



## Information Folder and Contract



### **MANULIFE GUARANTEED INVESTMENT FUNDS SELECT (GIF SELECT)**

April 30, 2012

This document contains the GIF Select Information Folder and Contract provisions. The segregated fund Information Folder is published by **The Manufacturers Life Insurance Company ("Manulife Financial")** for information purposes only and is not an insurance contract. Manulife Financial is the issuer of the Manulife GIF Select Individual Variable Insurance contract and the guarantor of any guarantee provisions therein.



# Key Facts

## Manulife Guaranteed Investment Funds Select (GIF Select)

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

### WHAT AM I PURCHASING?

GIF Select is an individual variable insurance contract, also referred to as a segregated fund contract. It is issued by The Manufacturers Life Insurance Company (Manulife Financial). The Contract provides you with the flexibility of selecting different bundles of benefits. You may allocate your deposits into different Series of the Funds and choose the benefits (e.g. income and estate planning) that you wish to receive from the Contract and may designate a beneficiary.

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

**We also refer to the benefits provided under the Information Folder and Contract as the GIF Select Base Information Folder and Contract.**

**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. You pay fees for these guarantees. The fees are described in "How much will it cost?"

<b>Maturity Guarantee</b>	<ul style="list-style-type: none"><li>■ Protects the value of your Deposits on the contract maturity date</li><li>■ Provides 75% of the Deposits allocated to the InvestmentPlus Series or the current market value, if greater</li><li>■ Any withdrawals you make will proportionally reduce the guarantee</li></ul>
<b>Death Benefit Guarantee</b>	<ul style="list-style-type: none"><li>■ Protects the value of your Deposits if prior to the contract maturity date the last surviving annuitant dies</li><li>■ Provides 75% of the Deposits allocated to the InvestmentPlus Series or the current market value, if greater</li><li>■ Any withdrawals you make will proportionally reduce the guarantee</li></ul>

Different Series may be available that offer income guarantees and enhanced death benefits.

**Any withdrawal you make will proportionally reduce the guarantees. For full details, refer to Section 6, Guarantees in the Information Folder.**

## WHAT INVESTMENTS ARE AVAILABLE?

<b>Investment Options</b>	<ul style="list-style-type: none"><li>■ There are a variety of Funds to choose from. See the Fund Facts for Funds available in the InvestmentPlus Series</li><li>■ Funds are valued daily</li><li>■ Risks associated with our Funds are summarized in the Fund Facts</li></ul>
<b>Series Options</b>	<ul style="list-style-type: none"><li>■ The GIF Select Base Contract only offers the InvestmentPlus Series</li><li>■ Within the GIF Select Contract, additional Series may be available with different benefits (e.g. income and estate planning)</li></ul>
<b>Financial Information</b>	<ul style="list-style-type: none"><li>■ Review the Fund Facts, which includes the financial highlights, with the Information Folder before purchasing the Contract</li></ul>

**Manulife Financial 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?

The Series, the Funds and sales charge option you choose will affect your costs.

<b>Fees</b>	<p><b>Management Expense Ratios (MER)</b></p> <ul style="list-style-type: none"><li>■ MERs vary by Fund and include all management fees, operating expenses and certain guarantee costs</li><li>■ The Unit Value of a Fund is reduced by the MER</li></ul> <p><b>Sales Charge Options</b></p> <ul style="list-style-type: none"><li>■ You may pay sales charges at the time of deposit or on a deferred basis depending on the option you choose</li><li>■ Deferred sales charges may apply for withdrawals made during the first 7 years following the date of Deposit</li></ul> <p><b>Other Fees</b></p> <ul style="list-style-type: none"><li>■ You will pay additional fees if you select income benefit guarantees or enhanced death benefit guarantees</li><li>■ Charges may apply if you make certain transactions, including withdrawals and Fund switches</li></ul>
-------------	--

**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?

You can make additional Deposits, request Fund Switches, withdrawals and add additional Series (if available). At maturity, your Contract will provide you with annuity payments, unless you select another option.

Deposits*		Latest Age to Deposit	Latest Age to Own the Contract
Deposits*	<ul style="list-style-type: none"> <li>■ Non-Registered, TFSA</li> <li>■ RRIF, LIF, LRIF, PRIF, RLIF</li> </ul>	90 (For Front-end, Low-load and F-class Sales Charge options)	100
		80 (For Back-end Sales Charge option)	
	RRSP, RLSP, LIRA	71**	71**
	LIF (pension jurisdictions requiring annuitization at age 80)	71	80
<b>Deposit Amounts</b> <ul style="list-style-type: none"> <li>■ Minimum \$2,500 initial deposit or monthly PAC of \$100/month (under eligible registration types)</li> <li>■ Minimum \$500 per Fund</li> <li>■ Minimum \$5,000 for Dollar-Cost Averaging Fund</li> </ul>			
Fund Switches	<ul style="list-style-type: none"> <li>■ 5 free Fund switches per calendar year</li> <li>■ Minimum \$500 per Fund or \$100/month</li> </ul>		
Withdrawals	<ul style="list-style-type: none"> <li>■ Minimum \$500 per Fund or \$100/month</li> </ul>		
Contractual Benefits	<ul style="list-style-type: none"> <li>■ You can add additional guarantees to your Contract by allocating Deposits and Fund switches to other Series that are available</li> </ul>		

\* All dates are as of December 31 of the Annuitant's age shown

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

**Certain restrictions and other conditions may apply. 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"> <li>■ Confirmations for most financial and non-financial transactions affecting the Contract</li> <li>■ Statements for the Contract at least once a year</li> <li>■ Important updates affecting your Contract</li> </ul>
Available upon request	<ul style="list-style-type: none"> <li>■ A report that contains audited financial statements</li> <li>■ The semi-annual financial statements</li> <li>■ The current version of the Fund Facts</li> </ul>

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

**[www.manulife.ca/investments](http://www.manulife.ca/investments)**

**[WMHELP@manulife.com](mailto:WMHELP@manulife.com)**

**1-888-626-8543**

For information about handling issues you are unable to resolve with us, contact the OmbudService for Life and Health Insurance at 1-800-268-8099 or on the web at **[www.olhi.ca](http://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](http://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](http://www.ccir-ccrra.org)**

This document contains the Information Folder and Contract provisions. Delivery of the Contract provisions does not constitute acceptance by Manulife Financial of a Contract purchase. The Contract will become effective on the Valuation Date of the first deposit and upon acceptance by The Manufacturers Life Insurance Company (Manulife Financial) that the initial Contract set-up criteria have been met. Confirmation of a Contract purchase will be sent to you upon meeting the necessary Contract set-up criteria, as determined by Manulife Financial and when the initial deposit has been made. Any endorsement or amendments that may be required will be provided to you and will form part of the Contract.

The Information Folder provides brief and plain disclosure of all material facts relating to the Manulife GIF Select Contract issued by The Manufacturers Life Insurance Company (Manulife Financial).

In exchange for the premiums you pay to Manulife Financial, we provide you with contractual benefits. Your selection of contractual benefits will be defined by the Series of Segregated Funds (referred to as the "Funds") into which you request deposits be allocated. You do not directly own the assets in the Contract. The Contract has insurance benefits and offers a wide variety of Funds. Fund categories include money market, fixed income and equities. The underlying investments of the Funds may be units of mutual funds, pooled funds or other selected investments. For a description of the specific Funds available to you, please see the Fund Facts. Upon request, you may also receive a copy of the audited financial statements for the most recent year-end of the Fund(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 an annuity such as a life annuity or a retirement income product provision at the Contract Maturity Date. The Contract provides return of deposit guarantees which are payable on the Contract Maturity Date, upon receipt of sufficient notification of death of the annuitant and, in some instances over the life of the Contract.**

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



**Paul Lorentz**  
Senior Vice President, Investment Products  
Manulife Financial



**Joanna Lohrenz**  
Vice President, Operations  
Manulife Financial

# Table of Contents

<b>Personal Information Statement</b> .....	<b>8</b>
<b>1. Communications</b> .....	<b>10</b>
1.1 General Information .....	10
1.2 Giving Us Your Instructions.....	10
1.3 Correspondence You Will Receive From Us.....	11
<b>2. Types of Contracts Available</b> .....	<b>11</b>
2.1 General Information .....	11
2.2 Non-registered Contracts.....	12
2.3 Registered Contracts .....	12
<b>3. Deposits</b> .....	<b>13</b>
3.1 General Information .....	13
3.2 Regular Deposits (Pre-Authorized Chequing).....	13
<b>4. Fund Switches</b> .....	<b>14</b>
4.1 General Information .....	14
4.2 Unscheduled Fund Switches.....	14
4.3 Scheduled Fund Switches .....	14
4.4 Dollar-Cost Averaging Fund (DCA Fund) .....	15
<b>5. Withdrawals</b> .....	<b>16</b>
5.1 General Information .....	16
5.2 Information Specific to RRIF/LIF or other Retirement Income Contracts.....	16
5.3 Frequency Options.....	17
5.4 Scheduled Withdrawal Amount Options.....	18
5.5 Early Withdrawal Fees and Recovery of Expenses .....	18
5.6 Withdrawals Free of Sales Charges.....	18
<b>6. Guarantees</b> .....	<b>20</b>
6.1 General Information .....	20
6.2 Maturity Guarantee.....	20
6.3 Death Benefit Guarantee.....	22
6.4 Default Annuity.....	23
<b>7. The Investment Options</b> .....	<b>23</b>
7.1 General Information .....	23
7.2 Net Asset Value .....	24
7.3 Investment Policy and Restrictions.....	24
7.4 Potential Risks of Investing .....	24
7.5 Reinvestment of Earnings.....	24
7.6 Interest of Management and Others in Material Transactions.....	24
7.7 Material Contracts/Facts.....	24
7.8 Custodian of Fund Portfolio Securities.....	24
7.9 Fundamental Changes.....	25

**8. Valuation** ..... **26**  
8.1 Market Value of the Contract ..... 26  
8.2 Valuation Date ..... 26

**9. Fees and Charges** ..... **27**  
9.1 General Information ..... 27  
9.2 Sales Charge Options ..... 27  
9.3 Early Withdrawal Fees and Recovery of Expenses ..... 29  
9.4 Management Fees ..... 29  
9.5 Management Expense Ratio (MER) ..... 29

**10. Compensation Paid to Your Advisor** ..... **30**  
10.1 General Information ..... 30  
10.2 Sales Commission ..... 30  
10.3 Servicing Commission ..... 30

**11. Tax Information** ..... **31**  
11.1 General Information ..... 31  
11.2 Non-registered Contracts ..... 31  
11.3 Registered Contracts ..... 31  
11.4 Taxation of Guarantee “Top-up” ..... 32

**12. Estate Planning** ..... **33**  
12.1 General Information ..... 33  
12.2 Beneficiaries ..... 33  
12.3 Successor Annuitant Election for RRIF Contracts ..... 33  
12.4 Non-registered Contracts ..... 34  
12.5 Registered Contracts ..... 34  
12.6 No Probate Fees ..... 34  
12.7 Potential Creditor Protection ..... 34

**Important Information** ..... **35**

**Manulife Guaranteed Investment Funds Select (GIF Select) Contract Provisions** ..... **36**

# Personal Information Statement

## DEFINITIONS

In this statement “you”, “your” and “owner” mean the person who is the Policyowner or holder of rights under the Contract, the annuitant and the parent or guardian of any child named as annuitant who is under the legal age for providing consent. “We”, “us”, “our” and “the Company” mean The Manufacturers Life Insurance Company.

## CONSENT

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

- Persons
- Financial institutions
- Businesses, or
- Other parties

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

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

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

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

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

## HOW WE WILL USE YOUR PERSONAL INFORMATION

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

- Confirm your identity and the accuracy of the information you provide
- Evaluate your application, issue and administer the rights under the Contract, including any administration required after the Contract has ended
- Administer any other products and services that we provide
- Comply with legal and regulatory requirements
- Conduct searches to locate you and update your Contract information
- Determine your eligibility for, and provide you with details of, other financial products or services that may be of interest to you that are offered by us, our affiliates or other select financial product providers

## WHO MAY ACCESS YOUR PERSONAL INFORMATION

The following people or service providers may have access to your personal information:

- Our employees and our representatives who require this information to perform their jobs
- Service providers who require this information to perform their services for us, which may include, for example, providers of data processing, programming, data storage, market research, printing, mailing and distribution services and investigative agencies
- Your advisor and any agency which has entered into an agreement with us and has supervisory authority, directly or indirectly, over your advisor, and their employees

- People to whom you have granted access, and
- People who are legally authorized to view your personal information. Your information may be provided to these people, organizations and service providers in jurisdictions outside Canada, and would therefore be subject to the laws of those jurisdictions. If you want details about parties who have access to your information please send a written request to the Privacy Officer

## WITHDRAWING YOUR CONSENT

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

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

- A Contract will not be issued
- Benefits will not be payable under the Contract
- We may treat your withdrawal of consent as a request to terminate the Contract, and
- Your rights, and the rights of your estate or beneficiary under the Contract may be limited

## DEALING WITH US BY TELEPHONE

Customer service calls are recorded for the following purposes:

- Quality service controls
- Information verification, and
- Training

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

## HOW TO WITHDRAW YOUR CONSENT

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

## QUESTIONS, CONCERNS AND REQUESTS FOR ADDITIONAL INFORMATION

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

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

# 1. Communications

## 1.1 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 Financial' mean The Manufacturers Life Insurance Company which was incorporated in June 1887 by an Act of the Parliament of Canada. Manulife Financial's Canadian Division Head Office is located at 500 King Street North, Waterloo, Ontario, N2J 4C6
- The "Contract" refers to the Manulife GIF Select Contract
- Other key terms are defined in the Contract
- You do not become a unitholder of the Segregated Funds or underlying funds available under the Contract
- The amount you invest (your "Premium", also referred to as "deposit") is notionally invested in Fund Units. References in this document to purchases of Units are referring to notional purchases. This is how the value of the Contract is determined, but you don't legally own the Units since by law, Manulife Financial is required to be the owner of the assets of the Fund
- All deposits belong to us and 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)

- In some cases where a third party distributor is involved and the Contract is held externally in nominee name, correspondence may be directed to the third party based on the authorization you have given to the third party, and where that authorization is acceptable to Manulife Financial

## 1.2 GIVING US YOUR INSTRUCTIONS

- When we ask you to "advise us in writing," please send your correspondence to: Manulife Financial, 500 King Street North, Waterloo, Ontario, N2J 4C6
- From time to time we may offer communication alternatives, which enable you to issue transaction instructions and authorization to us through improved communication channels including electronic channels and by telephone
- Administrative rules may apply to transaction instructions communicated to us under these service initiatives, which may differ to rules that would otherwise apply under the Contract and may include accepting instructions from your advisor, based on your instruction and authorization, where acceptable to Manulife Financial
- We reserve the right to restrict or deny any written or non-written instructions if contrary to the laws of Canada or other jurisdictions applicable to you or the Contract, or that are contrary to our administrative rules that we have in place at the time

### 1.3 CORRESPONDENCE YOU WILL RECEIVE FROM US

- When we say “we will advise you,” we mean that we will send a written notice to your address as shown in our files
- From time to time we may make changes to the product, and will advise you of important information and provisions of the Contract. The Information Folder is a disclosure document about the attached Contract only as at the date of issue. If there are changes to the provisions of your original Contract, we will provide you with notification that your Contract has been amended
- It is your obligation to advise us of any change in your address as we are not responsible for any missed opportunities or losses resulting from your address not being kept up to date

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 insurance fees (within the allowable insurance fee limits)
- 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
- The annual audited and semi-annual unaudited financial statements and the Fund Facts are available at any time on our website ([www.manulife.ca/investments](http://www.manulife.ca/investments))

## 2. Types of Contracts Available

### 2.1 GENERAL INFORMATION

- A GIF Select Contract can be registered or non-registered
- We may refer to “other retirement income Contract” 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
- Not all tax types may be available to you depending on the source of the initial deposit and applicable legislation
- We have the right to limit the number of GIF Select Contracts held by you
- The latest age which you may purchase and become the annuitant of a Contract is listed in the Key Facts and varies with the tax type, sales charge option and Series you select
- If your Contract is held as an investment of an external self-directed RRIF (including LIF or other retirement income Contracts) or RRSP (including LIRA, RLSP) and TFSA, you are the beneficial owner of the Contract. 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

## 2.2 NON-REGISTERED CONTRACTS

- May be owned by an individual, a corporation or more than one individual in any form of ownership permitted under the applicable laws
- May have either the annuitant or a third party as owner
- You may be eligible to transfer ownership rights of the Contract. A transfer of ownership must be in accordance with governing legislation and the administrative rules that we have in place at that time. We reserve the right to limit or refuse a transfer of ownership to a non-related entity
- You cannot borrow money from the Contract
- You may be able to use the Contract as security for a loan by assigning it to the lender. The rights of the lender may take precedence over the rights of any other person having a claim. An assignment of this Contract may restrict or delay certain transactions, including withdrawals, which are otherwise permitted
- A Contract held as an investment of an external self-directed RRIF (including LIF or other retirement income Contracts) or RRSP (including LIRA, RLSP) and TFSA, is a non-registered Contract with Manulife Financial

## 2.3 REGISTERED CONTRACTS

- 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)
- The Contract will be registered under the provisions of the *Income Tax Act* (Canada)
- 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 retirement income Contract as allowed under pension legislation

- If your spouse makes deposits to an RRSP owned by you, it is a Spousal RRSP
- You are the Policyowner and the annuitant of a Spousal RRSP and your spouse is the contributor of deposits
- A RRIF purchased with funds transferred from a Spousal RRSP will be a Spousal RRIF
- LIFs and other 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 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

### 2.3.1 Tax-Free Savings Accounts (TFSAs)

- You cannot borrow money directly from a Manulife GIF Select TFSA Contract
- You may use a TFSA Contract as security for a loan by assigning it to a 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 otherwise permitted

## 3. Deposits

### 3.1 GENERAL INFORMATION

- 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
- Within the GIF Select Contract, additional Series may be available with different contractual provisions, such as maturity and death benefit guarantee levels or income guarantees. Series availability will be dependent on the date on which you elect to amend your contract and allocate your initial deposit to a Series
- 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 a Fund, Series or specific sales charge options
- We will purchase Units at the unit value on the valuation date that is applicable to the Fund you have selected. Please see Section 8.2, Valuation Date, for more information
- All deposits must be made in Canadian dollars. Please make cheques payable to Manulife Financial
- If the payment comes back to us marked NSF (Not Sufficient Funds), we reserve the right to charge a fee to cover our expenses
- For Pre-Authorized Chequing (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 request medical evidence of the health of the annuitant, and to refuse to accept deposits based on incomplete or unsatisfactory medical evidence of the annuitant

- We may require proof of age, sex, marital status or survival of any person upon whose age, sex, marital status or survival any payment depends. If this information has been misstated, we reserve the right to recalculate the benefits to those that would have been provided for the annuitant's correct age, sex, marital status and survival
- You may have rescission rights under this Contract. Refer to Section 10 of the Contract for more information

**If you allocate deposits to other Series there may be additional restrictions. Please refer to the Information Folder and Contract applicable to that Series.**

### 3.2 REGULAR DEPOSITS (PRE-AUTHORIZED CHEQUING)

- Regular deposits are commonly referred to as Pre-Authorized Chequing or PACs and are made for the same amount monthly
- PACs are available for non-registered, TFSA and RRSP Contract tax types only
- We will make regular withdrawals directly from your bank account as payment for PACs
- We have the right to cancel the PAC at any time, or direct the PAC to a similar Fund according to the administrative rules that we have in place at the time. (For example, this may occur if we close a Fund or restrict 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)

## 4. Fund Switches

### 4.1 GENERAL INFORMATION

- You may request a Fund switch between Funds on an unscheduled or a scheduled basis
- Fund switches may be made between Funds within a Series, or in some situations between Series with the same sales charge option (e.g. Front-end to Front-end)
- Generally, moving between Funds 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 a 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
- Guarantees are not affected by Fund switches between Funds in the same Series. Fund switches that may be allowed to other version(s) of the same Series in the future may affect guarantees. Please refer to the Information Folder and Contract applicable to that Series for more information
- Deposits that have been in the Fund the longest are switched first
- A Fund switch into a Series, which is an initial deposit into that Series, may be allowed, and have additional requirements and/or restrictions. Please ensure you obtain the applicable Information Folder and Contract for that Series
- You may have rescission rights under this Contract. Refer to Section 10 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. You should contact your advisor before switching to a different Series.**

### 4.2 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:
  - i. you request in excess of five per calendar year
  - or
  - ii. you request a Fund switch of Units from a Fund within 365 days of allocating a deposit to the Fund

### 4.3 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)

#### 4.4 DOLLAR-COST AVERAGING FUND (DCA FUND)

- All deposits to the DCA Fund will be administered in accordance with current administrative rules
- Upon receipt of the deposit and any documentation that we may require, we will deposit the amount to the DCA Fund
- You must select a day of the month that you would like the monthly switch to occur. If the day of the monthly switch falls on a non-Valuation Date, the monthly switch will use the Unit Values as of the next Valuation Date
- You may choose a maximum of 12 monthly switches from the DCA 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 DCA Fund will be switched to the Fund(s) you have selected

##### Example:

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

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 DCA Fund, the monthly switches will continue unchanged if there are sufficient units in the Fund
- If there are insufficient units remaining in the DCA Fund at the time of a monthly switch, the amount of Units remaining will be switched that month based on the proportional allocation of Funds you have requested to switch into
- Immediately following the last Fund switch from the DCA Fund, the balance in the DCA Fund will be zero
- At the time of an additional deposit to the DCA 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 DCA 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 DCA Fund
- We reserve the right to close the DCA Fund to new deposits, limit the number of Funds you may switch into or restrict the Funds you may switch into

## 5. Withdrawals

### 5.1 GENERAL INFORMATION

- 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
- Scheduled withdrawals are commonly referred to as Scheduled Withdrawal Payments or “SWPs”
- Requests for withdrawals must meet minimum amounts applicable at the time you make the request
- 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 in place at that time
- Any redemption fees or withholding taxes that you must pay are deducted from the withdrawal. The minimum withdrawal amounts are calculated before withholding taxes are deducted
- Withdrawals may result in a capital gain or a capital loss since they create a taxable disposition. Please see Section 11, Tax Information, for more information
- A contract held as an investment of an externally registered plan is a non-registered Contract with Manulife Financial
- 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 will reduce the Maturity and Death Benefit Guarantees.**

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

### 5.2 INFORMATION SPECIFIC TO RRIF/LIF OR OTHER RETIREMENT INCOME CONTRACTS

- If you are the owner of a RRIF, LIF or other 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

#### **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)
- When legislation permits, the percentage may be based on your age or your spouse’s age, as elected at the time you purchased the Contract
- 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/RLIF Maximum Amount

- 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

## 5.3 FREQUENCY OPTIONS

Unscheduled	Scheduled (SWPs)
<ul style="list-style-type: none"> <li>■ Unscheduled withdrawals may be taken from a non-registered, TFSA, RRSP, RRIF, LIF or other retirement income Contract. They are not available from a LIRA or RLSP Contract unless permitted by applicable pension legislation</li> </ul>	<ul style="list-style-type: none"> <li>■ Scheduled withdrawals may be taken from a non-registered, TFSA, RRIF, LIF or other retirement income Contract. They are not available from a RRSP, RLSP or LIRA Contract, unless permitted by applicable pension legislation</li> </ul>
<ul style="list-style-type: none"> <li>■ You may request unscheduled withdrawals on any day of the month and they will be processed on the first available Valuation Date. Please see Section 8.2, Valuation Date, for more information</li> </ul>	<ul style="list-style-type: none"> <li>■ You may request scheduled withdrawals on the 15th or “end of the month”</li> <li>■ We will direct the scheduled payment to your bank account for deposit on the day that you specify, according to our current administrative rules. If the day specified is on a weekend or a day when a bank deposit cannot be made, we will direct the payment to your bank account on a day prior to the day you have specified</li> <li>■ The Valuation Date for the scheduled withdrawal will be several days in advance of the day you specify</li> </ul>
<ul style="list-style-type: none"> <li>■ Unscheduled withdrawals can be requested in the amount and frequency that you choose</li> </ul>	<ul style="list-style-type: none"> <li>■ You may choose to have scheduled withdrawals on a monthly, quarterly, semi-annual or annual basis, subject to any applicable pension legislation</li> <li>■ You may request a change to your scheduled withdrawal instructions at any time, subject to our administrative rules in place at that time</li> </ul>
<ul style="list-style-type: none"> <li>■ We may apply early withdrawal fees of 2% of the market value if you request a withdrawal within 365 days of allocating a deposit to a fund*</li> <li>■ Sales charges such as Back-end and Low-load charges may apply*</li> </ul>	<ul style="list-style-type: none"> <li>■ Early withdrawal fees do not apply to scheduled payments*</li> <li>■ Sales charges such as Back-end and Low-load charges may apply*</li> </ul>

\*For more information please see Sections 5.5 and 9.3, Early Withdrawal Fees and Recovery of Expenses, and Section 9.2, Sales Charge Options

## 5.4 SCHEDULED WITHDRAWAL AMOUNT OPTIONS

### Level Amount

Under this option each scheduled payment will be in the amount, and for the payment frequency you have selected. This is the only available scheduled withdrawal amount option for non-registered and TFSA Contracts.

### Indexed Amount

Under this option each scheduled payment will be in the amount, and for the payment frequency selected by you, indexed annually at the rate you have selected. Starting with the first payment date, we will pay you the amount you have specified. Beginning with the year following the first payment date, the payment amount will be increased by the annual index rate you have chosen.

### RRIF Minimum

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

### LIF/LRIF/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/RLIF maximum amount.

For RIF, LIF and other retirement income Contracts, the payment amount selected for a year must be equal to or greater than the RRIF Minimum Amount and for LIF/LRIF/RLIF Contracts less than or equal to the LIF/LRIF/RLIF maximum amount. There is no maximum amount for PRIF Contracts.

Other scheduled withdrawal amount options may be applicable for deposits allocated to other Series. Please refer to the Information Folder and Contract applicable to those Series.

## 5.5 EARLY WITHDRAWAL FEES AND RECOVERY OF EXPENSES

- We may apply an early withdrawal fee of 2% of the market value if you make a withdrawal within 365 days of the purchase of the Funds you have requested to be withdrawn. This fee does not apply to scheduled withdrawal payments. Please see Section 9, Fees and Charges, for more information

## 5.6 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

### 5.6.1 Front-end and F-class Options

- There are no redemption fees for withdrawals of Funds under the Front-end and F-class sales charge options, unless you request a withdrawal within the first 365 days from deposit. Please refer to Section 9, Fees and Charges, for more information

### 5.6.2 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
- 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

	% 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

#### Example of a non-registered contract:

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 Feb 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. Guarantees

### 6.1 GENERAL INFORMATION

- The Contract provides Maturity and Death Benefit Guarantees, and may provide other guarantees dependent on the Series to which you have allocated deposits
- Maturity Guarantees, Death Benefit Guarantees and other applicable guarantees, are calculated and reported based on the Series you select. Please refer to the applicable Information Folder and Contract for information about guarantees for Series other than InvestmentPlus
- Maturity and Death Benefit Guarantees applicable to the Funds from which a withdrawal is made are reduced proportionally
- The Formula used for proportional reductions of the Death Benefit and the Maturity Guarantee is defined below

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

**G** = guarantee applicable to the Series of Units prior to withdrawal

**W** = market value of Units withdrawn applicable to the Series of Units prior to withdrawal

**MV** = total market value of the Units applicable to the Series of Units prior to withdrawal

- When we increase the value of a Series to equal the Maturity Guarantee or Death Benefit Guarantee applicable to that Series, we call this a 'top-up'. All top-ups will be deposited to a money market fund

#### InvestmentPlus Series

- On the Contract Maturity Date, if the Maturity Guarantee for the InvestmentPlus Series is higher than the current market value of the InvestmentPlus Series, we will increase the value of the InvestmentPlus Series to equal the guarantee amount

- On the Death Benefit Date, if the Death Benefit Guarantee for the InvestmentPlus Series is greater than the current market value of the InvestmentPlus Series, we will increase the value of the InvestmentPlus Series to equal the guarantee amount

### 6.2 MATURITY GUARANTEE

- The Maturity Guarantee will be calculated and reported separately for each Series of funds that are held in the Contract. 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
- LIF Contracts under certain pension jurisdictions will have a Contract Maturity Date of December 31 of the year the annuitant turns 80
- Although 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)), unless you give us alternate instructions, the Contract will be amended to become a RRIF, LIF or other 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

#### Example 1

An RRSP Contract will be amended to become a RRIF; therefore the Contract Maturity Date used for calculating the Maturity Guarantee in the RRSP will be December 31 of the year the annuitant turns age 100.

## Example 2

A LIRA governed by a pension jurisdiction requiring the purchase of a life annuity at age 80, will be amended to become a LIF which has a Contract Maturity Date of December 31 of the year the annuitant reaches age 80. Therefore, the Contract Maturity Date used in calculating the Maturity Guarantee in the LIRA will be December 31 of the year the annuitant reaches age 80.

- For RRSP, RLSP and LIRA Contracts, the Maturity Guarantee amounts and maturity dates automatically extend into the RRIF, LIF or other retirement income Contract if you have not provided us with alternate instructions prior to the latest age to own the Contract. Please refer to Section 10.2.1 in the Contract of this folder for more information about the Automatic RRSP to RRIF transition

## InvestmentPlus Series

- The Maturity Guarantee for the InvestmentPlus Series is determined at time of deposit to be 75% of the deposit value allocated to the InvestmentPlus Series, before any applicable sales charges

### 6.2.1 How the Maturity Guarantee is Calculated

The Maturity Guarantee for the InvestmentPlus Series:

- will increase as a result of deposits to the InvestmentPlus Series
- will decrease on a proportional basis for withdrawals and Fund switches from the InvestmentPlus Series to other Series (where eligible)

Example of Maturity Guarantee, and the impact for deposit and withdrawal (when market value is **greater** than the sum of deposits)

Date	Transaction/Event	Amount (\$)	Market Value of InvestmentPlus Series BEFORE TRANSACTION / EVENT (\$)	Market Value of InvestmentPlus Series AFTER TRANSACTION / EVENT (\$)	Maturity Guarantee of InvestmentPlus Series BEFORE TRANSACTION / EVENT (\$)	Maturity Guarantee of InvestmentPlus Series AFTER TRANSACTION / EVENT (\$)
Apr 1/11	Initial deposit to InvestmentPlus Series	50,000	–	50,000	–	37,500 (50,000 X 75%)
Jun 15/11	Subsequent deposit to InvestmentPlus Series	20,000	51,000	71,000	37,500	52,500 [37,500 + (20,000 X 75%)]
Aug 22/11	Withdrawal from InvestmentPlus Series	10,000	73,000	63,000	52,500	45,308.22* [52,500 - 7,191.78]

\*Proportional reduction =  $\$52,500 \times \$10,000 / \$73,000 = \$7,191.78$

Example of Maturity Guarantee, and the impact for deposit and withdrawal (when market value is **less** than the sum of deposits)

Date	Transaction/ Event	Amount (\$)	Market Value of InvestmentPlus Series BEFORE TRANSACTION / EVENT (\$)	Market Value of InvestmentPlus Series AFTER TRANSACTION / EVENT (\$)	Maturity Guarantee of InvestmentPlus Series BEFORE TRANSACTION / EVENT (\$)	Maturity Guarantee of InvestmentPlus Series AFTER TRANSACTION / EVENT (\$)
Apr 1/11	Initial deposit to InvestmentPlus Series	50,000	–	50,000	–	37,500 (50,000 X 75%)
Jun 15/11	Subsequent deposit to InvestmentPlus Series	20,000	48,000	68,000	37,500	52,500 [37,500 + (20,000 X 75%)]
Aug 22/12	Withdrawal from InvestmentPlus Series	10,000	63,000	53,000	52,500	44,166.67* [52,500 - 8,333.33]

\*Proportional reduction =  $\$52,500 \times \$10,000 / \$63,000 = \$8,333.33$

### 6.3 DEATH BENEFIT GUARANTEE

- The Death Benefit Guarantee will be calculated and reported for each Series of funds that are held in the Contract
- 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 and transfer the corresponding value to a money market fund within the InvestmentPlus Series of funds. For non-registered, TFSA and RRIF, LIF and other retirement income Contracts, if the annuitant dies and a successor annuitant (or successor holder for TFSA Contracts) is alive and is applicable to the Contract, the Contract will continue and all investments will remain in the Funds currently held
- When we receive all required documentation, including sufficient notification of the last surviving annuitant's death and the claimant's rights to the proceeds, the death benefit will be paid to the beneficiary named under the Contract

- No redemption fees are charged for Funds under Back-end or Low-load sales charge options when paying the death benefit
- On the Death Benefit Date, the death benefit payable for the InvestmentPlus Series is the greater of the market value of the InvestmentPlus Series or the Death Benefit Guarantee for the Series

#### InvestmentPlus Series

- The Death Benefit Guarantee for the InvestmentPlus Series is determined at time of deposit to be 75% of the deposit value allocated to the InvestmentPlus Series, before any applicable sales charges

#### 6.3.1 How the Death Benefit Guarantee is Calculated

The Death Benefit Guarantee for the InvestmentPlus Series:

- Will increase as a result of deposits to the InvestmentPlus Series
- Will decrease on a proportional basis for withdrawals and Fund switches from the InvestmentPlus Series to other Series (where eligible)

## 6.4 DEFAULT ANNUITY

- 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

### Terms of the Annuity

- The Default Annuity will be subject to the applicable provisions of the *Income Tax Act* (Canada) for registered Contracts and subject to the following provisions:
  - Be a single life annuity, based on the life of the annuitant
  - 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, and
  - Provide equal payments except in the case of registered Contracts. Refer to Section 11 of the Contract, which is at the back of this document, for further details
- The date of the first income payment will be such that a full year's worth of income payments are scheduled to be made in the calendar year following the year in which the Default Annuity provision applies
- If the annuitant dies after income payments have commenced and there is no named successor annuitant, the commuted value of any remaining income payments will be paid in one sum. This payment will be made to your named beneficiary, if there is one, otherwise to you or your estate
- For Contracts issued in Quebec only, refer to Section 11 of the Contract for further information about annuity rates

Please refer to Section 11 of the Contract, for the annuity provisions for registered Contracts.

## 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, or other selected investment funds. 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. Please see Section 7.9, Fundamental Changes, for more information

## 7.4 POTENTIAL RISKS OF INVESTING

- There are a number of risks of investing, including market risk, interest rate risk, manager risk, inflation risk, derivative risk, currency risk, credit risk, sovereign risk, small company risk, fund closure risk and tax change risk
- The risks may be different depending on the Fund. For details of these risks and information on the Funds available, please refer to the Fund Facts

## 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 Financial has had any material interest, direct or indirect, in any transactions, or in any proposed transactions within 3 years prior to the date of filing this Information Folder, that would or will materially affect Manulife Financial, or any of its subsidiaries, with respect to the Funds

## 7.7 MATERIAL CONTRACTS/FACTS

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

## 7.8 CUSTODIAN OF FUND PORTFOLIO SECURITIES

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

## 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 all the Funds 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 a 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 Financial Head Office after this time will be considered to be received as of the next Valuation Date.

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

## 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 of the Funds that you choose
- We offer four sales charge options under the Contract: Front-end, Back-end, Low-load and F-class options

#### InvestmentPlus Series

- The fee you pay for the Maturity Guarantee and Death Benefit Guarantee applicable to the InvestmentPlus Series under the Contract is incorporated in the Management Expense Ratio (MER) of the Fund

## Contract Charges

### 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 in place at the time. Contracts within this (these) separate sales charge option(s) which no longer meet our administrative rules will be transferred to the similar sales charge option without the restrictions

#### 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

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, 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. Please see Section 5.6, 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
- The redemption fees for the death benefit are waived

### 9.2.3 F-class option

- If eligible, you can allocate deposits to F-class sales charge option Funds
- Funds in an F-class sales charge option are available for investors who have fee-based or wrap accounts with their dealer
- Sales charges for F-class option Funds are generally negotiated between you and your dealer, as defined in the terms of the dealer account agreement. Collection of these fees will occur within the dealer account and not from your Contract
- Under this sales charge option you will not pay Manulife Financial any sales charges at the time of deposit to or withdrawal from the Contract
- If we are notified that you no longer have a fee-based or wrap account, we reserve the right to switch the F-class option Funds to substantially similar Funds in the Front-end sales charge option, in accordance with our administrative rules in place at the time. This switch will not result in a taxable disposition
- If you switch from F-class option Funds to Back-end and/or Low-load option Funds this will be treated as a withdrawal from one Fund and a deposit to another Fund. This may take place on multiple Valuation Dates and may affect guarantees
- Movement from externally registered wrap accounts or fee-based accounts to Contracts registered directly with Manulife will result in a Fund switch from F-class option Funds to substantially similar Funds in the Front-end sales charge option. Where the switch stays within the same Fund there is no taxable disposition

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
<b>Money market fund</b> (excluding the Dollar-Cost Averaging Fund)	Year 1	1.50	1.00
	Year 2	1.50	0.50
	Year 3	1.50	0.50
	Year 4	1.00	0
	Year 5	1.00	0
	Year 6	1.00	0
	Year 7	0.50	0
	Year 8 and subsequent years	0	0
<b>All other funds</b> (Bond, Dividend, Asset Allocation, Balanced and Equity funds)	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

### 9.3 EARLY WITHDRAWAL FEES AND RECOVERY OF EXPENSES

- We may apply an early withdrawal fee of 2% of the market value if you make a withdrawal within 365 days of the purchase of the Funds you have requested be withdrawn. This fee does not apply to scheduled withdrawal payments
- 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

## Fund Charges

### 9.4 MANAGEMENT FEES

- The management fee of a Fund is calculated and accrued on a daily basis and paid to Manulife Financial for the management of the Fund and guarantee costs for providing 75% maturity guarantee and 75% death benefit guarantee to all Series under the Contract. 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 Financial and any underlying funds. There is no duplication of fees 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. Please see Section 7.9, Fundamental Changes, for more information

### 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 plus the operating expenses of the Fund. You do not directly pay for the MER as it is paid from the Fund before the Unit Value is calculated
- The operating expenses include costs relating to administration, legal and audit fees. The MER includes the MER of any underlying fund and any fees or charges associated with that underlying fund. There is no duplication of fees or charges
- Subject to Section 9.4, 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

# 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 Financial, whichever is applicable
- In some instances, a product transfer program may be available to potentially reduce or eliminate sales charges through a reduction of advisor compensation. Manulife Financial reserves the right to change or cancel compensation arrangements at any time

## 10.2 SALES COMMISSION

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

- Back-end and Low-load sales charge options:
  - Manulife Financial pays the commission on the purchase, but you may have to pay a deferred sales charge depending on when you request to redeem Units
- F-class sales charge option:
  - No sales commission will be paid to your advisor by Manulife Financial
- Sales commission will not be paid for the following:
  - Maturity and Death Benefit top-ups
  - 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 Financial will pay a regular servicing commission to your advisor to recognize the ongoing service they provide

# 11. Tax Information

## 11.1 GENERAL INFORMATION

- This is an outline of general tax information as it applies to the Contract. It applies to Canadian residents and is based on the current *Income Tax Act* (Canada)
- 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 DCA 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
- The money market fund and DCA 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 of a Series or version of a Series, where applicable, allocated to your Contract is determined under the *Income Tax Act* (Canada). Generally it is the weighted-average cost of these Units, including any tax allocations of income, capital gains and capital losses for these Units
- The taxation of certain benefits available with this product is not certain at this time. You are responsible for the proper reporting of all taxable income applicable to you as Policyowner and payment of all related taxes. You are also responsible for any tax liabilities arising from any change in law, interpretation, or Canada Revenue Agency (CRA) assessing practice. We recommend that you contact your tax advisor regarding the tax treatment of this product in your particular circumstances

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

## 11.2 NON-REGISTERED CONTRACTS

- 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)

## 11.3 REGISTERED CONTRACTS

- Income can accumulate in a registered Contract on a tax-deferred basis
- If you request Fund switches between Funds in a registered Contract or 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

### **RIF/LIF or other retirement income Contracts**

- Payments and cash withdrawals from a RRIF, LIF or other 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 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 from a TFSA cannot generally be re-contributed in the same taxation year, unless you have contributed less than the maximum allowed under the *Income Tax Act* (Canada). Please consult your tax advisor in these circumstances

## **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

## 12.1 GENERAL INFORMATION

- The GIF Select Contract provides valuable estate planning advantages that vary depending on the Series of Funds to which you allocate deposits
- Many estate planning features are dependent on the life of the annuitant. Where Contracts are eligible to continue or have contractual benefits continue based on the life of another annuitant, guarantees may be recalculated

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

## 12.2 BENEFICIARIES

- On the death of the last surviving annuitant, 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

## 12.2.1 Irrevocable Beneficiaries

- If you have designated the beneficiary as irrevocable, you cannot change the designation without the beneficiary's written consent, unless otherwise permitted by law
- Certain other rights and options, such as changes to withdrawals, assignments, or transfer of ownership, can be exercised only with the written consent of the irrevocable beneficiary
- An irrevocable beneficiary who is a minor cannot provide consent. A parent, guardian or tutor cannot provide consent on behalf of a minor who has been named as irrevocable beneficiary
- You may be able to apply to the court for an order permitting you to deal with the Contract without the consent of the irrevocable beneficiary

## 12.3 SUCCESSOR ANNUITANT ELECTION FOR RRIF CONTRACTS

- If you have named your spouse as successor annuitant, on your death they will automatically become owner of the Contract. In this case, the successor annuitant may exercise rights as the Policyowner of this Contract. However, if you have named an irrevocable beneficiary, the successor annuitant's ownership rights will be restricted (see Section 12.2.1 Irrevocable Beneficiaries)
- The election of other Series available under the contract may remove previously designated Successor Annuitant(s). Please refer to the Information Folder and Contract applicable to that Series

## 12.3.1 Tax-Free Savings Account (TFSA)

- Where available under applicable provincial and territorial law, if your spouse is named as sole beneficiary or successor holder, your spouse will automatically become owner of the Contract after your death. In this case, your spouse may exercise rights as the Policyowner of this Contract. If your spouse is named as sole beneficiary, any secondary or subsequent beneficiary appointments made prior to your death are ineffective

## 12.4 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
- Certain provisions of the Contract are based on the age of the annuitant. If the annuitant of the Contract is subsequently changed, some of the provisions may also change

### I) SUCCESSOR OWNER

- You may appoint a successor owner or owners (referred to as subrogated policyholder(s) in Quebec) prior to the death of the last surviving annuitant
- 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

### II) SUCCESSOR ANNUITANT

- You may appoint a successor annuitant under the Contract prior to the death of the annuitant
- In the event of the annuitant's death, the successor annuitant will automatically become the annuitant of the Contract
- The Contract will continue, and no death benefit is payable
- You may remove a previously appointed successor annuitant at any time prior to the death of the annuitant

**The election of other Series available under the GIF Select Contract may remove previously designated Successor Annuitants. Please refer to the Information Folder and Contract applicable to those Series.**

## 12.5 REGISTERED CONTRACTS

### RRSP CONTRACTS

- You cannot appoint a successor owner for an RRSP Contract

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

## 12.6 NO PROBATE FEES

- If you have named a valid beneficiary or a valid successor owner, other than your estate, upon your death or the death of the last surviving annuitant, the Contract does not form part of your estate. Probate fees will not apply to the Contract in accordance with current legislation

## 12.7 POTENTIAL CREDITOR PROTECTION

- When a named beneficiary is a spouse, parent, child, grandchild of the annuitant (for Quebec, ascendants and descendants of the owner), or is named irrevocably, the Contract may be protected against claims of your creditors

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

# Manulife Guaranteed Investment Funds Select (GIF Select) Contract

## Important Information

The Contract shown on the following pages will become effective on the Valuation Date of the first Deposit to the GIF Select Contract and upon acceptance by Manulife Financial that the initial Contract set-up criteria have been met. Delivery of the Contract provisions do not constitute acceptance by Manulife Financial of a Contract purchase. Confirmation of a Contract purchase will be sent to you upon meeting the necessary Contract set-up requirements as determined by Manulife Financial, and when the initial Deposit has been made. The effective date of the Contract will be stated on a confirmation notice. The amendment of your Contract does not create a new Contract but is a continuation of your existing Contract with the additional Series features. Any endorsements or other amendments that may be required will be provided to you and will form part of the Contract.

The following pages include provisions for Manulife Guaranteed Investment Funds Select (GIF Select). These provisions apply to your GIF Select Contract, regardless of which Series you have allocated your deposit(s). There may be additional Contract provisions that apply if you elect to amend your Contract and allocate deposits to other Series. Series availability will be dependent upon the date in which you elect to amend your Contract and allocate your initial deposits to those Series in your 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 Financial. Please contact your advisor if you have any questions about the Contract you have purchased.

# Manulife Guaranteed Investment Funds Select (GIF Select) 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”, “Manulife Financial” and “Manulife” refer to The Manufacturers Life Insurance Company. “Head Office” refers to the Canadian Head Office of Manulife Financial located in Waterloo, Ontario, or to any other location that we might specify to be our Head Office.

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

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

The Manufacturers Life Insurance Company



**Paul Lorentz**

Senior Vice President, Investment Products  
Manulife Financial

**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

## Back-end Sales Charge

Often referred to as a Deferred Sales Charge (DSC), or a redemption 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. Funds with a Back-end Sales Charge have a longer sales charge period than Funds with a Low-load Sales Charge.

## Beneficiary

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

## 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 Guaranteed Investment Funds Select (GIF Select) Contract, which is a deferred annuity product supported by a family of Funds to help you meet your financial objectives. The Contract is governed by the applicable provincial insurance and pension legislation and the *Income Tax Act* (Canada).

## Contract Date

The date the Contract is effective. The Contract becomes effective on the Valuation Date of the first Deposit and upon acceptance by Manulife Financial that the initial Contract set-up criteria have been met.

## Contract Maturity Date

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

## Death Benefit Date

The Valuation Date on which we receive sufficient written notification of the death of the last surviving Annuitant at our Head Office.

## Death Benefit Guarantee

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

## Deposit

Also referred to as the Premium. The Deposit is the amount of money you pay to Manulife Financial in exchange for contractual benefits before the deduction of any applicable sales charges or fees. After the applicable sales charges and fees are deducted, the remaining amount of money is maintained by Manulife Financial in respect of which the non-guaranteed benefits of the contract are provided, and is kept separate from the general assets.

## Deposit Value

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

## F-class Sales Charge

When a Fund is chosen in a F-class Sales Charge option you will not pay Manulife Financial any sales charges at the time of deposit or withdrawal from the Fund. Administrative fees may be payable as defined under section 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 Financial as a Deposit and is paid to your advisor. Under this option there are no sales charges payable on withdrawals.

## Fund(s)

Also referred to as Segregated Funds. An aggregate of money, stocks, bonds, mutual funds and/or other types of investments that is held separate from the insurer's general assets to be available to assist the insurer in meeting its financial obligations under the Contract. They are made available for the notional allocation of Deposits under the Contract.

## Fundamental Investment Objective

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).

**InvestmentPlus Series**

A Fund option available under the Contract that provides Maturity and Death Benefit Guarantees of 75% of the Deposit Value to this Series (reduced proportionally by withdrawals).

**Locked-In Contracts**

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

**Low-load Sales Charge**

Often referred to as a Deferred Sales Charge (DSC), a redemption fee or a surrender charge. When a Fund with a Low-load Sales Charge option is chosen, a sales charge is applied to withdrawals (surrenders) that occur during a specified sales charge period. Funds with a Low-load Sales Charge have a shorter sales charge period than Funds with a Back-end Sales charge.

**Market Value**

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

**Series**

A notional grouping of Units of Funds that all provide the same contractual benefits. Every Fund available under this Contract is associated with a Series. The date of initial Deposit into a Series determines the version of benefits that are provided under that Series.

**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 as the original Fund at the time that notice is given.

**Underlying Fund**

An investment fund in which a Fund invests all or part of its assets. The underlying investments of the Funds may be units of mutual funds, pooled funds or other selected 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 Segregated 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. If you elect to add other Series to the Contract, the terms of the Series will be included and form part of the Contract. The terms of the endorsements and/or Series, where applicable, will override any conflicting provisions of the Contract. We refer to "Base Contract" to mean the Contract with the InvestmentPlus Series.

The information contained in the Fund Facts is accurate and complies with *Guideline G2: Individual Variable Insurance Contracts Relating to Segregated Funds* as of the date prepared. The following information contained in the Fund Facts forms part of the Contract:

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

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

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

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

## 2. General overview

### 2.1 Currency

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

### 2.2 Ownership

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

### 2.3 Annuitant

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

### 2.4 Beneficiary

You may designate a Beneficiary or beneficiaries to receive any amounts payable under this Contract after the last surviving Annuitant's death. 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 last surviving Annuitant's death, which results in a death benefit being payable, any amount payable will be paid to you if you are not the Annuitant, otherwise to your estate.

## 2.5 Successor owner

If you are not the Annuitant, or if you are the Annuitant and a successor Annuitant has been named, you may appoint one or more successor owners for non-registered Contracts who may exercise rights as the owner of this Contract after your death. Their rights may be restricted if a Beneficiary has been appointed irrevocably or if the Contract has been assigned or hypothecated as collateral security. In the Province of Quebec, the term "successor owner" refers instead to a subrogated policyholder.

## 2.6 Protection against creditors

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

## 2.7 Service initiatives

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

## 2.8 Administrative rules

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

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

# 3. Deposit provisions

## 3.1 Deposits

You may make a Deposit to this Contract while this Contract remains in force, subject to the terms of this Contract, the Information Folder, other Series provisions, if applicable, and our administrative rules in effect at the time you make the Deposit. There are maximum age restrictions for Deposits as described in the Key Facts. 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 of the Funds 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.

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.

**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.** Please refer to *Section 8.2, Units allocated to a Fund*, for more information.

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

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

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

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

### **3.3 Series availability**

Every Fund available under this Contract is associated with a Series. When your Deposit is allocated to purchase Units of a Fund, the Series associated with that Fund defines the type and level of contractual benefits. The date of initial deposit into a Series determines the version of benefits provided under that Series, and that version will be available for all subsequent Deposits to that Series subject to *Section 11.1, Cancellation of this Contract*.

Within each Series there are four sales charge options available: Front-end, Back-end, Low-load options and F-class. Please refer to *Sections 3.4, Sales charges*; and *5.5 Deferred sales charges* for more information.

We may also provide you with additional investment choices within the Contract of a different investment category (e.g. Guaranteed Interest Accounts), Funds or Series with different contractual provisions, such as maturity, and death benefit guarantee levels and income guarantees. In this event, the provisions of the Contract may be amended to permit you to invest in the additional categories, Funds and/or Series. If you initiate a transaction to the new investment choice, or for a Series, elect to add a Series, you will be considered to have agreed to the terms of the amendment, which will form part of the Contract.

### **3.4 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 in place at the time.

### **3.5 Dollar-Cost Averaging**

The Dollar-Cost Averaging Fund (DCA Fund) is similar to Funds where you establish regular Fund switches, except you may request a reallocation of the Fund switch out of the DCA Fund over a specified period. You cannot switch monies into the DCA Fund. All Deposits to the DCA Fund will be administered in accordance with current administrative rules.

## 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, to purchase Units in one or more of our other Funds then available and subject to our administrative rules in effect at the time of your request.

You may request a switch between Funds available under the terms of the Contract. **Fund switches between Series may affect your guarantees and may be subject to age or other restrictions.**

You may request that we switch between Funds of the same sales charge option and Series (e.g. InvestmentPlus Series front-end to InvestmentPlus Series front-end), or from the InvestmentPlus Series to the other available Series within the same sales charge option if permitted by that Series, 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 withdraw or Fund switch Units from a Fund within 365 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. Please refer to *Section 3.1, Deposits* and *Section 5.5, Deferred sales charges*, for more information.

You may request moving money as a Fund switch 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 in place at the time.

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

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

**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.**

### 4.2 Fund switches between Series

You may request Fund switches between Series subject to Series availability, administrative rules, age restrictions and Series provisions. Fund switches between Series may change the guarantees applicable to both Series.

## 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 current administrative rules.

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 current administrative rules.

#### **InvestmentPlus Series**

The guarantees applicable to the InvestmentPlus Series will be proportionally reduced by any withdrawals.

## 5.2 Scheduled payments

Scheduled payments, commonly referred to as Scheduled Withdrawal Payments (SWPs), may be required under a RRIF, LIF or other similar retirement income Contract, and may be taken from non-registered 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 current administrative rules.

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

A sales charge will apply if you request that we redeem Units with a Back-end or Low-load sales charge option prior to the end of the specified period, after the date of the original Deposit allocated to purchase the Units being redeemed. Please refer to *Back-end and Low-load Sales Charge Table in Section 9.2 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 Sales Charge options – Charge-free withdrawals*.

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 direct the payment to your bank account for deposit on an eligible day prior to the day you have specified.

## 5.3 Scheduled payment options for RRIF, LIF, or other similar retirement income Contract

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

The following scheduled payment options are available as detailed in Section 5 of the Information Folder:

### ***RRIF minimum amount***

***Level – Client-specified amount***

***Indexed – Client-specified amount indexed annually***

***LIF/LRIF maximum***

### ***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 current administrative rules.

### ***Tax withholding options***

There are tax implications that will vary depending on the payment amount you specify. Under the *Income Tax Act* (Canada), we are required to withhold tax from payments that exceed the RRIF minimum amount.

We will withhold tax according to the basis you select on the application, unless you file a written request with us to change it. The following scheduled payment tax withholding options are available:

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

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

## 5.4 Scheduled payment options for non-registered and TFSA Contracts

Scheduled payments may be taken from any non-registered Contract or TFSA Contract, subject to restrictions imposed on the Contract. The only scheduled payment option available, as explained in detail in Section 5.4 of the Information Folder, is Level – Client-specified 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.

Please refer to the Table shown in Section 9.2 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 Contract, regardless of any Fund switches 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 current administrative rules, we reserve the right to redeem all the Units to the Contract's credit. In this case, the Market Value of the Contract, less any sales charges, will be paid to you. Payment of this amount will discharge our obligations under this Contract. This right will not be affected by the fact that we may have waived this right at any time previously.

# 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. Please refer to *Section 3.4, Front-end 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 in place at the time. Contracts within this (these) separate sales charge option(s) which no longer meet our administrative rules will be transferred to the similar sales charge option without the restrictions.

### **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 365 days of the Contract Date;
- 2% of the Market Value of the Units if you request a withdrawal or a Fund switch within 365 days of allocating a Deposit to the Fund; and
- 2% of the Market Value of the Units for Fund switches requested in excess of five per calendar year.

These fees will not apply to scheduled withdrawals or to regularly scheduled Fund switches. 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 Fund fees**

### **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.

### **Management Expense Ratio (MER)**

The Management Expense Ratio (MER) includes all fees and expenses paid or payable by the Fund, including management 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 charges associated with that underlying fund. There is no duplication of fees or charges. The operating expenses of a Fund may include operating and administrative costs, legal fees and audit fees. The MER for a Fund is subject to change without prior notification unless the increase is due to an increase in the Management Fee as referred to in the previous paragraph.

Under current legislation, taxes may apply to the MER.

## **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. Available Series within the Contract may provide enhanced or additional guarantees. The guarantees are calculated and reported based on the Series to which you request a Deposit be allocated.

### **InvestmentPlus Series**

A Maturity Guarantee is payable on the Contract Maturity Date and a Death Benefit Guarantee is payable on the death of the last surviving Annuitant.

## 7.1 Maturity Guarantee

The Maturity Guarantee will be calculated and reported separately for each Series in the Contract.

For non-registered TFSA, RRIF, LRIF, PRIF, RLIF 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, LIRA and Locked-in RSP 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, LIRA or Locked-in RSP Contract Maturity Date, the Contract will be amended to become a RRIF, LIF, LRIF, PRIF, RLIF or other similar retirement income product on this date, subject to applicable legislative requirements. Please refer to *Section 11.2.1, Automatic RRSP to RRIF, LIF, LRIF, PRIF, RLIF or other similar retirement income product provision*, for more information. The Contract Maturity Date used for calculating the Maturity Guarantee for RRSPs that have converted to a RRIF at age 71, (or latest age to own under the *Income Tax Act* (Canada)), is December 31 of the year in which the Annuitant turns age 100, subject to pension legislation.

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

On the Contract Maturity Date, the Maturity Guarantee payable for the Contract is the sum of the greater of the Market Value of each Series under the Contract and the Maturity Guarantee for each Series, calculated and reported separately for each Series.

### InvestmentPlus Series

The Maturity Guarantee for the InvestmentPlus Series is 75% of the Deposit Value on the Contract Maturity Date. It will increase by 75% of the Deposit Value of all subsequent Deposits to the Series and decrease proportionally for withdrawals from the Series.

## 7.2 Death Benefit Date

If there is no surviving successor Annuitant named under the Contract at the time of the last surviving Annuitant's death, 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 to the Contract's credit in all of the existing Funds, other than the money market Fund, if you have requested Deposits allocated to that Fund. The corresponding value will be transferred to a money market Fund within the same Series.

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.

## 7.3 Death Benefit Guarantee

The Death Benefit Guarantee will be calculated and reported separately for each Series in the Contract. 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 last surviving Annuitant will be used to purchase Units of a money market Fund.

On the Death Benefit Date, the Death Benefit Guarantee payable for the Contract is the sum of the greater of the Market Value of each Series under the Contract and the Death Benefit Guarantee for each Series, calculated and reported separately for each Series.

### InvestmentPlus Series

The Death Benefit Guarantee for the InvestmentPlus Series is determined at time of deposit to be 75% of the Deposit Value of the Series. It will increase by 75% of the Deposit Value of all subsequent Deposits to the Series and decrease proportionally for withdrawals from the Series.

## 7.4 The Death Benefit

Upon our receipt of all required documentation of the last surviving Annuitant's death and of the claimant's right to the proceeds, the death benefit will be payable to the beneficiaries. No Back-end or Low-load Sales Charges apply to the death benefit. In some situations, upon your death or the death of an Annuitant, the Contract may continue. If the Contract continues, no death benefit is payable and no guarantee top-up applies. Please see *Section 7.5, Contract continuation at death*, for more information.

On the Death Benefit Date, the death benefit payable for the Contract is the sum of the greater of the Market Value of all Series under the Contract and the total Death Benefit Guarantee for all Series. If necessary, we will increase the Market Value of each Series to equal the Death Benefit Guarantee for that Series 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.

Payment of the Death Benefit Guarantee will discharge our obligations under this Contract.

## 7.5 Contract continuation at death

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

Certain provisions of the Contract are based on the age of the Annuitant. If the Annuitant under the Contract changes, some of the Contract provisions, such as the Contract Maturity Date, may also change.

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

**ii) Successor Annuitant.** You may appoint a successor Annuitant under the Contract. Then, in the event of the primary Annuitant's death, the successor Annuitant will automatically become the primary Annuitant of the Contract. The appointment of a successor Annuitant must be made prior to the death of the primary Annuitant. You may remove a previously appointed successor Annuitant at any time, subject to any legal restrictions. There will be no change to the allocation of the Fund(s) as a result of the death of the Annuitant with a successor Annuitant appointed.

**By adding other Series to your Contract, this may remove any previously designated successor Annuitant or Successor Owner, according to the terms of that Series.**

## 7.6 Guarantees and withdrawals

The Maturity and Death Benefit Guarantees applicable to the Series from which a withdrawal is made will decrease proportionally for any withdrawals from that Series.

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

**G** = the guarantee applicable to the Series prior to withdrawal

**W** = the Market Value of the Units being withdrawn from the Series

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

## 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.

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

We reserve the right to change the Valuation Date cut-off time (earlier or later) to accept instructions or transactions. For example, we may require an earlier Valuation Date cut-off time for instructions or transactions received through different distribution or communication channels. We may require an earlier Valuation Date cut-off time in situations where the Toronto Stock Exchange or Manulife Financial has closed earlier. Please contact your financial 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, 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. 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.

Cancellation of this Contract is subject to our current administrative rules and fees.

If this Contract is cancelled within 365 days after the first Deposit, it may be subject to an administrative fee of 2% of the Market Value in addition to any Back-end or Low-load sales charges that may apply.

The effective date of your request for cancellation and the applicable Valuation Date are described in *Section 8.3, Valuation Date of requests*.

### 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. In the event that we require all the Funds within the current Contract to be closed completely, we will provide you with the withdrawal options at least 60 days in advance of the Contract closing date. If you do not elect one of the options that are available to you by the Contract closing date, we reserve the right to transfer the Market Value of the Contract to a new or existing Segregated Fund product on the Contract closing date. In this event, all values and guarantees in effect on the Contract closing date will continue in any new Contract. The accrued benefits and guarantees will not be impacted by the change.

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

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

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

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

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

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

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

On the Valuation Date of the amendment request:

- a) the RRSP provisions of the Contract will terminate, and the RRIF provisions will be effective, and
- b) all other terms of the Contract will continue in effect, including, without limitation, the Maturity Guarantee(s), and Death Benefit Guarantee(s).

The RRIF amendment process will be subject to our current administrative rules. The Valuation Date of the transfer request will normally be the date on which we receive your written request at our Head Office. Please refer to *Section 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 7.4, The Death Benefit*, for more information.

### **11.2.1 Automatic RRSP to RRIF, LIF or other similar retirement income product provisions**

If an RRSP, RLSP, LIRA or Locked-in RSP Contract is in force on the Contract Maturity Date, we will automatically amend the Contract to be a RRIF, LIF or other similar retirement income product, subject to applicable legislation.

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

The automatic amendment date is the Contract Maturity Date. *Section 11.2, RRSP to RRIF, LIF or other similar retirement income product provisions*, will apply on the automatic amendment date. The applicable Valuation Date will be the Valuation Date coinciding with the automatic amendment date. Please refer to *Section 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 current administrative rules and any applicable legislation. Detailed provisions of the annuity payout Contract will be provided to you at that time.

**RRSP/RLSP/LIRA Contract provision:** If your RRSP, RLSP, LIRA or Locked-in RSP Contract 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 product provision*, then *Section 11.2.1, Automatic RRSP to RRIF, LIF or other similar retirement income product provision* will apply.

If you have notified us in writing that *Section 11.2.1, Automatic RRIF, LIF or other similar retirement income product provisions*, should not be applied to your registered Contract, then the Contract will provide a single life annuity with payments guaranteed for 10 years with you as owner, subject to our current administrative rules and applicable legislation. Detailed provisions of the annuity payout Contract will be provided to you at that time.

**RRIF, LIF, LRIF, PRIF, RLIF Contract provision:** If your RRIF, LIF or 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 Registered Retirement Savings Plan provisions*, for registered Contracts:

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

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

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

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

## 12. Additional Registered Retirement Savings Plan provisions

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

1. In these provisions, "you", "your" and "owner" refer to the person who has Policyowner's or policyholder's rights under the Contract; the Annuitant is as defined under the *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) All Deposits will be invested in "qualified investments" as defined in subsection 146(10) of *The Act*. No Deposits will be accepted under the Contract after income payments commence. The Contract cannot be assigned either absolutely or as collateral security.
  - d) No payments will be made prior to the Contract maturity except a refund of premiums in a lump sum or 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 carrier of the registered plan and appoint a successor carrier.

## 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 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 of the 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. Where available under applicable provincial and territorial law, if your spouse or common-law partner is named sole primary beneficiary, your spouse or common-law partner will automatically become Policyowner of the rights under the Contract after 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. You are liable for any tax consequences, penalties or other fees arising in connection with a non-qualifying or non-compliant arrangement in accordance with subsection 207.01(5) of *The Act*. You should consult your personal tax advisor about your individual circumstances.
11. 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.
12. For contracts issued in Quebec, the minimum annual annuity payment will be \$1,000 per \$10,000 of contract value.
13. 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.
14. We reserve the right to resign as the issuer of the Tax-Free Savings Account and appoint a successor issuer.
15. This Contract complies with prescribed conditions under *The Act*.





---

**FOR MORE INFORMATION, PLEASE SPEAK WITH YOUR ADVISOR OR VISIT [MANULIFE.CA/INVESTMENTS](https://www.manulife.ca/investments)**

---

Manulife Investments is the brand name describing certain Canadian subsidiaries and operating divisions of Manulife Financial Corporation that offer personal wealth management products and services in Canada. Manulife, Manulife Investments, the Manulife Investments For Your Future logo, the Block Design and Strong Reliable Trustworthy Forward-thinking are trademarks of The Manufacturers Life Insurance Company and are used by it, and by its affiliates under license.

MK2278E 04/12 TMK755E

strong reliable trustworthy forward-thinking

 **Manulife Investments**

| For your future™