

Report of the Management Resources and Compensation Committee

The Management Resources and Compensation Committee (“Compensation Committee”) assists the Board in its oversight of the Company’s global human resources strategy, policies and programs. The Compensation Committee’s primary focus is on the compensation, development and succession of executives. The Compensation Committee is also responsible for ensuring that relevant information on executive compensation is clearly disclosed to the Company’s shareholders and other stakeholders. The Compensation Committee members meet the independence requirements prescribed by applicable securities regulations and by the stock exchanges on which the Company’s securities are listed.



Hugh W. Sloan, Jr.
(Chair)



Arthur R. Sawchuk
(Vice Chair)



Gail C.A. Cook-Bennett



Thomas P. d’Aquino



Lorna R. Marsden



Gordon G. Thiessen

The Compensation Committee met seven times during 2007. The President and CEO, other members of management and the Compensation Committee’s external advisor Hugessen Consulting Inc. (“HCI”) attended meetings at the invitation of the Chair of the Compensation Committee. Detailed materials were distributed in advance of each meeting, which allowed the Compensation Committee to make informed decisions. *In camera* sessions were held at each meeting for committee members only.

In 2007, the Compensation Committee, in accordance with its charter, accomplished the following:

- Reviewed the Company’s compensation policies.
- Reviewed the annual objectives and performance assessments of senior executives with the CEO, including their contribution to a culture of integrity.
- Reviewed executive compensation programs and compensation awarded to Senior Executive Vice Presidents and Executive Vice Presidents. Compensation for the President and CEO was reviewed separately by the Governance Committee and recommended to the full Board for approval. All Compensation Committee recommendations were put forward to the full Board for approval.
- Assessed the Company’s officer talent pool and its succession plans.
- Carried out its oversight accountability for pension and benefit plans. In addition to ongoing fiduciary and non-fiduciary accountabilities, reviewed and approved substantial plan design changes to the U.S. and Japan pension programs taking effect in 2008.
- Reviewed and approved the executive compensation disclosure in the Proxy Circular.
- Approved a company-wide initiative (largely completed in 2007), to standardize post-employment conditions applicable to executives, including non-solicitation for all officers and non-competition for the most senior officers.

During 2007, the Compensation Committee directly retained HCI to act as its independent advisor and to provide it with advice and guidance on compensation issues. All work under-

taken by such advisor must be pre-approved by the Chair of the Compensation Committee.

HCI’s fees for executive compensation consultant services provided to the Compensation Committee and the Governance Committee in 2007 were \$293,562. Services included participation at committee meetings and conducting a comprehensive review of senior executive compensation relative to market practice. HCI did not provide any other services to the Company during 2007.

The Compensation Committee reviewed its charter and as a result of this review made amendments to its charter. The Compensation Committee also assessed its performance against its charter and determined that it met the terms of its charter in 2007. A scorecard of the Compensation Committee’s compliance with its charter and the charter itself can be found at www.manulife.com.

This report has been approved by the members of the Compensation Committee.

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