Annuitant, and Joint Life, if applicable, provided minimum age requirements are met and annual withdrawal maximums are not exceeded. The Income Benefit is calculated based on your chosen payout option: Single Life Payout Option or Joint Life Payout Option, the applicable Income Benefit payout percentage and the Benefit Base.

Back-end Sales Charge

Often referred to as a Deferred Sales Charge (DSC), or a redemption or surrender charge. When the Back-end Sales Charge option is chosen, a sales charge is applied to withdrawals (surrenders) that occur during a specified sales charge period.

Beneficiary

The Beneficiary is the individual(s) or organization(s) designated to receive the value of the Contract upon the death of the Annuitant or, for the Joint Life Payout Option, upon the death of the survivor of the Annuitant and Joint Life.

Benefit Base

The total of all Deposits adjusted by Income Bonuses and/or withdrawals from the Contract. It is one of the factors for calculating the Income Benefit.

Bonus Base

The amount used to calculate the Income Bonus at the end of the calendar year.

Charge-free Amount

The number of Units of the Fund that are exempt from Back-end or Low-load sales charges.

Contract

Also referred to as the policy or the plan. The Contract is the Manulife PensionBuilder Contract, which is a deferred annuity product. The Contract is governed by the applicable provincial insurance and pension legislation and the *Income Tax Act* (Canada).

Contract Date

The date the Contract is effective. The Contract becomes 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.

Contract Maturity Date

The last date on which you may own the rights under the Contract for the purpose of accumulating capital. The Contract Maturity Date is the date on which the Maturity Guarantee applies.

Death Benefit Date

The Valuation Date on which we receive sufficient written notification at our Head Office of the death of the Annuitant or, for the Joint Life Payout Option, the death of the survivor of the Annuitant and Joint Life.

Death Benefit Guarantee

The minimum amount that is payable upon the death of the Annuitant or, for the Joint Life Payout Option, upon the death of the survivor of the Annuitant and Joint Life.

Deposit

Also referred to as the Premium. The Deposit is the amount of money you pay to Manulife Financial 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 is maintained by Manulife Financial in respect of which the non-guaranteed benefits of the contract are provided and is kept separate from the general assets.

Deposit Value

The total amount of all Deposits before any applicable sales charges are deducted (gross Deposits).

Election of the Income Benefit

Occurs when you tell us you want your Income Benefit to be calculated based on the applicable Income Benefit payout percentage and becomes effective the date of the withdrawal. Requesting scheduled withdrawals results in an automatic notification that you want your Income Benefit to be calculated based on the applicable payout percentage and becomes effective the date of the first withdrawal. The Election of the Income Benefit cannot occur prior to January 1 of the year the Annuitant or the younger of the Annuitant and Joint Life, if applicable, turns 50 years old. Once the Election of the Income Benefit is made you will lock in a payout percentage which is a factor in calculating the Income Benefit and cannot be changed.

Exceed (ed), (ing) the Income Benefit

Occurs when withdrawals are made prior to the Election of the Income Benefit and/or when total withdrawals from the Contract in a calendar year exceed the Income Benefit.

For RRIF, LIF and other similar retirement income contracts, this also occurs when withdrawals from the Contract in a calendar year exceed the Income Benefit and the RRIF minimum amount.

F-class Sales Charge

When the F-class Sales Charge option is chosen you will not pay Manulife Financial any sales charges at the time of deposit or withdrawal from the Fund. Administrative fees may be payable as defined under *Section 5.1, Contract fees and charges*, for certain withdrawals. You are eligible for the F-class Sales Charge option only if you have a fee-based or wrap account with your dealer.

Front-end Sales Charge

When a Front-end Sales Charge option is chosen, a sales charge may be deducted from the amount you pay to Manulife Financial as a Deposit and is paid to your advisor. Under this option there are no sales charges payable on withdrawals.

Fundamental Investment Objectives

Those characteristics that distinguish one Segregated Fund from another on the basis of factors such as: investment fund category, country or region where the Segregated Fund primarily invests, type of capitalization (if equity), and investment grade (if fixed income).

Guaranteed Payment Phase

Occurs when the market value of the Contract reduces to zero while there is a positive Benefit Base balance.

Income Benefit Guarantee

Once the Election of the Income Benefit has occurred, the Income Benefit Guarantee provides for withdrawals from the Contract for the life of the Annuitant, and in the case of the Joint Life Payout Option, for the lives of the Annuitant and Joint Life, provided annual withdrawal maximums are not exceeded.

Income Bonus

An amount added to the Benefit Base at the end of any calendar year, if no withdrawals are made during that year from the Contract.

Joint Life

The person whose life is used in the Joint Life Payout Option calculation. The Joint Life must be the Annuitant's spouse or common-law partner as defined by the *Income Tax Act* (Canada), at the time of election of the Joint Life Payout Option.

Only one person can be named as the Joint Life and may not be changed.

Joint Life Payout Option

A guaranteed income stream based on the lives of the Annuitant and Joint Life. The Income Benefit is calculated by multiplying the Benefit Base by the applicable Income Benefit payout percentage as described in Appendix A of the Information Folder.

Locked-in Contracts

If Deposits originate from a pension plan as defined in federal or provincial pension legislation, 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.

Low-load Sales Charge

Often referred to as a Deferred Sales Charge (DSC), a redemption fee or a surrender charge. When the Low-load Sales Charge option is chosen, a sales charge is applied to withdrawals (surrenders) that occur during a specified sales charge period.

Market Value

The Market Value of the Contract is determined to be the sum of the Market Value of Units of the Fund notionally credited to the Contract.

Maturity Guarantee

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

Net Assets

The Net Assets of a Fund are determined by calculating the Market Value of its assets (its investments) and subtracting its liabilities (such as the Fund's management fees, insurance fee and operating expenses).

Net Deposits

The amount by which the total of all Deposits exceeds the total of all withdrawals, and is greater than zero at a particular time in a calendar year.

Other Similar Retirement Income Contract

A reference that includes but is not limited to LRIF, PRIF, and RLIF and any other contract type that may be introduced under pension legislation.

Policyowner

Also referred to as the "owner". 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.

Remaining Income Benefit

The Remaining Income Benefit is the difference between the Income Benefit for the calendar year and withdrawals taken from the Contract during the calendar year. It is the amount that can be withdrawn from the Contract during the remainder of the calendar year without Exceeding the Income Benefit.

Segregated Fund(s)

Also referred to as Fund(s). An aggregate of money, stocks, bonds, mutual funds and/or other types of investments maintained by an insurer in respect of which the non-guaranteed benefits of a variable insurance contract are provided.

Single Life Payout Option

A guaranteed income stream, based on the life of the Annuitant, which does not continue after the Annuitant's death. The Income Benefit is calculated by multiplying the Benefit Base by the applicable Income Benefit payout percentage as described in Appendix A of the Information Folder.

Similar Fund

For the purposes of being considered a Similar Fund, a fund must have a comparable investment objective, be in the same investment category and have the same or lower management fee and insurance fee as the Fund at the time that notice is given.

Underlying Fund

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

Unit(s)

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

Unit Value

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

Valuation Date

A Valuation Date for the Contract occurs every date on which:

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

1. The Contract

The Contract is made up of the terms of the Contract, the application form, endorsements and any written amendments. We will not be bound by any amendment to the Contract made by you or your 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 or RIF 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.

The information contained in the Fund Facts is accurate and complies with the *Individual Variable Insurance Contract Guidelines Relating to Segregated Funds* of the Canadian Life and Health Insurance Association Inc. (CLHIA) and The Autorité des marchés financiers (AMF) as of the date prepared. The following information contained in the Fund Facts forms part of the Contract:

- Name of the Contract and Fund name
- Management Expense Ratios
- Risk disclosure
- Fees and expenses
- Right of rescission

If there is an error in the Fund Facts information outlined above, we will use reasonable measures to correct the error but you will not be entitled to specific performance under 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.

Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the Insurance Act or other applicable legislation.

2. General overview

2.1 Currency

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

2.2 Ownership

You may exercise rights as the Policyowner 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.

2.3 Annuitant

The Annuitant is the measuring life; the individual on whose life the Maturity Guarantee and Death Benefit Guarantee are based. The Annuitant can be you, as the Policyowner, or an individual you designate.

2.4 Beneficiary

You may designate a Beneficiary or Beneficiaries to receive any amounts payable under this Contract upon the Annuitant's death or, for the Joint Life Payout Option upon the death of the survivor of the Annuitant and Joint Life. So far as the law allows, you may change or revoke the Beneficiary designation. If the designation is irrevocable, you will not be permitted to change or revoke it without the Beneficiary's consent, unless otherwise permitted by law. Any designation of a Beneficiary or any change or revocation of a designation, 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 designation, change or revocation which 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 designation or change or revocation. If there is no surviving Beneficiary at the time of the death of the Annuitant or, for the Joint Life Payout Option, at the time of the death of the survivor of the Annuitant and Joint Life, 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.

2.5 Successor owner

If you are not the Annuitant, or if you are the Annuitant and a Joint Life has been named, you may appoint one or more successor owners for non-registered Contracts. Then in the event of your death, ownership of the rights under the Contract is transferred to

your successor owner and no death benefit is payable. The successor owner's rights may be restricted if a Beneficiary has been appointed irrevocably or if the Contract has been assigned or hypothecated as collateral security. In the Province of Quebec, the term "successor owner" refers instead to a subrogated policyholder.

2.6 Protection against creditors

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

2.7 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 the electronic form, to us. 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.

2.8 Administrative rules

In the Contract, we refer to current administrative rules. We change our 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). Unless otherwise stated, in the Contract current administrative rules refers to the administrative rules in place at the time of the applicable transaction. Administrative rules, which may be in addition to rules that would otherwise apply under the Contract, may apply to transaction requests communicated to us under different service initiatives.

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

3. Deposit provisions

3.1 Deposits

You may make a Deposit to this Contract while this Contract remains in force, subject to the terms of this Contract, the Information Folder and our administrative rules in effect at the time you make the Deposit. There are maximum age restrictions for Deposits as described in the Key Facts. Restrictions may apply based on the Annuitant's age (or older of the Annuitant and Joint Life's age, if applicable). We consider a Deposit to be made on the applicable Valuation Date based upon when we receive it. Please refer to *Section 7.3, Valuation Date of requests*, for more information.

You may request allocation of your Deposit, after deductions are made, to purchase Units of the Fund then available. You must state in writing the amount of your Deposit to be allocated to which sales charge option.

The number of Units purchased will be equal to the Deposit, less any deductions, divided by the value of a Unit in the Fund on the applicable Valuation Date.

The value of a Unit in a Segregated Fund is not guaranteed, but fluctuates with the investment performance of the assets of the Segregated Fund. Please refer to *Section 7.2, Units allocated to the Fund*, for more information.

We have the right to refuse to accept any Deposit and to establish maximum and minimum Deposit amounts from time to time. Maximum and minimum Deposit requirement amounts are subject to our administrative rules. If we waive the minimum Deposit requirement, we reserve the right to place restrictions on the Contract if the minimum requirement is not subsequently met. These rights will not be affected by the fact that we may have waived these rights at any time previously. These rights will apply at any time, however you will be provided with advance written notice. We have the right to refund any Deposit.

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

We have the right to request proof of age, sex, survival or marital status of any person upon whose age, sex, survival or marital status any payment depends. If this information has been misstated, we reserve the right to recalculate the benefits to equal those that would have been provided for the person's correct age, sex, survival or marital status.

You may have rescission rights under this Contract as described in *Section 9, Rescission*.

3.2 Fund availability

At any time, we reserve the right to designate that the Fund will no longer be available for new Deposits, or we may close the Fund completely.

If we close the Fund completely, we will give you sufficient advance written notice of our intent in accordance with legislative requirements. Please refer to *Section 8.4, Fundamental changes*, for more information. We may redeem the Units to the Contract's credit in the Fund and allocate the value of these Units to purchase Units in a Similar Fund. Our written notice to you will specify the Similar 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.

We reserve the right to add, close and/or split Funds, and to change a Fund manager of the Funds at our discretion, subject to notification requirements, if applicable.

If we make a fundamental change, you will be given the opportunity in certain circumstances to fund switch or withdraw units of the Fund without incurring charges. Please refer to *Section 8.4, Fundamental changes*, for more information.

We also reserve the right to merge the Fund in accordance with applicable requirements.

3.3 Sales charges

If you request that we allocate a Deposit to purchase Units with a Front-end Sales Charge option, your Deposit may be reduced by a sales charge.

We reserve the right to refuse Deposits to the Fund under certain sales charge options if it does not meet the minimum Deposit amount applicable to that sales charge option. We also reserve the right to move Deposits between different variations of the same sales charge options of the Fund if the Market Value of the Fund falls below the minimum amount applicable to that sales charge option of the Fund.

If you request that we allocate a Deposit to purchase Units with a Back-end or Low-load Sales Charge option, your Deposit will not be reduced by any sales charges at the time of the Deposit. The Back-end or Low-load Sales Charge, if applicable, is determined at the time of withdrawal, as described in *Section 4.5, Deferred sales charges*.

If you request that we allocate a Deposit to purchase Units with a F-class Sales Charge option and we are notified that you are no longer eligible for F-class option Funds, we reserve the right to move the Deposits in this Sales Charge Option to the Front-end Sales Charge option, in accordance with our administrative rules in place at the time.

4. Withdrawal provisions

4.1 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 Units to the Contract's credit, according to our current administrative rules. The Death Benefit and Maturity Guarantees will be proportionally reduced by any withdrawals.

Withdrawals that Exceed the Income Benefit or that are taken prior to the Election of the Income Benefit will reduce the Benefit Base proportionally. We may provide service initiatives from time to time to assist you in managing withdrawals and to avoid the potential negative impact of exceeding withdrawal thresholds.

The Valuation Date of the request for a withdrawal is described in *Section 7.3, Valuation Date of requests*. The number of Units redeemed from the Fund will be equal to the amount withdrawn from the Fund divided by the value of a Unit in the Fund on the applicable Valuation Date.

A withdrawal may result in a loss or a gain since it creates a taxable disposition to the owner of the Contract. If the value of the Fund on the date of any withdrawal is not sufficient to permit us to make the requested withdrawal, we will make the withdrawal in accordance with our current administrative rules.

If you request that we redeem all the Units to the Contract's credit and the Benefit Base reduces to zero, then *Section 10.1 Cancellation of this Contract*, applies. If you request that we redeem all the Units to the Contract's credit and the Benefit Base remains greater than zero, the Contract enters the Guaranteed Payment Phase.

4.2 Scheduled payments

Scheduled payments, commonly referred to as Scheduled Withdrawal Payments (SWPs), may be required under a RRIF, LIF or other similar retirement income contract, and may be taken from non-registered Contracts. Scheduled payments are not available from RRSP, RLSP and LIRA Contracts.

The payment amount you elect to receive will be allocated from the Fund, as requested by you. However, if you do not clearly specify the payment allocation, or if we are unable to comply with the payment allocation direction in effect on a payment date, we will determine the payment allocation according to our current administrative rules.

The scheduled payment frequencies available are monthly, quarterly, semi-annually and annually. The scheduled payment option, payment allocation instructions and the payment frequency you select will remain in effect until you file a written request with us to change it. Any changes will affect future payments only. There may be restrictions and charges applicable to any changes you request, according to our current administrative rules and fees.

A sales charge will apply if you request that we redeem Units with a Back-end or Low-load Sales Charge option prior to the end of the specified period, after the date of the original Deposit allocated to purchase the Units being redeemed. Please refer to the table in *Section 6.2* of the Information Folder for more information. However, this charge will be waived for scheduled payments and unscheduled withdrawals that are received, up to the Charge-free amount for a calendar year, as described in *Section 4.6, Back-end and Low-load Sales Charge options – charge-free withdrawals*.

To ensure the payment is made to you on the date you specify, we may use a Valuation Date prior to the payment date. We will deposit the scheduled payment directly into the bank account we have on record for you. If the date specified is on a weekend or an ineligible day for making a bank deposit, we will use an eligible day for making a bank deposit prior to the day you have specified.

4.3 Scheduled payment options for all Contract types

The following scheduled payment options are available for all contract types as detailed in *Section 3.1.8* of the Information Folder:

- Income Benefit Amount
- Level Amount

4.4 Scheduled payment options for RRIF, LIF, or other similar retirement income contract

Scheduled payments are required to be made under a RRIF, LIF, or other similar retirement income contract that may become available. In the absence of instructions to the contrary, you will be deemed to have elected the RRIF minimum amount.

In addition to the Income Benefit Amount and Level Amount payment options, the following scheduled payment options are available as detailed in *Section 3.1.8* of the Information Folder:

- **RRIF Minimum Amount** – If the Income Benefit is calculated to be less than the RRIF minimum you will be eligible to withdraw the RRIF minimum from the Contract, without Exceeding the Income Benefit. We reserve the right to restrict the use of the spouse's age in calculating the allowances made for the RRIF minimum amount.
- **LIF/LRIF/RLIF Maximum Amount** – If the Income Benefit is higher than the LIF/LRIF/RLIF maximum, and you have selected the Income Benefit as your payment option, you may choose to withdraw an amount up to the Income Benefit. In this situation your payment may be considered a life annuity payment.

Year-end payment

If the total of the scheduled payments and unscheduled withdrawals made during a calendar year, including any tax withheld, is less than the RRIF minimum amount, we will make a payment to you at the end of the year to meet the legislated minimum payment for that calendar year. The year-end payment will be allocated from the Fund in accordance with the payment allocation instructions we have on file for you or, if we are unable to comply, we will determine the payment allocation according to our current administrative rules.

Tax withholding options

There are tax implications that will vary depending on the payment amount you specify. Under the *Income Tax Act* (Canada), we are required to withhold tax from payments that exceed the RRIF minimum amount. We will withhold tax according to the basis you select on the application, unless you file a written request with us to change it. The following scheduled payment tax withholding options are available:

- **Levelized minimum** – If you elect to receive scheduled payments that will exceed the RRIF minimum amount in a calendar year, we will withhold tax at the government prescribed rate and apply it evenly to all scheduled payments for that year.
- **Client-specified** – We will withhold tax at a rate specified by you and apply it evenly to all scheduled payments. The withholding tax is subject to the minimum withholding tax determined by the government prescribed rate. For unscheduled withdrawals, withholding tax will be at the client-specified rate unless we are required to withhold a higher amount.

4.5 Deferred sales charges

A deferred sales charge will apply to Units purchased with a Back-end or Low-load Sales Charge option if Units are redeemed prior to the end of the specified period, after the date of the Deposit allocated to purchase the Units being redeemed.

The charge will be calculated as a percentage of the Deposit Value of the Units being redeemed.

Please refer to the table shown in *Section 6.2* of the Information Folder. For the purposes of sales charges, years will always be measured from the actual date of a Deposit to a Back-end or Low-load Sales Charge option Fund. This means that sales charges will apply to the earliest Deposits first to Back-end and Low-load Sales Charge options. Funds with a Back-end Sales Charge have a longer sales charge period than Funds with a Low-load Sales Charge.

4.6 Back-end and Low-load Sales Charge options – charge-free withdrawals

There are no sales charges for withdrawals from the Contract for a calendar year from Funds with a Back-end or Low-load Sales Charge option, up to the charge-free withdrawal amount. The charge-free withdrawal amount in a given calendar year is:

- 10% of the Units allocated to each Back-end or Low-load Sales Charge option Fund as of December 31 of the prior calendar year, plus,
- 10% of the Units purchased (less Units withdrawn) in the current year, for Back-end or Low-load Sales Charge option Funds.

If you are the owner of a RRIF, LIF or other similar retirement income contract, including externally registered retirement income Contracts, the charge-free withdrawal amount is calculated using 20% of Units, rather than 10%. When calculating the sales charge-free withdrawal amount, only Units of a Fund that have outstanding sales charges will be included.

Any unused portion of the charge-free withdrawal amount as defined above cannot be carried forward from one year to the next if you do not exercise this option. For purposes of redemption fees, the age of a Deposit will always be from the date of the original Deposit to the Contract, regardless of any Fund switches that have taken place thereafter.

4.7 Minimum value of the Contract

If the Market Value of the Contract and Benefit Base are less than the minimum balance according to our current administrative rules, we reserve the right to redeem all the Units to the Contract's credit. In this case, the Market Value of the Contract, less any sales charges, 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.

5. Fees and charges

5.1 Contract fees and charges

Sales charges

The amount of sales charges is determined by the sales charge option associated with the Fund into which you allocate a Deposit. There are no sales charges applicable to a Deposit made as the result of a guarantee top-up or payment made during the Guaranteed Payment Phase. Please refer to *Section 3.3, Sales charges* and *Section 4.5, Deferred sales charges*, for more information. There is no duplication of sales charges when the assets of the Fund are invested in Units of an Underlying Fund. We reserve the right to offer a separate sales charge option(s) with access reserved for Contracts which meet our administrative rules in place at the time. Contracts within this (these) separate sales charge option(s) which no longer meet our administrative rules will be transferred to the similar sales charge option without the restrictions.

You may not switch units between sales charge options unless allowed under our current administrative rules.

Administrative fees and recovery of expenses

We reserve the right to charge an administrative fee of 2% of the Market Value of the Units if you make a withdrawal within 365 days of a deposit to the Fund. This fee will not apply to scheduled withdrawal payments or unscheduled withdrawals up to the Income Benefit once the Election of the Income Benefit has occurred. This fee will apply to all sales charge options and are in addition to any sales charges or other fees that may apply.

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 of the Fund, any expenses or trading losses incurred by us due to errors on your part, including but not limited to cheques returned for non-sufficient funds or incorrect or incomplete instructions. Any charges passed on to you will be commensurate with any expenses or losses incurred by us.

The rights outlined in this section will not be affected by the fact that we may have waived these rights at any time previously.

5.2 Small policy fee

We reserve the right to charge an annual fee of up to \$100 to Contracts with a Benefit Base balance at the end of the calendar year (December 31) below the initial Deposit minimum listed in the Key Facts. The fee is paid to Manulife Financial through a withdrawal of Fund Units. Calculation of the fee takes place annually on December 31 and is collected from the Contract on the first business day of the following calendar year for which the fee is applicable.

During the Guaranteed Payment Phase, no fee is charged.

The fee is not currently subject to Goods and Services Tax (GST) or Harmonized Sales Tax (HST), where applicable.

Withdrawals to pay for the fee will not establish the Income Benefit or reduce the Maturity or Death Benefit Guarantees. There will be no reduction in the Benefit Base or impact to Income Bonus eligibility.

5.3 Fund fees

Management Expense Ratio (MER)

The Management Expense Ratio (MER) includes all fees and expenses paid or payable by the Fund, including management fees, insurance fees and other recoverable operating expenses to which the Fund is subject. The MER includes the MER of any underlying fund and any fees or sales charges associated with that underlying fund. There is no duplication of fees or sales charges for the same service. The operating expenses of the Fund may include operating and administrative costs, legal fees and audit fees. The MER for the Fund is subject to change without prior notification unless the increase is due to an increase in the management fee or insurance fee as referred to in the paragraphs below.

Under current legislation, taxes may apply to the MER.

Management fees

The management fees and other expenses are all charges related to the investment and administration of the Fund. Management fees are stated as an annualized percentage of the daily Market Value of the Net Assets of the Fund.

At the end of each Valuation Date, we calculate and accrue our fee for the management of the Fund. It is equal to the Market Value of the assets in the Fund on the Valuation Date, multiplied by the management fee adjusted to a daily factor of the annualized percentage stated above.

We have the right to change the management fee applicable to the Fund by giving you sufficient advanced written notice in accordance with legislative requirements. In certain circumstances, you may have the ability to request that we withdraw Units of the Fund without any charges. Please see *Section 8.4, Fundamental changes* for more information.

Under current legislation, taxes may apply to management fees.

Insurance fee

The insurance fee of the Fund is paid to Manulife Financial for providing the Income Benefit, Maturity and Death Benefit Guarantees under the Contract.

We have the right to increase the insurance fee by up to the insurance fee limit without prior notification. Any increase in the insurance fee will be communicated to you in your annual statement. We may increase the insurance fee limit, in accordance with *Section 8.4, Fundamental changes*, by providing you with at least 60 days advance written notice.

6. Terms of the guarantees

For the purpose of this Contract, "guarantee" shall mean the amount we guarantee to return to you on specified dates in accordance with your Contract. The Contract provides for Income Benefit, Maturity and Death Benefit Guarantees.

6.1 Income Benefit Guarantees

Once the Election of the Income Benefit has occurred, the Income Benefit Guarantee provides for withdrawals from the Contract for the life of the Annuitant, and in the case of the Joint Life Payout Option, for the lives of the Annuitant and Joint Life, provided annual withdrawal maximums are not exceeded.

Benefit Base

The Benefit Base, the applicable Income Benefit payout percentage and your choice of payout option are used to determine the amount available for periodic withdrawal each calendar year. We refer to this amount as the Income Benefit.

The initial Benefit Base is equal to the initial Deposit to the Contract. Subsequent Deposits and withdrawals (either Exceeding the Income Benefit or prior to the Election of the Income Benefit) will affect the Benefit Base.

Annual Income Benefit (Income Benefit)

The guaranteed income stream is the Income Benefit. Once elected this is the maximum amount guaranteed to be available each calendar year for withdrawals from the Contract for the life of the Annuitant, and when applicable, Joint Life, provided minimum age requirements are met and annual withdrawal maximums are not exceeded.

Once elected, the Income Benefit will be recalculated at least annually on December 31 and applicable to the next calendar year.

The Income Benefit is offered under two payout options;

- Single Life Payout Option or
- Joint Life Payout Option.

At the time of initial deposit to the Contract you must choose your payout option as either the Single Life Payout Option or the Joint Life Payout Option. You can not change your payout option unless allowed by our current administrative rules.

6.1.1 Payout options

Single Life Payout Option

The Single Life Payout Option is a guaranteed income stream based on the life of the Annuitant and is not eligible to continue after the Annuitant's death. The Income Benefit rate for this option is determined by the applicable Income Benefit payout percentage, as described in Appendix A of the Information Folder, based on the age of the Annuitant as of December 31 of the year of the Election of the Income Benefit.

The Election of the Income Benefit cannot occur prior to January 1 of the year the Annuitant attains the youngest age for lifetime income. Once the Election of the Income Benefit is made, you will lock in a payout percentage which is a factor in calculating the Income Benefit and cannot be changed.

Joint Life Payout Option

The Joint Life Payout Option is a guaranteed income stream based on the lives of both the Annuitant and a Joint Life, which must be the spouse or common-law partner of the Annuitant. The Income Benefit rate for this option is determined by the applicable Income Benefit payout percentage, as described in Appendix A of the Information Folder, based on the age of the younger of the Annuitant and Joint Life as of December 31 of the year of the Election of the Income Benefit.

The Election of the Income Benefit cannot occur prior to January 1 of the year the younger of the Annuitant and Joint Life attains the youngest age for lifetime income. Once the Election of the Income Benefit is made, you will lock in a payout percentage which is a factor in calculating the Income Benefit and cannot be changed.

Non-registered and RRIF Contracts

The elected Income Benefit, if applicable, under the Joint Life Payout Option will continue to be available to the survivor of the Annuitant or Joint Life upon the death of the Annuitant or Joint Life. A subsequent person may not be designated as the Joint Life after the death of the Annuitant or Joint Life.

If the owner is the Annuitant or Joint Life, the surviving spouse or common-law partner is considered the successor owner unless otherwise designated.

RRSP Contracts

Under the Joint Life Payout Option, the Owner must name the spouse or common-law partner as the Joint Life, and sole Beneficiary. If the Contract is still registered as an RRSP upon the death of the Annuitant, the Joint Life will have the option to receive the death benefit for the Contract, or continue the guaranteed income and contractual benefits in a new RRSP (or RRIF) Contract in his/her name (at the same Joint Life Payout Option rate).

6.1.2 Effect of Deposits

At the time of allocation of Deposits to the Contract, the Benefit Base increases by 100% of the Deposit Value. The Benefit Base is increased immediately for all subsequent Net Deposits.

6.1.3 Effect of withdrawals

Withdrawals in any year following the first allocation of a Deposit to the Contract could impact qualification for Income Bonuses. When withdrawals from the Contract in any calendar year are taken prior to the Election of the Income Benefit, exceed the current Income Benefit, or in some cases, where they exceed the RRIF minimum, the Benefit Base and Bonus Base will be reduced proportionally.

6.1.4 Income Bonuses

An Income Bonus will be applied during each year following the initial Deposit to the Contract, provided there are no withdrawals from the Contract during that calendar year. The amount of the Income Bonus is a set percentage as stipulated in Appendix A of the Information Folder.

We may increase the amount of bonuses, at our discretion, that would increase your Benefit Base. As this would provide an additional benefit to you, we may not provide notification to you, as the benefit will be automatically applied.

The Bonus Base initially equals the initial Benefit Base and increases immediately by the amount of all subsequent Net Deposits to the Contract.

Income Bonuses are credited to the Benefit Base on December 31.

RRIF, LIF and other similar retirement income Contracts are not eligible for an Income Bonus in any calendar year in which a RRIF minimum amount must be withdrawn.

6.1.5 Guaranteed Payment Phase

When the Market Value of the Contract reduces to \$0 but the Benefit Base is greater than \$0, the Contract enters the Guaranteed Payment Phase.

Election of the Income Benefit will occur automatically when first eligible, if not previously elected, and the Income Benefit Guarantee will continue to provide for payments each year. Payments can be taken through the Income Benefit for the life of the Annuitant, and Joint Life, if applicable, if the Income Benefit is greater than \$0.

No further Deposits may be made to the Contract. Maturity and Death Benefit Guarantees will no longer apply. The Income Benefit will continue annual recalculations based on existing rules. No fee for maintaining a Contract below the initial Deposit minimum will be payable during the Guaranteed Payment Phase.

6.2 Maturity Guarantee

The Maturity Guarantee is 75% of the Deposit Value on the Contract Maturity Date. It will increase by 75% of the Deposit Value of all subsequent Deposits and decrease proportionally for withdrawals. On the Contract Maturity Date, the maturity amount payable for the Contract is the greater of the Market Value of the Contract and the Maturity Guarantee. If necessary, we will increase the Market Value to equal the Maturity Guarantee by depositing the difference to the Fund. We refer to this increase as a "top-up".

For non-registered, RRIF, LRIF, PRIF and some LIF Contracts, the Contract Maturity Date is December 31 of the year in which the Annuitant reaches age 100. However, prior to reaching your Contract Maturity Date, you will have the option to extend the Contract Maturity Date to allow for the continuation of contractual benefits. LIF contracts under certain pension jurisdictions have a Contract Maturity Date of December 31 of the year in which the Annuitant reaches age 80. For RRSP, RLSP and LIRA Contracts, the Contract Maturity Date will be the latest maturity date specified under the *Income Tax Act* (Canada). However, unless we have been notified of another Contract maturity settlement option prior to the RRSP, RLSP or LIRA Contract Maturity Date, the Contract will be amended to become a RRIF, LIF, LRIF, PRIF or other similar retirement income product on this date, subject to applicable legislative requirements. Please refer to *Section 10.2.1, Automatic RRSP to RRIF, LIF, LRIF, PRIF or other similar retirement income product provisions*, for more information. The Contract Maturity Date used for calculating the Maturity Guarantee for RRSP's that have converted to a RRIF at age 71, (or latest age to own under the *Income Tax Act* (Canada)), is December 31 of the year in which the Annuitant turns age 100, subject to pension legislation.

Prior to reaching your Contract Maturity Date, you may have the option to extend the Contract Maturity Date, subject to legislative restrictions and our current administrative rules.

6.3 Death Benefit Date

At the time of the Annuitant's death or, for the Joint Life Payout Option the death of the survivor of the Annuitant and Joint Life, and if we receive sufficient written notice of death at our Head Office while this Contract is in force, the death benefit will be payable under this Contract.

On the Death Benefit Date, the Contract is frozen and no additional transactions are permitted, unless the transaction was initiated prior to the Death Benefit Date and meets Contract and administrative requirements

No Back-end or Low-load Sales Charges apply to a death benefit. Please refer to *Section 8.2, Valuation Date*, for more information. Notification requirements are detailed in our current administrative rules.

6.4 Death Benefit Guarantee

The Death Benefit Guarantee is 75% of the Deposit Value on the Death Benefit Date. It will increase by 75% of the Deposit Value of all subsequent Deposits and decrease proportionally for withdrawals.

The Death Benefit Guarantee will be adjusted for any transactions made after the Death Benefit Date. Any returned scheduled payments made after the death of the Annuitant or, for the Joint Life Payout Option the death of the survivor of the Annuitant and Joint Life, will be used to purchase Units of the Fund.

Payment of the Death Benefit will discharge our obligations under this Contract. For example, on the Death Benefit Date the Benefit Base will be reduced to zero, the Income Benefit will be reduced to zero and no further payments will be made under the Income Benefit Guarantee.

6.5 The Death Benefit

Upon our receipt of all required documentation of the death of the Annuitant, or for the Joint Life Payout Option the death of the survivor of the Annuitant and Joint Life, and of the claimant's right to the proceeds, the death benefit will be payable to the Beneficiaries. No Back-end or Low-load Sales Charges apply to the death benefit. In some situations, upon your death or the death of the Annuitant or Joint Life, if applicable, the Contract may continue. If the Contract continues, no death benefit is payable and no guarantee top-up applies. Please see *Section 2.5, Successor owner* and *Section 6.1.1, Payout Options*, for more information.

On the Death Benefit Date, the death benefit payable for the Contract is the greater of the Market Value and the Death Benefit Guarantee. If necessary, we will increase the Market Value to equal the Death Benefit Guarantee by depositing the difference to the Fund. We refer to this increase as a "top-up".

Subject to legislation or other restrictions imposed on the Contract, the death benefit may be taken in cash or may be applied under one of the optional methods of settlement we are then offering for that purpose.

6.6 Effect of withdrawals

The Maturity and Death Benefit Guarantees applicable will decrease proportionally for any withdrawals.

A proportional reduction to the Maturity and Death Benefit Guarantees will be calculated using the formula $G \times W/MV$, where:

G = the guarantee applicable to the Contract prior to withdrawal

W = the Market Value of the Units being withdrawn from the Contract

MV = the total Market Value of the Units applicable to the Contract prior to withdrawal.

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 value of the Units of the Fund at the close of business on the previous Valuation Date, plus
- 2) any Deposit we have received, less any deductions, which has not yet purchased Units of the Fund. The value of a Unit allocated to the Fund on any date will be equal to the value of a Unit in the Fund on the applicable Valuation Date. Please refer to *Section 8.2, Valuation Date*, for more information.

7.2 Units allocated to the Fund

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

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

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

7.3 Valuation Date of requests

You may request that we purchase or redeem Units pursuant to the terms of this Contract, by providing us with the complete information we require. Valuation Dates are considered to end at the Valuation Date cut-off time, as determined by us. Any instructions or transactions received by our Head Office after the Valuation Date cut-off time will be considered to be received as of the next Valuation Date.

We reserve 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 the Fund may be postponed due to national emergencies, security exchange restrictions or where it is not reasonably practical to provide values for the Fund. For more information, please refer to your Information Folder.

To ensure you receive scheduled payments on time, the Valuation Date for scheduled withdrawals will be several days in advance of the payment date.

8. Operation of the Segregated Fund

8.1 Fund

In this Contract, "Manager" refers to the person(s) who determines the Market Value of the Units of any Underlying Fund that are held.

8.2 Valuation Date

On a Valuation Date, we value the Fund to determine the Market Value of the assets and, therefore, the value of a Unit in the Fund. We will value the Fund on every Valuation Date. However, we may postpone valuation of the Fund:

- 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,
- 3) when there is an emergency during which it is not reasonably practical for us to dispose of investments owned by the Fund, or to acquire investments on behalf of the Fund, or to determine the total Value of the Fund, or
- 4) when the Manager of any Underlying Fund does not provide us with the Unit Value on a Valuation Date. The Fund will be valued at least monthly irrespective of any postponement.

8.3 Net asset value of a Unit

The value of a Unit in the 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 ("Unit Value").

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. Please refer to *Section 6, Terms of the guarantees*, for more information.

8.4 Fundamental changes

We will notify you in writing at least 60 days before making any of the following fundamental changes:

- An increase in the management fee of the Fund,
- An increase to the insurance fee limit of the Fund,
- A change in the Fundamental Investment Objectives of the Fund, or
- A decrease in the frequency with which Units of the Fund are valued.

A fund closure will be treated as a fundamental change. In the event of a fundamental change to the Contract and/or the Fund, you will be given the opportunity in certain circumstances to switch to Units of Similar Fund or withdraw Units of the Fund(s) without incurring charges. A fundamental change will occur in the event of the Fund(s) being closed. Fund closures will be subject to similar notice provisions and rights. We will provide you with the withdrawal options and/or opportunities to Fund switch to a Similar Fund at least 60 days prior to the effective date of the fundamental change. If we do not offer a Similar Fund, you may request in writing to withdraw Units of the Fund without incurring charges. 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 insurance fee as the original Fund.

We reserve the right to make fundamental changes from time to time, subject to compliance with the provisions noted above. We also reserve the right to change underlying funds. If such a change is a fundamental change, you will have the rights described in the section above. Changing an underlying fund to another substantially similar underlying fund will not constitute a fundamental change provided immediately following the change the total management fee and insurance fee of the Fund is the same as, or lower than, its total management and insurance fee immediately before the change. A substantially similar underlying fund is one that has a comparable Fundamental Investment Objective, is in the same fund investment category and has the same or lower management fee, and insurance fee, if applicable, as the original underlying Fund. We will (a) notify you, our regulators and the CLHIA at least 60 days in advance of the change (unless such notice is not practical in the circumstances, in which event we will provide notice as soon as possible as reasonably practical), and (b) amend or re-file the Fund Facts to reflect the change. The foregoing may be superseded by any regulatory developments governing changes to segregated funds.

9. Rescission

9.1 Right of Rescission

You may rescind the purchase of this Contract, and any allocation of your initial Deposit, by sending written notice to us within two business days of the earlier of the date you receive the confirmation of your first Deposit or five days after it is mailed. You will be refunded the lesser of the amount of your Deposit and the Market Value of your Deposit on the date we receive your request to rescind. We will refund any fees or charges applicable to the Deposit. The effective date for your request and the applicable Valuation Date are described in *Section 7.3, Valuation Date of requests*.

You may rescind a subsequent Deposit by sending written notice to us within two business days of the earlier of the date you receive the confirmation of your transaction or five days after it is mailed. Your right of rescission will only apply in respect to the subsequent Deposit and will not rescind the purchase of the Contract or any other Deposit. For subsequent Deposits you will be refunded the lesser of the amount of your Deposit and the Market Value of your Deposit on the date we receive your request to rescind. We will refund any fees or charges applicable to the Deposit. The effective date for your request and the applicable Valuation Date are described in *Section 7.3, Valuation Date of requests*.

10. Termination

10.1 Cancellation of this Contract

You may effect the cancellation of this Contract at any time by requesting in writing that we withdraw all of the Units to the credit of the Contract, provided that the withdrawal also reduces the Benefit Base, if any, to \$0 and the Income Benefit to \$0. Cancellation of this Contract is subject to our current administrative rules and fees. If this Contract is cancelled within 365 days of a Deposit, it may be subject to an administrative fee of 2% of the Market Value in addition to any Back-end or Low-load Sales Charges that may apply.

The effective date of your request for cancellation and the applicable Valuation Date are described in *Section 7.3, Valuation Date of requests*.

If you request that we withdraw all of the Units to the Contract's credit and the Benefit Base, if any, is greater than \$0 following the withdrawal, the Contract will remain in effect in accordance with the terms of the Guaranteed Payment Phase.

Settlement Options

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

- a) you may choose to apply the Market Value of the Contract, less any sales charges, 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 sales charges and applicable taxes, in cash (subject to applicable legislation), or
- c) you may elect another method of settlement which we are then offering.

We reserve the right to close the Fund available to receive Deposits in the Contract upon advance written notice. Please refer to section 8.4 Fundamental Changes for more information. Closure of the Fund will be treated as a fundamental change. 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, we reserve the right to transfer the Market Value of the Contract to a new or existing Segregated Fund product on the Contract closing date. In this event, all values and guarantees in effect on the Contract closing date will continue in any new Contract. The accrued benefits and guarantees will not be impacted by the change.

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

If the Contract is in force on the Contract Maturity Date and we have not been notified of your Settlement Option selection, and *Section 10.2.1, Automatic RRSP to RRIF, LIF, LRIF, PRIF or other similar retirement income product provisions*, does not apply to you, then *Section 10.3, Default Annuity* will apply.

10.2 RRSP to RRIF, LIF or other similar retirement income product provisions

If the Contract is registered, you have the right to request that it be amended to become a RRIF, LIF or other similar retirement income product as set out in this section, subject to applicable legislation and minimum balance requirements.

To exercise this privilege, you must send us a written request and any administrative forms we require at our Head Office. For the purposes of this section, "RRIF" refers to a Registered Retirement Income Fund (or LIF or other similar retirement income contract, as applicable).

The value of a Unit in the Fund on the Valuation Date of the request will be equal to the value of a Unit in the Fund on the applicable Valuation Date. The value of the Units in the 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 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, and b) all other terms of the Contract will continue in effect, including, without limitation, the Income Benefit, Maturity Guarantee(s), and Death Benefit Guarantee(s). The RRIF amendment process will be subject to our current administrative rules. The Valuation Date of the transfer request will normally be the date on which we receive your written request at our Head Office. Please refer to *Section 7.3, Valuation Date of requests*, for more information. 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. Please refer to *Section 7.3, Valuation Date of requests*, and *Section 8.2, Valuation Date*, for more details. You will not be permitted to exercise this RRIF amendment privilege at any time during which it is not allowed under the terms of the *Income Tax Act* (Canada), or any other applicable 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. Please refer to *Section 6.5, The Death Benefit*, for more information.

10.2.1 Automatic RRSP to RRIF, LIF or other similar retirement income product provisions

If an RRSP, RLSP or LIRA Contract is in force on the Contract Maturity Date, we will automatically amend the Contract to be a RRIF, LIF or other similar retirement income product, subject to applicable legislation. For the purposes of this section, "RRIF" refers to a Registered Retirement Income Fund (or LIF or other similar retirement income contract, as 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 Contract Maturity Date. *Section 10.2, RRSP to RRIF, LIF 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. Please refer to *Section 8.2, Valuation Date*, for more information. 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 Segregated 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) In December of each calendar year, we will pay you an income amount equal to the RRIF minimum amount applicable to that year.
- c) We will surrender Units credited to the Contract in one or more of our Funds in accordance with the provisions of the RRIF Contract, in order to pay each income amount in b). We will determine the Fund(s) to effect the RRIF minimum amount in accordance with our current administrative rules.
- d) The Beneficiary designation in effect under this Contract on the automatic amendment date will continue to be in effect.

10.3 Default Annuity

Non-registered Contract provision: If your non-registered Contract is in force on December 31 of the year in which the Annuitant reaches age 100, has a Market Value available, you have not previously elected one of the Settlement Options described in *Section 10.1, Cancellation of this Contract*, and you have not elected to extend the contract maturity past this date, the Contract will be amended to provide a single life annuity with payments guaranteed for 10 years with you as the owner, subject to our current administrative rules and any applicable legislation. Detailed provisions of the annuity payout Contract will be provided to you at that time.

RRSP/RLSP/LIRA Contract provision: If your RRSP, RLSP or LIRA is in force and you have attained the latest age in which you may hold the Contract as specified under the *Income Tax Act (Canada)*, and you have not previously elected one of the Settlement Options described in *Section 10.1, Cancellation of this Contract*, or *Section 10.2, RRSP to RRIF, LIF or other similar retirement income product provision*, then *Section 10.2.1, Automatic RRSP to RRIF, LIF or other similar retirement income product provisions* will apply.

If you have notified us in writing that *Section 10.2.1, Automatic RRIF, LIF or other similar retirement income product provisions*, should not be applied to your registered Contract, then the Contract will provide a single life annuity with payments guaranteed for 10 years with you as owner, subject to our current administrative rules and applicable legislation. Detailed provisions of the annuity payout Contract will be provided to you at that time.

RRIF, LIF, LRIF, PRIF or RLIF Contract provision: If your RRIF, LIF or other similar retirement income contract is in force and you have attained the latest age in which you may hold the Contract, you have not previously elected one of the Settlement Options described in *Section 10.1, Cancellation of this Contract*, and you have not elected to extend the contract maturity past this date then the Contract will provide a single life annuity with payments guaranteed for 10 years with you as owner, subject to our current administrative rules and applicable legislation. Detailed provisions of the annuity payout Contract will be provided to you at that time.

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

Terms of the Default Annuity

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

- The annuity will be a single life or term certain annuity based on the Annuitant's life,
- The annuity will provide annual income payments. The payments will be guaranteed for the Annuitant's 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,
- The date of the first income payment will be such that a full year's worth of income payments is scheduled to be made in the calendar year following the year in which the Default Annuity provision applies, and
- If the Annuitant dies after income payments commence, 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.

For Contracts issued in Quebec, the following annuity table specifies what the annuity payment will be per \$10,000 of Contract value:

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

*This table reflects the minimum amount of the annuity. If annuity rates are higher at the time of annuitization, the annual rates will be higher.

11. Additional Registered Retirement Savings Plan provisions

The following provisions apply to the Contract if you requested the Contract be registered as a Retirement Savings Plan (RRSP) under the *Income Tax Act* (Canada) ("The Act"):

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 is 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 Savings Plans.
 - a) The Contract will be registered as an RRSP under *The Act* and any applicable provincial income tax legislation.
 - b) No "advantage" as defined under subsection 207.01(1) of *The Act* 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.
 - c) 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 a 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,
 - 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 income payment must 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 Retirement Savings Plan matures in accordance with *The Act*.
 - e) If you die after income payments commence, and the Beneficiary is not your spouse or common-law partner, 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.
 - f) The income payments may not be assigned in whole or in part.
 - g) During your lifetime, all 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 carrier.

12. Additional Retirement Income Fund provisions

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

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 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 specified 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,
 - d) to purchase an immediate life annuity in accordance with clause 60(l)(ii)(A) of *The Act*, or
 - e) a registered pension plan, where permitted.

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

5. The RIF Contract is also subject to the following:
- a) We shall make no payments under this Contract other than:
 - i. the 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 cannot 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 paragraph 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 "advantage" as defined under subsection 207.01(1) of *The Act* 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.
6. The provisions of the Retirement Income Fund 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.
7. We reserve the right to resign as the issuer of the registered plan and appoint a successor carrier.



Fund Facts and Appendix A and B of the Information Folder



**THIS FUND FACTS AND APPENDIX A AND B FORM PART OF
THE INFORMATION FOLDER AND CONTRACT**

Appendix A—Income Bonus and Income Benefit payout percentage rates

Appendix B—Case studies

Effective April 30, 2012

The Manufacturers Life Insurance Company ("Manulife Financial") is the issuer of the Manulife PensionBuilder Individual Variable Insurance Contract and the guarantor of any guarantee provisions therein.

Potential risks of investing

The underlying investments of the segregated funds may be units of mutual funds, pooled funds or other selected investments. The risk factors described in this section affect the underlying investments directly and will also affect the 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 Fund.

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 Fund.

MANAGER RISK is the chance that a fund manager may purchase a poor asset or may dispose of an asset which 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 Fund.

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 performance of the Fund.

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 Fund.

DERIVATIVE RISK occurs when derivatives are used as a risk management tool to mitigate risks or diversify risks that are not desired. Manulife PensionBuilder contracts do 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 of 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.

Fund Facts — Manulife PensionBuilder
The Manufacturers Life Insurance Company
MANULIFE PENSIONBUILDER FUND

QUICK FACTS

Date fund available: April 2012

Managed by: Manulife Financial

Total Fund Value: \$446.24 million

Date fund created: October 2011

Units Outstanding: 42,507,943

Portfolio Turnover Rate: --

FUND	MINIMUM INVESTMENT (\$)	MER (%)	NET ASSET VALUE PER UNIT	UNITS OUTSTANDING
Manulife PensionBuilder	25,000	2.77	10.3571	13,096,700

If you invest more than \$1 million dollars, some of the fees you need to pay may be lowered. There are investment options for fee based accounts. Ask your advisor or see the Information Folder for details.

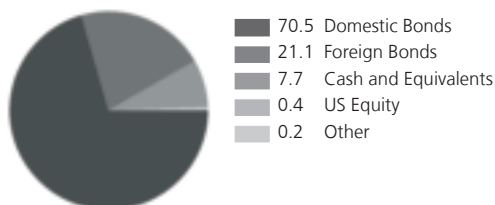
WHAT DOES THIS FUND INVEST IN?

This segregated fund invests in several different fixed income oriented Manulife Mutual Funds. The underlying funds primarily invest in government and corporate debt securities.

Top 10 Investments (of the underlying fund)	%
Manulife Bond Fund	69.34
Province of Ontario, 1.90%, Sep-08-2017	
Canada Housing Trust, 3.35%, Dec-15-2020	
Government of Canada Treasury Bills, 0.68%, Aug-01-2013	
Government of Canada, 2.75%, Jun-01-2022	
Province of British Columbia, 3.25%, Dec-18-2021	
Canada Housing Trust, 2.40%, Dec-15-2022	
Province of British Columbia, 4.10%, Dec-18-2019	
Province of British Columbia, 4.30%, Jun-18-2042	
Government of Canada, 4.00%, Jun-01-2041	
Province of Alberta, 2.55%, Dec-15-2022	
Manulife Strategic Income Fund	15.42
Manulife Corporate Bond Fund	15.25
Total	100.01

Total Investments: 3

Investment Segmentation (%)



HOW RISKY IS IT?



The value of your investments can go down. Please see the Information Folder for further details.

WHO IS THIS FUND FOR?

This fund may be right for a person seeking interest income with an emphasis on capital preservation.

HOW HAS THE FUND PERFORMED?

This section tells you how the fund has performed over the past 10 years. Returns are after the MER has been deducted.

It's important to note that this doesn't tell you how the fund will perform in the future.

Average return

The is not old enough to show performance history.

Year-by-year returns

The is not old enough to show performance history.

ARE THERE ANY GUARANTEES?

This fund is being offered under an insurance contract. It comes with guarantees that may protect your investment if the markets go down. The MER includes a separate insurance fee that is charged for the guarantee. For details, please refer to the Information Folder and Contract.

HOW MUCH DOES IT COST?

The following table shows the fees and expenses you could pay to invest in or sell units of the fund, and will depend on the sales charge option you choose.

1. Sales Charges

SALES CHARGE OPTION	WHAT YOU PAY		HOW IT WORKS	
Front End Sales Charge	Up to 3% of the amount you invest		<ul style="list-style-type: none">You and your advisor decide on the rateThe initial sales charge is deducted from the amount you invest. It is paid as a commission	
Back End Sales Charge	If you sell within:	%	When you invest, Manulife Financial pays a commission of 4.0%. Any sales charge you pay goes to Manulife Financial.	<ul style="list-style-type: none">The sales charge is deducted from the amount you sellYou can sell up to 10% (20% for RRIF tax types) of your units each year without paying a sales charge
	1 year of buying	5.5		
	2 years of buying	5.0		
	3 years of buying	5.0		
	4 years of buying	4.0		
	5 years of buying	4.0		
	6 years of buying	3.0		
	7 years of buying	2.0		
	After 7 years	0.0		
Low Load Sales Charge	If you sell within:	%	When you invest, Manulife Financial pays a commission of 2.0%. Any sales charge you pay goes to Manulife Financial.	
	1 year of buying	2.5		
	2 years of buying	2.0		
	3 years of buying	1.5		
	After 3 years	0.0		

2. Ongoing fund expenses

The management expense ratio (MER) includes the management fee and operating expenses of the fund. The MER includes the insurance cost for the guarantee. You don't pay these expenses directly. MERs affect you because they reduce the return you get on your investment. For details about how the guarantees work, see your insurance contract. The insurance cost included in the total MER is 0.75%.

Trailing commission

Manulife pays a trailing commission of up to 0.5% of the value of your investments each year for as long as you own the fund. It is for the services and advice your advisor provides to you. The trailing commission is paid out of the management fee. You don't pay these expenses directly. The rate depends on the sales charge option you choose.

3. Other Fees

FEE	WHAT YOU PAY
Early Withdrawal Fee	2% of the value of units you sell or transfer within 365 days of buying them.
Small Policy Fee	For contracts with a Benefit Base below the initial deposit minimum, a \$100 annual fee may apply.

WHAT IF I CHANGE MY MIND?

You can change your mind about your investment in a fund within two business days of the earlier of the date you received confirmation or five business days after it is mailed. You can also change your mind about subsequent transactions you make under the contract within two business days of the earlier of the date you received confirmation or five business days after it is mailed. In this case the right to cancel only applies to the new transaction.

You have to tell your insurer in writing, by email, fax or letter, that you want to cancel. The amount returned will be the lesser of the amount you invested, or the value of the fund if it has gone down. The amount returned only applies to the specific transaction and will include a refund of any sales charges or other fees you paid.

FOR MORE INFORMATION

This summary may not contain all the information you need. Please read the Contract and the Information Folder or you may contact us at:

Manulife Financial manulife.ca/investments
500 King St N WMHELP@manulife.com
Waterloo ON N2J 4C6 1 888 626 8543, Option 3

Information specific to Elite and F-class options

ELITE FUND

This section shows the available Elite Fund. For additional fund information, please refer back to the Fund Facts. The following Elite Fund is available under the Front-end, Back-end and Low-load Sales Charge options.

WHAT YOU PAY		HOW IT WORKS	
These are separate fees in addition to the MER. Front-end Sales Charge option: Up to 3% of the amount you invest Back-end and Low-load Sales Charge options: See the corresponding page within Fund Facts		The Elite Sales Charge has a lower MER and has a minimum investment amount of \$1 million dollars.	
FUND NAME	MER (%)	NET ASSET VALUE PER UNIT (\$)	UNITS OUTSTANDING
Manulife PensionBuilder Fund	2.31	10.3771	631,603

F-CLASS FUND

This section shows the available F-class Fund. For additional fund information, please refer back to the Fund Facts.

WHAT YOU PAY		HOW IT WORKS	
<ul style="list-style-type: none">■ Sales charges are generally negotiated between you and your dealer■ Collection of these fees will occur within the dealer account and not from the contract■ These are separate fees in addition to the MER		Funds in an F-class Sales Charge Option are available for investors who have fee-based or wrap account with their dealer.	
FUND NAME	MER (%)	NET ASSET VALUE PER UNIT (\$)	UNITS OUTSTANDING
Manulife PensionBuilder Fund	2.03	10.4082	12,302

Appendix A—Income Bonus and Income Benefit payout percentage rates

INCOME BONUS

The Contract is eligible for Income Bonuses at the end of each calendar year following the initial deposit, if no withdrawals are taken in the year. For details, refer to Section 3.1 of the Information Folder, Income Benefit Guarantee.

Income Bonuses are added to the Benefit Base and do not affect the market value of the Contract. The Income Bonus is not a cash bonus.

The Income Bonus rate applicable to your Contract is: **5.0%**

*Note: There may be a promotional Income Bonus rate applicable to your Income Bonus calculation.
Ask your advisor for details.*

INCOME BENEFIT PAYOUT PERCENTAGE

Upon Election of the Income Benefit, the applicable payout percentage is determined based on the Payout Option you selected at the time of application, and the age of annuitant,* or the younger of annuitant and Joint Life, if applicable. Please refer to Section 3.1 of the Information Folder, Income Benefit Guarantee, for details.

Age	Single Life Payout Option (%)	Joint Life Payout Option (%)
50	3.00	2.50
51	3.10	2.60
52	3.20	2.70
53	3.30	2.80
54	3.40	2.90
55	3.50	3.00
56	3.60	3.10
57	3.70	3.20
58	3.80	3.30
59	3.90	3.40

Age	Single Life Payout Option (%)	Joint Life Payout Option (%)
60	4.00	3.50
61	4.10	3.60
62	4.20	3.70
63	4.30	3.80
64	4.40	3.90
65	4.50	4.00
66	4.60	4.10
67	4.70	4.20
68	4.80	4.30
69	4.90	4.40

Age	Single Life Payout Option (%)	Joint Life Payout Option (%)
70	5.00	4.50
71	5.10	4.60
72	5.25	4.75
73	5.30	4.80
74	5.40	4.90
75	5.50	5.00
76	5.60	5.10
77	5.70	5.20
78	5.80	5.30
79	5.90	5.40
80	6.00	5.50

Age of annuitant, or younger of annuitant and Joint Life (if applicable) as of December 31 of the year you elect

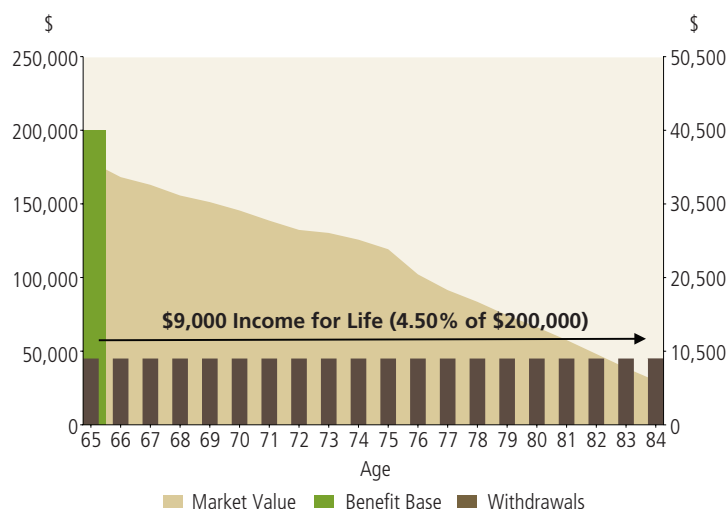
*Election of the Income Benefit cannot be deferred past age 72 of the annuitant for RRIF, LIF and other retirement income Contracts. This age restriction may not apply to contracts held in an External RRIF (including LIF/LRIF/PRIF/RLIF).

Appendix B – Case studies

TAKING INCOME NOW – WITH THE SINGLE LIFE PAYOUT OPTION*

Dennis, age 65, has \$200,000 in retirement savings and needs to take income immediately. He invests \$200,000 in Manulife PensionBuilder.

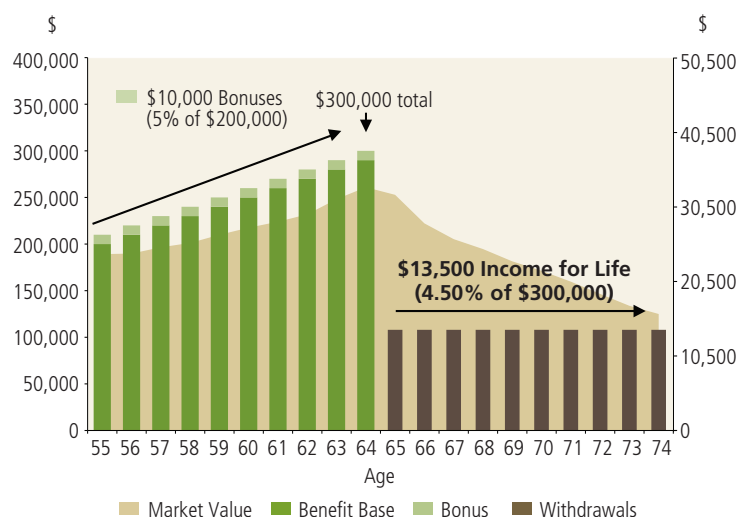
In this example, Dennis' initial deposit establishes a Benefit Base of \$200,000. Upon first withdrawal he elects the Income Benefit at a payout percentage of 4.50%, which results in an annual Income Benefit of \$9,000 (4.50% of \$200,000). He continues to receive an Income Benefit of \$9,000 for the rest of his life.



TAKING INCOME LATER – WITH THE SINGLE LIFE PAYOUT OPTION*

Sylvia, age 55, is 10 years away from retirement and has \$200,000 to invest. Sylvia invests her \$200,000 in Manulife PensionBuilder and waits to take income.

In this example, Sylvia's initial deposit establishes a Benefit Base of \$200,000. For every year that she does not take a withdrawal, she will benefit from a 5% Income Bonus. That means that regardless of how her investment performs, her Benefit Base will grow to \$300,000 through annual Income Bonuses of \$10,000 accumulated over the ten year period. When Sylvia retires at age 65 and begins to take income, she elects the Income Benefit which locks in an Income Benefit of \$13,500 at a payout percentage of 4.50% (4.50% of \$300,000). This amount will be available for the rest of her life.



The Income Bonus rate used in this example assumes a flat 5.0% and does not include any promotional Income Bonus rate that may be offered.

*For illustration purposes only. Portfolio market value is hypothetical, and not indicative of future performance. Based on a Single Life Payout at age 65. Returns are based on approximate 100% Canadian Bond Portfolio 2000-2010. Returns exclude any MER.

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