

**IN THE MATTER OF THE SECURITIES LEGISLATION OF BRITISH COLUMBIA,
ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, QUÉBEC, NEW BRUNSWICK,
NOVA SCOTIA, NEWFOUNDLAND AND LABRADOR, PRINCE EDWARD ISLAND,
YUKON, NUNAVUT AND
NORTHWEST TERRITORIES**

AND

**IN THE MATTER OF THE MUTUAL RELIANCE REVIEW SYSTEM FOR
EXEMPTIVE RELIEF APPLICATIONS**

AND

IN THE MATTER OF THE MANUFACTURERS LIFE INSURANCE COMPANY

AND

MANULIFE FINANCIAL CORPORATION

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Newfoundland and Labrador, Prince Edward Island, Yukon, Nunavut and Northwest Territories (the "Jurisdictions") has received an application from The Manufacturers Life Insurance Company ("Manufacturers Life") and Manulife Financial Corporation ("MFC") (Manufacturers Life together with MFC referred to herein as the "Filer"):

A. for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the requirements contained in the Legislation to be registered to trade in a security (the "Registration Requirements") shall not apply to the Filer, CIBC Mellon Trust Company ("CIBC Mellon") or such other trust company as is appointed by MFC from time to time as the administrator (CIBC Mellon or such other administrator hereinafter referred to as the "Administrator") pursuant to the Share Sales Program (as hereinafter defined) or Eligible Policyholders (as hereinafter defined) in respect of any trades in common shares of MFC (the "Common Shares") through the Administrator and the Assisting Dealer (as hereinafter defined) pursuant to the Share Sales Program.

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System") the Ontario Securities Commission is the principal regulator for this Application;

AND WHEREAS the Filer has represented to the Decision Makers that:

1. Manufacturers Life was incorporated on June 23, 1887, by a Special Act of Parliament of the Dominion of Canada. Pursuant to the provisions of the then *Canadian and British Insurance*

Companies Act (Canada), the predecessor legislation to the *Insurance Companies Act* (Canada) ("ICA"), Manufacturers Life undertook a plan of mutualization and became a mutual life insurance company on December 19, 1968. On September 23, 1999 Manufacturers Life demutualized (the "Demutualization") pursuant to letters patent of conversion issued by the Minister of Finance.

2. Manufacturers Life's head office is located in Ontario. Manufacturers Life is regulated by the Superintendent of Financial Institutions (Canada) and it is licenced under the insurance legislation of each province and territory of Canada. Manufacturers Life is a reporting issuer (or equivalent) in each of the provinces and territories of Canada and has held that status since filing a non-offering prospectus on May 19, 1994. To the best of its knowledge, information and belief, Manufacturers Life is currently not in default of its reporting requirements under the Legislation.

3. Manufacturers Life has authorized share capital consisting of an unlimited number of Common Shares, 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 C Shares, issuable in series, and an unlimited number of Class D Shares, issuable in series. As of the date hereof, only Common Shares and 40,000 Manufacturers Life Class A Shares Series 1 are issued and outstanding. Pursuant to the Demutualization, MFC became the holder of all of the issued and outstanding Common Shares of Manufacturers Life. MFC subscribed for the Manufacturers Life Class A Shares Series 1 in connection with the offering by Manulife Financial Capital Trust of Manulife Financial Capital Securities – Series A and Manulife Financial Capital Securities – Series B completed on December 10, 2001.

4. MFC was incorporated under the ICA on April 26, 1999. On September 23, 1999, in connection with the Demutualization, MFC became the sole shareholder of Manufacturers Life and certain holders of participating life insurance policies of Manufacturers Life (the "Eligible Policyholders") became shareholders of MFC. On September 24, 1999 MFC filed a final prospectus in connection with an initial treasury and secondary offering conducted in Canada and the United States. MFC is a publicly traded company on The Toronto Stock Exchange, the New York Stock Exchange, the Stock Exchange of Hong Kong Limited and the Philippine Stock Exchange. The authorized share capital of MFC consists of Class A Shares, issuable in series, Class B Shares, issuable in series, and Common Shares of which approximately 482 million Common Shares were issued and outstanding as of January 1, 2002.

5. MFC is a reporting issuer in each of the Jurisdictions. MFC files its continuous disclosure materials on the System for Electronic Document Analysis and Retrieval. To the best of its knowledge, information and belief, MFC is currently not in default of its reporting requirements under the Legislation.

6. Manufacturers Life anticipated that a significant number of Eligible Policyholders would retain the Common Shares to which they are entitled in connection with the Demutualization and not make a cash election. Manufacturers Life believes that a significant number of these Eligible Policyholders, both in North America and Asia, do not have any prior experience in share ownership or brokerage relationships. For these reasons, Manufacturers Life established a "Share Sales Program", which commenced following the completion of the initial public offering of the

Common Shares (the "IPO").

7. Under the Share Sales Program, Eligible Policyholders resident in Canada who received Common Shares are able to sell those shares simply by contacting the Administrator of the Share Sales Program CIBC Mellon and any other person or company appointed by MFC from time to time as the Administrator shall be a trust company. The Administrator has established an account with a registered securities dealer (the "Assisting Dealer") and, through the Assisting Dealer, arranges to sell Eligible Policyholders' Common Shares and remit the proceeds, less applicable fees, to Eligible Policyholders. The Share Sales Program is extended only to Eligible Policyholders and only to those Common Shares received by such Eligible Policyholders on the Demutualization, which they continue to hold in the book-entry system through the Administrator.

8. Under the Share Sales Program, only sell orders are accepted by the Administrator and no advice regarding the decision to sell or hold the Common Shares is offered to any Eligible Policyholder. Neither Manufacturers Life nor MFC subsidize the costs of selling Common Shares under the Share Sales Program, although Eligible Policyholders will benefit from any reduced commission that can be negotiated with the Assisting Dealer. Any Eligible Policyholders who wish to sell their Common Shares in another manner (for example, by transferring their holdings to another dealer with whom they have a brokerage relationship) is free to do so. Any information distributed to Eligible Policyholders regarding the Share Sales Program has not and will not contain any investment advice as to the desirability of Eligible Policyholders holding or selling their Common Shares. The Assisting Dealer will not open individual accounts or engage in "know-your-client" procedures with respect to individual Eligible Policyholders utilizing the Share Sales Program. Literature describing the Share Sales Program has been provided to all Eligible Policyholders.

9. Manufacturers Life and MFC have in place a call centre through which questions of Eligible Policyholders regarding the mechanics of selling Common Shares under the Share Sales Program can be answered. The call centre staff are instructed not to provide investment advice as to the desirability of an Eligible Policyholder holding or selling their Common Shares.

AND WHEREAS pursuant to the System this Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers pursuant to the Legislation is that the Registration Requirements shall not apply to the Filer, the Administrator pursuant to the Share Sales Program or Eligible Policyholders in respect of:

- (i) the execution of an unsolicited order to sell Common Shares through the Assisting Dealer by the Administrator, or

(ii) placing the unsolicited order with the Administrator, in connection with the Share Sales Program.

and, for the purposes of this MRRS Decision Document, a trade shall not be considered "solicited" by reason of the Filer (or the Administrator on their behalfs) distributing to Eligible Policyholders disclosure documents, notices, brochures or similar documents advising of the availability of the Administrator to facilitate sales of Common Shares or by reason of the Filer and/or the Administrator advising Eligible Policyholders of the availability, and informing Eligible Policyholders of the details of the operation of the Share Sales Program in response to enquiries from Eligible Policyholders by telephone or otherwise.

DATED February 20, 2002

Paul M. Moore

Robert W. Korthals