

Manulife RetirementPlus™

Information Folder and Contract

November 27, 2023

The RetirementPlus™ Contract was closed to new Contract sales and deposits, effective October 28, 2022, other than a transfer from an existing RetirementPlus™ Contract. This document contains the Manulife RetirementPlus™ Information Folder and Contract provisions. The segregated fund Information Folder is published by **The Manufacturers Life Insurance Company (“Manulife”)** for information purposes only and is not an insurance contract. Manulife is the issuer of the Manulife RetirementPlus™ Individual Variable Insurance Contract and the guarantor of any guarantee provisions therein.



Key Facts

Manulife RetirementPlus™

This summary briefly describes the basic things you should know before you apply for a Manulife RetirementPlus™ 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. We recommend you review these documents carefully and discuss any questions you have with your advisor.

What am I purchasing?

Manulife RetirementPlus™ is an individual variable insurance contract, also referred to as a segregated fund contract. It is issued to 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 Maturity and Death Benefit Guarantees. These help protect your fund investments. You can also get added protection from Resets. You pay fees for these guarantees. The fees are described in Section 11, Fees and expenses, in the Information Folder.

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
Income Guarantee (optional)	<ul style="list-style-type: none"> • Applicable to allocations to the Guaranteed Income Fund only • Provides a guaranteed income stream for life, starting as early as age 50 • May increase for Income Credits, Transitioning additional Fund Units to the Guaranteed Income Fund and through income deferral • The income option may be based on one life or two

Any withdrawal you make will proportionally reduce the Maturity and Death Benefit Guarantees.

For the optional Income Guarantee, withdrawals from the Guaranteed Income Fund that Exceed the Total Income Amount or that are taken prior to the Election of Income will proportionally reduce the Total Income Amount or Eligible Total Income Amount, as applicable, and provide you with a reduced guaranteed income stream. For full details, refer to Section 4, The Income Guarantee, in the Information Folder.

What investments are available?

Investments Option	<ul style="list-style-type: none"> • The Contract offers two groups of Funds: the Funds in the Savings Phase, where you have a variety of Funds to choose from, and the Guaranteed Income Fund if you choose the optional Income Guarantee. • The Funds are described in the Fund Facts. • The Funds are valued daily. • The Investment Policy of a Fund (available upon request) describes the risks that may affect the Fund. See the Fund Facts for more information on the Fund(s) available in your contract. Fund Facts are continuously available online at www.manulifeim.ca.
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 does not guarantee the performance of the Funds. You should carefully consider your risk tolerance when you select an investment option.

How much will this cost?

FEES	<p>Management Expense Ratios (MER)</p> <ul style="list-style-type: none">• MERs vary by Fund and includes all management fees, operating expenses, and insurance fees.• The Unit Value of a 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.• Deferred sales charges may apply for withdrawals made during the first seven 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 the greater of your Deposits and the Market Value of the Contract is below the initial Deposit minimum listed in this document.
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For full details, refer to Section 9, Fees and Charges, in the Information Folder. Refer to the Fund Facts for specific information regarding fees associated with each investment option.

What can I do after I purchase this contract?

Deposits will be allowed only as a result of a transfer from an existing RetirementPlus Contract. You may request Fund Switches, withdrawals and Transition to the Guaranteed Income Fund. At maturity, your Contract will provide you with annuity payments, unless you select another option.

		Latest Age* to Deposit	Latest Age** to Own
Deposits (Funds in the Savings Phase only) No deposits are allowed unless it is a result of a transfer from an existing RetirementPlus Contract. Existing Pre-Authorized Chequing (PAC) instructions may continue; however, the scheduled amount cannot be increased. No new PACs can be established.	Non-registered, TFSA, RRIF, LIF, RLIF, LRIF, PRIF	90 (for Front-end, Low-load and F-class Sales Charge options in Non-registered and TFSA Contracts only) 80 (for Back-end sales charge option in Non-registered and TFSA Contracts and all sales charge options in all other 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 Minimum \$25,000 initial deposit (closed to new sales) Minimum \$500 per Fund Minimum \$2,000 for Dollar-Cost Averaging Program Fund Monthly PAC of \$50/month upon meeting initial deposit minimum (under eligible registration types) Minimum \$500 for subsequent deposits		
Fund switches (Funds in the Savings Phase only)	Five free Fund switches per calendar year Minimum \$500 per Fund or \$100/month		
Withdrawals	Minimum \$500 unscheduled or \$100/month scheduled		
Transition(s) from funds in the Savings Phase to the Guaranteed Income Fund	You can add an Income Guarantee to your Contract by Transitioning from Funds in the Savings Phase to the Guaranteed Income Fund		

* All ages 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.

** Or the latest age to own under the *Income Tax Act* (Canada)

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• A Fund's Investment Policy

Can I change my mind?

You can change your mind about purchasing the Contract or allocating a Deposit or a Fund switch into a 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
500 King St. N
Waterloo, ON N2J 4C6

www.manulifeim.ca

Canada, Outside of Quebec

1-888-790-4387

Quebec & French Business

1-800-355-6776

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.

This document contains the Information Folder and Contract. Delivery of the Contract provisions does not constitute acceptance by Manulife of a Contract purchase. The Contract will become effective on the Valuation Date of the first deposit and upon acceptance by The Manufacturers Life Insurance Company (Manulife) 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 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 RetirementPlus™ Contract issued by The Manufacturers Life Insurance Company (Manulife).

In exchange for the premiums paid to Manulife, we provide contractual benefits. You do not directly own the assets in the Contract. The Contract has insurance benefits and offers a variety of Funds. Fund categories may include money market, fixed income and equities. The underlying investments of the Funds may be units of mutual funds, pooled funds or other selected investments. For a description of the specific Funds available to you, please see the Fund Facts. Upon request, we will provide a copy of the audited financial statements for the most recent year-end of the Fund(s). 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 a life annuity at the Contract Maturity Date. The Contract provides return of deposit guarantees which are payable on the Contract Maturity Date, and upon receipt of sufficient notification of death of the last surviving annuitant.

The value of the Contract can go up or down subject to the guarantees.



Mathieu Charest

Head of Product and Pricing - Individual Insurance
Manulife



Paul Savage

Head of Individual Insurance Canada
Manulife

Table of Contents

General Information	13
Communications	13
Types of Contracts Available	14
The Funds in the Savings Phase	14
General Information	14
Deposits	15
Fund Switches	15
Income Credits	16
Transition	17
General Information	17
Calculating Your Income Base(s)	17
Income Rate(s)	20
Income Amount(s)	20
The Income Guarantee (optional)	20
General Information	20
Eligible Total Income Amount(s)	20
The Total Income Amount	20
Income Options	21
Proportional Reductions	22
Guaranteed Payment Phase	22
Case Studies	23
Withdrawals	25
Information Specific to RRIF, LIF, LRIF, RLIF, or PRIF Contracts	25
Unscheduled Withdrawals	26
Scheduled Withdrawals (SWPs)	26
Early Withdrawal Fees and Recovery of Expenses	28
Withdrawals Free of Sales Charges	28
Maturity and Death Benefit Guarantees	30
General Information	30
Maturity Guarantee	30
Death Benefit Guarantee	30
The Investment Options	31
General Information	31
Net Asset Value	31

Investment Policy and Restrictions	31
Potential Risks of Investing	31
Reinvestment of Earnings.....	34
Interest of Management and Others in Material Transactions	34
Material Contracts or Facts	34
Custodian of Fund Portfolio Securities.....	34
Fundamental Changes	34
Auditor	34
Valuation	35
Market Value of the Contract	35
Valuation Date	35
Fees and Charges	36
General Information	36
Sales Charge Options.....	36
Early Withdrawal Fees and Recovery of Expenses	37
Small Policy Fee.....	38
Management Expense Ratio (MER).....	38
Management Fees.....	38
Insurance Fee	38
Compensation Paid to Your Advisor	38
General Information	38
Sales Commission.....	39
Servicing Commission.....	39
Tax Information	39
General Information	39
Non-registered Contracts.....	39
Registered Contracts	40
Taxation of Guarantee “Top-Up”	40
Estate planning	41
Beneficiaries.....	41
Non-registered Contracts.....	41
Registered Contracts	41
Estate Benefits	41
Potential Creditor Protection.....	41
Important Information.....	42

Personal Information Statement

In this Statement, “you” and “your” refer to 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 “Manulife” refer to The Manufacturers Life Insurance Company and our affiliated companies and subsidiaries.

At Manulife protecting your personal information and respecting your privacy is important to us.

Why do we collect, use, and disclose your personal information?

For the purposes of establishing and managing our relationship with you, providing you with products and services, administering our business, and complying with legal and regulatory requirements.

What personal information do we collect?

Depending on the product or service, we collect specific personal information about you such as:

- Identifying information such as your name, address, telephone number(s), email address, your date of birth, driver’s license, passport number or your Social Insurance Number (SIN)
- Financial information, investigative reports, credit bureau report, and/or a consumer report
- Information about how you use our products and services, and information about your preferences, demographics, and interests
- Banking and employment information
- Other personal information that we may require to administer your products or services and manage our relationship with you

We use fair and lawful means to collect your personal information.

Where do we collect your personal information from?

Depending on the product or service, we collect personal information from:

- Your completed applications and forms
- Other interactions between you and us
- Other sources, such as:
 - Your advisor or authorized representative(s)
 - Third parties with whom we deal with in issuing and administering your products or services now, and in the future
 - Public sources, such as government agencies, credit bureaus and internet sites
 - Financial institutions

What do we use your personal information for?

Depending on the product or service, we will use your personal information to:

- Administer the products and services that we provide and to manage our relationship with you
- Confirm your identity and the accuracy of the information you provide
- Evaluate your application
- Comply with legal and regulatory requirements
- Understand more about you and how you like to do business with us
- Analyze data to help us make decisions and understand our customers better so we can improve the products and services we provide
- Perform audits, and investigations and protect you from fraud
- Determine your eligibility for, and provide you with details of, other products and services that may be of interest to you
- Automate processing to help us make decisions about your interactions with us, such as, applications, approvals or declines

Who do we disclose your personal information to?

Depending on the product or service, we disclose your personal information to:

- Persons, financial institutions, reinsurers, and other parties with whom we deal with in issuing and administering your product or service now, and in the future
- Authorized employees, agents and representatives
- 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
- Your employer or Plan Sponsor and their authorized agents, consultants and plan service providers
- Any person or organization to whom you gave consent
- People who are legally authorized to view your personal information
- Service providers who require this information to perform their services for us (for example data processing, programming, data storage, market research, printing and distribution services, paramedical and investigative agencies)

Except where there are contractual restrictions, these people, organizations and service providers are both within Canada and outside of Canada. Therefore, your personal information may be subject to interprovincial or cross-border transfers in order to provide services to you and subject to the laws of those jurisdictions.

Where personal information is provided to our service providers, we require them to protect the information in a manner that is consistent with our privacy policies and practices.

Withdrawing your consent

You may withdraw your consent for us to use your personal information for certain uses, subject to legal and contractual restrictions.

You may not withdraw your consent for us to collect, use, or disclose personal information we need to issue or administer your products and services. If you do so, we may not be able to provide you with the products or services requested or we may treat your withdrawal of consent as a request to terminate or refusal the product or service.

If you wish to withdraw your consent, phone our customer care center in all provinces except Quebec at 1-888-790-4387 or in Quebec at 1-800-355-6776 or write to the Privacy Officer at the address below.

Accuracy

You will notify us of any change to your contact information. If your information has changed, or if you need to make a correction of any inaccuracies to your personal information in our files, you may you may send a written request to:

All provinces except Quebec:	Quebec:
Manulife	Manulife
500 King St. N.	2000 Mansfield St.
P.O. Box 1602 Stn.	Suite 1100
Waterloo ON N2J 4C6	Montreal QC H3A 2Z8

Access

You have the right to access and verify your personal information maintained in our files, and to request any factually inaccurate personal information be corrected, if appropriate. Requests can be sent to: **Privacy Officer Manulife, P.O Box 1602, Del Stn 500-4-A, Waterloo, Ontario N2J 4C6** or **Canada_Privacy@manulife.ca**.

For more information you can review our Canadian Privacy Policy at manulife.ca. Please note the security of email communication cannot be guaranteed. Do not send us information of a private or confidential nature by email.

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

Accumulated Income Credits

- Total of all Income Credits earned while invested in Funds in the Savings Phase.

Annual Total Income Amount (“Total Income Amount”)

- Once Election of the Total Income Amount has occurred, the maximum amount guaranteed to be available each calendar year for withdrawal from the Guaranteed Income Fund for the life of the annuitant, and Joint Life if applicable, provided minimum age requirements are met and annual withdrawal maximums are not exceeded.

Election of the Total Income Amount (“Elect, Electing Income”)

- Occurs when you and/or your advisor request a withdrawal from the Guaranteed Income Fund and notify us that you want your Total Income Amount to be established based on your Eligible Total Income Amount for your current Income Age and becomes effective on the date of withdrawal.
- Requesting scheduled withdrawals from the Guaranteed Income Fund will result in an automatic notification that you want your Total Income Amount to be established, unless previously elected, which becomes effective on the date of the first withdrawal.

Eligible Total Income Amount

- The total of all Transition Income Amounts, per Income Age, for each Transition, determined until the Election of the Total Income Amount occurs.

Exceed(ed), (ing) the Total Income Amount

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

Guarantee Guard

- Under this service we will not process any withdrawals from the Guaranteed Income Fund that are requested prior to the Election of the Total Income Amount or that would Exceed the Total Income Amount, until we are notified by you and/or your advisor to proceed. This service is applied upon first Transition; 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 Income Fund

- Fund that provides eligibility for the Income Guarantee.

Guaranteed Payment Phase

- Applicable to the Guaranteed Income Fund only, occurs when the Market Value of your Units of the Guaranteed Income Fund reduces to \$0 while there is a positive Total Income Amount or Eligible Total Income Amount. With a Total Income Amount or Eligible Total Income Amount greater than \$0, you may continue taking payments up to the Total Income Amount each year for the life of the annuitant, and in the case of the Joint Life Income Option, for the lives of the annuitant and the Joint Life.

Income Age

- Prior to Election of the Total Income Amount, any age (as described below) at which the Election of the Total Income Amount can occur.
- If the Election of the Total Income Amount has occurred, the age (as described below) on the Valuation Date of a subsequent Transition.
- For the Single Life Income Option, is based on the age of the annuitant as of December 31 of a calendar year.
- For the Joint Life Income Option, is based on the age of the younger of the annuitant and Joint Life as of December 31 of a calendar year.

Income Credit

- An amount added to the Accumulated Income Credits on the last Valuation Date of the month in any month you have Funds in the Savings Phase with a Market Value greater than zero

Income Credit Rate

- Annual Rate used to calculate the Income Credit
- Equal to the 10-year Canada Benchmark Bond Yield plus one half of a per cent (0.5%) but will never exceed eight per cent (8%) and adjusted for monthly basis

Income Guarantee

- Once Election of the Total Income Amount has occurred,

the Income Guarantee provides for withdrawals from the Guaranteed Income Fund for the life of the annuitant, and in the case of the Joint Life Income Option, for the lives of the annuitant and the Joint Life, provided minimum age requirements are met and annual withdrawal maximums are not exceeded.

Joint Life

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

Joint Life Income Option

- A guaranteed income stream based on the lives of the annuitant and the Joint Life.

Remaining Total Income Amount

- The amount that can be withdrawn from the Guaranteed Income Fund during the remainder of the calendar year without Exceeding the Total Income Amount.
- Calculated as the difference between the Total Income Amount for the calendar year and withdrawals taken from the Guaranteed Income Fund during the calendar year.

Funds in the Savings Phase

- Funds that provide eligibility for Income Credits

Single Life Income Option

- Applicable to the Guaranteed Income Fund only, a guaranteed income stream based on the life of the annuitant and is not eligible to continue after the annuitant's death

Transition(ed), (ing)

- Occurs when you request a Fund switch from Funds in the Savings Phase to the Guaranteed Income Fund

Transition Income Amount(s) ("Income Amount(s)")

- Calculated by multiplying the Transition Income Base by the Transition Income Rate(s) each time you Transition.

Transition Income Base(s) ("Income Base(s)")

- Established at the time of Transition
- Each Transition creates an Income Base that equals the Market Value of Fund Units being Transitioned plus the proportional amount of Accumulated Income Credits applicable to the Transitioned Units.

Transition Income Rate(s) (“Income Rate(s)”)

Rates used in the calculation of the Transition Income Amounts(s)

- Rates are based on a number of factors determined by us at our discretion including, for example, the age and sex of the annuitant for the Single Life Income Option and the age of the younger of the annuitant and Joint Life for the Joint Life Income Option. We reserve the right to add, delete or change these factors for new Transitions without notice to you.

1. General Information

- 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” mean The Manufacturers Life Insurance Company which was incorporated in June 1887 by an Act of the Parliament of Canada. Manulife’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 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, administrative rules refers to the administrative rules in place at the time of the applicable transaction.

1.1 Communications

- 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.
- When we ask you to “advise us in writing”, please send your correspondence to: Manulife, 500 King Street North, Waterloo, Ontario, N2J 4C6.

- 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 from 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.
- 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.
- 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. We are not responsible for any missed opportunities or losses resulting from your address not being kept up to date.
- 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. See Section 9, 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
 - upon request, the detailed investment policy of a Segregated Fund.
 - upon request, copies of the simplified prospectus, annual information form, financial highlights and audited financial statements of the underlying investments (if applicable)

Note: The annual audited and semi-annual unaudited financial statements and the Fund Facts are available at any time on our website (www.manulifeim.ca).

1.2 Types of Contracts Available

- A Manulife RetirementPlus™ 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.
- We 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 Contract), RRSP (including LIRA, RLSP), or TFSA is a non-registered Contract with Manulife. 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 RetirementPlus™ Contracts held by you.

1.2.1 Registered Contracts

- The Contract will be registered 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 (except for a TFSA Contract as set out below).
- 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.
- An 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 Tax-Free Savings Accounts (TFSAs)

- You cannot borrow money directly from a TFSA Contract.
- You may use a TFSA Contract as security for a loan by assigning it to a lender where the terms and conditions of the *Income Tax Act* (Canada) for such use are met. The rights of the lender may take precedence over the rights of any other person having a claim. An assignment of the Contract may restrict or delay certain transactions, including withdrawals, which are otherwise permitted.

1.2.3 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 our administrative rules. 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. The Funds in the Savings Phase

2.1 General Information

- You may make Deposits to Funds in the Savings Phase, request Fund switches and withdrawals and Transitions to the Guaranteed Income Fund.
- There is no Income Guarantee applicable to Funds in the Savings Phase.

- Deposits to these Funds are eligible for Income Credits. Income Credits may be used to increase the guaranteed income amount available to you if and when you Transition. For more information, see Section 2.4, Income Credits, and Section 3, Transition.
- See Section 5, Withdrawals, for information on making withdrawals from Funds in the Savings Phase.

2.2 Deposits

For the impact of Deposits on your guarantees, see Section 6, Guarantees

- Deposits to the Contract must be allocated to one or more Funds in the Savings Phase. For information on Fund switches to the Guaranteed Income Fund, see Section 3, Transition.
- 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 you have selected. See Section 8.2, Valuation Date, for more information
- All deposits must be made in Canadian dollars. Please make cheques payable to Manulife.
- 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 our administrative rules.
- We have the right to request medical evidence of the health of the annuitant, or Joint Life, if applicable, and to refuse to accept deposits based on incomplete or unsatisfactory medical evidence of these individuals.
- 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 person's correct age, sex, marital status and survival.
- You may have rescission rights under this Contract. Refer to the Key Facts for more information.

2.3 Fund Switches

2.3.1 General Information

- You may request a Fund switch between Funds in the Savings Phase on an unscheduled or a scheduled basis.
- Fund switches may only be made between Funds in the Savings Phase. See Section 3, Transition, for information on Fund switching from Funds in the Savings Phase to the Guaranteed Income Fund.
- Generally, moving between Funds in the Savings Phase with different sales charge options is not considered a Fund switch and may result in sales charges or redemption fees. This movement will be treated as withdrawal from one Fund and a deposit to another, and may take place on multiple valuation dates and may affect guarantees.
- Fund switches may result in a capital gain or a capital loss where they create a taxable disposition. Please see Section 11, Tax Information, for more information.
- Fund switches are not permitted between two different Contracts.
- Maturity and Death Benefit Guarantees are not affected by Fund switches.
- Deposits that have been in the Fund the longest are switched first.
- You may have rescission rights under this Contract. Refer to Section 10, *Rescission*, of the Contract for more information.

The value of the Units of a Fund that are redeemed as a result of a Fund switch fluctuates with the market value of the underlying assets and is not guaranteed.

2.3.2 Unscheduled Fund Switches

- You may request a Fund switch up to five times per calendar year free of charge.
- We reserve the right to charge an administrative fee of up to 2% of the market value of the Units or disallow Fund switches if:
 - you request in excess of five per calendar year, or
 - you request a Fund switch of Units from a Fund within 90 days of allocating a deposit to the Fund.

2.3.3 Scheduled Fund Switches

- You can arrange for scheduled Fund switches if you have sufficient deposits allocated to a Fund and you would like to make regularly scheduled investments into another Fund(s).
- You may request regularly scheduled monthly Fund switches on any date from the 1st to the 28th of the month, or you may specify "the end of the month".
- There is no administrative fee for scheduled Fund switches as they do not count towards the five free Fund switches per calendar year.

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

2.3.4 Dollar-Cost Averaging Program Fund (DCAP Fund)

- All deposits to the DCAP Fund will be administered in accordance with our administrative rules.
- Upon receipt of the deposit and any documentation that we may require, we will deposit the amount to the DCAP Fund.
- You must select a day of the month that you would like the monthly switch from the DCAP Fund to occur. If the day of the monthly switch falls on a non-Valuation Date, the monthly switch will use the Unit Values as of the next Valuation Date.
- You may choose a maximum of 12 monthly switches from the DCAP Fund.
- Beginning on the day of the first monthly switch, and for the number of monthly switches you have selected, an equal number of Units purchased in the DCAP Fund will be switched to the Fund(s) you have selected.
- You must provide switch instructions within 90 calendar days of deposit to the DCAP Fund and you must fully switch out of the DCAP Fund within a 12-month period from the deposit date.
- If instructions to switch your total Units from the DCAP Fund are not received within 90 days of the deposit date, we reserve the right to move all Units in the DCAP Fund to the Money Market Fund, or a substantially Similar Fund, in accordance with our administrative rules in place at the time.

Example:

Deposit of \$10,000 into the DCAP Fund with a unit value of \$10, gives 1,000 Units

At the time of deposit, you choose 10 monthly switches, giving 100 units a month to Fund switch into the Fund(s) you have selected.

- You may request to switch to another Fund within the Contract, request to withdraw amounts in cash, or transfer to another financial institution at any time.
- Following a withdrawal or an unscheduled Fund switch out of the DCAP Fund, the monthly switches will continue unchanged if there are sufficient units in the Fund.
- If there are insufficient units remaining in the DCAP Fund at the time of a monthly switch, the amount of Units remaining will be switched that month based on the proportional allocation of Funds you have requested to switch into.

- Immediately following the last Fund switch from the DCAP Fund, the balance in the DCAP Fund will be zero.
- At the time of an additional deposit to the DCAP Fund, you must select the number of monthly switches (maximum of 12) and indicate the Funds you would like to switch to. The new Fund allocations will override any previous Fund selections.
- There is no administrative fee for monthly switches from the DCAP Fund and they do not count towards the maximum number of free Fund switches.
- You are not permitted to switch from any Funds within the Contract to the DCAP Fund.
- We reserve the right to close the DCAP Fund to new deposits, limit the number of Funds you may switch into or restrict the Funds you may switch into, and/or limit the length of time deposits may remain in the DCAP Fund without instruction according to our administrative rules in place at the time.

2.4 Income Credits

2.4.1 Income Credit Eligibility

- Deposits to Funds in the Savings Phase only are eligible for Income Credits which can be used to increase the guaranteed income amount available to you if and when you Transition. See Section 3, Transition, for more information.
- On the last business day of each month, if you hold Funds in the Savings Phase with a Market Value greater than zero, we calculate Income Credits and add them to your Accumulated Income Credits.

2.4.2 How Income Credits are Calculated

- Income Credits are calculated by multiplying the Market Value of Units of Funds in the Savings Phase and 1/12th of the current Income Credit Rate on the last Valuation Date of the month.
- The Income Credit Rate is subject to change daily and without prior notice. The current Income Credit Rate can be found at manulifeim.ca or through your advisor.
- The Income Credit Rate equals the 10-year Canada Benchmark Bond Yield plus one half per cent (0.5%) but will never exceed eight per cent (8.0%). You can access information on the 10-year Canada Benchmark Bond Yield directly from the Bank of Canada at www.bankofcanada.ca/rates.
- Fund Switches do not affect your eligibility to earn Income Credits and will not impact your Accumulated Income Credits.
- Withdrawals from Funds in the Savings Phase do not affect your eligibility to earn Income Credits on remaining Units of Funds in the Savings Phase, but will cause a proportional reduction to your Accumulated Income Credits. See Section, 7.1.1 *Income Credits* of the Contract, for more information.

- Transitions do not affect your eligibility to earn Income Credits, but you will only earn Income Credits on remaining Units of Funds in the Savings Phase.
- Your Accumulated Income Credits will be reduced by the amount of Income Credits used in a Transition to increase your Income Base. See Section 3.2, Calculating Your Income Base(s), for more information.

Income Credits only have value if and when you choose to Transition and are used to increase the Income Guarantee. Income Credits are not a cash bonus.

3. Transition

3.1 General Information

- You may choose to add an optional Income Guarantee to your Contract.
- To establish an Income Guarantee, you must request we Fund switch Units of Funds in the Savings Phase to the Guaranteed Income Fund. We call this Transition.
- You may request to Transition on an unscheduled or scheduled basis.
- Generally, Transitioning from the Funds in the Savings Phase to the Guaranteed Income Fund with a different sales charge option is not permitted.
- Transitioning may result in a capital gain or capital loss where they create a taxable disposition. See Section 11, Tax Information, for more information.
- Transitioning between two different contracts is not permitted.
- Maturity and Death Benefit Guarantees are not affected by Transitioning.
- Deposits that have been in Funds in the Savings Phase the longest are Transitioned first.
- Effective when you first Transition, we apply a service called Guarantee Guard to your Guaranteed Income Fund. For more information see Section 4, The Income Guarantee.
- You may have rescission rights under this Contract. See Section 10, *Rescission*, of the Contract for more information.

The value of the Units of a Fund that are redeemed as a result of a Transition fluctuates with the market value of the underlying assets and is not guaranteed.

3.1.1 Scheduled Transitions

- You can arrange for scheduled Transitions if you have sufficient deposits allocated to a Fund in the Savings Phase and you would like to make regularly scheduled Transitions into the Guaranteed Income Fund.
- There is no administrative fee for scheduled Transitions as they do not count towards the five free Fund switches per calendar year.
- We have the right to cancel the scheduled Transitions at any time or direct the scheduled Transitions to a Similar Fund, according to our administrative rules. In this situation, we will provide you with advance notice of our intent and the options that are available to you.

3.2 Calculating Your Income Base(s)

- Each time you Transition an Income Base is established.
- An Income Base is one of the factors used to calculate your Total Income Amount.
- An Income Base is calculated as: Income Base = Market Value of Transitioning Units + Proportional Accumulated Income Credits.
- If you have Accumulated Income Credits, an amount proportional to the Market Value of Units of Funds in the Savings Phase that are being Transitioned will be used in the calculation of your Income Base. The formula used to determine the amount of Income Credits used in the calculation of the Income Base is below:

$$A = B \times (C/D)$$

Where:

A = Income Credits being Transitioned

B = Accumulated Income Credits before Transition

C = Market value of the Units of Funds in the Savings Phase being Transitioned

D = Total market value of Funds in the Savings Phase before Transition

- Your Accumulated Income Credits will be reduced by the amount of Income Credits added to the Income Base.

Calculating an Income Base in a Rising Rate and Market Environment

Date	Transaction	Incoming Age	Market Value of Funds in the Savings Phase before transaction ² (\$)	Market Value of Funds in the Savings Phase After transaction (\$)	Income Credit Rate ¹ (%)	Accumulated Income Credits after transaction (\$)	Transition Income Base (\$)
1-Dec-17	Initial Deposit (\$200,000)	55	0	200,000	2.24	0	
31-Dec-17	Income Credit (\$374) ³	55	200,326	200,326	2.24	374	
31-Dec-18	Income Credit (\$4,761)	56	204,335	204,335	2.33	5,135 ⁴	
31-Dec-19	Income Credit (\$5,085)	57	208,422	208,422	2.44	10,220	
31-Dec-20	Income Credit (\$5,379)	58	212,590	212,590	2.53	15,599	
1-Jan-21	30% Market Value Transition (\$63,781) ⁵	59	212,602	148,821	2.53	10,919 ⁶	68,460 ⁷
31-Dec-21	Income Credit (\$3,977)	59	151,790	151,790	2.62	14,896	
1-Jan-22	20% Market Value Transition (\$30,360)	60	151,798	121,438	2.62	11,917	33,339
31-Dec-22	Income Credit (\$3,381)	60	123,861	123,861	2.73	15,298	
1-Apr-23	Remaining Market Value Transition (\$124,480)	61	124,480	0	2.73	0	140,628 ⁸

For illustration purposes only.

For this example, Income Credits are calculated and displayed annually. Income Credits are actually calculated monthly based on the month end Market Value of Units of Funds in the Savings Phase and 1/12th of the current Income Credit Rate on the last Valuation Date of the month.

1. Income Credit Rate is equal to the 10-Year Canada Benchmark Bond Yield + 0.50%
2. Market value increases annually by 2% net of fees
3. Income Credit of \$374 calculated as $\$200,326 \times (2.24\%)/12$
4. Accumulated Income Credits of \$5,135 calculated as $\$374 + (\$204,335 \times 2.33\%)$
5. Transitioned market value of \$63,781 calculated as $\$212,602 \times 30\%$
6. Accumulated Income Credits after Transition of \$10,919 calculated as $\$15,599 \times 70\%$
7. Transition Income Base of \$68,460 calculated as $\$63,781 + (\$15,599 \times 30\%)$
8. Transition Income Base of \$140,628 calculated as $\$124,480 + \$16,148$ (where $\$16,148 = \$15,298 + 3$ months of Income Credits)

Calculating an Income Base in a Declining Rate and Market Environment

Date	Transaction	Incoming Age	Market Value Of Funds in the Savings Phase before transaction ² (\$)	Market Value of Funds in the Savings Phase after transaction (\$)	Income Credit Rate ¹ (%)	Accumulated Income Credits after transaction (\$)	Transition Income Base (\$)
1-Dec-17	Initial Deposit (\$200,000)	55	0	200,000	2.24	0	
31-Dec-17	Income Credit (\$373)	55	199,667	199,667	2.24	373	
31-Dec-18	Income Credit (\$4,305)	56	195,673	195,673	2.2	4,678	
31-Dec-19	Income Credit (\$4,123)	57	191,760	191,760	2.15	8,800	
31-Dec-20	Income Credit (\$3,965)	58	187,925	187,925	2.11	12,766	
1-Jan-21	30% Market Value Transition (\$56,374) ³	59	187,914	131,540	2.11	8,936	60,204
31-Dec-21	Income Credit (\$2,630) ⁴	59	128,916	128,916	2.04	11,566	
1-Jan-22	20% Market Value Transition (\$25,780)	60	128,902	103,122	2.04	9,253	28,094
31-Dec-22	Income Credit (\$2,011)	60	101,065	101,065	1.99	11,264	
1-Apr-23	Remaining Market Value Transition (\$100,560)	61	100,560	0	1.99	0	112,324 ⁵

For illustration purposes only.

For this example, Income Credits are calculated and displayed annually. Income Credits are actually calculated monthly based on the month end Market Value of Units of Funds in the Savings Phase and 1/12th of the current Income Credit Rate on the last Valuation Date of the month.

1. Income Credit Rate is equal to the 10 Year Canada Benchmark Bond Yield + 0.50%
2. Market value decreases annually by 2% net of fees
3. Transitioned market value of \$56,374 calculated as \$187,914 x 30%
4. Income Credit of \$2,630 calculated as \$128,916 x (2.04%)
5. Transition Income Base of \$112,324 calculated as \$100,560 + 11,764 (where \$11,764 = \$11,264 + 3 months of Income Credits)

3.3 Income Rate(s)

- Each Transition locks in the currently available Income Rates, for each Income Age, on the Valuation Date of the Transition. See Section 8.2, Valuation Date, for more information
- Once you Elect Income, the Income Rate for subsequent Transitions is the currently available Income Rate for the Income Age on the Valuation Date of each subsequent Transition.
- Income Rates can change daily. Currently available Income Rates can be found at www.manulifeim.ca or through your advisor.

3.4 Income Amount(s)

- Prior to Election of the Total Income Amount:
 - Income Amounts for each Income Base are calculated based on the current Income Rates for each Income Age on the Valuation Date of the Transition.
 - The Income Amounts are immediately added to your Eligible Total Income Amount for each Income Age.
- Once Election of the Total Income Amount has occurred:
 - the Income Amount for each subsequent Income Base is calculated based on the current Income Rates for the current Income Age on the Valuation Date of the Transition, and
 - the Income Amount is immediately added to your Total Income Amount.

4. The Income Guarantee (optional)

4.1 General Information

- You may choose to add an optional Income Guarantee to your Contract by Transitioning.
- Any amount you Transition will be invested directly in the Guaranteed Income Fund as of the Valuation Date of Transition.
- Please see the Fund Facts for the Guaranteed Income Fund available at the time of Transition.
- Deposits cannot be allocated directly to the Guarantee Income Fund.
- See Section 5, Withdrawals, for information on making withdrawals from the Guaranteed Income Fund.

4.2 Eligible Total Income Amount(s)

- Your Eligible Total Income Amount is the amount you are guaranteed to receive as your Total Income Amount if you were to Elect Income at that Income Age.

- It is calculated until the Election of the Total Income Amount occurs as the total of all Income Amounts, per Income Age, for each Transition.
- Once you Elect Income, your Total Income Amount will be established and we will no longer calculate an Eligible Total Income Amount. See Section 4.3 The Total Income Amount, for more information.
- We will report the Eligible Total Income Amount for select Income Ages. For the Eligible Total Income Amount for other Income Ages please contact your advisor.
- Withdrawals taken from the Guaranteed Income Fund prior to Election of the Total Income Amount will proportionally reduce the Eligible Total Income Amount for each Income Age and provide you with a reduced guaranteed income stream. See Section 4.5, Proportional Reductions, for more information.

4.3 The Total Income Amount

- The Total Income Amount is the maximum amount guaranteed to be available each calendar year for withdrawals from Guaranteed Income Fund for the life of the annuitant, and when applicable, the Joint Life, provided minimum age requirements are met, the Election of the Total Income Amount has occurred and annual withdrawal maximums are not exceeded.
- The Total Income Amount is not established until the Election of the Total Income Amount occurs.
- You are not eligible to Elect Income 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 Total Income Amount, your Total Income Amount will be established to equal the Eligible Total Income Amount for the current Income Age on the Valuation Date that the Election of the Total Income Amount occurs.
- Once Election of the Total Income Amount has occurred, it may not be revoked.
- After Electing Income, if you do not Exceed the Total Income Amount, or Adjusted RRIF Minimum, if applicable, the Total Income Amount will be available for withdrawal each year for the life of the annuitant, or for the Joint Life Income Option, the lives of the annuitant and Joint Life.
- If you make a subsequent Transition after Electing Income the following will apply:
 - i. If there have been no withdrawals from the Guaranteed Income Fund or the total of all withdrawals from the Guaranteed Income Fund in the calendar year have not Exceeded the Total Income Amount, then the Transition Income Amount for the Transition is calculated, based on the Transition Income Rate for the Income Age on the Valuation Date of the Transition and immediately added to your Total Income Amount. The Remaining Total Income Amount will also increase by this amount.

- ii. If the total of all withdrawals from the Guaranteed Income Fund in the calendar year have previously Exceeded the Total Income Amount, the Income Amount for the Transition is calculated based on the Income Rate for the Income Age on the Valuation Date of the Transition and immediately added to your Total Income Amount. The Remaining Total Income Amount will not increase until the following calendar year.

- **Refer to the Case Studies at the end of this section for more information.**

- You may request to receive your Total Income Amount as scheduled or unscheduled withdrawals.
- At the time you wish to take a withdrawal from the Guaranteed Income Fund, you must instruct us whether or not you wish to Elect Income, unless previously elected.

Requesting scheduled withdrawals from the Guaranteed Income Fund will result in an automatic Election of the Total Income Amount, unless previously elected.

- For scheduled withdrawals we will use the Eligible Total Income Amount on the date of the first scheduled withdrawal to establish the Total Income Amount.
- For the Single Life Income Option, the Total Income Amount continues until the earlier of: the Total Income Amount is reduced to \$0, the Contract reaches the Contract Maturity Date or on the death of the annuitant.
- For the Joint Life Income Option, the Total Income Amount continues until the earlier of: the Total Income Amount is 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 your Units of the Guaranteed Income Fund reduces to \$0, future payments will be made to you if there is a positive Total Income Amount or Remaining Total Income Amount.
- Withdrawals from the Guaranteed Income Fund taken up to the Total Income Amount or Adjusted RRIF Minimum, if applicable, will not reduce the Total Income Amount. Only withdrawals that Exceed the Total Income Amount or Adjusted RRIF Minimum, if applicable, or that are made prior to the Election of the Total Income Amount will proportionally reduce the Total Income Amount and provide you with a reduced guaranteed income stream. See Section 4.5 Proportional Reductions, for more information.

4.4 Income Options

- At the time of initial deposit to the Contract, you must elect Single or Joint Life option and you will not be able to change this option, unless offered under our administrative rules.
- The option you choose will be a factor in determining the applicable Income Rates used to calculate your Eligible Total Income Amount and Total Income Amount.

Single Life Income Option

The Single Life Income Option is a guaranteed income stream based on the life of the annuitant and is not eligible to continue after the annuitant's death.

Currently available Income Rates for the Single Life Income Option can be found at www.manulifeim.ca or through your advisor.

Joint Life Income Option

- The Joint Life Income 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.
- Currently available Income Rates for the Joint Life Income Option can be found at www.manulifeim.ca or through your advisor.
- If you have elected the Joint Life Income Option you will **not** be eligible to change to a different income option at a subsequent time, unless allowed under our administrative rules.
- You may be eligible to remove the individual you designated as the Joint Life entity from your Contract. If this occurs, the Total Income Amount will continue to be determined by the applicable Income Rates and Income Age (using the age of the former Joint Life) for the Joint Life Income Option.

Non-Registered, RRIF, and TFSA Contracts

Under the Joint Life Income Option, upon the death of the annuitant or Joint Life, whichever is earlier, the Contract will continue, including the elected Total Income Amount under the Joint Life Income Option, until the death of the survivor of the annuitant and Joint Life provided, for RRIF and TFSA Contracts, the Joint Life must be the spouse or common-law partner at the time of the annuitant's death, otherwise the Contract is not eligible to continue. Another Joint Life cannot be named.

Note: If the owner is either the annuitant or the Joint Life, the survivor of the annuitant and Joint Life will become the owner of the Contract, unless otherwise designated and provided, for RRIF and TFSA Contracts, the Joint Life is the annuitant's spouse or common-law partner at the time of the annuitant's death.

RRSP (or LIRA) Contracts

Under the Joint Life Income 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, provided he or she is the spouse or common-law partner at the time of the annuitant's death, 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 their name (at the same Joint Life Income Option rate).

4.5 Proportional Reductions

The formula used for proportional reductions of the Total Income Amount or Eligible Total Income Amount is below:

$$A = G \times W / MV$$

A = Total Income Amount (or Eligible Total Income Amount) reduction

G = Total Income Amount (or Eligible Total Income Amount) prior to withdrawal

W = market value of units withdrawn from the Guaranteed Income Fund*

MV = total market value of Units in the Guaranteed Income Fund prior to withdrawal

***For the first withdrawal that Exceeds the Total Income Amount (or Adjusted RRIF Minimum, if applicable) only: "W" includes all withdrawals from the Guaranteed Income Fund for the current calendar year.**

4.6 Guaranteed Payment Phase

If the market value of your Units of the Guaranteed Income Fund reduces to \$0 while the Total Income Amount or Remaining Total Income Amount or Eligible Total Income Amount has a positive value, the Contract will move into the Guaranteed Payment Phase.

In the Guaranteed Payment Phase, the following will apply:

- The Income Guarantee will provide payment of the Total Income Amount for the life of the annuitant (or in the case of the Joint Life Income Option, both the annuitant and Joint Life) if the Total Income Amount or Remaining Total Income Amount is greater than \$0.

- Automatic Election of the Total Income Amount will occur when eligible, if not previously elected.
- Maturity and Death Benefit Guarantees will be proportionally reduced by any withdrawal, including those made under the Guaranteed Payment Phase.

Guaranteed Payment Phase provision

The Contract will remain in effect until the earlier of:

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

4.7 Case Studies

Calculating the Total Income Amount in a Rising Rate Environment

Date	Transition	Income Age	Transition Income Base (\$)	Income Rate (%) Secured for Age 65	Income Amount (\$) Secured for Age 65	Eligible Total Income Amount (4) for Age 65	Total Income Amount (\$)
1-Jan-17	30% Market Value Transition (\$63,781)	59	69,168	4.26	2,947 ¹	2,947	not elected
31-Dec-17	Income Credit (\$3,977)	59				3,770	
1-Jan-18	20% Market Value Transition (\$30,360)	60	33,339	4.30	1,434	4,381	not elected
31-Dec-18	Income Credit (\$3,381)	60				5,591	
1-Apr-19	Remaining Market Value Transition (\$124,480)	61	140,628	4.29	6,033	10,414 ²	not elected
19-Jul-23	Election	65				10,414	10,414

For illustrative purposes only.

This example builds on all assumptions listed on the example in Section 3.2, Calculating Your Income Base(s).

Each Transition secures a set of Income Rates and Income Amounts for every age greater than age 50, age 65 is displayed for illustrative purposes.

1. Income Amount of 2,947 calculated as $\$69,168 \times 4.26\%$
2. Eligible Total Income Amount of \$10,414 calculated as $(\$2,947 + \$1,434 + \$6,033)$

Calculating the Total Income Amount in a Declining Rate Environment

Date	Transition	Income Age	Transition Income Base (\$)	Income Rate (%) Secured for Age 65	Income Amount (\$) Secured for Age 65	Eligible Total Income Amount (\$) for Age 65	Total Income Amount (\$)
1-Jan-17	30% Market Value Transition (\$56,374)	59	60,204	3.94	2,372	2,372	not elected
31-Dec-17	Income Credit (\$2,630)	59				2,372	
1-Jan-18	20% Market Value Transition (\$25,780)	60	28,094	3.94	1,107 ¹	3,479 ²	not elected
31-Dec-18	Income Credit (\$2,011)	60				3,479	
1-Apr-19	Remaining Market Value Transition (\$100,560)	61	112,324	3.81	4,279	7,758	not elected
19-Jul-23	Election	65				7,758	7,758

For illustrative purposes only.

This example builds on all assumptions listed on the example in Section 3.2, Calculating Your Income Base(s).

1. Income Amount of \$1,107 calculated as \$28,094 x 3.94%
2. Eligible Total Income Amount of \$3,479 calculated as \$2,372 + \$1,107

5. 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.
- Requests for withdrawals must meet minimum amounts applicable at the time you make the request.
- If the value of the Fund(s) or Units of the Fund(s) 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
- Withdrawals may result in a capital gain or a capital loss since they create a taxable disposition. See Section 11, Tax information, for more information.
- Fees may apply to withdrawals. See Section 9, Fees and Charges, for details.
- Scheduled withdrawals are not available from a RRSP, LIRA, or RLSP Contract. You may request unscheduled withdrawals on any day of the month and they will be processed on the first available Valuation Date. See Section 8, 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. 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.

Withdrawals from the Contract will reduce the Maturity and Death Benefit Guarantees. For the impact of withdrawals on the optional Income Guarantee see Section 4, The Income Guarantee.

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

- For contracts holding the Guaranteed Income Fund, to assist you in managing the Income Guarantee, we apply a service called Guarantee Guard. Under this service we will not process any withdrawals from the Guaranteed Income Fund that are requested prior to the Election of the Total Income Amount or that would Exceed the Total Income Amount, 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.

5.1 Information Specific to RRIF, LIF, LRIF, RLIF, or PRIF Contracts

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.
- You are not required to withdraw your RRIF Minimum Amount from both Funds in the Savings Phase and the Guaranteed Income Fund. You may choose to only withdraw from the Funds in the Savings Phase to maintain or enhance (by deferring Election of the Total Income Amount) the Total Income Amount Guarantee provided by the Guaranteed Income Fund.

5.1.1 Allowances Made for Contracts with Legislated Minimums

- We reserve the right to restrict the use of the spouse’s age in calculating the RRIF Minimum Amount for the purposes of determining the allowances made below for Contracts with legislated minimums
- For RRIF, LIF, LRIF, RLIF, and PRIF Contracts holding only the Guaranteed Income Fund:
 - We will calculate the RRIF Minimum Amount, and if it is higher than the elected Total Income Amount in a given year we will allow you to withdraw up to the RRIF Minimum Amount without Exceeding the Total Income Amount.
- For RRIF, LIF, LRIF, RLIF, and PRIF Contracts holding both the Funds in the Savings Phase and the Guaranteed Income Fund:
 - We calculate an Adjusted RRIF Minimum for the Contract. The Adjusted RRIF Minimum uses the RRIF Minimum Amount and pro-rates it based on the closing market value of the Guaranteed Income Fund on December 31 of the previous year as a portion of the total market value of the Contract.
 - If the Adjusted RRIF Minimum is higher than the elected Total Income Amount in a given year we allow you to withdraw up to the Adjusted RRIF Minimum from the Guaranteed Income Fund without exceeding the Total Income Amount.

5.1.2 Allowances made for Contracts held in an External RRIF (including LIF, LRIF, PRIF, or RLIF)

- A Contract that is registered externally as a RRIF is non-registered with Manulife. 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 hold the Guaranteed Income Fund and have Elected the Total Income Amount, we will allow for withdrawals from the Contract up to a notional RRIF Minimum Amount or notional Adjusted RRIF Minimum without Exceeding the Total Income Amount. 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 Total Income Amount, 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.

5.2 Unscheduled Withdrawals

- Unscheduled withdrawals may be taken from a non-registered, TFSA, RRSP, RLSP, RRIF, LIF, LRIF, RLIF, or PRIF Contract. They are not available from a LIRA 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. See Section 8.2, Valuation Date, for more information.
- Unscheduled withdrawals can be requested in the amount and frequency that you choose.
- Sales charges and early withdrawal fees may apply to unscheduled withdrawals. See Section 5.4, Early Withdrawal Fees, and Section 9.3, Recovery of Expenses.

5.3 Scheduled Withdrawals (SWPs)

- Scheduled withdrawals may be taken from a non-registered, TFSA, 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.
- Early withdrawal fees do not apply to scheduled payments. Sales charges such as Back-end and Low-load charges may apply. For more information see Sections 9.2, Sales Charge Options and 9.3, Early Withdrawal Fees and Recovery of Expenses.

5.3.1 Scheduled Withdrawal Options

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

- For Contracts holding the Guaranteed Income Fund:
 - If you have requested all or part of your Level Amount to be withdrawn from the Guaranteed Income Fund, the amount you select to be withdrawn from the Guaranteed Income Fund should not Exceed the Total Income Amount or the RRIF Minimum Amount, if applicable. If the level amount that has been requested from the Guaranteed Income Fund is greater than the Total Income Amount then withdrawals may Exceed the Total Income Amount, which may have a negative impact on future guaranteed Total Income Amount payments.

Total Income Amount – This scheduled withdrawal option is applicable to Contracts holding the Guaranteed Income Fund only. Under this option, the sum of all payments from the Guaranteed Income Fund for the calendar year will equal the Total Income Amount. Where subsequent Transitions or withdrawals affect the Remaining Total Income Amount, the remaining payments under this option will be recalculated for the remainder of the year.

- For each Transition, as long as the total of all Transitions previously made in the calendar year exceeds the total withdrawals previously made from the Guaranteed Income Fund in that calendar year, the Transition may result in an increase to the Total Income Amount and remaining Total Income Amount.
- When an unscheduled withdrawal is made from the Guaranteed Income Fund that does not Exceed the Total Income Amount, we will immediately recalculate the remaining scheduled payments for the calendar year using the current Remaining Total Income Amount.
- When an unscheduled withdrawal from the Guaranteed Income Fund reduces the Remaining Total Income Amount to \$0, the Contract is ineligible for future scheduled Total Income Amount withdrawals in that calendar year. The Total Income Amount for the following year will be recalculated on December 31 of that calendar year.

- When the Remaining Total Income Amount 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.

RRIF Minimum – Under this option, each scheduled withdrawal 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.

LIF, LRIF, or RLIF Maximum – 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, or RLIF Maximum Amount

- Payment of the LIF, LRIF, or RLIF Maximum may Exceed the Total Income Amount in a given year, which may have a negative impact on future guaranteed Total Income Amount 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.

Eligibility for Scheduled Withdrawal Options

Scheduled withdrawal option	Contracts holding funds in the Savings Phase only		Contracts holding the Guaranteed Income Fund only		Contracts holding both funds in the Savings Phase and the Guaranteed Income Fund	
	Non-Registered, TFSA Contracts	RRIF, LIF, LRIF, RLIF, or PRIF Contracts	Non-Registered, TFSA Contracts	RRIF, LIF, LRIF, RLIF, or PRIF Contracts	Non-Registered, TFSA Contracts	RRIF, LIF, LRIF, RLIF, or PRIF Contracts
Level	4	4	4	4	4	4
Total Income Amount	N/A	N/A	4	4	4	4
RRIF Minimum	N/A	4	N/A	4	N/A	4
LIF or LRIF Maximum	N/A	4	N/A	4	N/A	4

5.3.2 Additional Information for RRIF, LIF, or Other Similar Retirement Income Contracts

Contracts Holding Funds In The Savings Phase Only

Level Amount – The scheduled withdrawal amount selected for the year must be equal to or greater than the RRIF Minimum Amount and for LIF, LRIF, or RLIF Contracts, less than or equal to the LIF, LRIF, or RLIF Maximum Amount.

Contracts holding the Guaranteed Income Fund only

Level Amount – The amount you select should not Exceed the Total Income Amount or the RRIF Minimum Amount, if applicable. If the level amount that has been elected is greater than these recalculated values then withdrawals may Exceed the Total Income Amount, which may have a negative impact on future guaranteed Total Income Amount payments.

RRIF Minimum Amount – We will calculate the RRIF Minimum Amount, and if it is higher than the elected Total Income Amount in a given year we will allow you to withdraw up to the RRIF Minimum Amount without Exceeding the Total Income Amount.

LIF, LRIF, or RLIF Maximum Amount – Payment of the LIF, LRIF, or RLIF Maximum may Exceed the Total Income Amount in a given year, which may have a negative impact on future guaranteed Total Income Amount payments.

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

Contracts holding funds in the Savings Phase and the Guaranteed Income Fund

Level Amount – The scheduled withdrawal amount for a year must be equal to or greater than the RRIF.

Minimum Amount and for LIF, LRIF, or RLIF Contracts less than or equal to the LIF, LRIF, or RLIF Maximum Amount.

- The Total Income Amount, once elected, and the Adjusted RRIF Minimum will be recalculated at least annually (December 31 of the previous year). Once these amounts are recalculated, the level amount requested may cause withdrawals to Exceed the Total Income Amount. See the definition of Exceeding the Total Income Amount in the Definitions Section of this Folder, and Section 4.3, The Total Income Amount, for additional information.

RRIF Minimum – Where the portion of withdrawals coming from the Guaranteed Income Fund is greater than the Total Income Amount, and the Adjusted RRIF Minimum, the Contract will Exceed the Total Income Amount for the calendar year. See the definition of Exceeding the Total Income Amount in the Definitions Section of this Folder, and Section 4.3, The Total Income Amount, for additional information.

LIF, LRIF, or RLIF Maximum – Payment of the LIF, LRIF, or RLIF Maximum may Exceed the Total Income Amount in a given year, which may have a negative impact on future guaranteed payments under the Guaranteed Income Fund. See the definition of Exceeding the Total Income Amount in the Definitions Section of this Folder, and Section 4.3, The Total Income Amount, for additional information.

Note: The RRIF Minimum Amount is calculated at the Contract level and is required to be paid to you each calendar year. The Total Income Amount (or Adjusted RRIF Minimum if greater), may be less than the RRIF Minimum Amount, and any remaining payment amount that is required to satisfy the payment of the full RRIF Minimum Amount will be paid at year-end by default. In the situation where you may be holding both Funds in the Savings Phase and the Guaranteed Income Fund, the payment will first be made from the Funds in the Savings Phase. If the value of the Funds in the Savings Phase is insufficient, the remaining required RRIF Minimum Amount will be taken from the Guaranteed Income Fund and Exceed the Total Income Amount.

5.4 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 from the Funds in the Savings Phase within 90 days of the purchase of the Funds in the Savings Phase you have requested to be withdrawn. This fee does not apply to scheduled withdrawal payments.
- We may apply a fee of 2% of the market value if you make a withdrawal from the Guaranteed Income Fund within 365 days of the Transition to the Guaranteed Income Fund if you have requested units from that Transition to be withdrawn. This fee will not apply to scheduled withdrawal payments or unscheduled withdrawal payments up to the Total Income Amount once the Election of the Total Income Amount has occurred.

5.5 Withdrawals Free of Sales Charges

- Redemption fees only apply to withdrawals that exceed the sales charge-free withdrawal amount calculated for the year. Please see Section 9.2, Sales Charge Options for more information on redemption fees.

5.5.1 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 the first 365 days of Transitioning those Fund Units being withdrawn, subject to certain exceptions. Please refer to Section 9, Fees and Charges for more information.

5.5.2 Back-end and Low-load Options

- There are no sales charges for withdrawals from the Back-end and Low-load option Funds up to the sales charge-free withdrawal limit.
- The sales charge-free withdrawal limit for each Fund 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 a Fund that have outstanding redemption fees will be included.
- Redemption fees only apply to withdrawals that exceed the sales charge-free withdrawal limit calculated for the year.
- The calculation only applies to monies in the Back-end and Low-load sales charge options. Please see Section 9.2.2, Back-end and Low-load Options.

Example of a non-registered contract:

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

*Includes Contracts that are registered externally

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

6. Maturity and Death Benefit Guarantees

6.1 General Information

- The Contract provides Maturity and Death Benefit Guarantees in addition to an optional Income 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

6.2 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, TFSA, 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 Total Income Amount (if you have the optional Income Guarantee).
- 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 11.2.1, *Automatic RRSP to RRIF, LIF or Other Similar Retirement Income Contract Provisions*, 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 11.3, *Default Annuity*, of the Contract for more information about the Default Annuity.
- Upon maturity, the Contract will end and all benefits, including the Total Income Amount (if you have the optional Income Guarantee) will cease.

6.3 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.
- On the Death Benefit Date, we will redeem all Units of the existing Funds in the Savings Phase and transfer the corresponding unit values to a money market fund within the Funds in the Savings Phase. All Units of the Guaranteed Income Fund will remain in that fund as currently held.
- If the annuitant dies and the Joint Life option has been elected and the Joint Life is living, the Contract will continue. Provided, for RRIF, TFSA, and RRSP (or LIRA) Contracts, the Joint Life must be the spouse or common-law partner at the time of the annuitant's death. Otherwise, for RRIF and TFSA Contracts, the Contract is not eligible to continue, and for RRSP (or LIRA) Contracts, the Joint Life cannot continue the guaranteed income and other contractual benefits in a new RRSP (or RRIF) Contract in their name.
- 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.

7. The Investment Options

7.1 General Information

- Please see the Fund Facts for the Funds available at the time of purchase of the Contract. For a list of available Funds following purchase of the Contract, please contact your advisor.
- Fund categories include money market, fixed income, balanced and equities. Each fund manager has a particular investment objective and strategy as well as diversification criteria such as capitalization, jurisdiction and manager style.
- The underlying investments in a Fund may be units of a mutual fund, stocks, bonds, derivatives, or other selected investments. You do not acquire any ownership interest in the segregated fund or in the underlying investments when deposits are allocated in a 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 for any of the Funds available at any time, in accordance with applicable requirements, and by providing you with advanced written notice. In certain situations, changes to a Fund may be considered a fundamental change. Please see Section 7.9, Fundamental Changes, for more information.

7.2 Net Asset Value

- The net asset value of a Fund is the total market value of all the assets of a Fund minus its liabilities. The net asset value is divided by the number of Units held by the policyowners to calculate the net asset value per Unit
- We calculate the net asset value and the net asset value per Unit of each Fund at the close of business on every Valuation Date. Please see Section 8.2, Valuation Date, for more information.

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

7.3 Investment Policy and Restrictions

- The investment policies may change from time to time, and you may be notified of any material change. Each Fund has a fundamental investment objective, which determines the investment policies and restrictions for the Fund. A change to the fundamental investment objective will be considered a fundamental change. See Section 7.9, Fundamental Changes, for more information.
- The fundamental investment objectives of underlying funds cannot be changed unless approved by the unitholders of that underlying fund, and that upon such approval and if applicable, you will be notified of that change.

- The Manulife RetirementPlus™ 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

7.4 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 of the underlying investments directly affect those investments and will also affect the segregated funds. For a comprehensive disclosure of the risks of investing in the segregated funds, refer to the Investment Policy of the relevant segregated fund, or the simplified prospectus or other disclosure documents of the underlying funds, copies of which are available upon request. The risks of investing may be different depending on the Fund(s) you choose. The Investment Policy of a Fund (available upon request) describes the risks that may affect the Fund. See the Fund Facts for more information on the Fund(s) available in your contract.

Asset-backed and mortgage-backed risk: If there are changes in the market's perception of the issuers of asset-backed or mortgage-backed securities, or in the creditworthiness of the parties involved, then the value of the securities may be affected. In addition, for asset-backed securities, there is a risk that there may be a mismatch in timing between the cash flow of the underlying assets backing the security and the repayment obligation of the security upon maturity. In the use of mortgage-backed securities, there are also risks that there may be a drop in the interest rates charged on mortgages, a mortgagor may default in its obligations under a mortgage or there may be a drop in the value of the property secured by the mortgage.

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.

Concentration risk occurs when a Fund, including an underlying Fund, invests in a portfolio of relatively few securities. As a result, the securities invested in may not be diversified across all sectors or they may be concentrated in specific regions or countries. By concentrating its investment, a significant portion of the Fund or the underlying Fund may be invested in a single security. This may result in higher volatility, as changes in the market value of an individual security will have a greater impact on the value of the Fund's portfolio. It may also result in a decrease in the liquidity of the Fund's portfolio.

Corporate class risk: Certain underlying funds are structured as classes of shares of a single corporation which may contain multiple funds. Each corporate class fund has its own assets and liabilities, and each fund will be charged separately for any expenses that are specifically attributable to that fund. However, each fund's assets are the property of the corporation. Therefore, if a fund cannot meet its obligations, the assets of the other funds of the corporation may be used to pay those obligations.

Cybersecurity Risk is the risk of cyber-attacks or data breaches of technological systems that may result in the disclosure of confidential information, unauthorized access to sensitive information, the destruction or corruption of data, and financial loss to the Fund. Manulife and its service providers use technology in virtually all aspects of business and operations including that of the Fund. As a result, Manulife has and requires its service providers to have a robust and evolving information security program that features policies, processes, technologies, and dedicated professionals that protect information, systems, and networks. Despite this, there can be no assurances that these measures will be successful in protecting our networks and information assets against attacks in every instance. This is because cyber-attack techniques are changing frequently, increasing in sophistication, are often not recognizable until launched, and can originate from a wide variety of sources. As a result, Manulife and its service providers may not be able to anticipate or implement effective preventive measures against all disruptions or privacy and security breaches. Cyber-attacks could result in violation of privacy laws or information security regulations, or could materially disrupt network access or business operations.

Derivative risk occurs when derivatives are used as a risk management tool to mitigate risks or diversify risks that are not desired. Some Funds and underlying mutual funds may invest in derivatives for hedging purposes, for achieving the duration target or for replicating the approximate return of a direct investment in the underlying mutual funds(s). A Fund's ability to dispose of the derivatives depends on the liquidity of such positions in the market, if the market direction goes against the manager's forecast, and the ability of the other party to fulfill its obligations. Therefore, there is no guarantee that transactions involving derivatives will always be beneficial to the Fund. The use of derivative instruments is prohibited in acquiring investment exposures not otherwise permitted in the Fund's investment description.

Sustainability (Environmental, Social, and Governance (ESG)) Policy Risk: An ESG Fund's ESG investment policy could cause it to perform differently compared to Similar Funds that do not have such a policy. Any criteria related to this ESG investment policy may result in the ESG Fund's forgoing opportunities to buy certain securities when it might otherwise be advantageous to do so, or selling securities for ESG reasons when it might be otherwise disadvantageous for it to do so. In addition, investors may differ in their views on what constitutes positive or negative ESG characteristics. As a result, the companies in which an ESG Fund

invests, directly or indirectly, may not reflect the beliefs and values of any particular investor. An ESG Fund will vote proxies in accordance with the Manager's Proxy Voting Policy.

Exchange-traded fund risk: Certain Funds may invest in securities of exchange-traded funds ("ETFs"). Certain ETFs seek to provide returns similar to the performance of a particular market index or industry sector index. These ETFs may not achieve the same return as their benchmark market or industry sector indices due to, among other things, differences in the actual weights of securities held in the ETF versus the weights in the relevant index and due to the operating and management expenses of the ETFs. An ETF may, for a variety of reasons, also fail to accurately track the market segment or index that underlies its investment objective. Certain ETFs are actively managed, like Manulife Smart ETFs, and have an investment manager actively manage a portfolio of securities rather than tracking an index. Funds that invest in units of such actively managed ETFs are exposed to the risks associated with relying on the portfolio manager's discretionary management of the securities held in the portfolio of the actively managed ETF. There is no guarantee that an investment in an ETF, actively managed or tracking an index, will earn any positive return. The price of any ETF can also fluctuate and the value of Funds that invest in securities offered by ETFs will change with these fluctuations.

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. Currency rates may also be impacted by military conflicts or the imposition of economic sanctions.

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. 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.

Liquidity risk is the risk that an investment cannot be easily converted into cash. An investment may be less liquid if it is not widely traded, if there are restrictions on the exchange where the trading takes place or due to legal restrictions, the nature of the investment itself, settlement terms, for other reasons such as a shortage of buyers interested in a particular investment or an entire market or that may become subject to purchase or sale restrictions as a result of political or economic events such as military conflicts or economic sanctions. Investments with low liquidity can have dramatic changes in value, may be difficult to value and/or sell at a time and price preferred by a Fund, and can result in loss.

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.

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. The profitability of a Fund's investment program may depend to a great extent on the future course of price movements of securities and other investments. The securities markets have in recent years been characterized by great volatility and unpredictability. The performance of a Fund may be influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary, and exchange control programs and policies of governments and national and international political and economic events and policies. In addition, unexpected and unpredictable events such as war and occupation, a widespread health crisis or global pandemic (such as the recent spread of coronavirus disease (COVID-19)), terrorism, and related geopolitical risks may lead to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally, including U.S., Canadian, and other economies and securities markets. Each Fund is therefore exposed to some, and at times, a substantial, degree of market risk.

Real estate risk: Real estate by nature is not a liquid asset. There is no formal market for trading in real property and very few records are available to the public, which give terms and conditions of real property transactions. It may take time to sell real estate investments at a reasonable price, limiting the fund's ability to respond quickly to changes in economic or investment conditions.

Securities lending, repurchase, and reverse repurchase

transaction risk: Funds may engage in securities lending, repurchase, and reverse repurchase transactions directly, or may be exposed to these transactions indirectly because of the underlying funds in which they invest. While securities lending, repurchase, and reverse repurchase transactions are different, all three arrangements involve the temporary exchange of securities for cash with a simultaneous obligation to redeliver a like quantity of the same securities at a future date. Securities lending is an agreement whereby a fund lends securities through an authorized agent in exchange for a fee and a form of acceptable collateral. Under a repurchase transaction, a fund agrees to sell securities for cash, while at the same time assuming an obligation to repurchase the same securities for cash, usually at a lower price and at a later date. A reverse repurchase transaction is a transaction in which a fund buys securities for cash and simultaneously agrees to resell the same securities for cash, usually at a higher price and at a later date. The risks associated with securities lending, repurchase, and reverse repurchase transactions arise when a counterparty, whether it be the borrower, seller, or buyer, defaults under the agreement evidencing the transaction. The fund is then forced to make a claim in order to recover its investment. In securities lending or repurchase

transactions, the fund could incur a loss if the value of the securities loaned or sold has increased relative to the value of the collateral held by the fund. In the case of a reverse repurchase transaction, the fund could incur a loss if the value of the securities purchased by the fund decreases in value relative to the value of the collateral held by the fund. To limit the risks associated with these transactions, a fund would adhere to controls and limits that are intended to offset these risks and by limiting the amount of exposure to these transactions. A fund would also typically deposit collateral only with lenders that meet certain criteria for creditworthiness and only up to certain limits.

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.

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.

Specialization risk: Some Funds specialize in investing in a particular industry or part of the world. Specialization allows the portfolio advisor to focus on specific areas of the economy, which can boost profits if both the sector and the companies selected prosper. However, if the industry or geographic area experience challenges, the Fund will suffer because there are relatively few other exposures to offset and because securities in the same industry tend to be affected by challenges in a similar manner. The Fund must follow its investment objective and may be required to continue to invest primarily in securities in the industry or geographic area, whether or not it is prosperous.

Substantial securityholder risk: A Fund may have one or more substantial investors who hold a significant amount of securities of the Fund, such as a financial institution or a Top Fund. If a substantial investor decides to redeem its investment in a Fund, the Fund may be forced to sell its investments at an unfavourable market price in order to accommodate such request. The Fund may also be forced to change the composition of its portfolio. Such actions may result in considerable price fluctuations to the Fund's net asset value and negatively impact on its returns. The Funds do, however, have policies and procedures designed to monitor, detect and deter inappropriate short-term or excessive trading. See "Short-Term Trading".

Underlying fund risk applies where a segregated fund that invests in units of an underlying fund may be exposed to the risks associated with the underlying fund.

7.5 Reinvestment of Earnings

- Any realized earnings of the assets of the Funds 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.

7.6 Interest of Management and Others in Material Transactions

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

7.7 Material Contracts or Facts

- There have been no material contracts entered into by Manulife, or any of its subsidiaries, within two 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 policy holder.

7.8 Custodian of Fund Portfolio Securities

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

7.9 Fundamental Changes

- A fundamental change is:
 - An increase in the management fee of a Fund,
 - A change in the fundamental investment objective of a Fund,
 - An increase in the management fee of an underlying fund, which results in an increase in the management fee of a Fund,
 - A decrease in the frequency with which Units of the Funds are valued, or
 - An increase in the insurance fee limit specified in the financial statements and the Information Folder, if such costs are disclosed separately from the management fee.
- A fundamental change to the Contract and/or a Fund may provide you with certain rights.
- In the event of a fundamental change to the Contract and/or a Fund, you will be given the opportunity in certain circumstances to Fund switch or withdraw units of the Fund(s) without incurring charges. A fundamental change will occur in the event of Fund(s)

being closed or in the event that two or more Funds are merged. Fund mergers and 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 sheet to reflect the change.

The foregoing may be superseded by any regulatory developments governing changes to segregated funds.

- If we no longer offer the Contract for sale, all existing Contracts are still subject to the fundamental change rules in this section.

7.10 Auditor

- The audited financial statements for the most recent year-end of the Fund(s) are available upon request.
- The auditor is:

Ernst and Young, LLP
100 Adelaide Street West, PO Box 1
Toronto, ON
M5H 0B3

8. Valuation

8.1 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.

8.2 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, switches) 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 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.
- Please contact your advisor for the Valuation Date cut-off time that may apply to your specific transaction request.
- Funds are 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 Funds or to acquire investments on behalf of the Funds or to determine the total value of the Funds.

- The Funds will be valued at least monthly, irrespective of any postponement. If there is a change to the frequency of valuation of the Funds, you may have rights of free withdrawal or Fund switch. See Section 7.9, 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 Funds.
- You may request eligible transactions by providing us with the complete information we require, by the Valuation Date cut-off time, as determined by us. For Deposits, we also require receipt of the Deposit by the Valuation Date cut-off time, as determined by us. See Section 8.3, *Valuation Date of Requests*, of the Contract for more information.

9. Fees and Charges

9.1 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.

9.2 Sales Charge Options

- The amount of sales charges are determined by the Fund category and sales charge option in which you originally purchase Units.
- 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. 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.

9.2.1 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 5%.

9.2.2 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.
- The amount of the sales charge applicable to a withdrawal is based on the redemption fee scale and Fund category in which you originally purchased Units of Back-end and Low-load option funds.
- Funds with a Back-end Sales Charge have a longer sales charge period than Funds with a Low-load Sales Charge.

For example, if you originally purchase Units of a Back-end sales charge option equity Fund and then you subsequently request a Fund switch to a money market fund or a Transition to the Guaranteed Income Fund, redemption fees applicable to a withdrawal are based on the equity Fund redemption fee scale.

- 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. See Section 5.5, Withdrawals Free of Sales Charges, for more information.
- The age of deposits, for purposes of calculating redemption fees, will not be affected by Fund switches or Transitioning to the Guaranteed Income Fund.
- The redemption fees for the death benefit are waived.
- Back-end Load and Low-load Redemption Fee Scale.

Back-end Load and Low-load Redemption Fee Scale

Fund category	Redemption made during the first seven 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
Money market fund (excluding the Dollar-Cost Averaging Program Fund)	All years = 0	All years = 0	All years = 0
All other funds (Bond, Dividend, Asset Allocation, Balanced, Equity funds, and the Dollar-Cost Averaging Program Fund)	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

9.2.3 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 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. 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.

9.3 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 from Funds in the Savings Phase within 90 days of the purchase of the Funds in the Savings Phase you have requested to be withdrawn. This fee does not apply to scheduled withdrawal payments .
- If you hold Units in the Guaranteed Income Fund, we may apply a fee of 2% of the Market Value if you make a withdrawal from the Guaranteed Income Fund within 365 days of Transitioning those Fund Units being withdrawn. This fee will not apply to scheduled withdrawal payments or unscheduled withdrawal payments up to the Total Income Amount or Adjusted RRIF Minimum, if applicable, once the Election of the Total Income Amount 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.

9.4 Small Policy Fee

- At any time we may apply an annual fee of up to \$100 to Contracts if the greater of the sum of all Deposits or the Market Value of the Contract, at the end of the calendar year (December 31), is below the initial Deposit minimum listed in the Key Facts.
- The fee is collected at the beginning of the calendar year based on the calculation above as of December 31 of the prior calendar year. It is paid to Manulife through a withdrawal of Fund Units according to our administrative rules.
- Withdrawals to pay for the fee will not establish the Total Income Amount or reduce the Remaining Total Income Amount, Eligible Total Income Amount Maturity or Death Benefit Guarantees.
- The fee is not currently subject to Goods and Services Tax (GST) or Harmonized Sales Tax (HST), where applicable.

Fund Charges

9.5 Management Expense Ratio (MER)

- The Management Expense Ratio (MER) is the cost of investing in a Fund and is the total of the management fee, 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, custodial fees and charges, and bank service and interest charges. We pay the operating expenses of the Funds in exchange for a monthly payment by the Funds to us with respect to each class of the Funds, if applicable. 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 9.6, Management Fees and Section 7.9, Fundamental Changes, we may change the MER of any Fund available without prior notification.

Please see the Fund Facts for more information about current MERs.

9.6 Management Fees

- The management fee of a Fund is calculated and accrued on a daily basis and paid to Manulife 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 a Fund include all management fees charged by Manulife and any underlying funds. There is no duplication of fees or charges for the same service

- We may change the management fee of any Fund available by providing you with a least 60 days advanced written notice. See Section 7.9, Fundamental Changes, for more information.
- At our discretion we may waive a management fee, in whole or in part, and this arrangement may discontinue at any time without notice. If we waive a management fee we may have an alternate fee arrangement as described in the Fund Facts.

9.7 Insurance Fee

- The insurance fee is paid to Manulife for providing the 75% Maturity Guarantee, 75% Death Benefit Guarantee and optional Income Guarantee under the Contract.
- You do not directly pay for the insurance fee as it is paid by the Fund.
- The insurance fee is part of the management fee, unless stated separately in the Fund Facts.
- For the Guaranteed Income Fund only:
 - 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.

See Section 7.9, Fundamental Changes, for more information.

10. Compensation Paid to Your Advisor

10.1 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, 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 reserves the right to change or cancel compensation arrangements at any time.

10.2 Sales Commission

- The sales commission paid will vary depending on the Fund, the sales charge option, and in some cases, the amount of the deposit.
- A sales commission will be paid on the Market Value of any amount Transitioned to the Guaranteed Income Fund.
- Front-end sales charge option:
 - The amount of the sales charge you pay equals the commission paid to your advisor by Manulife.
- Back-end and Low-load sales charge options:
 - Manulife 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.
- Sales commission will not be paid for the following:
 - Maturity and Death Benefit top-ups.
 - Fund switches within the same sales charge option
 - Transfer of a registered savings Contract (e.g. RRSP, LIRA) to a registered income Contract (e.g. RRIF, LIF).

10.3 Servicing Commission

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

11. Tax Information

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

11.1 General Information

- This is an outline of general tax information as it applies to the Contract. It applies to Canadian resident individual 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 Canada Revenue Agency (CRA) assessing practices. You should consult your personal tax advisor about your individual circumstances.

- Each Fund is to allocate its income and realized capital gains and losses to Policyowners in each year.
- Each Fund (other than a money market fund or the DCAP Fund) will allocate the income proportionally by Fund Units to all Policyowners on December 31 of each year. Realized capital gains and losses are allocated first to surrendering Policyowners, and any residual is allocated proportionally by Fund Units to all Policyowners on December 31 of each year.
- Each Fund also has the authority to make a reasonable allocation of income, capital gains or capital losses of the Fund to Policyowners at other times of the year where, in our opinion, such an allocation is more equitable in the circumstances. Any amounts allocated in accordance with this paragraph will reduce the amounts that are otherwise allocated by the Fund for the taxation year.

Allocations may be made in a year to a Policyowner who was a Policyowner during that year but who is no longer a Policyowner at the end of that year.

- The money market fund and DCAP Fund allocate interest income earned on a daily basis to Policyowners in that Fund.
- 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 CRA assessing practice. We recommend that you contact your tax advisor regarding the tax treatment of this product in your particular circumstances.

11.2 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 Fund switches and withdrawals, trading activities of the Funds, Fund closures, 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 (Where Applicable)

- 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.

11.3 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 .

TFSA

- Deposits to a TFSA are not tax deductible.
- Withdrawals from a TFSA are generally not taxable.
- Withdrawals will be added to your TFSA contribution room at the beginning of the following calendar year. You can replace or re-contribute the amount of the withdrawal in the same year only if you have available TFSA contribution room. Please consult your tax advisor in these circumstances.

Taxation of payments during guaranteed payment phase (Where Applicable)

- The amount of the payments made during the Guaranteed Payment Phase will be taxable (except for TFSA) 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.

11.4 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, top-up amounts are not taxed when deposited into the Contract. However, except for TFSA Contracts, when amounts are withdrawn (including the top-ups), all amounts are taxable to you.
- For the Death Benefit Guarantee, top-up amounts are not taxed when deposited into the Contract. However, except for TFSA Contracts, when the final Death Benefit is paid to the beneficiary, all amounts (including the top-ups) are taxable to the appropriate individual.
- For TFSA Contracts, withdrawals are generally not taxable.

12. Estate planning

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

12.1 Beneficiaries

- On the death of the annuitant for Single Life option, or the death of the last survivor of the annuitant and Joint Life for Joint Life 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.

12.1.1 Irrevocable Beneficiaries

- If you have designated the beneficiary as irrevocable (where allowed), 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.

12.2 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 option where you are not the annuitant) or the death of the survivor of the annuitant and Joint Life (for the Joint Life 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.

12.3 Registered Contracts

RRSP Contracts

- You cannot appoint a successor owner for an RRSP Contract.

Tax-Free Savings Account (TFSAS)

- Where available under applicable provincial and territorial law, if your spouse or common-law partner is named as sole beneficiary or successor holder and you have chosen the Joint Life option, your spouse or common-law partner will automatically become owner of the Contract after your death provided he/she is your spouse or common-law partner at the time of your death. In this case, your spouse or common-law partner may exercise rights as the Policyowner of this Contract, including the right to change any secondary or subsequent beneficiary appointments made prior to your death.

12.4 Estate Benefits

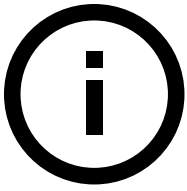
- If you have named a valid beneficiary or a valid successor owner other than your estate, upon your death for Single Life option, or the death of the last survivor of the annuitant and Joint Life for Joint Life option, the Contract does not form part of your estate. Probate fees, where applicable, will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

12.5 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.

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. For these Contracts, the Contract may continue according to our administrative rules, the provisions of the trust arrangement, and the trustee's administrative practices.



Manulife RetirementPlus™ Contract

Important Information

The Contract shown on the following pages will become effective on the Valuation Date of the first Deposit to the Manulife RetirementPlus™ Contract and upon acceptance by Manulife that the initial Contract set-up criteria have been met. Delivery of the Contract provisions does not constitute acceptance by Manulife 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, and when the initial Deposit has been made. The effective date of the Contract will be stated on a confirmation notice. Any endorsements or other amendments that may be required will be provided to you and will form part of the Contract.

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. Please contact your advisor if you have any questions about the Contract you have purchased.

For RRSP, LIRA, or RLSP contracts with the Joint Life 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 RetirementPlus™ Contract Provisions

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” and “Manulife” refer to The Manufacturers Life Insurance Company. “Head Office” refers to the Canadian Head Office of Manulife 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), Tax-Free Savings Account (TFSA), 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 similar 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 Savage

Head of Individual Insurance Canada
Manulife

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

Definitions & Key Terms

Accumulated Income Credits

Total of all Income Credits earned while invested in the Funds in the Savings Phase.

Adjusted RRIF Minimum

For RRIF, LIF and other similar retirement income Contracts holding both Funds in the Savings Phase and the Guaranteed Income Fund, the calculation used to determine the amount that can be withdrawn from the Guaranteed Income Fund without Exceeding the Total Income Amount.

Annual Total Income Amount (“Total Income Amount”)

Once Election of the Total Income Amount has occurred, the maximum amount guaranteed to be available each calendar year for withdrawals from the Guaranteed Income Fund for the life of the Annuitant, and Joint Life if applicable, provided minimum age requirements are met and annual withdrawal maximums are not exceeded.

Back-end Sales Charge

Often referred to as a Deferred Sales Charge (DSC), or a redemption fee or surrender charge. When a Fund with a 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 option, upon the death of the survivor of the Annuitant and Joint Life.

Charge-free Amount

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

Contract

Also referred to as the policy or the plan. The Contract is the Manulife RetirementPlus™ 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 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. 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 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 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 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 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 Total Income Amount (“Elect, (ing) Income”)

Occurs when you tell us you want your Total Income Amount to be established based on your Eligible Total Income Amount for your current Income Age and becomes effective on the date of the withdrawal. Requesting scheduled withdrawals results in an automatic notification that you want your Total Income Amount to be established, unless previously elected, which becomes effective the date of the first withdrawal.

Eligible Total Income Amount

The total of all Transition Income Amounts, per Income Age, for each Transition, determined until the Election of the Total Income Amount occurs.

Exceed(ed), (ing) the Total Income Amount

Occurs when total withdrawals from the Guaranteed Income Fund in a calendar year exceed the Total Income Amount and/or when withdrawal(s) from the Guaranteed Income Fund are made prior to the Election of the Total Income Amount. For RRIF, LIF, and other similar retirement income Contracts, occurs when withdrawals

in a calendar year Exceed the Total Income Amount and the RRIF Minimum Amount (or where applicable, the Adjusted RRIF Minimum) and/or when withdrawal(s) from the Guaranteed Income Fund are made prior to the Election of the Total Income Amount.

F-class Sales Charge

When a Fund is chosen in a F-class Sales Charge option you will not pay Manulife any sales charges at the time of deposit or withdrawal from the Fund. Administrative fees may be payable as defined under Section 6.1, *Contract Fees and Charges*, for certain withdrawals and Fund switches. 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 Fund is chosen, a sales charge may be deducted from the amount you pay to Manulife as a Deposit and is paid to your advisor. Under this option there are no sales charges payable on withdrawals.

Funds in the Savings Phase

Funds that provide eligibility for Income Credits.

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 Income Fund

Fund that provides eligibility for the Income Guarantee.

Guaranteed Payment Phase

Applicable to the Guaranteed Income Fund only, occurs when the Market Value of your Units of the Guaranteed Income Fund reduces to \$0 while there is a positive Total Income Amount or Eligible Total Income Amount.

Income Age

Prior to Election of the Total Income Amount, any age (as described below) at which the Election of the Total Income Amount can occur. If the Election of the Total Income Amount has occurred, the age (as described below) on the Valuation Date of a subsequent Transition. For the Single Life Income Option, the Income Age is based on the age of the annuitant as of December 31 of a calendar year. For the Joint Life Income Option, the Income Age is based on the age of the younger of the annuitant and Joint Life as of December 31 of a calendar year.

Income Credit

An amount added to the Accumulated Income Credits on the last Valuation Date of the month in any month you have Funds in the Savings Phase with a Market Value greater than zero.

Income Credit Rate

The annual rate used to calculate the Income Credit and is equal to the 10-year Canada Benchmark Bond Yield plus one half of a per cent (0.5%) but will never exceed eight per cent (8%).

Income Guarantee

Once the Election of the Total Income Amount has occurred, the Income Guarantee provides for withdrawals from the Guaranteed Income Fund for the life of the Annuitant, and in the case of the Joint Life option, for the lives of the Annuitant and the Joint Life, provided minimum age requirements are met and annual withdrawal maximums are not exceeded.

Joint Life

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

Joint Life Income Option

A guaranteed income stream based on the lives of the Annuitant and the Joint Life.

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(s) 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).

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 Total Income Amount

The amount that can be withdrawn from the Guaranteed Income Fund during the remainder of the calendar year without Exceeding the Total Income Amount. It is calculated as the difference between the Total Income Amount for the calendar year and withdrawals taken from the Guaranteed Income Fund during the calendar year.

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 Income Option

A guaranteed income stream based on the life of the Annuitant and is not eligible to continue after the Annuitant's death.

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.

Spouse

Spouse or common-law partner as defined by the *Income Tax Act* (Canada)

Transition(ed), (ing)

Occurs when you request a Fund switch from Funds in the Savings Phase to the Guaranteed Income Fund.

Transition Income Amount(s) ("Income Amount(s)")

An amount calculated upon each Transition by multiplying the Transition Income Base by the Transition Income Rate(s).

Transition Income Base(s) ("Income Base(s)")

An amount calculated upon each Transition to equal the Market Value of Fund Units being Transitioned plus the proportional amount of Accumulated Income Credits applicable to the Transitioned Units.

Transition Income Rate(s) ("Income Rate(s)")

The rates used in the calculation of the Transition Income Amounts(s). The Transition Income Rates are based on a number of factors determined by us at our discretion including, for example, the age and sex of the Annuitant for the Single Life Income Option and the age of the younger of the Annuitant and Joint Life for the Joint Life Income Option. We reserve the right to add, delete or change these factors for new Transitions without notice to you.

Underlying Fund

An investment fund in which a Fund invests all or part of its assets. The underlying investments of a 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 a 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, RIF, or TFSA 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 (see Section 10.1, *Right of Rescission*, for more information)

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 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 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 our 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 our 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.

3. Deposit Provisions

3.1 Deposits

You may make a Deposit to the Funds in the Savings Phase of this Contract while this Contract remains in force, subject to the terms of this Contract, the Information Folder and our administrative rules. 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 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 8.3, *Valuation Date of Requests*, for more information.

You may request allocation of your Deposit, after deductions are made, to purchase Units in one or more Funds of the Savings Phase then available. You must state in writing the Fund(s) you select, and if you select more than one Fund, you must state the amount of your Deposit to be allocated to each one. A Deposit may not be made directly to the Guaranteed Income Fund.

The number of Units purchased in any Fund will be equal to the Deposit, less any deductions, allocated to that Fund divided by the value of a Unit in that Fund on the applicable Valuation Date. Please refer to Section 8.2, *Units Allocated to a Fund*, for more information.

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.

We have the right to refuse to accept any Deposit and to establish maximum and minimum Deposit amounts from time to time. We have the right to refund any Deposit. 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 or Joint Life, if applicable, based on our administrative rules and to refuse to accept Deposits based on incomplete or unsatisfactory medical evidence.

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 10, *Rescission*.

3.2 Fund Availability

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

If we close a Fund completely, we will give you sufficient advance written notice of our intent in accordance with legislative requirements. Please refer to Section 9.4, *Fundamental Changes*, for more information. We may redeem the Units to the Contract's credit in any Fund that will no longer be available and allocate the value of these Units to purchase Units in a Similar Fund. Our written notice to you will specify the Fund or Funds that will no longer be available, the Fund in which we propose to purchase Units, and the date this automatic Fund switch is to be effective. We will send notice to the last address you provided to us.

In the event that we close a Fund, and a Similar Fund is not available, you may request in writing to withdraw units of the Fund without incurring charges, or that we make an alternative Fund switch as explained in Section 4, *Fund Switch Provisions*. If we do not receive your request before the date of the automatic Fund switch, the automatic Fund switch will take place.

We reserve the right to add, close and/or split Funds, and to change a Fund manager of any 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(s) without incurring charges. Please refer to Section 9.4, *Fundamental Changes*, for more information.

We also reserve the right to merge Funds in accordance with applicable requirements. Please see Section 9.4, *Fundamental Changes*, for more information.

3.3 Sales Charges

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

We reserve the right to refuse Deposits to a 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 Fund switch between different variations of the same sales charge options of a Fund if the Market Value of the Fund falls below the minimum amount applicable to the sales charge option of that Fund.

If you request that we allocate a Deposit to purchase Units of a Fund 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 5.5, *Deferred Sales Charges*.

If you request that we allocate a Deposit to purchase Units of a Fund 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 these Funds to substantially Similar Funds in a Front-end Sales Charge option, in accordance with our administrative rules.

3.4 Dollar-Cost Averaging Program

The Dollar-Cost Averaging Program Fund (DCAP Fund) is similar to Funds where you establish regular Fund switches, except you may request a reallocation of the Fund switch out of the DCAP Fund over a specified period. You cannot switch monies into the DCAP Fund. All deposits to the DCAP Fund will be administered in accordance with our administrative rules in place at the time. You must provide switch instructions within 90 calendar days of deposit to the DCAP Fund and you must fully switch out of the DCAP Fund in the 12-month period from the deposit date.

If instructions to switch your total Units from the DCAP Fund are not received within 90 days of the deposit date, we reserve the right to move all Units in the DCAP Fund to the Money Market Fund, or a substantially Similar Fund, in accordance with our administrative rules in place at the time.

4. Fund Switch Provisions

4.1 Fund Switches

At any time while this Contract remains in force, you may request that we switch Units in a Fund by requesting in writing that we redeem some or all of the Units to the Contract's credit in one or more Funds in the Savings Phase, to purchase Units in one or more of our other Funds in the Savings Phase then available and subject to our administrative rules.

You may request a switch between Funds in the Savings Phase available under the terms of the Contract. See Section 7.1.II, *Transition*, for further details on Fund switching from Funds in the Savings Phase to the Guaranteed Income Fund.

You may request that we switch between Funds of the same sales charge option up to five times per calendar year free of charge.

We reserve the right to disallow Fund switches in excess of five per calendar year, or to charge an administrative fee of 2% of the Market Value of the Units for Fund switches requested in excess of five per year. We reserve the right to charge an administrative fee of up to 2% of the Market Value of the Units if you Fund switch Units from a Fund within 90 days of acquiring them. These rights will not be affected by the fact that we may have waived these rights at any time previously.

If you request that we move Funds between different sales charge options (e.g. Back-end to Low-load, Low-load to Front-end), guarantees may be affected and you may incur sales charges, since this will be treated as a withdrawal from one Fund and a deposit to another. When moving between Funds with different sales charge options, the Units of the Fund to which you are moving may be purchased with a Valuation Date immediately following the Valuation Date of the redemption. Refer to Section 3.1, *Deposits*, and Section 5.5, *Deferred Sales Charges*, for more information. You may request Fund switches from Funds in Back-end and Low-load sales charge options into certain Front-end sales charge options, which may be eligible according to our administrative rules.

Fund switches may result in a capital gain or a capital loss where they create a taxable disposition.

The value of the Units of a Fund that are redeemed as a result of a Fund switch fluctuates with the market value of the underlying assets and is not guaranteed.

You may have rescission rights under this Contract as described in Section 10, Rescission.

5. Withdrawal Provisions

5.1 Withdrawals

You may request a withdrawal at any time while this Contract remains in force by requesting in writing that we redeem some or all of the Units to the Contract's credit in one or more of our Funds, according to our administrative rules. The Death Benefit and Maturity Guarantee will be proportionally reduced by any withdrawals.

For the Income Guarantee only, withdrawals from the Guaranteed Income Fund taken prior to Electing Income or that Exceed the Total Income Amount or, in some cases the RRIF Minimum Amount (or where applicable, the Adjusted RRIF Minimum) will proportionally reduce the Eligible Total Income Amount or Total Income Amount (as applicable) and provide a reduced guaranteed income stream. See Section 7.1.5, *Effect of Withdrawals on the Income Guarantee*, for more information. 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 8.3, *Valuation Date of Requests*. The number of Units redeemed from a Fund will be equal to the amount withdrawn from that Fund divided by the value of a Unit in that Fund on the applicable Valuation Date.

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(s) 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.

If you request that we redeem all the Units to the Contract's credit and the Total Income Amount or Eligible Total Income Amount (as applicable) reduces to zero, then Section 11.1, *Cancellation of this Contract*, applies.

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

5.2 Scheduled Payments

Scheduled payments, commonly referred to as Systematic Withdrawal Plans (SWPs), may be required under a RRIF, LIF, LRIF, RLIF, PRIF, and other similar retirement income Contract, and may be taken from non-registered and TFSA 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(s) on a percentage basis, 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 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 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 Back-end and Low-load Sales Charge Table in Section 9.2.2 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 5.6, *Back-end and Low-load options —Charge-free withdrawals*.

To ensure payment is made to you on the date you specify, we may use a Valuation Date prior to the payment date. We will direct the scheduled payment for deposit to your 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 prior to the day you have specified.

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.

5.3 Scheduled Payment Options for all Contract Types

The following scheduled payment options are available for all contract types as detailed in Section 5.3.1 of the Information Folder:

- Level Amount
- Total Income Amount (available to Contracts holding the Guaranteed Income Fund only)

5.4 Scheduled Payment Options for RRIF, LIF, LRIF, RLIF, or PRIF

Scheduled payments are required to be made under a RRIF, LIF, LRIF, PRIF, RLIF, 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 Level Amount and Total Income Amount payment options, the following scheduled payment options are available as detailed in Section 5.3.1 of the Information Folder:

RRIF Minimum Amount – A minimum amount must be withdrawn from all retirement income Contracts each calendar year, as required by the *Income Tax Act* (Canada). Throughout this Contract, we refer to this amount as the “RRIF Minimum Amount” regardless of taxation type of the Contract (i.e., RRIF, LIF, LRIF, RLIF, or PRIF). In the first calendar year, the RRIF Minimum Amount is zero. For each subsequent calendar year, the RRIF Minimum Amount is based on the Market Value of the Contract at the beginning of the calendar year using the formula indicated under the *Income Tax Act* (Canada).

Note: If you select this option, the payments will begin in the calendar year following the year of purchase.

For Contracts holding the Guaranteed Income Fund, if the annual Total Income Amount is calculated to be less than the RRIF Minimum Amount (or where applicable, the Adjusted RRIF Minimum Amount) you will be eligible to withdraw the RRIF Minimum Amount (or where applicable, the Adjusted RRIF Minimum Amount) from the Guaranteed Income Fund, without Exceeding the Total Income Amount. We reserve the right to restrict the use of the spouse’s age in determining the allowances made for Contracts with legislated minimums.

LIF, LRIF, or RLIF Maximum – This is applicable to a LIF, LRIF, RLIF, or other similar retirement income Contract that may have maximum payments applicable. Please refer to the applicable LIF, LRIF, or RLIF Contract endorsement for details.

For Contracts holding the Guaranteed Income Fund, if the Total Income Amount is higher than the LIF, LRIF, or RLIF Maximum and you have selected Total Income Amount as your payment option, you can only withdraw up to the LIF, LRIF, or RLIF Maximum. If the Total Income Amount is higher than the LIF, LRIF, or RLIF Maximum, and you have selected the Total Income Amount as your payment option, you may choose to withdraw an amount up to the Total Income Amount. 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(s) 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 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 (or where applicable, the Adjusted 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.

5.5 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. The sales charge applicable to a withdrawal from a Back-end or Low-load Sales Charge option Fund will always be based on the sales charge scale of the Fund in which you originally allocated Units. For example, if you originally request a Deposit be allocated to purchase Units of a Back-end Sales Charge option equity Fund, and then you subsequently make a Fund switch to a money market Fund, any sales charges applicable to a withdrawal will be based on the equity Fund sales charge scale. Refer to the Table shown in Section 9.2.2 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 option Funds. Funds with a Back-end Sales Charge have a longer sales charge period than Funds with a Low-load Sales Charge.

5.6 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 Fund(s), regardless of any Fund switches, or Transitions that have taken place thereafter.

5.7 Minimum Value of the Contract

If the Market Value of the Contract is less than the minimum balance according to our 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.

6. Fees and Charges

6.1 Contract Fees and Charges

Sales Charges

The amount of sales charges is determined by the sales charge option associated with the Fund(s) into which you allocate a Deposit. There are no sales charges applicable to a Deposit made as the result of a guarantee top-up. Refer to Section 3.3, *Sales Charges* and Section 5.5, *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. 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.

Administrative fees and recovery of expenses

We reserve the right to charge administrative fees of:

- 2% of the Market Value of the Units if you make a withdrawal within 90 days of the Contract Date;
- 2% of the Market Value of the Units if you request a withdrawal or a Fund switch within 90 days of allocating a Deposit to Fund(s) in the Savings Phase
- 2% of the Market Value of the Units for Fund switches requested in excess of five per calendar year; and
- 2% of the Market Value of the Units if you make a withdrawal from the Guaranteed Income Fund within 365 days of Transitioning those Units being withdrawn.

These fees will not apply to (a) scheduled withdrawals (b) regularly scheduled Fund switches or Transitions or (c) for the Income Guarantee only, to unscheduled withdrawals up to the Total Income Amount or, in some cases the RRIF Minimum Amount (or where applicable, the Adjusted RRIF Minimum) once Election of the Total Income Amount has occurred. These fees apply to all sales charge options and are in addition to any sales charges 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(s), 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.

6.2 Small Policy Fee

We reserve the right to charge an annual fee of up to \$100 to Contracts if the greater of the sum of all Deposits and the Market Value of the Contract, at the end of the calendar year (December 31), is below the initial Deposit minimum listed in the Key Facts. The fee is paid to Manulife 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.

For the Income Guarantee only, 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 Total Income Amount or reduce the Maturity Guarantee, Death Benefit Guarantee, or Remaining Total Income Amount or Eligible Total Income Amount, as applicable.

6.3 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 a Fund may include operating and administrative costs, legal fees and audit fees, custodial fees and charges and bank service and interest charges. We pay the operating expenses of the Funds in exchange for a monthly payment by the Funds to us with respect to each class of the Funds, if applicable. The MER for a 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. At our discretion we may waive a management fee, in whole or in part, and this arrangement may discontinue at any time without notice. If we waive a management fee we may have an alternate fee arrangement as described in the Fund Facts.

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 Funds. Management fees will differ by Fund type. Management fees are stated as an annualized percentage of the daily Market Value of the Net Assets of a Fund and may vary from Fund to Fund.

At the end of each Valuation Date, we calculate and accrue our fee for the management of each 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 a Fund or a Fund type 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 9.4, *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 for providing the Maturity and Death Benefit Guarantees and optional Income Guarantee under the Contract.

The insurance fee is part of the management fee, unless stated separately in the Fund Facts.

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 9.4, *Fundamental Changes*, by providing you with at least 60 days advance written notice.

7. 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 Maturity and Death Benefit Guarantees and an optional Income Guarantee.

7.1 Income Guarantee (optional)

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

7.1.1 Income Credits

Deposits to Funds in the Savings Phase only are eligible for Income Credits which can be used to increase the guaranteed income amount available if and when Transition(s) occurs.

On the last Valuation Date of each month, Income Credits are calculated if the Contract has Units of Funds in the Savings Phase with a Market Value greater than zero. Income Credits are calculated by multiplying the Market Value of Units of Funds in the Savings Phase by the then current Income Credit Rate (adjusted to a monthly factor of the annualized percentage) and added to the Accumulated Income Credits.

Fund switches do not affect eligibility to earn Income Credits. Transitions and withdrawals from Funds in the Savings Phase do not affect eligibility to earn Income Credits on remaining Units of Funds in the Savings Phase but will cause a proportional reduction

in Accumulated Income Credits. Accumulated Income Credits are reduced by the amount of Income Credits used in a Transition to increase the Income Base as calculated in Section 7.1.3, *Total Income Amount*.

A proportional reduction will be calculated for withdrawals from Funds in the Savings Phase using the below formula: $A = B \times (C/D)$

Where:

A = Accumulated Income Credits reduction

B = Accumulated Income Credits prior to withdrawal

C = Market Value of Units withdrawn from the Funds in the Savings Phase

D = Total Market Value of the Units of Funds in the Savings Phase prior to withdrawal

7.1.2 Transition

An optional Income Guarantee can be added to the Contract by requesting a Transition—a Fund switch of Units of Funds in the Savings Phase to the Guaranteed Income Fund. At any time while this Contract remains in force, you may request that we switch Units in a Fund by requesting in writing that we redeem some or all of the Units to the Contract's credit in one or more Funds in the Savings Phase, to purchase Units in the Guaranteed Income Fund and subject to our administrative rules. We reserve the right to direct Transitioned Units to a Similar Fund, according to our administrative rules. In this situation, we will provide you with advance notice of our intent and the options that are available to you.

You may request that we switch between Funds of the Savings Phase and the Guaranteed Income Fund with the same sales charge option on a scheduled or unscheduled basis.

We reserve the right to charge an administrative fee of up to 2% of the Market Value if you make a withdrawal from the Guaranteed Income Fund within 365 days of Transitioning those Funds being withdrawn. These rights will not be affected by the fact that we may have waived these rights at any time previously.

If you request a Transition between different sales charge options (e.g. Back-end to Low-load, Low-load to Front-end), guarantees may be affected and you may incur sales charges, since this will be treated as a withdrawal from one Fund and a deposit to the Guaranteed Income Fund. When Transitioning between Funds with different sales charge options, the Units of the Guaranteed Income Fund may be purchased with a Valuation Date immediately following the Valuation Date of the redemption. Please refer to Section 3.1, *Deposits*, and Section 5.5, *Deferred Sales Charges*, for more information. You may request Transitioning from Funds in Back-end and Low-load sales charge options into certain

Front-end sales charge options, which may be eligible according to our administrative rules.

Transitions may result in a capital gain or a capital loss where it creates a taxable disposition.

The value of the Units of a Fund that are redeemed as a result of Transitioning fluctuates with the market value of the underlying assets and is not guaranteed.

You may have rescission rights under this Contract as described in Section 10, *Rescission*.

7.1.3 Total Income Amount

Income Base(s)

An Income Base is one of the factors used to calculate the Total Income Amount and is established each time you Transition.

An Income Base is calculated as:

Income Base = Market Value of Transitioning Units + Proportional Accumulated Income Credits

If you have Accumulated Income Credits, an amount proportional to the Market Value of Units of Funds in the Savings Phase that are being Transitioned will be used in the calculation of the Income Base. The formula used to determine the amount of Income Credits used in the calculation of the Income Base is below:

$A = B \times (C/D)$

Where:

A = Income Credits being Transitioned

B = Accumulated Income Credits before Transition

C = Market value of the Units of Funds in the Savings Phase being Transitioned

D = Total market value of Funds in the Savings Phase before Transition

Accumulated Income Credits will be reduced by the amount of Income Credits added to the Income Base.

Transition Income Rate(s)

Each Transition to the Contract locks in the currently available Transition Income Rates, for each Income Age, on the Valuation Date of the Transition. Once you Elect Income, the Transition Income Rate for subsequent Transitions is the currently available Transition Income Rate for the Income Age on the Valuation Date of each subsequent Transition. Transition Income Rates can change daily.

Transition Income Amount(s)

Prior to Election of the Total Income Amount the Transition Income Amounts for each Transition are calculated based on the Transition Income Rate for each Income Age on the Valuation Date of the Transition. The Transition Income Amounts are immediately added to the Eligible Total Income Amount for each Income Age.

Once Election of the Total Income Amount has occurred the Transition Income Amount for each subsequent Transition is calculated based on the Transition Income Rate for the Income Age on the Valuation Date of the Transition. The Deposit Income Amount is immediately added to the Total Income Amount.

Eligible Total Income Amount

The Eligible Total Income Amount is the amount guaranteed as the Total Income Amount if Election of the Total Income Amount was to occur at that Income Age.

Once Election of the Total Income Amount has occurred, the Total Income Amount will be established and an Eligible Total Income Amount will no longer be calculated.

Withdrawals taken prior to Electing Income will reduce the Eligible Total Income Amount for each Income Age and provide a reduced guaranteed income stream. This reduction is proportional and in accordance with the formula in Section 7.6, *Effect of Withdrawals*.

Annual Total Income Amount (Total Income Amount)

The guaranteed income stream is the Total Income Amount. 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.

Upon Election of the Total Income Amount, the Total Income Amount will be established to equal the Eligible Total Income Amount for the current Income Age on the Valuation Date that the Election of the Total Income Amount occurs.

Election of the Total Income Amount cannot occur prior to January 1 of the year the Annuitant or younger of the Annuitant and Joint Life, if applicable, turns 50 years old. Election of the Total Income Amount cannot be deferred past age 72 for RRIF, LIF, and other similar retirement income Contracts.

If a subsequent Transition is made after Electing Income and there have been no withdrawals or the total of all withdrawals from the Guaranteed Income Fund in the calendar year have not exceeded the Total Income Amount, then the Transition Income Amount for the Transition is calculated based on the Transition Income Rate for the Income Age on the Valuation Date of the Transition and immediately added to the Total Income Amount. The Remaining Total Income Amount will also increase by this amount.

If a subsequent Transition is made after Electing Income and the total of all withdrawals from the Guaranteed Income Fund in the calendar year have previously Exceeded the Total Income Amount, the Transition Income Amount for the Transition is calculated based on the Transition Income Rate for the Income Age on the Valuation Date of the Transition and immediately added to the Total Income Amount. The Remaining Total Income Amount will not increase until the following calendar year.

7.1.4 Income Options

At the time of initial deposit to the Contract either the Single Life Income Option or the Joint Life Income Option must be chosen. The income option cannot be changed unless allowed by our administrative rules.

The chosen income option is a factor in determining the applicable Transition Income Rates used to calculate the Eligible Total Income Amount and Total Income Amount.

The Total Income Amount is offered under two income options;

- Single Life Income Option or
- Joint Life Income Option.

Single Life Income Option

The Single Life Income Option is a guaranteed income stream based on the life of the Annuitant and is not eligible to continue after the Annuitant's death.

Joint Life Income Option

The Joint Life Income Option is a guaranteed income stream based on the lives of both the Annuitant and a Joint Life, who must be the spouse or common-law partner of the Annuitant.

If the removal of the Joint Life designated is allowed under our administrative rules, the Total Income Amount will continue to be determined by the applicable Transition Income Rates and Income Age (using the age of the former Joint Life) for the Joint Life Income Option.

Non-registered, RRIF and TFSA Contracts

The elected Total Income Amount, if applicable, under the Joint Life Income Option will continue to be available to the survivor of the Annuitant or Joint Life upon the death of the Annuitant or Joint Life provided, for RRIF and TFSA Contracts, the Joint Life must be the spouse or common-law partner at the time of the Annuitant's death, otherwise the Contract is not eligible to continue. 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 survivor of the Annuitant or Joint Life (who, for RRIF and TFSA Contracts, must be the spouse or common-law partner at the time of

the Annuitant's death) is considered the successor owner unless otherwise designated.

RRSP (or LIRA) Contracts

Under the Joint Life Income 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 (provided he or she is the spouse or common-law partner at the time of the Annuitant's death) 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 their name [at the same Transition Income Rate(s)].

7.1.5 Effect of Withdrawals on the Income Guarantee

When withdrawals from the Guaranteed Income Fund in any calendar year are taken prior to the Election of the Total Income Amount or Exceed the elected Total Income Amount, or in some cases, where they exceed the RRIF Minimum Amount (or where applicable, the Adjusted RRIF Minimum), the Eligible Total Income Amount or Total Income Amount (as applicable) will be reduced proportionally in accordance with the formula in Section 7.6, *Effect of Withdrawals*.

7.1.6 Guaranteed Payment Phase

If the Market Value to the Contract's credit in the Guaranteed Income Fund reduces to \$0 while the Total Income Amount or Eligible Total Income Amount has a positive value, the Contract enters the Guaranteed Payment Phase.

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

No further Deposits may be made to the Contract. Maturity and Death Benefit Guarantees will be proportionally reduced by any withdrawal, including those made under the Guaranteed Payment Phase provision. No fee for maintaining a Contract below the initial Deposit minimum will be payable during the Guaranteed Payment Phase.

7.2 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, TFSA, 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 Contract on this date, subject to applicable legislative requirements. Please refer to Section 11.2.1, *Automatic RRSP to RRIF, LIF or Other Similar Retirement Income Contract 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 administrative rules.

7.3 Death Benefit Date

At the time of the Annuitant's death or, for the Joint Life 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. On the Death Benefit Date, we will redeem all Units of the existing Funds in the Savings Phase and transfer the corresponding Unit Values to a money market fund within the Funds in the Savings Phase. All Units of the Guaranteed Income Fund will remain in that Fund as currently held.

No Back-end or Low-load Sales Charges apply to a death benefit. Please refer to Section 9.2, *Valuation Date*, for more information. Notification requirements are detailed in our current administrative rules.

7.4 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 option the death of the survivor of the Annuitant and Joint Life, will be used to purchase Units of a money market fund.

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

7.5 The Death Benefit

Upon our receipt of all required documentation of the death of the Annuitant, or for the Joint Life 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 Beneficiary. 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 7.1.4, *Income 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 a money market 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.

7.6 Effect of Withdrawals

The Maturity and Death Benefit Guarantees will decrease proportionally for any withdrawals as described below and in Section 7.1.5, *Effect of Withdrawals on the Income Guarantee*.

A proportional reduction will be calculated for the Maturity and Death Benefit Guarantees using the formula

$A = G \times W/MV$, where:

A = Total guarantee reduction

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. The Income Guarantee will decrease proportionally for withdrawals as described below.

A proportional reduction will be calculated for the Total Income Amount or Eligible Total Income Amount using the formula

$A = G \times W/MV$, where:

A = Total Income Amount (or Eligible Total Income Amount) reduction

G = Total Income Amount (or Eligible Total Income Amount) prior to withdrawal

W = Market value of units withdrawn from the Guaranteed Income Fund*

MV = Total market value of the Units in the Guaranteed Income Fund prior to withdrawal

***For the first withdrawal that Exceeds the Total Income Amount (or Adjusted RRIF Minimum, if applicable) only: "W" includes all withdrawals from the Guaranteed Income Fund for the current calendar year.**

8. Values for this Contract

8.1 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 all the Funds in the Contract 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 a Fund. The value of a Unit allocated to any Fund on any date will be equal to the value of a Unit in that Fund on the applicable Valuation Date. Please refer to Section 9.2, *Valuation Date*, for more information.

8.2 Units Allocated to a Fund

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

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

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

8.3 Valuation Date of Requests

You may request that we purchase, redeem, or switch Units pursuant to the terms of this Contract, by providing us with the complete information we require. For Deposits, also required is receipt of the Deposit by the Valuation Date cut-off time, as determined by us. 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 has closed earlier. Please contact your representative for the Valuation Date cut-off time that may apply to your specific transaction.

There may be situations during which the valuation of one or more Fund(s) may be postponed due to national emergencies, security exchange restrictions, or where it is not reasonably practical to provide values for the Fund(s). For more information, please refer to your Information Folder.

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

9. Operation of the Segregated Funds

9.1 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.

9.2 Valuation Date

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

1. for any period during which one or more of the nationally recognized stock exchanges are closed for other than a customary weekend or holiday closing,
2. for a period during which trading on securities exchanges is restricted,
3. when there is an emergency during which it is not reasonably practical for us to dispose of investments owned by the Funds, or to acquire investments on behalf of the Funds, or to determine the total Value of the Funds, or
4. when the Manager of any Underlying Fund does not provide us with the Unit Value on a Valuation Date. The Funds will be valued at least monthly irrespective of any postponement.

9.3 Net Asset Value of a Unit

The value of a Unit in any Fund on any Valuation Date is calculated by determining the market value of all of its assets and subtracting all of its liabilities. The resulting amount is called the net asset value of the Fund. This amount is divided by the number of Units outstanding in order to calculate the net asset value of a Unit ("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 7, *Terms of the Guarantees*, for more information.

9.4 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 a Fund,
- A change in the fundamental investment objectives of a Fund,
- A decrease in the frequency with which Units of a Fund are valued,

- An increase in the management fee of an underlying fund, which results in an increase in the management fee of a Fund, or
- An increase in the insurance fee limit specified in the financial statements and the Information Folder, if such costs are disclosed separately from the management fee

In the event of a fundamental change to the Contract and/or a Fund, you will be given the opportunity in certain circumstances to Fund switch or withdraw Units of the Fund(s) without incurring charges. A fundamental change will occur in the event of the Fund(s) being closed or in the event that two or more Funds are merged. Fund mergers and 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 fundamental 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 sheet to reflect the change. The foregoing may be superseded by any regulatory developments governing changes to segregated funds.

10. Rescission

10.1 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 8.3, *Valuation Date of Requests*.

You may rescind a subsequent Deposit or Fund switch 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 or Fund switch and will not rescind the purchase of the Contract or any other Deposit or Fund switch. 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. For a Fund switch, we will return the amount switched to the original Fund. The amount returned will be the lesser of the Market Value of the amount switched on the Valuation Date or the current Market Value. The effective date for your request and the applicable Valuation Date are described in Section 8.3, *Valuation Date of Requests*.

11. Termination

11.1 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 Contract's credit in all of our Funds, provided, for Contracts with the Income Guarantee, that the withdrawal also reduces the Total Income Amount, or Eligible Total Income Amount, as applicable, to \$0. Cancellation of this Contract is subject to our administrative rules and fees. If this Contract is cancelled within 90 days of Deposit to the Savings Phase or within 365 days of a Transitioning to the Guarantee Income Fund, 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 8.3, *Valuation Date of Requests*.

For the Income Guarantee only, if you request that we withdraw all of the Units to the Contract's credit and the Total Income Amount or Remaining Total Income Amount or Eligible Total Income Amount, as applicable, is greater than zero 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 any or all of the Funds available to receive Deposits in the Contract upon advance written notice. Please refer to Section 9.4, *Fundamental Changes* for more information.

In the event that we require all the Funds within the current Contract to be closed completely, we will provide you with the withdrawal options at least 60 days in advance of the closing date of the Funds. If you do not elect one of the options that are available to you by the closing date of the Funds, we reserve the right to transfer the Market Value of the Contract to a new or existing Segregated Fund product on the closing date of the Funds. In this event, all values and guarantees in effect on the closing date of the Funds 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 the 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 11.2.1, *Automatic RRSP to RRIF, LIF or Other Similar Retirement Income Contract Provisions*, does not apply to you, then Section 11.3, *Default Annuity*, will apply.

11.2 RRSP to RRIF, LIF, or Other Similar Retirement Income Contract 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 Contract 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 Maturity Guarantee, Death Benefit Guarantee, and Income Guarantee, if applicable. The RRIF amendment process will be subject to our 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 8.3, *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 8.3, *Valuation Date of Requests*, and Section 9.2, *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 7.5, *The Death Benefit*, for more information.

11.2.1 Automatic RRSP to RRIF, LIF, or Other Similar Retirement Income Contract 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 Contract, 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 11.2, *RRSP to RRIF, LIF, or Other Similar Retirement Income Contract 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 9.2, *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.

11.3 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 11.1, *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 administrative rules and any applicable legislation. Detailed provisions of the annuity payout Contract will be provided to you at that time.

RRSP, RLSP, or 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 11.1, *Cancellation of this Contract*, or Section 11.2, *RRSP to RRIF, LIF, or Other Similar Retirement Income Contract Provisions*, then Section 11.2.1, *Automatic RRSP to RRIF, LIF, or Other Similar Retirement Income Contract provisions* will apply.

If you have notified us in writing that Section 11.2.1, *Automatic RRIF, LIF or Other Similar Retirement Income Contract 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 11.1, *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.

TFSA Contract provision: If your TFSA 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 11.1, *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 term certain 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.

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 12, *Additional 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.

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.

12. Additional Retirement Savings Plan Provisions

The following provisions apply to the Contract if you requested the Contract be registered as a Registered 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 issuer.

13. 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 carrier of the registered plan and appoint a successor carrier.

14. Additional Tax-Free Savings Account Provisions

The following provisions apply to the Contract if you have requested we make an election to register the Contract as a Tax-Free Savings Account (TFSA) under the *Income Tax Act* (Canada) (“*The Act*”):

1. In these provisions, “you”, “your”, “owner”, and “holder” refer to the person who has Policyowner’s or Policyholder’s rights under the contract. The Annuitant or holder, is the “holder” as defined under the *The Act*. “Contract” is given the same meaning as a “qualifying arrangement” under *The Act*. “Survivor” means another individual who is, immediately before the individual’s death, a spouse or common-law partner of the individual. 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 the Tax-Free Savings Account.
2. We will file an election to register your Contract as a Tax-Free Savings Account under *The Act* and any applicable provincial income tax legislation.
3. You must be a resident of Canada and at least 18 years of age to apply for a Tax-Free Savings Account. If you subsequently become a non-resident of Canada, there are restrictions and penalties, as set out in *The Act*, which may apply. You will notify us if you become a non-resident of Canada.
4. All Deposits must be made by you in accordance with paragraph 146.2(2)(c) of *The Act*.
5. If you request a withdrawal under the Contract you may elect to take all or part of the Market Value of the Contract, after any redemption fees specified in the Contract, in cash or transfer it to another Tax-Free Savings Account held by you, per paragraph 146.2(2)(e) of *The Act*.
6. The Tax-Free Savings Account must be maintained for your exclusive benefit as stipulated in paragraph 146.2(2) (a) of *The Act*.
7. The arrangement prohibits, while there is a holder of the arrangement, anyone that is neither the holder nor the issuer of the arrangement from having rights under the arrangement relating to the amount and timing of the withdrawals and the investing of funds in accordance with paragraph 146.2(2)(b) of *The Act*.
8. Upon your death, your surviving spouse or common-law partner may become a successor holder under the TFSA contract if certain conditions are met where available under applicable provincial and territorial law, if your spouse or common-law partner is named sole primary beneficiary, and you have chosen the Joint Life option, your spouse or common-law partner will automatically become Policyowner of the rights under the Contract after your death provided he/she is your spouse or common-law partner at the time of your death. In this case, your spouse or common-law partner may exercise every right as Policyowner of the rights under the Contract. If your spouse or common-law partner is named as sole primary beneficiary, any secondary or subsequent beneficiary appointments made prior to your death are ineffective.
9. Withdrawals may be made to reduce the amount of tax otherwise payable by you under section 207.02 or 207.03 of *The Act*.
10. The Contract will provide a Term Certain annuity where payments are guaranteed for a 10-year period. The annuity is subject to our administrative rules and applicable legislation. However, if authorized by law, you may submit a request for a different type of annuity as listed in the Settlement Options. This request must be submitted to us for consideration prior to reaching the Maturity Date for the Contract.
11. For contracts issued in Quebec, the minimum annual annuity payment will be \$1,000 per \$10,000 of contract value.
12. The provisions of the Tax-Free Savings Account will take precedence over any provisions contained elsewhere in this Contract, in case of conflict or inconsistency. Future amendments to *The Act* or subsequent legislation may override these provisions.
13. We reserve the right to resign as the issuer of the Tax-Free Savings Account and appoint a successor issuer.
14. This Contract complies with prescribed conditions under *The Act*.

For more information, please contact your advisor or visit [manulifeim.ca](https://www.manulifeim.ca)

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