

Report of the Management Resources and Compensation Committee

The Management Resources and Compensation Committee (“Compensation Committee”) assists the Board of Directors 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. All the Compensation Committee members are independent, thereby meeting the independence requirements prescribed by applicable securities regulations and by the stock exchanges on which the Company’s securities are listed.



Gordon G. Thiessen
(Chair)



John M. Cassaday



Pierre Y. Ducros



Scott M. Hand



Lorna R. Marsden



Hugh W. Sloan, Jr.

The Compensation Committee met six times during 2008. The President and CEO, Senior Executive Vice President and Chief Investment Officer, other members of management and the Compensation Committee’s independent advisor Hugessen Consulting Inc. (“Hugessen”) 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. The Compensation Committee met *in camera* without management at the end of each meeting.

In 2008, the Compensation Committee, in accordance with its charter, accomplished the following:

Succession and Remuneration

- Reviewed the Company’s compensation policies and programs.
- Reviewed the annual objectives and performance assessments of senior executives with the President and CEO, including their contribution to a culture of integrity.
- Reviewed executive compensation awarded to Senior Executive Vice Presidents and Executive Vice Presidents. All Compensation Committee recommendations were put forward to the full Board of Directors.
- Recommended the appointment of Executive Vice Presidents for approval by the Board.
- Assessed the Company’s officer talent pool and its succession plans.
- Reviewed the results of the Company’s employee engagement survey.
- Carried out its oversight accountability for pension and benefit plans.
- Provided comment to the Canadian Securities Administrators on the new executive compensation disclosure rules.
- Reviewed and approved the executive compensation disclosure in the proxy circular.

Beginning in 2009, the Compensation Committee assumed responsibility for reviewing the objectives, performance and compensation of the President and CEO. This was previously done by the Governance Committee.

During 2008, the Compensation Committee directly retained Hugessen to act as its independent advisor and to provide it

with advice and guidance on compensation issues. All work undertaken by such advisor must be pre-approved by the Chair of the Compensation Committee.

Hugessen’s fees for executive compensation consultant services provided to the Compensation Committee and the Governance Committee in 2008 were \$317,415, compared with \$293,562 in 2007. Services included participation at committee meetings, a comprehensive review of senior executive compensation relative to market practice and advice on executive compensation plan design and senior executive contracts. Hugessen did not otherwise provide any services to the Company during 2008.

Charter Review

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 2008. 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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