

## **COMPANY INFORMATION SHEET**

This information sheet is provided for the purpose of giving information to the public about Manulife Financial Corporation (“the Company”) as at the date specified below. The information does not purport to be a complete summary of information about the Company and/or its securities. For more information on the Company, please see the Company’s profile on [www.hkex.com.hk](http://www.hkex.com.hk) or visit the Company’s website at [www.manulife.com](http://www.manulife.com).

### **Responsibility Statement**

The Corporate Secretary of the Company hereby accepts full responsibility for the accuracy of the information contained in this information sheet (other than the summary of foreign laws and regulations) as at the date hereof and confirms, having made all reasonable inquiries, that to the best of his/her knowledge and belief (i) the information is accurate and complete in all material respects and not misleading or deceptive and (ii) there are no other material facts the omission of which would make the information misleading or deceptive.

The Corporate Secretary of the Company also confirms that the Company undertakes to file this information sheet on an annual basis when the Company publishes its annual report to shareholders.

Date of this information sheet: March 28, 2012

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## **PART A SUMMARY OF WAIVERS AND EXEMPTIONS**

The Company has entered into a Listing Agreement with the Stock Exchange of Hong Kong Limited dated September 24, 1999 (the “Listing Agreement”) whereby so long as the Company remains listed on the Toronto Stock Exchange and the Toronto Stock Exchange remains recognized for the purposes of the Exchange Listing Rules, the Exchange shall permit the Company to follow the Canadian Rules in respect of the Company’s listing in Hong Kong and to the extent any ambiguity or conflict may arise between the requirements of the Exchange Listing Rules and the Canadian Rules, the Exchange shall defer to the Canadian Rules insofar as permitted by law. The “Canadian Rules” as defined in the Listing Agreement means all rules and regulations applicable to the Company from time to time in force including but not limited to the Insurance Companies Act (Canada), federal, provincial securities and other legislation in Canada and the rules of the Toronto Stock Exchange.

In addition, the Company has been granted complete or partial waivers and exemptions from certain of the Exchange Listing Rules and requirements which, as at the date of this information sheet, include the following:

### *Use of Electronic Means*

**Rule 2.07C(4)(c)** requires an issuer to submit the ready-to-publish electronic copy of both the English and Chinese versions of a document together to the Exchange for publication on the Exchange’s website, in respect of the following announcements: (a) preliminary announcements of final results; (b) announcements relating to change in terms of convertible securities; (c) announcements relating to closure of books; (d) announcements relating to notice of AGM; (e) announcements relating to issue of securities under a general mandate (including issue of securities for cash in Hong Kong and outside Hong Kong); and (f) announcements relating to withdrawal of listing. As a consequence of the grant of a waiver, the Company is permitted to file the English version of the relevant announcements during the morning ESS window and to file the Chinese translation no later than the close of the evening ESS window, after trading has ceased on the same day.

**Rule 2.07C(6)** requires that every issuer must have its own website on which it must publish any announcement, notice or other document submitted by the issuer pursuant to Rule 2.07C for publication on the Exchange’s website and such publication should be at the same time as submission of the electronic copy of the document to the Exchange for publication on the Exchange’s website, in respect of publication of the following information on the Company’s website: (a) AGM notice; (b) notice of meeting; (c) record date; and (d) notice of board meeting. As a consequence of the grant of a waiver, the Company is exempt from the requirement to post the information described in (a) to (d) on its own website. The Company’s website contains a link to the SEDAR website where the public can access the information described in (a) to (c) above and with respect to the information described in (d), the Company posts the dates of upcoming earnings releases on its website for public information.

### *Accountants' Reports and Pro Forms Financial Information*

**Chapter 4** sets out the detailed requirements for accountants' reports on the profits and losses, assets and liabilities of, and other financial information on, an issuer and/or a business or company, to be acquired or disposed of (as the case may be) by an issuer for inclusion in listing documents or circulars. The Company was exempt from Chapter 4 with respect to its listing document dated September 22, 1999.

### *Disclosure of Property Valuation Report*

**Chapter 5** requires the valuations of and information on all the issuer's interests in land or buildings ("properties") to be included in a listing document issued by a new applicant. The Company is exempt from compliance with Chapter 5 under the Listing Agreement.

### *Methods of Listing Equity Securities*

**Chapter 7** deals with the methods by which equity securities may be brought to listing on the Exchange. The Company is exempt from compliance with the methods except for offers or rights issues (or part of them) in Hong Kong and the Company is permitted to use the North American prospectus form where an offer is made in North America and Hong Kong, subject to compliance with the Companies Ordinance.

### *Qualifications for Listing*

**Rule 8.12** requires that a new applicant applying for a primary listing on the Exchange must have a sufficient management presence in Hong Kong. The Company is exempt from compliance with this rule under the Listing Agreement as this rule shall not apply to secondary issuers in general.

**Rule 8.17** requires that the issuer must appoint as its company secretary an individual who, by virtue of his academic or professional qualifications or relevant experience, is, in the opinion of the Exchange, capable of discharging the functions of company secretary. The Company is exempt from compliance with this rule under the Listing Agreement as this rule shall not apply to secondary issuers in general.

### *Disclosure of Changes in Issued Share Capital*

**Rule 13.25A(1)** requires an issuer to release a next day disclosure return in respect of changes in issued share capital. As a consequence of the grant of a waiver, the Company is permitted to publish next day returns on the Exchange's website no later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the tenth calendar day next following the relevant changes in the Company's issued share capital.

**Rule 13.25B** requires an issuer to release a monthly return by 9:00 a.m. of the fifth day following the end of each calendar month in relation to movements in the share capital and other securities of the listed issuer. As a consequence of the grant of a waiver, the Company is permitted to publish monthly returns on the Exchange's website no later than 9:00 a.m. on the tenth calendar day next following the end of each calendar month.

**Rule 13.28** requires the disclosure of information for the issue of securities. The Company is exempt from compliance with this rule on the basis that there are corresponding disclosure requirements on the issue of securities under a general mandate under the Listing Agreement.

### *Proxy Forms*

**Rule 13.38** requires an issuer to send with the notice convening a meeting of holders of listed securities to all persons entitled to vote at the meeting proxy forms, with provision for two-way voting on all resolutions intended to be proposed thereat. The Company is exempt from compliance with this rule on the basis that there is a corresponding requirement under the Listing Agreement in accordance with the Canadian Rules.

### *Meetings of Shareholders*

**Rule 13.39(5)** requires the issuer to announce the results of a poll as soon as possible, but in any event not later than the time that is 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the business day following the meeting. As a consequence of the grant of a waiver, the Company is permitted to announce the results of the poll as soon as practicable and within 24 hours after the meeting.

### *Interim Reports*

**Rule 13.48** requires the issuer to send to its members and other holders of its listed securities either (i) an interim report, or (ii) a summary interim report not later than three months after the end of the first six month period of each financial year. The Company is exempt from compliance with this rule on the basis that there is a corresponding requirement under the Listing Agreement in accordance with the Canadian Rules.

### *Changes*

**Rule 13.51** requires an issuer to inform the Exchange immediately of any decision made and publish an announcement as soon as practicable in regard to (1) any proposed alteration of the issuer's memorandum or articles of association or equivalent documents (2) any changes in its directorate or supervisory committee (3) any change in the rights attaching to any class of listed securities and any change in the rights attaching to any shares into which any listed debt securities are convertible or exchangeable (4) any change in its auditors or financial year end, the reason(s) for the change and any other matters that need to be brought to the attention of holders of securities of the issuer (5) any change in its secretary, share registrar or registered

address or where applicable, agent for the service of process in Hong Kong or registered office or registered place of business in Hong Kong; and (6) any change in its Compliance Adviser. The Company is exempt from compliance with this rule on the basis that there are corresponding requirements under the Listing Agreement in accordance with the Canadian Rules.

### ***Information in Respect of and by Directors***

**Rule 13.51B** requires the disclosure of change in directors' information in the announcement and the interim/annual report. The Company is exempt from compliance with this rule on the basis that the Company will follow the Canadian Rules on disclosure of information in respect of and by directors.

### ***Circulars to Holders of Securities***

**Rule 13.55** requires that in the event of a circular being issued to the holders of any of the issuer's securities, the issuer shall issue a copy or summary of such circular to the holders of all its other securities unless the contents of such circular are of no material concern to such other holders. The Company is exempt from compliance with this rule on the basis that there is a corresponding provision under the Listing Agreement in accordance with the Canadian Rules.

### ***Directors' Service Contracts***

**Rule 13.68** requires an issuer to obtain the prior approval of its shareholders in a general meeting for any service contract to be granted by the issuer or any of its subsidiaries to any director or proposed director of the issuer or to any director or proposed director of any of its subsidiaries which (a) is for a duration that may exceed three years; or (b) in order to entitle the issuer to terminate the contract, expressly requires the issuer to give a period of notice of more than one year or to pay compensation or make other payments equivalent to more than one year's emoluments.

**Rule 13.69** which provides that directors' service contracts entered into by the issuer or any of its subsidiaries in accordance with the Exchange Listing Rules on or before 31 January, 2004 are exempt from the shareholders' approval requirement under rule 13.68. Upon any variation as to duration or payment on termination or any other material terms of the directors' service contracts or renewal of any such directors' service contracts, the issuer must comply in full with the requirements set out in rule 13.68 in respect of the service contracts effected after such variation or renewal. Pursuant to paragraph 14A of Appendix 16, the issuer must include particulars of any service contracts that are exempt under this rule in its annual reports during the term of any such service contracts.

The Company is exempt from compliance with the above rules on the basis that there is a corresponding provision under the Listing Agreement which requires the Company to procure that no service contract shall be granted by the Company or any of its subsidiaries to any

director or proposed director of the Company or to any director or proposed director of any subsidiary in breach of the Canadian Rules.

### ***Notifiable Transactions***

**Chapter 14** deals with certain transactions, principally acquisitions and disposals, by a listed issuer and describes how they are classified, the details that are required to be disclosed in respect of them and whether a circular and shareholders' approval are required. Waiver from the operation of Chapter 14 has been granted in its entirety on the basis that the Company is subject to a wide range of continuing obligations under the Canadian Rules which are broadly commensurate with the shareholders protections under this Chapter.

### ***Connected Transactions***

**Chapter 14A** the provisions of which are intended to ensure that the interests of shareholders as a whole are taken into account by a listed issuer when the listed issuer enters into connected transactions. The rules set out in this Chapter also provide certain safeguards against listed issuers' directors, chief executives or substantial shareholders (or their associates) taking advantage of their positions. Waiver from the operation of Chapter 14A has been granted in its entirety on the basis that the Company is subject to a wide range of continuing obligations under the Canadian Rules which are broadly commensurate with the shareholders protections under this Chapter.

### ***Options, Warrants and Similar Rights***

**Chapter 15** applies both to options, warrants and similar rights to subscribe or purchase equity securities of an issuer which are issued or granted on their own by that issuer or any of its subsidiaries ("warrants") and to warrants which are attached to other securities but does not apply to any options which are granted under an employee or executive share scheme which complies with Chapter 17. The Company is exempt from compliance with Chapter 15 on the basis that the relevant common shares to which the options, warrants and similar rights relate are not entered on the register of shareholders in Hong Kong.

### ***Share Option Schemes***

**Chapter 17** applies to all schemes involving the grant by a listed issuer or any of its subsidiaries of options over new shares or other new securities of the listed issuer or any of its subsidiaries to, or for the benefit of, specified participants of such schemes.

The Company is exempt from compliance with Chapter 17 under the Listing Agreement on the basis that the Company will follow the Canadian Rules.

### ***Accountants' Reports of Secondary Listing of Overseas Issuers***

**Rule 19.37** requires the reporting accountant to be independent both of the overseas issuer and of any other company concerned.

**Rule 19.38** requires that a report will not normally be regarded as acceptable unless the relevant accounts have been audited to a standard comparable to that required in Hong Kong.

**Rule 19.39** requires reports to conform with accounting standards acceptable to the Exchange which will normally be: (a) Hong Kong Financial Reporting Standards; or (b) International Financial Reporting Standards; or (c) generally accepted accounting principles in the United States of America (“US GAAP”).

**Rule 19.40** requires that where the figures in the report differ from those in the audited annual accounts, a statement of adjustments must be submitted to the Exchange enabling the figures to be reconciled.

The Company is exempt from compliance with the above rules under the Listing Agreement as they shall not apply to the Company.

### *Definitive Documents of Title*

**Appendix 2B** deals with definitive documents of titles such as registered equity securities, registered debt securities, bearer securities and registered depositary receipts. The Company is exempt from compliance with Appendix 2B under the Listing Agreement other than paragraphs 3(2), 3(4) and 6 (to the extent applicable).

### *Articles of Association*

**Appendix 3** the provisions of which the Articles of Association or equivalent document of a listed issuer must conform and, where necessary, a certified copy of a resolution of the board of directors or other governing body undertaking to comply with the appropriate provisions must be lodged with the Exchange. The Company is exempt from compliance with Appendix 3 under the Listing Agreement other than paragraphs 2(2), 3(2), 6(1), 7(3), 9 and 10(1) (to the extent applicable).

### *Disclosure of Financial Information*

**Appendix 16** sets out the minimum financial information that a listed issuer shall include in its preliminary announcements of results, interim reports, summary interim reports, annual reports, summary financial reports, listing documents and circulars in relation to equity securities. The Company is exempt from compliance with Appendix 16 under the Listing Agreement on the basis that the Company shall follow the Canadian Rules on disclosure of financial information.

## **PART B SUMMARY OF FOREIGN LAWS AND REGULATIONS**

Manulife Financial Corporation (the “Company”) is a life insurance company incorporated under the Insurance Companies Act (Canada) (the “Act”). Below is a summary of regulation under the Act as well as information regarding the Company’s share capital. The Company’s common shares are listed for trading under the symbol “MFC” on the Toronto Stock Exchange (“TSX”), the New York Stock Exchange (“NYSE”), and the Philippine Stock Exchange and under “0945” on The Stock Exchange of Hong Kong.

### **REGULATIONS IN CANADA**

The Insurance Companies Act (Canada) is administered, and activities of the Company are supervised, by the Office of the Superintendent of Financial Institutions (“OSFI”). The Act permits insurance companies to offer, directly or through subsidiaries or through networking arrangements, a broad range of financial services, including banking, investment counseling and portfolio management, mutual funds, trust services, real property brokerage and appraisal, information processing and merchant banking services.

The Act requires the filing of annual and other reports on the financial condition of the Company, provides for periodic examinations of the Company’s affairs, imposes restrictions on transactions with related parties, and sets forth requirements governing reserves for actuarial liabilities and the safekeeping of assets and other matters. OSFI supervises the Company on a consolidated basis (including capital adequacy) to ensure that OSFI has an overview of the group’s activities. This includes the ability to review both insurance and non-insurance activities conducted by subsidiaries of the Company with supervisory power to bring about corrective action.

#### **Capital Requirements**

The Act requires Canadian non-operating insurance companies, such as the Company, to maintain, at all times, adequate levels of capital which is assessed by comparing capital available to a risk metric in accordance with the Capital Regime for Regulated Insurance Holding Companies and Non-Operating Life Companies. OSFI expects holding companies to manage their capital in a manner commensurate with the group risk profile and control environment. Regulated subsidiaries of the Company must maintain minimum levels of capital. Such amounts of capital are based on the local capital regime and the statutory accounting basis in each jurisdiction.

#### **Restrictions on Shareholder Dividends and Capital Transactions**

The Act prohibits the declaration or payment of any dividend on shares of an insurance company if there are reasonable grounds for believing an insurance company does not have adequate capital and adequate and appropriate forms of liquidity, or declaration or the payment of the dividend would cause the insurance company to be in contravention of any regulation made under the Act respecting the maintenance of adequate capital and adequate and appropriate forms of liquidity, or any direction made to the company by the Superintendent of Financial Institutions (Canada) (the “Superintendent”). The Act also

requires an insurance company to notify the Superintendent of the declaration of a dividend at least 15 days prior to the date fixed for its payment. Similarly, the Act prohibits the purchase for cancellation of any shares issued by an insurance company or the redemption of any redeemable shares or other similar capital transactions, if there are reasonable grounds for believing that the company does not have adequate capital and adequate and appropriate forms of liquidity, or the purchase or the payment would cause the company to be, in contravention of any regulation made under the Act respecting the maintenance of adequate capital and adequate and appropriate forms of liquidity, or any direction made to the company by the Superintendent. These latter transactions would require the prior approval of the Superintendent.

## **GENERAL DESCRIPTION OF CAPITAL STRUCTURE**

The Company has authorized share capital consisting of an unlimited number of common shares (“Common Shares”), an unlimited number of Class A Shares (“Class A Shares”), an unlimited number of Class B Shares (“Class B Shares”) and an unlimited number of Class 1 Shares (“Class 1 Shares”) (collectively, the Class A Shares, Class B Shares and Class 1 Shares are “Preferred Shares”). As of December 31, 2011, the Company had 1,801,113,056 Common Shares, 14 million Class A Shares Series 1, 14 million Class A Shares Series 2, 12 million Class A Shares Series 3, 18 million Class A Shares Series 4, 14 million Class 1 Shares Series 1, 8 million Class 1 Shares Series 3, and 8 million Class 1 Shares Series 5 issued and outstanding. On February 22, 2012, MFC issued 10 million Class 1 Shares Series 7. The Company has authorized but not issued Class A Shares Series 5, Class 1 Shares Series 2, Class 1 Shares Series 4, Class 1 Shares Series 6 and Class 1 Shares Series 8.

### **Certain Provisions of the Class A Shares as a Class**

The following is a summary of certain provisions attaching to the Class A Shares as a class.

#### ***Priority***

Each series of Class A Shares ranks on a parity with every other series of Class A Shares and every series of Class 1 Shares with respect to dividends and return of capital. The Class A Shares shall be entitled to a preference over the Class B Shares, the Common Shares and any other shares ranking junior to the Class A Shares with respect to priority in payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the specific purpose of winding up its affairs.

### **Certain Provisions of the Class B Shares as a Class**

The following is a summary of certain provisions attaching to the Class B Shares as a class.

### ***Priority***

Each series of Class B Shares ranks on a parity with every other series of Class B Shares with respect to dividends and return of capital. The Class B Shares shall rank junior to the Class A Shares and the Class 1 Shares with respect to priority in payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the specific purpose of winding up its affairs, but the Class B Shares shall be entitled to a preference over the Common Shares and any other shares ranking junior to the Class B Shares with respect to priority in payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the specific purpose of winding up its affairs.

### **Certain Provisions of the Class 1 Shares as a Class**

The following is a summary of certain provisions attaching to the Class 1 Shares as a class.

### ***Priority***

Each series of Class 1 Shares ranks on a parity with every other series of Class 1 Shares and every series of Class A Shares with respect to dividends and return of capital. The Class 1 Shares shall be entitled to a preference over the Class B Shares, the Common Shares and any other shares ranking junior to the Class 1 Shares with respect to priority in payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the specific purpose of winding up its affairs.

### **Certain Provisions Common to the Class A Shares, Class B Shares and Class 1 Shares**

The following is a summary of certain provisions attaching to the Class A Shares as a class, to the Class B Shares as a class and to the Class 1 Shares as a class.

### ***Directors' Right to Issue in One or More Series***

The Class A Shares, Class B Shares and Class 1 Shares may be issued at any time and from time to time in one or more series. Before any shares of a series are issued, the Board of Directors of the Company shall fix the number of shares that will form such series, if any, and shall, subject to any limitations set out in the by-laws of the Company or in the Act, determine the designation, rights, privileges, restrictions and conditions to be attached to the Class A Shares, Class B Shares or Class 1 Shares as the case may be, of such series, the whole subject to the filing with the Superintendent of the particulars of such series, including the rights, privileges, restrictions and conditions determined by the Board of Directors of the Company.

Summaries of the terms for each series of the Class A Shares and Class 1 Shares that have been issued are contained in the prospectuses relating to such shares, which are available on SEDAR.

### ***Voting Rights of Preferred Shares***

Except as hereinafter referred to or as required by law or as specified in the rights, privileges, restrictions and conditions attached from time to time to any series of Class A Shares, Class B Shares or Class 1 Shares, the holders of such Class A Shares, Class B Shares or Class 1 Shares as a class shall not be entitled as such to receive notice of, to attend or to vote at any meeting of the shareholders of the Company.

### ***Amendment with Approval of Holders of Preferred Shares***

The rights, privileges, restrictions and conditions attached to each of the Class A Shares, Class B Shares and Class 1 Shares as a class may be added to, changed or removed but only with the approval of the holders of such class of Preferred Shares given as hereinafter specified.

### ***Approval of Holders of Preferred Shares***

The approval of the holders of a class of Preferred Shares to add to, change or remove any right, privilege, restriction or condition attaching to such class of Preferred Shares as a class or in respect of any other matter requiring the consent of the holders of such class of Preferred Shares may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by resolution signed by all the holders of such class of Preferred Shares or passed by the affirmative vote of at least two-thirds (2/3) of the votes cast at a meeting of the holders of such class of Preferred Shares duly called for that purpose.

Notwithstanding any other condition or provision of any class of Preferred Shares, the approval of the holders of any class, voting separately as a class or series, is not required on a proposal to amend the by-laws of the Company to:

- (i) increase or decrease the maximum number of authorized Class A Shares, Class B Shares or Class 1 Shares, as the case may be, or increase the maximum number of authorized shares of a class of shares having rights or privileges equal or superior to such class of Preferred Shares;
- (ii) effect the exchange, reclassification or cancellation of all or any part of the Class A Shares, Class B Shares or Class 1 Shares, as the case may be; or
- (iii) create a new class of shares equal to or superior to the Class A Shares, the Class B Shares or the Class 1 Shares, as the case may be.

The formalities to be observed with respect to the giving of notice of any such meeting or any adjourned meeting, the quorum required therefor and the conduct thereof shall be those from time to time required by the Act as in force at the time of the meeting and those, if any,

prescribed by the by-laws or the administrative resolutions of the Company with respect to meetings of shareholders. On every poll taken at every meeting of the holders of a class of Preferred Shares as a class, or at any joint meeting of the holders of two or more series of a class of Preferred Shares, each holder of such class of Preferred Shares entitled to vote thereat shall have one vote in respect of each relevant Preferred Share held.

### **Certain Provisions of the Common Shares as a Class**

The authorized common share capital of the Company consists of an unlimited number of Common Shares without nominal or par value. Each holder of Common Shares is entitled to receive notice of and to attend all meetings of the shareholders of the Company and is entitled to one vote for each share held except meetings at which only holders of a specified class or series of shares of the Company are entitled to vote separately as a class or series. The holders of Common Shares are entitled to receive dividends as and when declared by the Board of Directors of the Company, subject to the preference of the holders of Class A Shares, Class B Shares, Class 1 Shares and any other shares ranking senior to the Common Shares with respect to priority in payment of dividends. After payment to the holders of Class A Shares, Class B Shares, Class 1 Shares and any other shares ranking senior to Common Shares with respect to priority in the distribution of assets in the event of the liquidation, dissolution or winding up of the Company, the holders of Common Shares shall be entitled to receive prorated the net assets of the Company remaining, after the payment of all creditors and liquidation preferences, if any, that pertains to shareholders.

### **DIVIDENDS**

The declaration and payment of dividends and the amount thereof is subject to the discretion of the Board of Directors and is dependent upon the results of operations, financial condition, cash requirements and future prospects of, and regulatory restrictions on the payment of dividends by, the Company and other factors deemed relevant by the Board of Directors.

Since the Company is a holding company that conducts all of its operations through regulated insurance subsidiaries (or companies owned directly or indirectly by these subsidiaries), its ability to pay future dividends will depend on the receipt of sufficient funds from its regulated insurance subsidiaries. These subsidiaries are also subject to certain regulatory restrictions under laws in Canada, the United States and certain other countries that may limit their ability to pay dividends or make other upstream distributions.

### **CONSTRAINTS ON OWNERSHIP OF SHARES**

The Act contains restrictions on the purchase or other acquisition, issue, transfer and voting of the shares of the Company. Pursuant to these restrictions, no person is permitted to acquire any shares of the Company if the acquisition would cause the person to have a “significant interest” in any class of shares of the Company, unless the prior approval of the Minister of Finance (Canada) is obtained. The restrictions also prohibit any person from becoming a “major shareholder” of the Company. In addition, the Company is not permitted to record in its securities register any transfer or issue of shares if the transfer or issue would cause the person to breach the ownership restrictions. For these purposes, a person has a significant interest in a class of shares of the Company where the aggregate of any shares of that class

beneficially owned by that person, any entity controlled by that person and by any person associated or acting jointly or in concert with that person exceeds 10% of all the outstanding shares of that class of shares of the Company. A person is a major shareholder if the aggregate of any shares in a class of voting shares held by that person and by any entity controlled by that person exceeds 20% of the outstanding shares of that class, or, for a class of non-voting shares, a holding exceeds 30% of that class. If a person contravenes any of these restrictions, the Minister of Finance (Canada) may, by order, direct such person to dispose of all or any portion of those shares. In addition, the Act prohibits life insurance companies, including the Company, from recording in its securities register a transfer or issue of any share to Her Majesty in right of Canada or of a province, an agent or agency of Her Majesty, a foreign government or an agent or agency of a foreign government and provides further that no person may exercise the voting rights attached to those shares of an insurance company. Proposed changes to the Act would exempt from such constraints foreign financial institutions which are controlled by foreign governments or their agents.

**PART C CONSTITUTIONAL DOCUMENTS**

**Manulife Financial Corporation**

**General By-Laws**

**No. 1 and No. 2**

*By-Law No. 1 as adopted by the Board of Directors and confirmed by the Shareholder on May 19, 1999, as amended by the Board of Directors on February 4, 2003 and confirmed by the Shareholders on April 24, 2003, and as amended by the Board of Directors on February 10, 2010 and confirmed by the Shareholders on May 6, 2010*

*By-Law No.2 as adopted by the Board of Directors and confirmed by the Shareholder on May 19, 1999, as amended by the Board of Directors on February 25, 2009 and confirmed by the Shareholders on May 7, 2009*

*constituting the complete By-Laws of the Company*

**MANULIFE FINANCIAL CORPORATION  
BY-LAW NO. 1**

**SECTION 1**

**DEFINITIONS**

**1.1 Definitions**

In this By-law No. 1:

- (a)** “Act” means the *Insurance Companies Act* enacted by the Parliament of Canada, as amended or replaced from time to time;
- (b)** “Corporation” means Manulife Financial Corporation;
- (c)** “Regulations” means the regulations made under the Act, as amended or replaced from time to time; and
- (d)** “Subsidiary” means a body corporate controlled, within the meaning of the Act, but determined without regard to paragraph 3(1)(d) of the Act, by the Corporation.

**SECTION 2**

**BOARD OF DIRECTORS**

**2.1 Number of Directors**

The Board of Directors of the Corporation shall consist of a minimum of seven (7) Directors and a maximum of thirty (30) Directors. The number of Directors to be elected at any annual meeting of the Corporation shall be such as is fixed by the Directors prior to the annual meeting. The Directors may appoint one (1) or more additional directors to hold office for a term expiring not later than the close of the next annual meeting.

**2.2 Term of Office**

- (a)** Subject to section 2.2(b), the term of office of each Director elected at the annual meeting in 2003 shall be three (3) years, provided that if the result of electing each Director for a term of three (3) years would be that one-third (1/3), as nearly as may be, of the Directors would not retire each year, a number of Directors may be elected for a term of two (2) years and a number of Directors may be elected for a term of one (1) year to the end that one-third (1/3), as nearly as may be, of the Directors shall retire each year.

- (b) The Directors (including, for greater certainty, any Director whose term of office shall not have expired) shall be elected at each annual meeting following the annual meeting in 2003 and each Director shall hold office until the close of the first annual meeting following the Director's election, provided that if an election of directors is not held at the annual meeting, the Directors then in office shall continue in office until their successors are elected.

### **2.3 Conduct of Meetings of Directors**

The Directors shall establish from time to time the place of, and procedures for the calling and conduct of, meetings of the Board of Directors of the Corporation and of its Committees.

### **2.4 Remuneration of Directors**

The aggregate remuneration payable to Directors each year for their services as Directors shall not exceed \$2,000,000. This amount may be apportioned among the Directors on such basis as the Directors may determine, together with such further amount as may be necessary to reimburse the Directors for their reasonable expenses properly incurred in respect of the services to the Corporation in that capacity.

## **SECTION 3**

### **CORPORATION MEETINGS**

#### **3.1 Chair**

The Chair of the Board or in the Chair's absence, or if he/she declines to take the Chair, or if he/she retires from the Chair, the President or, if there be none or in his/her absence, or if the President declines to take the Chair, or if he/she retires from the Chair, the Vice Chair, or in the Vice Chair's absence, one of the Vice Presidents (to be designated by the meeting in the event of more than one such Vice President being present) shall preside at all meetings of the shareholders of the Corporation. If all of the aforesaid officers be absent or decline to act, the Directors present may choose one of their number to act as Chair of the meeting.

#### **3.2 Quorum**

A Quorum for the transaction of business at a meeting of shareholders shall be two persons present and each entitled to vote at the meeting.

## **SECTION 4**

### **BUSINESS OF THE CORPORATION**

#### **4.1 Corporate Seal**

The seal of the Corporation shall be such as the Directors may adopt.

#### **4.2 Financial Year**

The financial year of the Corporation shall end on the expiration of the 31st day of December in each year.

#### **4.3 Execution of Documents**

Documents to be executed by the Corporation shall be executed in such manner as may be determined by the Board of Directors of the Corporation.

#### **4.4 Indemnification of Directors and Officers**

The Board of Directors of the Corporation shall make provisions, by resolution, for the indemnification of Directors, Officers, Employees and such other persons as the Directors shall decide and on such terms and conditions as they establish.

**MANULIFE FINANCIAL CORPORATION  
BY-LAW NO. 2**

**SECTION 1**

**INTERPRETATION**

**1.1 Definitions**

In this By-law No. 2:

- (a) “Act” means the *Insurance Companies Act* enacted by the Parliament of Canada, as amended or replaced from time to time;
- (b) “Cancellation Time” means 5:00 p.m., Toronto time, on the date which is the last day of the thirty-fifth month following the Effective Date;
- (c) “Class 1 Shares” means the Class 1 Shares of any series in the capital of the Corporation, without nominal or par value, now existing or hereafter created;
- (d) “Class A Shares” means the Class A Shares of any series in the capital of the Corporation, without nominal or par value, now existing or hereafter created;
- (e) “Class B Shares” means the Class B Shares of any series in the capital of the Corporation, without nominal or par value, now existing or hereafter created;
- (f) “Common Shares” means the common shares in the capital of the Corporation, without nominal or par value, now existing or hereafter created;
- (g) “Conversion Proposal” means the conversion proposal of Manufacturers Life as approved by the Minister, pursuant to the Act;
- (h) “Corporation” means Manulife Financial Corporation;
- (i) “Effective Date” means the date specified in the Letters Patent of Conversion issued to Manufacturers Life;
- (j) “Letters Patent of Conversion” has the meaning ascribed thereto in the Conversion Proposal;
- (k) “Lost Policyholder” has the meaning ascribed thereto in the Conversion Proposal;
- (l) “Manufacturers Life” means The Manufacturers Life Insurance Company;

- (m) “Regulations” means the regulations made under the Act, as amended or replaced from time to time; and
- (n) “Share Constraint Regime” means the provisions of the Act and the Regulations, if any, which establish rules restricting the purchase or other acquisition, issue, transfer and voting of shares of the Corporation, as those provisions may be amended from time to time.

## **1.2 Interpretation**

In this By-law No. 2, the terms “control”, “entity”, “person” and “significant interest” and all other terms which are not defined herein shall have the meanings ascribed to those terms in the Act.

## **SECTION 2**

### **AUTHORIZED CAPITAL**

#### **2.1 Authorized Capital**

The authorized capital of the Corporation shall consist of an unlimited number of Class A Shares issuable in series, an unlimited number of Class B Shares issuable in series, an unlimited number of Class 1 Shares issuable in series and an unlimited number of Common Shares.

## **SECTION 3**

### **CLASS A SHARES**

The Class A Shares shall have attached thereto the following rights, privileges, restrictions and conditions:

#### **3.1 Directors' Right to Issue in One or More Series**

The Class A Shares may be issued at any time or from time to time in one or more series. Before any shares of a series are issued, the Board of Directors of the Corporation shall fix the number of shares that will form such series, if any, and shall, subject to any limitations set out in the by-laws of the Corporation or in the Act, determine the designation, rights, privileges, restrictions and conditions to be attached to the Class A Shares of such series, the whole subject to the filing with the Office of the Superintendent of Financial Institutions (Canada) of the particulars of such series, including the rights, privileges, restrictions and conditions determined by the Board of Directors of the Corporation.

### **3.2 Ranking of Class A Shares**

Each series of Class A Shares shall rank on a parity with every other series of Class A Shares with respect to dividends and return of capital. The Class A Shares shall be entitled to a preference over the Class B Shares, the Common Shares and any other shares ranking junior to the Class A Shares with respect to priority in payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the specific purpose of winding-up its affairs. If any cumulative dividends, whether or not declared, or declared non-cumulative dividends or amounts payable on return of capital are not paid in full in respect of any series of Class A Shares, the Class A Shares of all series shall participate rateably in respect of such dividends in accordance with the sums that would be payable on such shares if all such dividends were declared and paid in full, and in respect of such return of capital in accordance with the sums that would be payable on such return of capital if all sums so payable were paid in full; provided, however, that if there are insufficient assets to satisfy in full all such claims as aforesaid, the claims of the holders of the Class A Shares with respect to return of capital shall be paid and satisfied first and any assets remaining thereafter shall be applied towards the payment and satisfaction of claims in respect of dividends. The Class A Shares of any series may also be given such other preferences not inconsistent with the rights, privileges, restrictions and conditions attached to the Class A Shares as a class over the Class B Shares, the Common Shares and any other shares ranking junior to the Class A Shares as may be determined in the case of such series of Class A Shares.

### **3.3 Voting Rights**

Except as hereinafter referred to or as required by law or as specified in the rights, privileges, restrictions and conditions attached from time to time to any series of Class A Shares, the holders of the Class A Shares as a class shall not be entitled as such to receive notice of, to attend or to vote at any meeting of the shareholders of the Corporation.

### **3.4 Constrained Shares**

- (a)** On and after the date upon which the Corporation becomes the holding body corporate of a company that has converted from a mutual company into a company with common shares, the Corporation shall not issue or allot any Class A Shares to any person, or any entity controlled by a person, the Corporation shall refuse to allow the entry in the securities register of the Corporation of an issue or transfer of any Class A Shares to any person, or any entity controlled by a person, and no person, or any entity controlled by a person, shall purchase or otherwise acquire any Class A Shares, if such issue, transfer or purchase or other acquisition would cause the person to have a significant interest in the Class A Shares. No person who has a significant interest in any class of shares of the Corporation, or entity controlled by a person who has a significant interest in any class of

shares of the Corporation, shall, in person or by proxy, exercise any voting rights attached to Class A Shares beneficially owned by, or that are subject to agreement pertaining to the exercise of voting rights entered into by, that person or entity. In accordance with the authority granted to the Corporation's Directors under the Act and the Regulations, the Directors of the Corporation are hereby authorized to make such arrangements as the Directors deem necessary to carry out the intent of the purchase or other acquisition, issue, transfer and voting restrictions contained in the Act, the Regulations and the by-laws.

- (b) If the purchase or other acquisition, issue, transfer or voting of any Class A Shares would be permitted under the Act and the Regulations, notwithstanding the provisions of subsection 3.4(a), the Directors are hereby authorized, in their discretion, to permit by resolution of the Directors, any such purchase or other acquisition, issue, transfer or exercise of voting rights with respect to such Class A Shares.
- (c) Subject to subsection 3.4(d), if, after the date of incorporation of the Corporation, the Share Constraint Regime is amended, replaced or deleted, such that the provisions of subsection 3.4(a) are inconsistent with the Share Constraint Regime resulting from such amendment, replacement or deletion, then the Directors are hereby authorized to amend, replace or delete subsection 3.4(a) such that it will be consistent with the Share Constraint Regime then in effect. The action of the Board of Directors to amend, replace or delete subsection 3.4(a) shall be by resolution of the Board of Directors and such amendment, replacement or deletion of subsection 3.4(a) shall be effective without the approval of the holders of any of the Class A Shares, the Class B Shares or the Common Shares. Promptly following any amendment, replacement or deletion of subsection 3.4(a) by the Directors, the Corporation shall give notice to the holders of the Class A Shares of the amendment, replacement or deletion thereto.
- (d) If, after the date of incorporation of the Corporation, the Share Constraint Regime is amended or replaced and the Share Constraint Regime then in effect allows the Corporation to determine the application to it and its shareholders of all or any part of such Share Constraint Regime then the provisions of subsection 3.4(a) may only be amended or replaced with approval of the holders of the Class A Shares, the Class B Shares and the Common Shares as provided in the Act.

### **3.5 Amendment With Approval of Holders of Class A Shares**

The rights, privileges, restrictions and conditions attached to the Class A Shares as a class may be added to, changed or removed but only with the approval of the holders of the Class A Shares given as hereinafter specified.

### **3.6 Approval of Holders of Class A Shares**

The approval of the holders of the Class A Shares to add to, change or remove any right, privilege, restriction or condition attaching to the Class A Shares as a class or in respect of any other matter requiring the consent of the holders of the Class A Shares may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by resolution signed by all the holders of the Class A Shares or passed by the affirmative vote of at least two-thirds (2/3) of the votes cast at a meeting of the holders of the Class A Shares duly called for that purpose. Notwithstanding anything else in this Section 3, the approval of the holders of the Class A Shares, voting separately as a class or series, is not required on a proposal to amend the by-laws of the Corporation to:

- (a)** increase or decrease the maximum number of authorized Class A Shares, or increase the maximum number of authorized shares of a class of shares having rights or privileges equal or superior to the Class A Shares;
- (b)** effect the exchange, reclassification or cancellation of all or any part of the Class A Shares; or
- (c)** create a new class of shares equal to or superior to the Class A Shares.

The formalities to be observed with respect to the giving of notice of any such meeting or any continuation of an adjourned meeting, the quorum required therefor and the conduct thereof shall be those from time to time required by the Act as in force at the time of the meeting and those, if any, prescribed by the by-laws or the administrative resolutions of the Corporation with respect to meetings of shareholders. On every poll taken at every meeting of the holders of the Class A Shares as a class, or at any joint meeting of the holders of two or more series of Class A Shares, each holder of Class A Shares entitled to vote thereat shall have one vote in respect of each Class A Share held.

### **3.7 Notice to Holders of Class A Shares**

Any notice, cheque, notice of redemption or other communication from the Corporation herein provided for shall be sent to the holders of the Class A Shares by first class mail, postage prepaid at their respective addresses appearing on the securities register of the Corporation or, in the event of the address of any such holder not so appearing, then at the last address of such holder known to the Corporation. Accidental failure to give any such notice, notice of redemption or other communication to one or more holders of Class A Shares shall not affect the validity thereof, but, upon such failure being discovered, a copy of the notice, notice of redemption or other communication, as the case may be, shall be sent or delivered forthwith to such holder or holders. Unless otherwise provided herein, any notice, request, certificate or other communication from a holder of Class A Shares herein provided for shall be either sent to the Corporation by first class mail, postage prepaid, or delivered by hand to the Corporation at its registered office.

## **SECTION 4**

### **CLASS B SHARES**

The Class B Shares shall have attached thereto the following rights, privileges, restrictions and conditions:

#### **4.1 Directors' Right to Issue in One or More Series**

The Class B Shares may be issued at any time or from time to time in one or more series. Before any shares of a series are issued, the Board of Directors of the Corporation shall fix the number of shares that will form such series, if any, and shall, subject to any limitations set out in the by-laws of the Corporation or in the Act, determine the designation, rights, privileges, restrictions and conditions to be attached to the Class B Shares of such series, the whole subject to the filing with the Office of the Superintendent of Financial Institutions (Canada) of the particulars of such series, including the rights, privileges, restrictions and conditions determined by the Board of Directors of the Corporation.

#### **4.2 Ranking of Class B Shares**

Each series of Class B Shares shall rank on a parity with every other series of Class B Shares with respect to dividends and return of capital. The Class B Shares shall rank junior to the Class A Shares with respect to priority in payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the specific purpose of winding-up its affairs, but the Class B Shares shall be entitled to a preference over the Common Shares and any other shares ranking junior to the Class B Shares with respect to priority in payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the specific purpose of winding-up its affairs. If any cumulative dividends, whether or not declared, or declared non-cumulative dividends or amounts payable on return of capital are not paid in full in respect of any series of the Class B Shares, the Class B Shares of all series shall participate rateably in respect of such dividends in accordance with the sums that would be payable on such shares if all such dividends were declared and paid in full, and in respect of such return of capital in accordance with the sums that would be payable on such return of capital if all sums so payable were paid in full; provided, however, that if there are insufficient assets to satisfy in full all such claims as aforesaid, the claims of the holders of the Class B Shares with respect to return of capital shall be paid and satisfied first and any assets remaining thereafter shall be applied towards the payment and satisfaction of claims in respect of dividends. The Class B Shares of any series may also be given such other preferences not inconsistent with the rights, privileges, restrictions and conditions attached to the Class B Shares as a class over the Common Shares and any other shares ranking junior to the Class B Shares as may be determined in the case of such series of Class B Shares.

### **4.3 Voting Rights**

Except as hereinafter referred to or as required by law or as specified in the rights, privileges, restrictions and conditions attached from time to time to any series of Class B Shares, the holders of the Class B Shares as a class shall not be entitled as such to receive notice of, to attend or to vote at any meeting of the shareholders of the Corporation.

### **4.4 Constrained Shares**

- (a)** On and after the date upon which the Corporation becomes the holding body corporate of a company that has converted from a mutual company into a company with common shares, the Corporation shall not issue or allot any Class B Shares to any person, or any entity controlled by a person, the Corporation shall refuse to allow the entry in the securities register of the Corporation of an issue or transfer of any Class B Shares to any person, or any entity controlled by a person, and no person, or any entity controlled by a person, shall purchase or otherwise acquire any Class B Shares, if such issue, transfer or purchase or other acquisition would cause the person to have a significant interest in the Class B Shares. No person who has a significant interest in any class of shares of the Corporation, or entity controlled by a person who has a significant interest in any class of shares of the Corporation, shall, in person or by proxy, exercise any voting rights attached to Class B Shares beneficially owned by, or that are subject to agreement pertaining to the exercise of voting rights entered into by, that person or entity. In accordance with the authority granted to the Corporation's Directors under the Act and the Regulations, the Directors of the Corporation are hereby authorized to make such arrangements as the Directors deem necessary to carry out the intent of the purchase or other acquisition, issue, transfer and voting restrictions contained in the Act, the Regulations and the by-laws.
- (b)** If the purchase or other acquisition, issue, transfer or voting of any Class B Shares would be permitted under the Act and the Regulations, notwithstanding the provisions of subsection 4.4(a), the Directors are hereby authorized, in their discretion, to permit by resolution of the Directors, any such purchase or other acquisition, issue, transfer or exercise of voting rights with respect to such Class B Shares.
- (c)** Subject to subsection 4.4(d), if, after the date of incorporation of the Corporation, the Share Constraint Regime is amended, replaced or deleted, such that the provisions of subsection 4.4(a) are inconsistent with the Share Constraint Regime resulting from such amendment, replacement or deletion, then the Directors are hereby authorized to amend, replace or delete subsection 4.4(a) such that it will be consistent with the Share Constraint Regime then in effect. The action of the Board of Directors to amend, replace or delete subsection 4.4(a) shall be by resolution of the Board of Directors and such amendment,

replacement or deletion of subsection 4.4(a) shall be effective without the approval of the holders of any of the Class A Shares, the Class B Shares or the Common Shares. Promptly following any amendment, replacement or deletion of subsection 4.4(a) by the Directors, the Corporation shall give notice to the holders of the Class B Shares of the amendment, replacement or deletion thereto.

- (d) If, after the date of incorporation of the Corporation, the Share Constraint Regime is amended or replaced and the Share Constraint Regime then in effect allows the Corporation to determine the application to it and its shareholders of all or any part of such Share Constraint Regime then the provisions of subsection 4.4(a) may only be amended or replaced with approval of the holders of the Class A Shares, the Class B Shares and the Common Shares as provided in the Act.

#### **4.5 Amendment With Approval of Holders of Class B Shares**

The rights, privileges, restrictions and conditions attached to the Class B Shares as a class may be added to, changed or removed but only with the approval of the holders of the Class B Shares given as hereinafter specified.

#### **4.6 Approval of Holders of Class B Shares**

The approval of the holders of the Class B Shares to add to, change or remove any right, privilege, restriction or condition attaching to the Class B Shares as a class or in respect of any other matter requiring the consent of the holders of the Class B Shares may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by resolution signed by all the holders of the Class B Shares or passed by the affirmative vote of at least two-thirds (2/3) of the votes cast at a meeting of the holders of the Class B Shares duly called for that purpose. Notwithstanding anything else in this Section 4, the approval of the holders of the Class B Shares, voting separately as a class or series, is not required on a proposal to amend the by-laws of the Corporation to:

- (a) increase or decrease the maximum number of authorized Class B Shares, or increase the maximum number of authorized shares of a class of shares having rights or privileges equal or superior to the Class B Shares;
- (b) effect the exchange, reclassification or cancellation of all or any part of the Class B Shares; or
- (c) create a new class of shares equal to or superior to the Class B Shares.

The formalities to be observed with respect to the giving of notice of any such meeting or any continuation of an adjourned meeting, the quorum required therefor and the conduct thereof shall be those from time to time required by the Act as in force at the time of the meeting and those, if any, prescribed by the by-laws or the

administrative resolutions of the Corporation with respect to meetings of shareholders. On every poll taken at every meeting of the holders of the Class B Shares as a class, or at any joint meeting of the holders of two or more series of Class B Shares, each holder of Class B Shares entitled to vote thereat shall have one vote in respect of each Class B Share held.

#### **4.7 Notice to Holders of Class B Shares**

Any notice, cheque, notice of redemption or other communication from the Corporation herein provided for shall be sent to the holders of the Class B Shares by first class mail, postage prepaid at their respective addresses appearing on the securities register of the Corporation or, in the event of the address of any such holder not so appearing, then at the last address of such holder known to the Corporation. Accidental failure to give any such notice, notice of redemption or other communication to one or more holders of Class B Shares shall not affect the validity thereof, but, upon such failure being discovered, a copy of the notice, notice of redemption or other communication, as the case may be, shall be sent or delivered forthwith to such holder or holders. Unless otherwise provided herein, any notice, request, certificate or other communication from a holder of Class B Shares herein provided for shall be either sent to the Corporation by first class mail, postage prepaid, or delivered by hand to the Corporation at its registered office.

## **SECTION 5**

### **COMMON SHARES**

The Common Shares shall be non-redeemable and shall have attached thereto the following rights, privileges, restrictions and conditions:

#### **5.1 Dividends**

- (a)** Subject to the prior rights of the holders of the Class A Shares, the Class B Shares and any other shares ranking senior to the Common Shares with respect to priority in payment of dividends, the holders of Common Shares shall be entitled to receive dividends as and when declared by the Board of Directors of the Corporation out of moneys properly applicable to the payment of dividends, in such amount and in such forms as the Board of Directors of the Corporation may from time to time determine and all dividends which the Board of Directors of the Corporation may declare on the Common Shares shall be declared and paid in equal amounts per share on all Common Shares outstanding at the time.
- (b)** Any dividend (other than a stock dividend) unclaimed after a period of six years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

## **5.2 Dissolution**

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the specific purpose of winding-up its affairs, subject to the prior rights of the holders of the Class A Shares, the Class B Shares and any other shares ranking senior to the Common Shares with respect to priority in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, the holders of the Common Shares shall be entitled to receive the remaining property of the Corporation that pertains to shareholders, in equal amounts per share, without preference or priority of one share over another.

## **5.3 Voting Rights**

The holders of Common Shares shall be entitled to receive notice of and to attend all meetings of the shareholders of the Corporation and shall have one vote for each Common Share held at all meetings of the shareholders of the Corporation, except for meetings at which only holders of another specified class or series of shares of the Corporation are entitled to vote separately as a class or series.

## **5.4 Constrained Shares**

- (a)** On and after the date upon which the Corporation becomes the holding body corporate of a company that has converted from a mutual company into a company with common shares, the Corporation shall not issue or allot any Common Shares to any person, or any entity controlled by a person, the Corporation shall refuse to allow the entry in the securities register of the Corporation of an issue or transfer of any Common Shares to any person, or any entity controlled by a person, and no person, or any entity controlled by a person, shall purchase or otherwise acquire any Common Shares, if such issue, transfer or purchase or other acquisition would cause the person to have a significant interest in the Common Shares. No person who has a significant interest in any class of shares of the Corporation, or entity controlled by a person who has a significant interest in any class of shares of the Corporation, shall, in person or by proxy, exercise any voting rights attached to Common Shares beneficially owned by, or that are subject to agreement pertaining to the exercise of voting rights entered into by, that person or entity. In accordance with the authority granted to the Corporation's Directors under the Act and the Regulations, the Directors of the Corporation are hereby authorized to make such arrangements as the Directors deem necessary to carry out the intent of the purchase or other acquisition, issue, transfer and voting restrictions contained in the Act, the Regulations and the by-laws.
- (b)** If the purchase or other acquisition, issue, transfer or voting of any Common Shares would be permitted under the Act and the Regulations, notwithstanding the provisions of subsection 5.4(a), the

Directors are hereby authorized, in their discretion, to permit by resolution of the Directors, any such purchase or other acquisition, issue, transfer or exercise of voting rights with respect to such Common Shares.

- (c) Subject to subsection 5.4(d), if, after the date of incorporation of the Corporation, the Share Constraint Regime is amended, replaced or deleted, such that the provisions of subsection 5.4(a) are inconsistent with the Share Constraint Regime resulting from such amendment, replacement or deletion, then the Directors are hereby authorized to amend, replace or delete subsection 5.4(a) such that it will be consistent with the Share Constraint Regime then in effect. The action of the Board of Directors to amend, replace or delete subsection 5.4(a) shall be by resolution of the Board of Directors and such amendment, replacement or deletion of subsection 5.4(a) shall be effective without the approval of the holders of any of the Class A Shares, the Class B Shares or the Common Shares. Promptly following any amendment, replacement or deletion of subsection 5.4(a) by the Directors, the Corporation shall give notice to the holders of the Common Shares of the amendment, replacement or deletion thereto.
- (d) If, after the date of incorporation of the Corporation, the Share Constraint Regime is amended or replaced and the Share Constraint Regime then in effect allows the Corporation to determine the application to it and its shareholders of all or any part of such Share Constraint Regime then the provisions of subsection 5.4(a) may only be amended or replaced with approval of the holders of the Class A Shares, the Class B Shares and the Common Shares as provided in the Act.

#### **5.5 Amendment With Approval of Holders of Common Shares**

The rights, privileges, restrictions and conditions attached to the Common Shares as a class may be added to, changed or removed but only with the approval of the holders of the Common Shares given as hereinafter specified.

#### **5.6 Approval of Holders of Common Shares**

The approval of the holders of the Common Shares to add to, change or remove any right, privilege, restriction or condition attaching to the Common Shares as a class may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by resolution signed by all the holders of the Common Shares or passed by the affirmative vote of at least two-thirds (2/3) of the votes cast at a meeting of the holders of the Common Shares duly called for that purpose. Notwithstanding anything else in this Section 5, the approval of the holders of the Common Shares, voting separately as a class, is not required on a proposal to amend the by-laws of the Corporation to:

- (a) increase or decrease the maximum number of authorized Common Shares, or increase the maximum number of authorized shares of a class of shares having rights or privileges equal or superior to the Common Shares;
- (b) effect the exchange, reclassification or cancellation of all or any part of the Common Shares; or
- (c) create a new class of shares equal to or superior to the Common Shares.

The formalities to be observed with respect to the giving of notice of any such meeting or any continuation of an adjourned meeting, the quorum required therefor and the conduct thereof shall be those from time to time required by the Act as in force at the time of the meeting and those, if any, prescribed by the by-laws or the administrative resolutions of the Corporation with respect to meetings of shareholders. On every poll taken at every meeting of the holders of the Common Shares as a class, each holder of Common Shares entitled to vote thereat shall have one vote in respect of each Common Share held.

#### **5.7 Notice to Holders of Common Shares**

Any notice, cheque or other communication from the Corporation herein provided for shall be sent to the holders of the Common Shares by first class mail, postage prepaid at their respective addresses appearing on the securities register of the Corporation or, in the event of the address of any such holder not so appearing, then at the last address of such holder known to the Corporation. Accidental failure to give any such notice or other communication to one or more holders of Common Shares shall not affect the validity thereof, but, upon such failure being discovered, a copy of the notice or other communication, as the case may be, shall be sent or delivered forthwith to such holder or holders. Unless otherwise provided herein, any notice, request, certificate or other communication from a holder of Common Shares herein provided for shall be either sent to the Corporation by first class mail, postage prepaid, or delivered by hand to the Corporation at its registered office.

## **SECTION 6**

### **LOST POLICYHOLDERS**

#### **6.1 Restriction on Voting Rights**

- (a) Subject to subsection 6.1(b), no Lost Policyholder shall, in person or by proxy, exercise any voting rights that are attached to the Common Shares issued to such Lost Policyholder.
- (b) Subsection 6.1(a) shall cease to apply in respect of a Lost Policyholder once such Lost Policyholder ceases to be a Lost Policyholder in accordance with Section 6.2.

## **6.2 Confirmation Criteria**

A Lost Policyholder shall cease to be a Lost Policyholder at any time from the Effective Date up to and including the Cancellation Time if such Lost Policyholder confirms the current address at which he or she may be reached by mail by: (i) responding to a letter from Manufacturers Life or the Corporation requesting confirmation of the current address; (ii) contacting Manufacturers Life or the Corporation and confirming the current address; (iii) informing Manufacturers Life or the Corporation of a change of address; or (iv) otherwise confirming the current address with the Corporation, in a manner satisfactory to the Corporation.

## **6.3 Securities Register**

From the Effective Date up to and including the Cancellation Time, the Corporation shall record in its securities register the status of a person as a Lost Policyholder. If a Lost Policyholder ceases to be a Lost Policyholder in accordance with Section 6.2, the Corporation shall amend its securities register accordingly.

## **6.4 Dividends and Distributions**

No payments in respect of dividends or distributions declared by the Corporation in respect of the Common Shares issued pursuant to the Conversion Proposal shall be made in respect of a Lost Policyholder. However, the Corporation shall pay to a person who ceases to be a Lost Policyholder, in accordance with Section 6.2, all dividends or distributions, without interest and net of any applicable withholding taxes, to which such person was otherwise entitled as a shareholder of record of the Corporation, while such person was a Lost Policyholder. The payment of such dividends or distributions shall be in accordance with the other provisions of this By-law No. 2.

## **6.5 Cancellation of Shares and Dividends and Subsequent Reissuance**

Upon the Cancellation Time, the Corporation shall, for no consideration, cancel all Common Shares issued to Lost Policyholders who remain as such at the Cancellation Time, and all such Common Shares shall be deemed to have been surrendered to the Corporation, together with all entitlements to dividends and distributions thereon, including any proceeds of dissolution pursuant to the Act. Notwithstanding the foregoing, the Corporation shall, from time to time in accordance with the Conversion Proposal, subsequent to the Cancellation Time reissue Common Shares and pay an amount in respect of dividends or issue securities or pay cash or other property to a person, as the case may be, whose Common Shares were cancelled in accordance with this Section 6.5.

No amount shall be deducted from, or added to, the stated capital account maintained for Common Shares in respect of the Common Shares cancelled or reissued, respectively, pursuant to this Section 6.5.

## **SECTION 7**

### **Class 1 Shares**

The Class 1 Shares shall have attached thereto the following rights, privileges, restrictions and conditions:

#### **7.1 Directors' Right to Issue in One or More Series**

The Class 1 Shares may be issued at any time or from time to time in one or more series. Before any shares of a series are issued, the Board of Directors of the Corporation shall fix the number of shares that will form such series, if any, and shall, subject to any limitations set out in the by-laws of the Corporation or in the Act, determine the designation, rights, privileges, restrictions and conditions to be attached to the Class 1 Shares of such series, the whole subject to the filing with the Office of the Superintendent of Financial Institutions (Canada) of the particulars of such series, including the rights, privileges, restrictions and conditions determined by the Board of Directors of the Corporation.

#### **7.2 Ranking of Class 1 Shares**

Each series of Class 1 Shares shall rank on a parity with every other series of Class 1 Shares and every series of Class A Shares with respect to dividends and return of capital. The Class 1 Shares shall be entitled to a preference over the Class B Shares, the Common Shares and any other shares ranking junior to the Class 1 Shares with respect to priority in payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the specific purpose of winding-up its affairs. If any cumulative dividends, whether or not declared, or declared non-cumulative dividends or amounts payable on return of capital are not paid in full in respect of any series of Class 1 Shares, the Class 1 Shares and Class A Shares of all series shall participate rateably in respect of such dividends in accordance with the sums that would be payable on such shares if all such dividends were declared and paid in full, and in respect of such return of capital in accordance with the sums that would be payable on such return of capital if all sums so payable were paid in full; provided, however, that if there are insufficient assets to satisfy in full all such claims as aforesaid, the claims of the holders of the Class 1 Shares and Class A Shares with respect to return of capital shall be paid and satisfied first and any assets remaining thereafter shall be applied towards the payment and satisfaction of claims in respect of dividends. The Class 1 Shares of any series may also be given such other preferences not inconsistent with the rights, privileges, restrictions and conditions attached to the Class 1 Shares as a class over the Class B Shares, the Common Shares and any other shares ranking junior to the Class 1 Shares as may be determined in the case of such series of Class 1 Shares.

### **7.3 Voting Rights**

Except as hereinafter referred to or as required by law, holders of Class 1 Shares will not be entitled as such to receive notice of or to attend or to vote at any meeting of shareholders of the Corporation unless and until the first time at which the Board of Directors has not declared the dividend in full on the shares of one or more series of Class 1 Shares in respect of a particular period specified for the payment of dividends in the rights, privileges, restrictions and conditions attached to such series. In that event, the holders of such series will be entitled to receive notice of and to attend only meetings of shareholders at which directors are to be elected and will be entitled to one vote for each share of such series held at such meetings, but only in respect of the election of directors voting together with all other shareholders of the Corporation who are entitled to vote at such meetings, and the holders of such series will not be entitled to vote in respect of any other business conducted at such meetings (the "Voting Rights"). The Voting Rights of the holders of any such series will cease on payment by the Corporation of the first dividend on that series to which the holders thereof are entitled under the rights, privileges, restrictions and conditions attached to such series after the time the Voting Rights first arose in respect of such series, until such time as the Corporation may again fail to declare the dividend in full on such series in any period specified for the payment of dividends in the rights, privileges, restrictions and conditions attached to such series, in which event the Voting Rights will become effective again and so on from time to time.

### **7.4 Constrained Shares**

- (a)** The Corporation shall not issue or allot any Class 1 Shares to any person, or any entity controlled by a person, the Corporation shall refuse to allow the entry in the securities register of the Corporation of an issue or transfer of any Class 1 Shares to any person, or any entity controlled by a person, and no person or any entity controlled by a person, shall purchase or otherwise acquire any Class 1 Shares, if such issue, transfer or purchase or other acquisition would cause the person to have a significant interest in the Class 1 Shares. No person who has a significant interest in any class of shares of the Corporation, or entity controlled by a person who has a significant interest in any class of shares of the Corporation, shall, in person or by proxy, exercise any voting rights attached to Class 1 Shares beneficially owned by, or that are subject to agreement pertaining to the exercise of voting rights entered into by, that person or entity. In accordance with the authority granted to the Corporation's Directors under the Act and the Regulations, the Directors of the Corporation are hereby authorized to make such arrangements as the Directors deem necessary to carry out the intent of the purchase or other acquisition, issue, transfer and voting restrictions contained in the Act, the Regulations and the by-laws.
- (b)** If the purchase or other acquisition, issue, transfer or voting of any Class 1 Shares would be permitted under the Act and the Regulations, notwithstanding the provisions of subsection 7.4(a), the Directors are hereby authorized, in their discretion, to permit by resolution of the Directors, any

such purchase or other acquisition, issue, transfer or exercise of voting rights with respect to such Class 1 Shares.

- (c) Subject to subsection 7.4(d), if, after the date of incorporation of the Corporation, the Share Constraint Regime is amended, replaced or deleted, such that the provisions of the subsection 7.4(a) are inconsistent with the Share Constraint Regime resulting from such amendment, replacement or deletion, then the Directors are hereby authorized to amend, replace or delete subsection 7.4(a) such that it will be consistent with the Share Constraint Regime then in effect. The action of the Board of Directors to amend, replace or delete subsection 7.4(a) shall be by resolution of the Board of Directors and such amendment, replacement or deletion of subsection 7.4(a) shall be effective without the approval of the holders of any of the Class 1 Shares, the Class A Shares, the Class B Shares or the Common Shares. Promptly following any amendment, replacement or deletion of subsection 7.4(a) by the Directors, the Corporation shall give notice to the holders of the Class 1 Shares of the amendment, replacement or deletion thereto.
  
- (d) If, after the date of incorporation of the Corporation, the Share Constraint Regime is amended or replaced and the Share Constraint Regime then in effect allows the Corporation to determine the application to it and its shareholders of all or any part of such Share Constraint Regime then the provisions of subsection 7.4(a) may only be amended or replaced with approval of the holders of the Class 1 Shares, the Class A Shares, the Class B Shares and the Common Shares as provided in the Act.

#### **7.5 Amendment With Approval of Holders of Class 1 Shares**

The rights, privileges, restrictions and conditions attached to the Class 1 Shares as a class may be added to, changed or removed but only with the approval of the holders of the Class 1 Shares given as hereinafter specified.

#### **7.6 Approval of Holders of Class 1 Shares**

The approval of the holders of the Class 1 Shares to add to, change or remove any right, privilege, restriction or condition attaching to the Class 1 Shares as a class or in respect of any other matter requiring the consent of the holders of the Class 1 Shares may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by resolution signed by all the holders of the Class 1 Shares or passed by the affirmative vote of at least two-thirds (2/3) of the votes cast at a meeting of the holders of the Class 1 Shares duly called for that purpose. Notwithstanding anything else in this Section 1, the approval of the holders of the Class 1 Shares, voting separately as a class or series, is not required on a proposal to amend the by-laws of the Corporation to:

- (a) increase or decrease the maximum number of authorized Class 1 Shares, or increase the maximum number of authorized shares of a class of shares having rights or privileges equal or superior to the Class 1 Shares;

- (b) effect the exchange, reclassification or cancellation of all or any part of the Class 1 Shares; or
- (c) create a new class of shares equal to or superior to the Class 1 Shares.

The formalities to be observed with respect to the giving of notice of any such meeting or any continuation of an adjourned meeting, the quorum required therefor and the conduct thereof shall be those from time to time required by the Act as in force at the time of the meeting and those, if any, prescribed by the by-laws or the administrative resolutions of the Corporation with respect to meetings of shareholders. On every poll taken at every meeting of the holders of the Class 1 Shares as a class, or at any joint meeting of the holders of two or more series of Class 1 Shares, each holder of Class 1 Shares entitled to vote thereat shall have one vote in respect of each Class 1 Share held.

#### **7.7 Notice to Holders of Class 1 Shares**

Any notice, cheque, notice of redemption or other communication from the Corporation herein provided for shall be sent to the holders of the Class 1 Shares by first class mail, postage prepaid at their respective addresses appearing on the securities register of the Corporation or, in the event of the address of any such holder not so appearing, then at the last address of such holder known to the Corporation. Accidental failure to give any such notice, notice of redemption or other communication to one or more holders of Class 1 Shares shall not affect the validity thereof, but, upon such failure being discovered, a copy of the notice, notice of redemption or other communication, as the case may be, shall be sent or delivered forthwith to such holder or holders. Unless otherwise provided herein, any notice, request, certificate, or other communication from a holder of Class 1 Shares herein provided for shall be either sent to the Corporation by first class mail, postage prepaid, or delivered by hand to the Corporation at its registered office.