

# Schedule of Commissions, Override Credits and Recognition Credits Individual Products

All Advisors' Agreements – Canada  
*(Formerly known as Schedule of Commissions and Sales Credits)*  
Effective December 1, 2012  
(Unrestricted)

## **To the Advisor:**

Manulife Financial Advisor compensation is designed to pay more, earlier, so as to recognize quickly and tangibly your efforts as an independent business person. Of course, our ability to advance these funds up front relies on your ability to select only the highest quality clients who, in turn, can be relied on to retain the insurance and annuity business they purchase from you.

For Individual Life, Living Benefits and Combination Insurance products, unless otherwise stated, the information in this schedule applies to policies, coverages and combination insurance solutions dated on or after the effective date of this schedule.

This note is to remind you that, should the business you write fail to remain in effect for the applicable chargeback period, chargebacks will be debited against your commission account and will be repayable by you, as they occur, whether during or after the lifetime of your Manulife Financial Advisor's Agreement.

Careful client selection is essential to the success of every Life Underwriter and a by-product of this selection is high persistency of business, which, in itself, will greatly reduce the likelihood of early lapsation.

## **Manulife Financial**

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# Individual Life Products – Whole Life

## Permax Gold

| Commission Type    | Type of Coverage   | Commission Rate  |        |            |             |             |           |  |
|--------------------|--|--|--------|------------|-------------|-------------|-----------|--|
|                    |  | First Year   | Year 2 | Years 3-10 | Years 11-15 | Years 16-20 | Years 21+ |  |
| Policy Cost        | Costs to attained age 100  | 50%  | 5%     | 2%         |             |             |           |  |
|                    | Costs for 15 years   | 45%  | 5%     | 2%         | n/a         |             |           |  |
|                    | Policy fee   | 50%  |        |            |             |             |           |  |
|                    | Early Cash Value Enhancer Rider ( <b>ECVE</b> )                    |  | 5%     |            |             |             | n/a       |  |
|                    | Term Insurance Rider (TIR)   | 10-Year Renewable  | 35%    | 2%         | 0%          |             |           |  |
|                    |  | 20-Year Renewable  | 40%    | 2%         |             |             | 0%        |  |
|                    | All other rider coverages  | Accidental Death Benefit Rider ( <b>ADB</b> )<br>Business Value Protector Rider ( <b>BVP</b> )<br>Child Protection Rider ( <b>CPR</b> )<br>Guaranteed Insurability Option Rider ( <b>GIO</b> )<br>Total Disability Waiver Rider ( <b>TDW</b> ) | 35%    | 3%         | 0%          |             |           |  |
|                    | Changing TIR Cost Type from 10-Year Renewable to 20-Year Renewable | 25%  | 2%     |            |             | 0%          |           |  |
| Additional Payment | Accumulation Account<br>Deposit Option Insurance                   | 5%   |        |            |             |             |           |  |
| Asset Based        | Month-end Accumulation Account Balance                             | 0.0209% per month<br>(0.2508% per annum)   |        |            |             |             |           |  |

### Important notes about the above chart:

- The first year Accumulation Account, asset based and the policy fee commissions only apply in the first policy year. First year insurance, rider and Deposit Option Insurance coverage commissions apply in the first coverage year of any coverage.
- First policy year Accumulation Account commissions are net of all first policy year transfers to pay policy costs and withdrawals.
- Additional Payment commission only applies to new payments (including transfers from the Side Account) made directly to the Accumulation Account or a Deposit Option Insurance coverage. It does not apply to transfers from within the policy.
  - Annualized first policy year Additional Payment commission for the Accumulation Account will be determined and paid when the first payment to that account is received. However, if no payments are received during the first policy year, then no first year Additional Payment commission will be paid for the Accumulation Account.
  - Annualized first coverage year Additional Payment commission for a Deposit Option Insurance coverage will be determined and paid when the first payment for that coverage is received; however, if no payments are received during the first coverage year, then no first year commission will be paid for that coverage.
  - First year and renewal Additional Payment commissions are earned as of the effective date of each Additional Payment.
- First year and renewal policy cost commissions are earned monthly, regardless of the payment frequency.
- Renewal policy cost commissions are paid monthly, regardless of the payment frequency.
- Asset based commissions are paid monthly, as earned.
- Override Credits and Recognition Credits are equal to the sum of the following components:
  - 100% of annualized first coverage year Policy Cost commission for insurance and rider coverages, except for TIR coverages resulting from a change in TIR Cost Type,
  - 100% of annualized first policy year Policy Cost commission for the policy fee,
  - 100% of annualized first policy year Additional Payment commission for the Accumulation Account,
  - 100% of annualized first coverage year Additional Payment commission for Deposit Option Insurance coverages, and
  - 100% of first policy year asset based commission for the Accumulation Account.
 The asset based component of Override Credits and Recognition Credits will be credited monthly, as earned.
- Changing TIR Cost Type:
  - Any commission payable on a new TIR coverage, that results from a change in TIR Cost Type, will be payable to the advisor(s) who submits the signed change request from the policy owner.
  - The commission rates for Changing TIR Cost Type apply to changes effective on or after the effective date of this schedule.
- See 'Producer of record when a new coverage is added to an Individual Life or Living Benefit policy' in the General section of this schedule for details on who receives commission when a new coverage is added to an existing policy.

# Individual Life Products – Interest Sensitive

## InnoVision

| Commission Type           | Commission Basis  |  | Commission Rate  |              |               |           |  |
|---------------------------|---|--|--|--------------|---------------|-----------|--|
|                           |   |  | First Year   | Years 2 - 10 | Years 11 - 20 | Years 21+ |  |
| Deposit                   | Level COI insurance coverages & Wealth Enhancer Plus Rider coverages (with a coverage date equal to the policy date) <sup>3</sup> | Deposits up to the minimum monthly deposit   | 60% <sup>2</sup>   | 3%           | 0%            |           |  |
|                           |   | Deposits in excess of the minimum monthly deposit <sup>1</sup>   | 5%   | 3%           | 0%            |           |  |
|                           | Yearly Increasing COI insurance coverages (with a coverage date equal to the policy date) <sup>5</sup>                            | Deposits up to the minimum monthly deposit <sup>1</sup>  | 85% <sup>4</sup>   | 3%           | 0%            |           |  |
|                           |   | Deposits in excess of the minimum monthly deposit <sup>1</sup>   | 5%   | 3%           | 0%            |           |  |
| Draw (monthly deductions) | Yearly Increasing COI insurance coverages (with a coverage date on or after May 14,2011) switch to level COI                      |  | 30%  | 0%           |               |           |  |
|                           | Term Insurance Rider ( <b>TIR</b> )   | 10-Year Renewable  | 35%  | 2%           | 0%            |           |  |
|                           |   | 20-Year Renewable  | 40%  | 2%           |               | 0%        |  |
|                           | All other rider coverages   | Accidental Death Benefit Rider ( <b>ADB</b> )<br>Business Value Protector Rider ( <b>BVP</b> )<br>Child Protection Rider ( <b>CPR</b> )<br>Guaranteed Insurability Option Rider ( <b>GIO</b> )<br>Protection Indexor Rider ( <b>PIR</b> )<br>Waiver of Monthly Deductions Rider ( <b>WOD</b> )<br>Wealth Enhancer Rider ( <b>WEI/WED</b> ) | 35%  | 3%           |               | 0%        |  |
|                           |   |  | 25%  | 2%           |               | 0%        |  |
|                           |   |  | 55%  | 3%           | 0%            |           |  |
|                           |   |  | Changing TIR Cost Type from 10-Year Renewable to 20-Year Renewable |              | 25%           | 2%        |  |
| Policy & life fees        |   |  | 55%  | 3%           | 0%            |           |  |
| Asset Based               | Month End Account Value   |  | 0.0209% per month<br>(0.2508% per annum)                           |              |               |           |  |

### Important notes about the above chart:

- 'Minimum monthly deposit' for this calculation refers to the sum of the minimum monthly deposits for all insurance and Wealth Enhancer Plus Rider coverages on the policy with a Coverage Date equal to the Policy Date. Any other references to minimum monthly deposit refers to the minimum monthly deposit for the particular coverage or fee.
- Calculated as 55% first year draw commission plus 5% first year deposit commission.
- For level COI coverages and Wealth Enhancer Plus Rider coverages added to the policy after issue, the following draw (minimum monthly deposit) commission is applicable:
  - 55% first year draw commission for coverages added after the Policy Date, but before the first policy anniversary; and
  - 66% first year draw commission for coverages added on or after the first policy anniversary.
 Renewal deposit commission is also applicable to any deposits in policy years 2 – 10 as described in the above chart.

# Individual Life Products – Interest Sensitive (continued)

## Important notes about the above chart: (continued)

4. Calculated as 80% first year draw commission plus 5% first year deposit commission
5. For Yearly increasing COI insurance coverages added to the policy after issue, the following draw (minimum monthly deposit) commission is applicable:
  - 80% first year draw commission for coverages added after the Policy Date, but before the first policy anniversary; and
  - 90% first year draw commission for coverages added on or after the first policy anniversary. Renewal deposit commission is also applicable to any deposits in policy years 2 – 10 as described in the above chart.
6. First year deposit commissions, asset based commissions and the policy and life fee draw commissions only apply in the first policy year. First year insurance and rider coverage draw commissions apply in the first coverage year of any coverage.
7. Override Credits and Recognition Credits are equal to the sum of the following components:
  - 100% of annualized first policy year deposit commission;
  - 100% of annualized first coverage year draw commission for insurance and rider coverages, except for:
    - TIR coverages resulting from a change in TIR Type
  - 100% of annualized first policy year draw commission for the policy and life fees; and
  - 100% of first policy year asset based commission.

The asset based component of Override Credits and Recognition Credits will be credited monthly, as earned.
8. Asset based commissions are paid monthly, as earned.
9. Any renewal deposit commission will be paid as of the effective date of any deposits (i.e. as earned).
10. Any renewal draw commission will be paid monthly, as earned. There is no renewal draw commission for any insurance coverages or Wealth Enhancer Plus Rider coverages.
11. Changing TIR Type:
  - Any commission payable on a new TIR coverage, that results from a change in TIR Type, will be payable to the advisor(s) who submits the signed change request from the policy owner.
  - The commission rates for Changing TIR Type apply to changes effective on or after the effective date of this schedule.
12. Exercising the Portable Insurability feature of a Wealth Enhancer Plus coverage will generate renewal commission only on the new insurance.
13. Switching to level COI:
  - The commission rates for switching to level COI only applies to Yearly increasing COI insurance coverages with an effective date on or after May 14, 2011.
  - Any commission payable on a new level COI coverage, that results from a switch to level COI, will be payable to the advisor(s) who submits the signed change request from the policy owner
14. See 'Producer of record when a new coverage is added to an Individual Life or Living Benefit policy' in the General section of this schedule for details on who receives commission when a new coverage is added to an existing policy.

## UltraVision

| Commission Type | Commission Basis        | Commission Rate   |                                      |                  |
|-----------------|-------------------------|-------------------|--------------------------------------|------------------|
|                 |                         | Policy First Year | Policy Years 2-10                    | Policy Years 11+ |
| Deposit         | Deposits                | 2%                | 5%                                   | 0%               |
| Asset Based     | Month-end Account Value | 0%                | 0.07083% per month (0.85% per annum) |                  |

## Important notes about the above chart:

1. Override Credits are 100% of annualized first policy year deposit commission. (For the purpose of determining placement on the override grid, UltraVision first policy year deposit commission will be grossed up by 600%.)
2. Recognition Credits are 600% of annualized first policy year deposit commission.
3. Asset based commissions are paid monthly as earned.
4. Any renewal deposit commission will be paid as of the effective date of any deposits (i.e. as earned).

# Individual Life Products – Interest Sensitive (continued)

## Security UL

| Commission Type           | Commission Basis            |   | Commission Rate                          |             |              |               |           |
|---------------------------|-----------------------------|---|--|-------------|--------------|---------------|-----------|
|                           |                             |   | First Year                               | Years 2 – 5 | Years 6 – 10 | Years 11 - 20 | Years 21+ |
| Deposit                   | Deposits                    |   | 3%                                       | 0%          |              |               |           |
| Draw (monthly deductions) | Insurance coverages         | Level Cost (Coverage Date prior to the 1st policy anniversary)  | 57%                                      | 3%          | 0%           |               |           |
|                           |                             | Level Cost (Coverage Date on or after the 1st policy anniversary)   | 60%                                      | 3%          | 0%           |               |           |
|                           |                             | 10-Year Cost (only available on existing Security UniversalLife policies)   | 55%                                      | 3%          | 0%           |               |           |
|                           | Term Insurance Rider (TIR)* | Yearly Increasing   | 35%                                      | 3%          | 0%           |               |           |
|                           |                             | 10-Year Renewable   |  | 2%          | 0%           |               |           |
|                           |                             | 20-Year Renewable   | 40%                                      | 2%          | 0%           |               |           |
|                           | All other rider coverages   | Business Value Protector Rider (BVP)*<br>Child Protection Rider (CPR)<br>Guaranteed Insurability Option Rider (GIO)*<br>Total Disability Waiver Rider (TDW) | 35%                                      | 3%          | 0%           |               |           |
| Draw (monthly deductions) | Changing TIR Cost Type      | Changing to 10-Year Renewable TIR   | 2%                                       |             | 0%           |               |           |
|                           |                             | Changing to 20-Year Renewable TIR   | 25%                                      | 2%          | 0%           |               |           |
|                           | Switching coverage options  | Requested switch from 10-Year Cost to Level Cost  | 25%                                      | 3%          | 0%           |               |           |
|                           |                             | Automatic switch from 10-Year Cost to Level Cost at age 80  | 0%                                       |             |              |               |           |
|                           | Policy and life fees        |   |  | 57%         | 3%           | 0%            |           |
| Asset Based               | Month-end Account Value     |   | 0.0209% per month<br>(0.2508% per annum) |             |              |               |           |

\* These riders are only available on the Security UL version of the product that was introduced on September 25, 2004.

Continued on next page

# Individual Life Products – Interest Sensitive (continued)

## Security UL continued

### Important notes about the above chart: (continued)

1. Security UL is the version of the product that was introduced on September 25, 2004.
2. Security UniversalLife is the version of the product, first introduced in August 1998, which has the Partial Cost Refund feature.
3. First year deposit commissions, asset based commissions and the policy and life fee draw commissions only apply in the first policy year. First year insurance and rider coverage draw commissions apply in the first coverage year of any coverage.
4. Override Credits and Recognition Credits are equal to the sum of the following components:
  - 100% of annualized first policy year deposit commission;
  - 100% of annualized first coverage year draw commission for insurance and rider coverages, except for:
    - TIR coverages resulting from a change in TIR Cost Type, and
    - Level Cost insurance coverages resulting from a switch from 10-Year Cost;
  - 100% of annualized first policy year draw commission for the policy and life fees; and
  - 100% of first policy year asset based commission.The asset based component of Override Credits and Recognition Credits will be credited monthly, as earned.
5. Asset based commissions are paid monthly, as earned.
6. Any renewal draw commission will be paid monthly, as earned.
7. Changing TIR Cost Type:
  - Any commission payable on a new TIR coverage, that results from a change in TIR Cost Type, will be payable to the advisor(s) who submits the signed change request from the policy owner.
  - The commission rates for Changing TIR Cost Type apply to changes effective on or after the effective date of this schedule.
8. Switching Coverage Options:
  - Coverage option switches are only available on Security UniversalLife insurance coverages.
  - For a requested switch from 10-Year Cost to Level Cost, the first year draw commission rate applies in the first coverage year of the new Level Cost coverage. The commission payable on that new Level Cost coverage will be payable to the advisor(s) who submits the signed change request from the policy owner.
  - The commission rates for Switching coverage options apply to changes effective on or after the effective date of this schedule.
9. See 'Producer of record when a new coverage is added to an Individual Life or Living Benefit policy' in the General section of this schedule for details on who receives commission when a new coverage is added to an existing policy.

# Individual Life Products – Interest Sensitive (continued)

## Limited Pay UL

| Commission Type                | Commission Basis   |  |          | Commission Rate                          |             |              |               |           |
|--------------------------------|--|--|----------|--|-------------|--------------|---------------|-----------|
|                                |  |  |          | First Year                               | Years 2 – 5 | Years 6 – 10 | Years 11 - 20 | Years 21+ |
| Deposit                        | Deposits   |  |          | 2%                                       | 2%          | 0%           |               |           |
| Draw (Minimum Monthly Deposit) | Level COI insurance coverages                                      | Coverage Date prior to the first policy anniversary  | 10 years | 30%                                      | 2%          | 0%           |               |           |
|                                |  |  | 15 years | 35%                                      |             |              |               |           |
|                                |  |  | 20 years | 40%                                      |             |              |               |           |
|                                |  | Coverage Date on or after the first policy anniversary   | 10 years | 32%                                      |             |              |               |           |
|                                |  |  | 15 years | 37%                                      |             |              |               |           |
|                                |  |  | 20 years | 42%                                      |             |              |               |           |
|                                | Policy fee   |  |          | 35%                                      | 2%          | 0%           |               |           |
| Draw (monthly deductions)      | Term Insurance Rider <b>(TIR)</b>                                  | 10-Year Renewable  |          | 35%                                      | 2%          | 0%           |               |           |
|                                |  | 20-Year Renewable  |          | 40%                                      | 2%          |              | 0%            |           |
|                                | All other rider coverages  | Business Value Protector Rider <b>(BVP)</b><br>Child Protection Rider <b>(CPR)</b><br>Total Disability Waiver Rider <b>(TDW)</b> |          | 35%                                      | 3%          | 0%           |               |           |
|                                | Changing TIR Cost Type from 10-Year Renewable to 20-Year Renewable |  |          | 25%                                      | 2%          |              | 0%            |           |
| Asset Based                    | Month-end Account Value  |  |          | 0.0209% per month<br>(0.2508% per annum) |             |              |               |           |

### Important notes about the above chart:

1. First year deposit commissions, asset based commissions, and the policy fee draw commissions only apply in the first policy year. First year insurance and rider coverage draw commissions apply in the first coverage year of any coverage.
2. Override Credits and Recognition Credits are equal to the sum of the following components:
  - 100% of annualized first policy year deposit commission,
  - 100% of annualized first coverage year draw commission for insurance and rider coverages, except for TIR coverages resulting from a change in TIR type,
  - 100% of annualized first policy year draw commission for the policy fee, and
  - 100% of first policy year asset based commission.

The asset based component of Override Credits and Recognition Credits will be credited monthly, as earned.
3. Asset based commissions are paid monthly, as earned.
4. Any renewal deposit commission will be paid as of the effective date of any deposits (i.e. as earned).
5. Any renewal draw commission will be paid monthly, as earned.
6. Changing TIR Cost Type:
  - Any commission payable on a new TIR coverage, that results from a change in TIR Cost Type, will be payable to the advisor(s) who submits the signed change request from the policy owner.
  - The commission rates for Changing TIR Cost Type apply to changes effective on or after the effective date of this schedule.
7. See 'Producer of record when a new coverage is added to an Individual Life or Living Benefit policy' in the General section of this schedule for details on who receives commission when a new coverage is added to an existing policy.



# Individual Life Products – Term

## Family & Business Term

| Commission Type | Coverage Type  |                              | Commission Rate |            |           |
|-----------------|--|------------------------------|-----------------|------------|-----------|
|                 |  |                              | First Year      | Years 2-10 | Years 11+ |
| Premium         | Term-10  |                              | 40%             | 3%         | 2%        |
|                 | Term-20  | Up to \$999,999              | 50%             | 3%         | 2%        |
|                 |  | \$1,000,000+                 | 45%             |            |           |
|                 | Term-Life  | Issue ages 60 – 80           | 32.5%           | 2%         |           |
|                 |  | Issue ages 81 – 85           | 22.5%           |            |           |
|                 | Parent Protection  | Issue ages 40 – 80           | 32.5%           |            |           |
|                 |  | Issue ages 81 – 85           | 22.5%           |            |           |
|                 | Changing coverage options  | Term-10 to Term-20           | 25%             | 3%         | 2%        |
|                 |  | Term-10/Term-20 to Term-Life | 32.5%           | 2%         |           |
|                 | Accidental Death & Dismemberment Rider <b>(ADD)</b><br>Business Value Protector Rider <b>(BVP)</b><br>Child Protection Rider <b>(CPR)</b><br>Guaranteed Insurability Option Rider <b>(GIO)</b><br>Total Disability Waiver Rider <b>(TDW)</b> |                              | 35%             | 2%         |           |
| Policy fee      |  | 40%                          | 2%              |            |           |

### Important notes about the above chart:

1. The policy fee first year commission only applies in the first policy year. First year insurance and rider coverage commissions apply in the first coverage year of any coverage.
2. First year and renewal commissions are earned monthly, regardless of the premium frequency.
3. Renewal commissions are paid monthly, regardless of the premium frequency.
4. Override Credits and Recognition Credits are equal to the sum of the following components:
  - 100% of annualized first coverage year commission for insurance and rider coverages, including coverage option changes to Term-20 or Term Life; plus
  - 100% of annualized first policy year commission for the policy fee.
5. For new coverages added to existing Family or Business Term policies with a Rainy-day or Transaction account, the coverage commission is based on the Minimum Monthly Payment for that coverage.
6. Changing Coverage Options:
  - Any commission payable on a new insurance coverage, that results from a change in coverage option, will be payable to the advisor(s) who submits the signed change request from the policy owner.
  - The commission rates for Changing Coverage Options apply to changes effective on or after the effective date of this schedule.
7. See 'Producer of record when a new coverage is added to an Individual Life or Living Benefit policy' in the General section of this schedule for details on who receives commission when a new coverage is added to an existing policy.

# Individual Life, Living Benefits and Combination Insurance Products – Miscellaneous

## Attained Age Conversions

### New Insurance

Except as noted below, commissions are payable on any new insurance resulting from a conversion allowed under the terms of the original contract. Override Credits and Recognition Credits will be generated on the new insurance based on the Annualized First Year Commission for that insurance. (Note: Any new insurance that is a result of Wealth Enhancer Plus coverages and One Year Renewable Convertible Term (issued from a Group Conversion) will generate renewal commission only. No Override Credits or Recognition Credits will be generated.)

Any commission payable on the new insurance will be payable to the advisor(s) who submits the signed application from the policy owner. That advisor(s) will be the producer of record for the new insurance.

### Carrying over Riders to the New Policy

Except as noted below, commissions are payable on any rider that is carried over to the new policy. Override Credits and Recognition Credits will be generated on the rider based on the Annualized First Year Commission for that rider. (Note: Any new insurance that is a result of the balance of the original term insurance coverage carried over as a term rider or term insurance coverage on the new policy, will generate renewal commission only. No Override Credits or Recognition Credits will be generated.)

### Original Insurance

There is no commission chargeback on an Attained Age Conversion, unless a portion of the original insurance is dropped. However, if the original insurance is less than 12 months paid, there will be a commission adjustment on the original insurance to reflect the number of months' premium paid. The amount of First Year Commission the advisor is entitled to retain on the converted portion of the original insurance is:

$$\frac{\text{(Annualized First Year Commissions} \times \text{Number of Months in Effect)}}{12}$$

Any adjustment will be the difference between the amount of the First Year Commissions previously paid on the converted portion of the original insurance and the amount calculated by the above formula.

Override Credits and Recognition Credits generated by the original insurance policy will be adjusted to reflect the amount of First Year Commission the Advisor is entitled to retain on that policy.

## Automatic Term Conversions

New insurance that is the result of an automatic term conversion from a term coverage/policy/rider that is on waiver will generate renewal commission only. No Override Credits or Recognition Credits will be generated. That commission will continue to be payable to the current producer(s) of record for the original term coverage.

## Group Conversions

New insurance that is the result of a group conversion will generate a policy delivery fee of \$50. No first year percentage commission will be payable. Regular renewal commission is payable in renewal years.

## Contractual Changes

**For Life and Living Benefits products** – For any of the contractual changes listed below that are effective on or after the date of this schedule, any commission payable on the resulting new Individual Life or Living Benefits coverage will be payable to the advisor(s) who submits the signed change request from the policy owner. That advisor(s) will be the producer of record for the new coverage.

- Change in TIR Type for a Term Insurance Rider on an InnoVision policy;
- Coverage option switch from 10-Year Cost to Level Cost on a Security UniversalLife policy;
- Coverage option change on a Family Term or Business Term policy; and
- Coverage Option change or Coverage Type change on a Lifecheque policy.

**For Combination Insurance** – For a change in cost type that is effective on or after the date of this schedule, any commission payable on the resulting Synergy solution will be payable to the advisor(s) who submits the signed change request from the Synergy solution owner. That advisor(s) will be the producer of record for the new solution.

# Individual Products – Combination Insurance

## Synergy

| Commission Type | Coverage Type   |  | Commission Rate |          |
|-----------------|---|--|-----------------|----------|
|                 |   |  | First Year      | Years 2+ |
| Premium         | Synergy   | 10-year renewable to 65                          | 40%             | 3%       |
|                 |   | Level cost to 65                                 |                 |          |
|                 | Changing cost type from 10-year renewable to 65 to Level cost to 65 |  | 25%             | 3%       |
|                 | Term insurance rider<br><b>(TIR)</b>                                | 10-year renewable to 65                          | 35%             | 2%       |
|                 | All other rider coverages   | Child protection rider–life<br><b>(CPR–Life)</b> | 35%             | 2%       |
|                 |   | Child protection rider–CI<br><b>(CPR–CI)</b>     |                 |          |

### Important notes about the above chart:

1. First year Synergy commissions apply in the first year of the Synergy solution.
2. First year rider coverage commissions apply in the first coverage year of that coverage.
3. First year and renewal commissions are earned monthly, regardless of the premium frequency.
4. Renewal commissions are paid monthly, regardless of the premium frequency.
5. Recognition Credits are equal to 2 times the following:
  - 100% of annualized first year commission for rider coverages and for Synergy, including Level cost to 65 Synergy resulting from a change in cost type from 10-year renewable to 65.
6. Override credits are equal to 100% of annualized first year commission for rider coverages and for Synergy, including Level cost to 65 Synergy resulting from a change in cost type from 10-year renewable to 65.
7. Changing cost type:
  - For Synergy, first year commissions apply in the first year after the change in cost type.
  - Any commission that results from a change in cost type will be payable to the advisor(s) who submits the signed change request from the Synergy solution owner.
  - The commission rates for changing cost type apply to changes effective on or after the effective date of this schedule.
8. For details on who receives commission when a new rider coverage is added to an existing Synergy insurance policy, refer to the section called Producer of record when a new coverage is added to an Individual Life or Living Benefit policy in the General section of this schedule.

# Individual Living Benefits Products

## Lifecheque

| Type of coverage   |  |                                    |                | Commission Rate<br>(Percentage of premium) |          |
|--|--|------------------------------------|----------------|--|----------|
|  |  |                                    |                | First Year                                 | Years 2+ |
| Lifecheque Level (T75)<br>Lifecheque Renewable (T20)<br>Lifecheque Primary (T65)<br>Lifecheque Permanent (premiums payable until attained age 100)<br>Lifecheque Permanent (premiums payable for 15 years) |  |                                    |                | 50%  | 2%       |
| Lifecheque Renewable (T10)   |  |                                    |                | 40%  | 2%       |
| Riders   | Children's Lifecheque Rider  |                                    |                | 50%  | 2%       |
|  | Return of Premium Rider <b>(ROPX)</b><br>Return of Premium with Early Surrender Option <b>(ROPS)</b><br>Return of Premium on Death Rider <b>(ROPD)</b> |                                    |                | 30%  | 2%       |
|  | Waiver of Premium on Disability Rider  |                                    |                | 50%  | 2%       |
| Policy fee   |  |                                    |                | 50%  | 2%       |
| Coverage Option Change   | T10 to T20   | Insurance and ROPD rider coverages | All Ages       | 25%  | 2%       |
| Coverage Type Change<br>(Policy Date on or after October 20, 2012) <sup>2</sup>  | Renewable to Level   | Insurance coverage                 | Ages 19 – 55   | 50%  | 2%       |
|  |  |                                    | Ages 56 and up | 2%   | 2%       |
|  |  | ROPD rider coverage                | Ages 19 – 55   | 30%  | 2%       |
|  |  |                                    | Ages 56 and up | 2%   | 2%       |
|  | Renewable to Primary or Permanent (payable until attained age 100)   | Insurance coverage                 | All Ages       | 50%  | 2%       |
|  |  | ROPD rider coverage                |                | 30%  | 2%       |
| Plan Change  | Renewable to Permanent (payable for 15 years)  | Insurance coverage                 | All Ages       | 50%  | 2%       |
|  |  | ROPD rider coverage                |                | 30%  | 2%       |

# Individual Living Benefits Products (continued)

## Lifecheque

### Important notes about the above chart:

1. Coverage Option change, Coverage Type change and Plan change:
  - Any commission payable on a new Lifecheque coverage, that results from a Coverage Option change, Coverage Type change or a Plan change, will be payable to the advisor(s) who submits the signed change request from the policy owner.
  - The applicable commission rate is the rate in effect on the effective date of the change
2. For a policy dated prior to October 20, 2012, the Coverage Type change commission details are as follows:
  - Changes from Renewable to Level (insurance and ROPD rider coverages)
    - 25% first coverage year commission, 2% renewal commission years 2+ (ages 19-55)
    - 2% renewal commission applicable to all years (ages 56 and up)
  - Changes from Renewable to Permanent payable until attained age 100 (insurance and ROPD rider coverages)
    - 30% first coverage year commission, 2% renewal commission years 2+ (all ages)
  - The applicable commission rate is the rate in effect on the effective date of the change.
  - The same Coverage Type change reduced commission rates will apply to 10-year Renewable ROPX or ROPS coverages, dated prior to February 12, 2005, that are changed to Level ROPX or ROPS.
3. Recognition Credits are equal to 2 times the sum of the following components:
  - 100% of annualized first coverage year commission for insurance and rider coverages, except for Level coverages resulting from a change from Renewable at age 56 or older, and
  - 100% of annualized first policy year commission for the policy fee.
4. Override Credits are equal to the sum of the following components:
  - 100% of annualized first coverage year commission for insurance and rider coverages, except for Level coverages resulting from a change from Renewable at age 56 or older, and
  - 100% of annualized first policy year commission for the policy fee.
5. Please refer to LivingCare for commissions payable on the new LivingCare policy when exercising the Continuation Option.
6. See 'Producer of record when a new coverage is added to an Individual Life or Living Benefit policy' in the General section of this schedule for details on who receives commission when a new coverage is added to an existing policy.

# Individual Living Benefits Products (continued)

## LivingCare

| Type of coverage   |   | Commission Rate<br>(Percentage of premium) |          |
|--|---|--|----------|
|  |   | First Year                                 | Years 2+ |
| LivingCare insurance coverage  |   | 50%  | 2%       |
| Riders   | Inflation Protection Rider <b>(IPR)</b><br>Return of Premium on Death Rider <b>(ROPD)</b> | 30%  | 2%       |
| Policy fee   |   | 50%  | 2%       |
| LivingCare policy issued as a result of exercising the Continuation Option under a Lifecheque Permanent insurance coverage | LivingCare insurance coverage   | 25%  | 2%       |
|  | Return of Premium on Death Rider <b>(ROPD)</b>  | 30%  | 2%       |
|  | Policy fee  | 25%  | 2%       |

### Important notes about the above chart:

- The policy fee first year commission only applies in the first policy year. First year insurance and rider coverage commissions apply in the first coverage year of any coverage.
- First year and renewal commissions are earned monthly, regardless of the premium frequency.
- Renewal commissions are paid monthly, regardless of the premium frequency.
- Recognition Credits are equal to 2 times the sum of the following components:
  - 100% of annualized first coverage year commission for insurance and rider coverages; plus
  - 100% of annualized first policy year commission for the policy fee.
- Override Credits are equal to the sum of the following components:
  - 100% of annualized first coverage year commission for insurance and rider coverages; plus
  - 100% of annualized first policy year commission for the policy fee.
- See 'Producer of record when a new coverage is added to an Individual Life or Living Benefit policy' in the General section of this schedule for details on who receives commission when a new coverage is added to an existing policy.

## Disability Insurance

| Type of product  |                              | Commission Rate<br>(Percentage of Annual Premium) |           |          |
|--|------------------------------|---|-----------|----------|
|  |                              | First Year  | Years 2-5 | Years 6+ |
| Proguard Series, Venture Series                                |                              | 50%   | 8%        | 5%       |
| ExpenseComp, Buy-Sell Plus                                     |                              | 30%   | 10%       | 5%       |
| Riders   | Premium Refund <b>(PRR)*</b> | 5%  | 5%        |          |
|  | Other Riders                 | Same as base                                      |           |          |
| Policy fee<br>(Proguard Series, Venture Series, Buy-Sell Plus) |                              | Same as base                                      |           |          |

\* Available only on Proguard Series, Venture Series and ExpenseComp.

### Important notes about the above chart:

- Same as base** is in reference to the commission rate applicable to the base policy to which the rider is attached.
- Recognition Credits are equal to 2 times the sum of the following components:
  - 100% of annualized first coverage year commission for insurance and rider coverages; plus
  - 100% of annualized first policy year commission for the policy fee.
- Override Credits equal to the First Year Commission (FYC) payable on the coverage will be generated.
- First year commission and renewal commission will be payable for additional insurance coverages purchased under an Additional Insurance Rider or Future Income Option. The commission rates specified above will apply to coverages
  - dated on or after the effective date of this schedule, and
  - added to policies issued under the current version of the product.
- First year commission and renewal commissions will be payable for increases in coverage allowed under the Automatic Coverage Enhancement provision. The commission rates applicable to the increase will be those for the insurance coverage to which the enhancement applies.

The Company will determine commission payable on all policies or benefits not listed where the maximum coverage on any one life with the Company exceeds our underwriting rules.

# Individual Living Benefits Products (continued)

## Personal Accident

| Type of Coverage                                 | Commission Rate | Commission Rate | Commission Rate |
|--|-----------------|-----------------|-----------------|
|  | First Year      | Years 2 to 5    | Year 6+         |
| 24 hour Compensation (0, 30, 120)                | 30%             | 8%              | 5%              |
| 24 hour ADE – 3 yr & to age 65                   | 30%             | 8%              | 5%              |
| Non-Occ (0, 30, 120)                             | 30%             | 8%              | 5%              |
| Non-Occ ADE – 3 yr & to age 65                   | 30%             | 8%              | 5%              |
| Sickness Disability (0, 30, 120)                 | 30%             | 8%              | 5%              |
| Sickness Disability Extension – 3 yr & to age 65 | 30%             | 8%              | 5%              |
| Sickness Hospitalization (P.I. only)             | 30%             | 8%              | 5%              |
| Cash Hospital Plan (4 options available)         | 30%             | 8%              | 5%              |
| Accident Excess Medical                          | 30%             | 8%              | 5%              |
| Accidental Death                                 | 30%             | 8%              | 5%              |
| Accidental Death & Dismemberment (P.I. only)     | 30%             | 8%              | 5%              |
| Return of Premium                                | 30%             | 8%              | 5%              |
| Return of Premium on Death                       | 30%             | 8%              | 5%              |

### Important notes about the above chart:

Override Credits and Recognition Credits equal to the Annualized First Year Commission (AFYC) payable on the policy will be generated.

**Chargebacks.** Where any existing Personal Accident Disability insurance policy/coverage in respect of which first-year commission or bonus/override was paid or is payable to the Advisor lapses, is cancelled or is replaced, or the premium is returned for any reason before the policy/coverage has been in force two (2) years, then there shall be a charge back to the Advisor against the unearned first-year commission or bonus/override in respect of such policy/coverage. The amount of the chargeback against first year commission depends on the number of complete months the policy/coverage has been in force, as follows:

| # of Months In Force | % of First Year Commission Charged Back | # of Months In Force | % of First Year Commission Charged Back | # of Months In Force | % of First Year Commission Charged Back |
|----------------------|---|----------------------|---|----------------------|---|
| 0 months             | 100%                                    | 9 months             | 62.50%                                  | 18 months            | 25%                                     |
| 1 month              | 95.80%                                  | 10 months            | 58.30%                                  | 19 months            | 20.80%                                  |
| 2 months             | 91.70%                                  | 11 months            | 54.20%                                  | 20 months            | 16.70%                                  |
| 3 months             | 87.50%                                  | 12 months            | 50%                                     | 21 months            | 12.50%                                  |
| 4 months             | 83.30%                                  | 13 months            | 45.80%                                  | 22 months            | 8.30%                                   |
| 5 months             | 79.20%                                  | 14 months            | 41.70%                                  | 23 months            | 4.20%                                   |
| 6 months             | 75%                                     | 15 months            | 37.50%                                  |                      |   |
| 7 months             | 70.80%                                  | 16 months            | 33.30%                                  |                      |   |
| 8 months             | 66.70%                                  | 17 months            | 29.20%                                  |                      |   |

The amount of the chargeback against bonus/override shall be determined in accordance with terms to be established by Manulife Financial and communicated to the Advisor from time to time.

# Individual Living Benefits Products (continued)

## Extended Health Care

| Plan  | Province                 | Commission Rate<br>(percentage of premium) |          |
|---|--------------------------|--|----------|
|   |                          | 1st year                                   | Years 2+ |
| Flexicare Extended Health and Dental Plans      | Ontario & Western Canada | 20%  | 5%       |
|   | Quebec                   | 25%  | 9%       |
|   | Maritimes                | 25%  | 10%      |
| Follow Me and Association Health & Dental Plans | Ontario & Western Canada | 20%  | 5%       |
|   | Quebec                   | 20%  | 5%       |
|   | Maritimes                | 20%  | 5%       |

### Important notes about the above chart:

Override Credits and Recognition Credits equal to 25% of the Annualized First Year Commission (AFYC) payable on the policy will be generated.

**Commission.** Manulife Financial will pay commissions to the Advisor in respect of individual Extended Health and Dental insurance policies issued from applications received during the term of this Agreement from the Advisor. Such commission shall be based on annualized first-year and renewal premiums received and retained by Manulife Financial in respect of such policies.

Except as otherwise noted in this Product Schedule, if there is a change in monthly premium rates due to marriage, birth, new age bracket, death, divorce, dependent child attaining age 21 et cetera, no adjustment in either first year or renewal commission shall apply. Renewal commission is payable when a policy is renewed and is paid to the Advisor as long as he or she is still the servicing Advisor of Record and has an Advisor's Agreement with Manulife Financial in good standing covering the Products listed in this Product Schedule. Otherwise renewal commission is paid to the current servicing agent (if any).

**Chargebacks.** Where any existing Extended Health and Dental insurance policy in respect of which first-year commission is payable to the Advisor lapses, is cancelled or is replaced, or the premium is returned for any reason before the policy or coverage has been in force for twelve (12) months, then there shall be a pro-rata charge back to the Advisor against the unearned first-year commission in respect of such policy. In addition, if there is a change from family coverage to single coverage during the first twelve (12) months the policy has been in force for other than a bona fide reason, a pro rata chargeback shall, at the sole discretion of Manulife Financial, apply. Renewal commission shall not be subject to chargeback.

## Lifecheque Basic Critical Illness

| Plan             | 1st year | Years 2+ |
|------------------|----------|----------|
| Lifecheque Basic | 25%      | 2%       |

### Important notes about the above chart:

Override Credits and Recognition Credits equal to the Annualized First Year Commission (AFYC) payable on the policy will be generated.

**Commission.** Manulife Financial will pay commissions to the Advisor in respect of individual Critical Illness insurance policies issued from applications received during the term of this Agreement from the Advisor. Such commission shall be based on a percentage of first-year and renewal premiums received and retained by Manulife Financial in respect of such policies.

Renewal commission is payable when a policy is renewed and is paid to the Advisor as long as it is still the servicing Advisor of Record. Otherwise renewal commission is paid to the current servicing agent (if any).

**Chargebacks.** Where any existing Critical Illness insurance policy in respect of which first-year commission is payable to the Advisor lapses, is cancelled or is replaced, or the premium is returned for any reason before the policy or coverage has been in force for twelve (12) months, then there shall be a pro-rata charge back to the Advisor against the unearned first-year commission in respect of such policy. Renewal commission shall not be subject to chargeback.



# Individual Living Benefits Products (continued)

## Manulife Financial Travel Insurance

| Plan                                    | Commission Rate<br>(percentage<br>of premium) | Commission Rate<br>(percentage<br>of premium) |
|---|---|---|
|   | Ages 0 to 54                                  | Age 55 or more                                |
| Single Trip Emergency Medical           | 30%   | 15%   |
| Quick Trip Plan                         | N/A   | 30%   |
| Multi-Trip Emergency Medical            | 20%   | 20%   |
| Single Trip All-Inclusive               | 30%   | 15%   |
| Multi Trip All-Inclusive                | 20%   | 20%   |
| Visitors to Canada                      | 35%   | 35%   |
| BounceBack                              | 20%   | 20%   |
| Trip Cancellation & Interruption Plan   | 30%   | 30%   |
| Medical Underwriting Plan               | N/A   | 10%   |
| Travel80 Term Travel – FYC <sup>1</sup> | 40%   | 40%   |
| Travel80 Term Travel-Renewal            | 5%  | 5%  |
| Travel80 Term Travel Top Up             | 30%   | 15%   |
| Student Plan                            | 30%   | N/A   |

<sup>1</sup> Override Credits and Recognition Credits equal to the Annualized First Year Commission (AFYC) payable on the policy will be generated.

**Commission.** Manulife Financial will pay commissions to the Advisor in respect of individual Travel insurance policies issued from applications received during the term of this Agreement from the Advisor. Such commission shall be based on a percentage of premiums received and retained by Manulife Financial in respect of such policies. All commission payable is expressed as a portion of total premium, exclusive of all applicable sales taxes and administrative fees.

**Chargebacks.** Where the insured under an individual Travel insurance policy other than the Travel80 Term Travel Insurance Plan does not travel and obtains a full refund of premiums paid, or returns early and obtains a partial refund of premiums paid, or obtains a refund of premiums or fails to pay premiums for any other reason, then any commission advanced in respect of such refunded or unpaid premiums shall be charged back to the Advisor.

Where any Travel80 Term Travel Insurance policy in respect of which first-year commission and/or bonus/override was paid or is payable to the Advisor lapses, is cancelled or is replaced, or the premium is returned for any reason before the policy has been in force two (2) years, then there shall be a chargeback to the Advisor against the unearned first-year commission and/or bonus/override in respect of such policy. The amount of the chargeback against first year commission depends on the number of complete months the policy has been in force.

# Individual Guaranteed Interest Contracts

## Manulife Investments GIC & Manulife GIF Investment Account (MLIA)

Manulife Investments GIC and MLIA compensation is paid up-front on the amount deposited or reinvested based on the investment account and term length selected

### Daily Interest Account

|                        | <b>Per year commission rate*</b> | <b>Commission paid*</b><br>(calculated daily and paid monthly) | <b>Recognition Credits earned*</b><br>(payable at the same time as commissions) |
|------------------------|----------------------------------|--|---|
| Daily Interest Account | 0.2%                             | $0.2\% / 12 = 0.01666\%$                                       | 50% of Commissions paid   |

\*Commission is pro-rated for partial months

### Basic Account

| Term length<br>(whole years)             | Cashable                          |   | Non-cashable                      |   | Recognition Credits earned*<br>(payable at the same time as commissions) |
|--|-----------------------------------|---|-----------------------------------|---|--|
|  | Per year of term commission rate* | Commission paid*<br>(paid up-front on amount deposited or reinvested into a new term) | Per year of term commission rate* | Commission paid*<br>(paid up-front on amount deposited or reinvested into a new term) |  |
| 1  | 0.4%                              | 0.4%  | 0.2%                              | 0.2%  | 50% of Commissions paid  |
| 2  | 0.4%                              | 0.8%  | 0.2%                              | 0.4%  |  |
| 3  | 0.4%                              | 1.2%  | 0.2%                              | 0.6%  |  |
| 4  | 0.4%                              | 1.6%  | 0.2%                              | 0.8%  |  |
| 5  | 0.4%                              | 2.0%  | 0.2%                              | 1.0%  |  |
| 6  | 0.4%                              | 2.4%  | 0.2%                              | 1.2%  |  |
| 7  | 0.4%                              | 2.8%  | 0.2%                              | 1.4%  |  |
| 8  | 0.4%                              | 3.2%  | 0.2%                              | 1.6%  |  |
| 9  | 0.4%                              | 3.6%  | 0.2%                              | 1.8%  |  |
| 10                                       | 0.4%                              | 4.0%  | 0.2%                              | 2.0%  |  |
| 11 to 30 (RRIF/LIF/LRIF/PRIF plans only) | 0.4% for 10 years                 | 4.0% (max)  | n/a                               | n/a   |  |

\*Commission is pro-rated for partial term periods

### Escalating Rate Account

| Term length<br>(whole years) | Per year of term commission rate | Commission paid<br>(paid up-front on amount deposited or reinvested into a new term) | Recognition Credits earned<br>(payable at the same time as commissions) |
|------------------------------|----------------------------------|--|---|
| <b>3 year</b>                | 0.4%                             | 1.2%   | 50% of Commissions paid   |
| <b>5 year</b>                | 0.4%                             | 2.0%   |   |

# Individual Guaranteed Interest Contracts (continued)

## Laddered Account

| Account Option  | Per year of term commission rate | Commission paid<br><small>(paid up-front on amount deposited or reinvested into a new term)</small>  | Recognition Credits earned<br><small>(payable at the same time as commissions)</small> |
|---|----------------------------------|--|--|
| <p><b>5 year</b><br/><small>(deposit split equally into individual terms of 1 thru 5 years)</small></p>   | 0.4%, for each individual term   | <p>1/5th of deposit @ 0.4% for 1 year<br/>                     1/5th of deposit @ 0.8% for 2 year<br/>                     1/5th of deposit @ 1.2% for 3 year<br/>                     1/5th of deposit @ 1.6% for 4 year<br/>                     1/5th of deposit @ 2.0% for 5 year</p> <p>TOTAL deposit 1.2%</p>  | 50% of Commissions paid  |
| <p><b>10 year</b><br/><small>(deposit split equally into individual terms of 1 thru 10 years)</small></p> | 0.4%, for each individual term   | <p>1/10th of deposit @ 0.4% for 1 year<br/>                     1/10th of deposit @ 0.8% for 2 year<br/>                     1/10th of deposit @ 1.2% for 3 year<br/>                     1/10th of deposit @ 1.6% for 4 year<br/>                     1/10th of deposit @ 2.0% for 5 year<br/>                     1/10th of deposit @ 2.4% for 6 year<br/>                     1/10th of deposit @ 2.8% for 7 year<br/>                     1/10th of deposit @ 3.2% for 8 year<br/>                     1/10th of deposit @ 3.6% for 9 year<br/>                     1/10th of deposit @ 4.0% for 10 year</p> <p>TOTAL deposit 2.2%</p> |  |

## Market Growth Account

|  | Per year commission rate* | Commission paid   | Recognition Credits earned<br><small>(payable at the same time as commissions)</small> |
|--|---------------------------|---|--|
| <p><b>Market Growth Account Term</b><br/><small>(term length may vary)</small></p> | 0.5%                      | <p>Total amount will be paid up-front based on term length<br/><small>(i.e. a 7-year term would pay 3.5%)</small></p> | 50% of Commissions paid  |

# Individual Guaranteed Interest Contracts (continued)

## Important notes

### Advisor Rate Discretion Option

- For Basic Account (cashable), Escalating Rate Account and Laddered Account a rate can be increased by as much as 0.4%/year of term, in exchange for reduced advisor commission. (i.e. If an advisor authorizes a 0.10% rate increase on a 5 year Basic Account (cashable) investment option, the per year commission rate will be reduced by 0.10% to 0.30%. The commission paid will be 0.30% x 5 years = 1.5% and Recognition Credits earned will be 50% of the commission paid)
- For the Basic Non-cashable Account, a rate can be increased by as much as 0.2%/year of term, in exchange for reduced commissions. (i.e. If an advisor authorizes a 0.10% rate increase on a 5 year Basic Non-cashable Account investment option, the per year commission rate will be reduced by 0.10% to 0.10%, the commission paid will be 0.10% x 5 years = 0.5% and Recognition Credits earned will be 50% of the commission paid)
- Commission paid and Recognition Credits earned will be proportionally reduced by any **advisor rate discretion** offered
- Rate Discretion is not available for terms greater than 10 years.
- Rate discretion is not available for the Daily Interest Account or the Market Growth Account

### Producer of Record

- Commissions are paid while Producer of Record remains unchanged. See item (d) in the *General* section of this document.

### Commission Chargebacks

- Commission chargebacks will apply
  - In the event of death of the annuitant, for terms that extend past age 90, excluding individual terms within RRIF contracts with deposit dates before January 1, 2003 and MLIA GIA's with a deposit date prior to November 14, 2005.
  - If the annuitant dies within 90 days of the contract being issued

### Commission Chargeback Calculations

- Term Exceeds Annuitants 90th birthday
 

|            |   |             |   |   |
|------------|---|-------------|---|---|
| Total      | = | Total       | X | The number of days                        |
| Chargeback |   | Commissions |   | between the term                          |
| Amount     |   | Paid        |   | maturity date and                         |
|            |   |             |   | the later of date of                      |
|            |   |             |   | death or annuitant's                      |
|            |   |             |   | 90 <sup>th</sup> birthday                 |
|            |   |             |   | Total number of days in original GIA term |

- Annuitant dies within 90 days of the contract being issued
 

|            |   |             |   |  |
|------------|---|-------------|---|--|
| Total      | = | Total       | X | # of days from the date                  |
| Chargeback |   | Commissions |   | of death to the term(s)                  |
| Amount     |   | Paid        |   | maturity date                            |
|            |   |             |   | Total length of term(s) selected in days |

# Individual Annuities – Immediate

## Single Premium Immediate Annuities

### I. Life Contingent Immediate Annuities - Internal (Standard Alternate) and External Funds

| Premium  | Commission Rate | Recognition Credits              |
|--|-----------------|----------------------------------|
| First \$100,000 Single Premium                   | 3.0%            | 50% of Single Premium Commission |
| Next \$100,000 Single Premium                    | 2.0             |                                  |
| For amounts between \$200,000 and \$2 million    | 1.0%            |                                  |
| For amounts over \$2 million contact Head Office |                 |                                  |

### II. Term Certain Annuities - Internal (Standard Alternate) and External Funds

Commissionable period is defined as the period from the purchase date to the last payment date of the Term Certain Annuity. This term may be different then the Term Certain period.

| Commissionable Period | Commission Rate*               |                               |   |
|-----------------------|--------------------------------|-------------------------------|---|
|                       | First \$100,000 Single Premium | Next \$100,000 Single Premium | For amounts between \$200,000 and \$2 Million |
| 1                     | 0.4%                           | 0.3%                          | 0.1%  |
| 2                     | 0.8%                           | 0.5%                          | 0.3%  |
| 3                     | 1.2%                           | 0.8%                          | 0.4%  |
| 4                     | 1.6%                           | 1.1%                          | 0.5%  |
| 5                     | 2.0%                           | 1.3%                          | 0.7%  |
| 6                     | 2.1%                           | 1.4%                          | 0.7%  |
| 7                     | 2.2%                           | 1.5%                          | 0.7%  |
| 8                     | 2.3%                           | 1.5%                          | 0.8%  |
| 9                     | 2.4%                           | 1.6%                          | 0.8%  |
| 10                    | 2.5%                           | 1.7%                          | 0.8%  |
| 11                    | 2.6%                           | 1.7%                          | 0.9%  |
| 12                    | 2.7%                           | 1.8%                          | 0.9%  |
| 13                    | 2.8%                           | 1.9%                          | 0.9%  |
| 14                    | 2.9%                           | 1.9%                          | 1.0%  |
| 15 and up             | 3.0%                           | 2.0%                          | 1.0%  |

\*Interpolate commission rates for intermediate terms (rounded to one decimal place). Recognition Credits are equal to 50% of Single Premium.

For example, on a 10-year Term Certain Annuity, with a 10-year commissionable period, and a single premium of \$150,000:

|                  |   |             |
|------------------|---|-------------|
| 100,000 x 2.5%   | = | \$ 2,500.00 |
| 50,000 x 1.7%    | = | \$ 850.00   |
| Total commission | = | \$ 3,350.00 |

### Commission Chargebacks

Commission chargebacks will apply (sections I. and II. only):

- If the last surviving annuitant dies within 90 days of the contract purchase date, and the contract is closed upon settlement, 100% of the commission is charged back
- If the last surviving annuitant dies after 90 days, but within 24 months from the contract purchase date, and the annuitant was 90 years of age or older when purchased, and the contract is closed upon settlement, commissions are subject to 24 month pro-rated chargeback

### Commission Chargeback Calculations

Example: \$100,000 Life annuity purchased with 91 year old annuitant. Total commission payable of \$3,000.

- Last surviving annuitant dies within 90 days of the contract purchase date, and contract is closed upon settlement  
Total Chargeback Amount = \$3000
- Last surviving annuitant dies 6 months after the contract purchase date, and contract is closed upon settlement  
24 Month Prorated Chargeback Amount =  
 $(24 - 6)/24 \times \$3,000 = \$2,250$

### III. Structured Settlements

| Premium                                   | Commission Rate | Recognition Credits              |
|---|-----------------|----------------------------------|
| First \$2,000,000 Single Premium          | 3.0%            | 50% of Single Premium Commission |
| For amounts over \$2,000,000 contact H.O. |                 |                                  |

# Settlement Fees and Alternate Annuity Basis on Annuitization

## 2. Select Basis

Applicable to certain Manulife Financial products sold prior to the 1974 rate manual revision, and to most Dominion Life products, which contain guaranteed enhancements greater than the Internal (Standard Alternate) and External basis set out on the previous page.

### (a) Compensation:

|                                       | Premium                        | Commission Rate | Recognition Credits |
|---------------------------------------|--------------------------------|-----------------|---------------------|
| For funds subject to a 2% enhancement | First \$100,000 Single Premium | 1.8%            | 50% of              |
|                                       | Next \$100,000 Single Premium  | 0.8             | Single              |
|                                       | Excess                         | 0.0             | Premium Commission  |

|                                       | Premium                        | Commission Rate | Recognition Credits |
|---------------------------------------|--------------------------------|-----------------|---------------------|
| For funds subject to a 3% enhancement | First \$100,000 Single Premium | 1.1%            | 50% of              |
|                                       | Next \$100,000 Single Premium  | 0.1             | Single              |
|                                       | Excess                         | 0.0             | Premium Commission  |

### (b) Annuity Enhancement: Per the policy guarantee

**Exception:** Commission is not payable on annuitization of Flexible Retirement Annuities (FRA) written since September 14, 1979.

**Note:** Where funds are received from more than one source, commissions will be paid in the following order: Internal (Standard Alternate) and External, funds subject to enhancement (2%, then 3%).

# Manulife PensionBuilder

## General Information

### Trailer Fees

Trailer Fees are earned beginning on the settlement date and are paid monthly or quarterly (as decided by each Dealer). Quoted Trailer Fees are annual amounts.

### 90-Day DSC Commission Chargeback

A DSC commission chargeback will apply if the annuitant dies within 90 days of the contract being issued and Back-end funds were purchased. The chargeback will be equal to the unamortized commission as shown below :

$$\frac{\text{Total Commission Paid} \times \text{\# of days from the date of death to end of the DSC schedule}}{\text{Total Deferred Sales Charge length in days}}$$

### Rate calculations

Sales made through the Manulife Advisor Channel under Dealer code 3254 are subject to the following program. The net commissions payable to the selling representative are based on a sliding scale that reflects total volume.

### Net Commission Payable

| Gross Commission    | Net % Payable To Representative |
|---------------------|---------------------------------|
| Less than \$57,499  | 70                              |
| 57,500 - 59,999     | 72                              |
| 60,000 - 69,999     | 76                              |
| 70,000 - 79,999     | 78                              |
| 80,000 - 109,999    | 80                              |
| 110,000 - 139,999   | 82                              |
| 140,000 - 169,999   | 84                              |
| 170,000 - 199,999   | 86                              |
| 200,000 - 224,999   | 88                              |
| 225,000 - 249,999   | 88                              |
| \$ 250,000 and over | 90                              |

## Sales Commission

Sales commissions are credited at the time of settlement and paid out on the next available earnings statement.

### Recognition Credits

New Sales

1.8% of new deposits

AUM

0.01% x AUM at end of month = monthly Recognition Credits.

| Gross Commission Schedule  |       |
|----------------------------|-------|
| Back-end Commission        | 4%    |
| Back-end Trailer           |       |
| Year 1-8 after deposit     | 0.10% |
| Year >8                    | 0.25% |
| Front-end Commission       | 0%-3% |
| Front-end Trailer          | 0.50% |
| Low-load Commission        | 1%    |
| Low-load Trailer           | 0.50% |
| Elite Back-end Commission  | 4%    |
| Elite Back-end Trailer     |       |
| Year 1-8 after deposit     | 0.05% |
| Year >8                    | 0.13% |
| Elite Front-end Commission | 0%-3% |
| Elite Front-end Trailer    | 0.38% |
| Elite Low-load Commission  | 1%    |
| Elite Low-load Trailer     | 0.38% |
| F-class Commission         | n/a   |
| F-class Trailer            | n/a   |

# Segregated Funds

## General Information

### Trailer Fees

Trailer Fees are earned beginning on the settlement date and are paid monthly or quarterly (as decided by each Dealer). Quoted Trailer Fees are annual amounts.

### Manulife DCA Advantage Fund Commission Chargeback

A commission chargeback will apply if Dollar-Cost Averaging information is not provided within 90 days of the deposit into the Manulife DCA Advantage Fund. The chargeback will be equal to the amount of commission paid on the deposit into the Manulife DCA Advantage Fund.

### 90-Day DSC Commission Chargeback

A DSC commission chargeback will apply if the annuitant dies within 90 days of the contract being issued and Back-end funds were purchased. The chargeback will be equal to the unamortized commission as shown below :

### GIF Select

$$\frac{\text{Total Commission Paid} \times \text{\# of days from the date of death to end of the DSC schedule}}{\text{Total Deferred Sales Charge length in days}}$$

### Rate calculations

Sales made through the Manulife Advisor Channel under Dealer code 3254 are subject to the following program. The net commissions payable to the selling representative are based on a sliding scale that reflects total volume of:

#### Gross Commissions and Gross Trailer Fees for

- GIF / GIF *encore* & GIF Select
- Third Party mutual funds (sold through Manulife Securities)
- Former Maritime Life Seg Funds and

#### Commissions and Trailer Fees for

- Vista Fund
- Vista RRIF
- NAL-Investor

### Net Commission Payable

| Gross Commission    | Net % Payable To Representative |
|---------------------|---------------------------------|
| Less than \$57,499  | 70                              |
| 57,500 - 59,999     | 72                              |
| 60,000 - 69,999     | 76                              |
| 70,000 - 79,999     | 78                              |
| 80,000 - 109,999    | 80                              |
| 110,000 - 139,999   | 82                              |
| 140,000 - 169,999   | 84                              |
| 170,000 - 199,999   | 86                              |
| 200,000 - 224,999   | 88                              |
| 225,000 - 249,999   | 88                              |
| \$ 250,000 and over | 90                              |

### Sales Commission

Sales commissions are credited at the time of settlement and paid out on the next available earnings statement.

### Recognition Credits

Segregated Funds - New Sales  
1.8% of new deposits

Segregated Funds - AUM  
0.01% x Seg Fund AUM at end of month = monthly Recognition Credits.



# Segregated Funds (continued)

## GIF & GIF *encore*

### Gross Commission Schedule

|                             | Fund Class        |                        |                              |
|-----------------------------|-------------------|------------------------|------------------------------|
|                             | Money Market Fund | Bond <sup>1</sup>      | All Other Funds <sup>3</sup> |
| <b>Front-end Commission</b> | 0 - 1.00%         | 0 - 2.00% <sup>2</sup> | 0 - 3.00%                    |
| <b>Front-end Trailer</b>    | 0.40%             | 0.50%                  | 1.00%                        |
| <b>Back-end Commission</b>  | 2.00%             | 3.50%                  | 5.00%                        |
| <b>Back-end Trailer</b>     | 0.20%             | 0.25%                  | 0.50%                        |
| <b>No-load Trailer*</b>     | 0.20%             | n/a                    | n/a                          |

1 includes closed versions of Dividend funds

2 includes all Dividend funds currently open for sale

3 includes the Manulife Dollar-Cost Averaging Advantage GIF

## GIF Select

### Gross Commission Schedule

|  | Fund Class        |                    |                              |
|--|-------------------|--------------------|------------------------------|
|  | Money Market Fund | Fixed Income Funds | All Other Funds <sup>1</sup> |
| <b>Back-end Commission</b>   | 1.00%             | 2.5%               | 5.00%                        |
| <b>Back-end Trailer</b><br><b>For contracts issued prior to October 5, 2009</b><br>Year 1-8 after deposit<br>Year >8 | 0.15%<br>0.25%    | 0.25%<br>0.50%     | 0.50%<br>1.00%               |
| <b>For contracts issued on or after October 5, 2009</b><br>All years   | 0.15%             | 0.25%              | 0.50%                        |
| <b>Front-end Commissions</b>   | 0%-5%             | 0%-5%              | 0%-5%                        |
| <b>Front-end Trailer</b>   | 0.25%             | 0.50%              | 1.00%                        |
| <b>Low-load Commission</b>   | 0.50%             | 1.00%              | 2.00%                        |
| <b>Low-load Trailer</b><br>Year 1-3<br>Year >3   | 0.15%<br>0.25%    | 0.25%<br>0.50%     | 0.50%<br>1.00%               |
| <b>Elite Back-end Commission</b>   | n/a               | 2.50%              | 5.00%                        |
| <b>Elite Back-end Trailer</b><br><b>All years</b>  | n/a               | 0.13%              | 0.25%                        |
| <b>Elite Front-end Commission</b>  | n/a               | 0%-3%              | 0%-3%                        |
| <b>Elite Front-end Trailer</b>   | n/a               | 0.38%              | 0.75%                        |
| <b>Elite Low-load Commission</b>   | n/a               | 1%                 | 2%                           |
| <b>Elite Low-load Trailer</b><br>Year 1-3<br>Year >3   | n/a<br>n/a        | 0.05%<br>0.38%     | 0.10%<br>0.75%               |
| <b>F-class Commission</b>  | n/a               | n/a                | n/a                          |
| <b>F-class Trailer</b>   | n/a               | n/a                | n/a                          |

**NOTE:** Moving money between sales charge options is a sell/buy and must be considered carefully. For the IncomePlus Series, the sell transaction may exceed the annual guaranteed withdrawal thresholds which may cause a reduction to future guaranteed income. The sell transaction will also make the contract ineligible for a Guaranteed Withdrawal Balance Bonus in that calendar year. Additionally, there are maximum age restrictions for buy transactions.

1 Includes the Dollar-Cost Averaging Advantage Fund.

# Segregated Funds (continued)

## Manulife GIF Investment Portfolio (MLIP)

### Gross Commission Schedule

| Fund Class                                    | Gross Commission |          | Asset Based Compensation (Trailer) |          |
|---|------------------|----------|------------------------------------|----------|
|   | Front-end        | Back-end | Front-end                          | Back-end |
| Money Market (non-Dollar Cost Averaging) Fund | 0 - 5.000%       | 2.00%    | 0.40%                              | 0.20%    |
| Money Market (Dollar Cost Averaging) Fund     | n/a              | 5.00%    | N/A                                | 0.50%    |
| Bond Funds                                    | 0 - 5.000%       | 4.00%    | 0.50%                              | 0.25%    |
| All Other Funds                               | 0 - 5.000%       | 5.00%    | 1.00%                              | 0.50%    |

## Manulife GIF Capital Accumulator Plan (CAP)\*

### Gross Commission Schedule

#### Gross Commission Paid on Premium

|                   | Gross commission | Asset Based Comp** |
|-------------------|------------------|--------------------|
| Money Market Fund | 2.00%            | 0.25%              |
| Bond Funds        | 4.00%            | 0.25%              |
| All other Funds   | 6.50%            | 0.25%              |

\*Changes to the Commission structure were effective October 24, 2005

\*\*Asset based compensation will be paid on the market value of all funds with the exception of plans which were issued prior to 1990 with Investments in Growth, Money Market, Balanced and Bond funds.

Note: Bonus to the client beginning in the 15th policy year will pay a 6.5% commission to the advisor and no DSC to the client.

## Manulife GIF Investment Account (MLIA)<sup>1</sup>

### Gross Commission Schedule

|         | Gross Commissions <sup>2</sup> | Asset Based Compensation (Trailer) <sup>3</sup> |            |            |
|---------|--------------------------------|---|------------|------------|
|         | All Funds                      | Money Market                                    | Bond Funds | All others |
| Class A | 3.00%                          | 0.20%   | 0.45%      | 1.00%      |
| Class B | 3.00%                          | 0.10%   | 0.40%      | 0.75%      |

<sup>1</sup> Changes to the Commission structure are effective November 14, 2005

<sup>2</sup> Class A and Class B commissions are subject to 24 month prorated chargeback on withdrawal/transfer. RIF/SWP payments do not generate a commission chargeback

<sup>3</sup> Class A trailers are paid on the accumulated value less deposits made in the previous 2 years Class B trailers pay 1/2 the specified amount in the first 2 years

# Segregated Funds (continued)

## Maritime Life Series R and Series RII Segregated Funds

### Gross Commission Schedule

| Fund            | Gross Commissions |          | Asset Based Compensation (Trailers) |          |                |          |
|-----------------|-------------------|----------|-------------------------------------|----------|----------------|----------|
|                 | Premium-Based*    |          | Premium-Based*                      |          | Contract-Based |          |
|                 | Front-end         | Back-end | Front-end                           | Back-end | Front-end      | Back-end |
| Money Market    | 0-3.00%           | 5.00%    | 0.50%                               | 0.00%    | 0.50%          | 0.00%    |
| Bond Fund       | 0-3.00%           | 5.00%    | 1.00%                               | 0.25%    | 1.00%          | 0.27%    |
| All other funds | 0-5.00%           | 5.00%    | 1.00%                               | 0.50%    | 1.00%          | 0.54%    |

\*Premium based contracts include Series R Premium-Based, Series II-R and Simplicity Plus.

## VistaFund

### Gross Commission Schedule

| Fund Class                                   | Option 1 (Front-end) Trailer | Option 2 (Back-end) Trailer |
|--|------------------------------|-----------------------------|
| Manulife Money GIF                           | 0.40% gross                  | 0.20% gross                 |
| Manulife Canadian Balanced GIF (SEAMARK)     | 0.50% gross                  | 0.50% gross                 |
| Manulife Simplicity Aggressive Portfolio GIF | 0.50% gross                  | 0.50% gross                 |

## NAL-Investor Money Fund

Starting the 13th month: .00833% of the month-end accumulated value

## All other NAL-Investor Funds

Starting the 13th month: .04166% of the month-end accumulated value

# Manulife Bank and Manulife Trust Products

## Commissionable Products for Manulife Bank and Manulife Trust (where available)

**Advantage Account (personal, business, registered, non-registered and tax-free):** 0.25% per annum (pro-rated); based on minimum monthly account balance; paid monthly.

**\$US Advantage Account (personal & business):** 0.25% per annum (pro-rated); based on minimum monthly \$US account balance; paid monthly in Canadian dollars

**Secured Benefits Account:** 0.25% per annum (pro-rated); based on minimum monthly account balance; paid monthly.

**Safe Access Account:** 0.25% per annum (pro-rated); based on minimum monthly account balance; paid monthly.

**Short-term Deposits (registered & non-registered):** 0.2% per annum (pro-rated); paid up-front.

**Guaranteed Investment Certificates (registered, non-registered and tax-free):** 0.25% per annum (pro-rated); paid up-front.

### **Manulife One (First- or second-position accounts)**

**Compensation:** \$400 up-front flat referral fee, paid on each new first- or second-position account funded. 10 bps on-going trailer compensation based on outstanding account balance at month-end, calculated and paid in monthly increments (1/12 of 10 bps paid monthly).

**Manulife Bank Select:** \$400 up-front flat referral fee, paid on each new first-position account funded. 10 bps on-going trailer compensation based on the outstanding balance of the mortgage portion of the Select account at month-end; calculated and paid in monthly increments (1/12 of 10 bps paid monthly), 25 bps ongoing trailer compensation based on the balance of the Select banking account at month end; calculated and paid in monthly increments (1/12 of 25 bps paid monthly).

**Creditor Insurance (Life, Disability and Job Loss):** 5.00% per annum, based on the monthly premiums paid, paid monthly.

**Preferred Rate Mortgage:** 10 bps trailer compensation based on outstanding account balance at month-end, calculated and paid in monthly increments (1/12 of 10 bps paid monthly).

**Access Line of Credit:** \$100 up-front commission, regardless of amount.

**Insured Retirement Program Line of Credit:** 0.2% per annum, based on the minimum monthly balance; paid monthly.

**Access Line of Credit Plus:** 0.2% per annum, based on the minimum monthly balance, paid monthly.

**Manulife Bank Platinum Plus Mastercard with Worldpoints:** \$50.00 for each account opened which have noted the advisor's selling code on their application, which remains open for at least ninety (90) consecutive days and which is utilized by the Cardholder within the first ninety (90) consecutive days of the account's opening for at least one purchase or cash advance which is not subsequently rescinded, the subject of a charge back request, or otherwise disputed.

10 bps trailer compensation on all retail purchase transaction dollar volume generated by cardholders which have noted the advisor's selling code on their application.

**Recognition Credits:** Recognition Credits for the Manulife One, Immediate Financing Arrangement, Triple Back-to-Back and Insured Retirement Program products equals 1% of the client's approved credit limit at time of funding only. For the Manulife Bank Select product equals 1% of the client's principal mortgage amount at time of funding. For Access Line of Credit, MasterCard and Deposit Products (Advantage Accounts, GICs, Secured Benefits and Safe Access Accounts) Recognition Credits are equal to 100% of commissions.

# Persistency commission

At the expiration of the regular commission paying period, a persistency commission will be payable on some Individual Life products. The persistency commission on eligible renewal premiums will be at the rate of 2%. This will be paid out to the advisor as earned (i.e. as eligible premiums are paid).

Persistency commissions are not payable on Security Builder Deposit Option payments, Investor additional deposits, and on Performax Gold, InnoVision, UltraVision, Security UL, Limited Pay UL, Family Term, Business Term, Synergy, Living Benefits, Single Premium, Annuity, RRIF, Group, Equity or GXO business. Refer to the respective commission schedule for any renewal commissions which may be payable.

## Provisions

Unless otherwise noted, the word *policy* in the Provisions section also refers to *Synergy solution*.

### Extra Premiums For Individual Life and Living Benefits and Combination Insurance Products

|                             |  | Override Credits and Recognition Credits |
|-----------------------------|--|--|
| (a) <b>Permanent Extras</b> | Commission is payable at the rate applicable to the basic plan.  | FYC                                      |
| (b) <b>Temporary Extras</b> | No commission is payable on any temporary extras. <ul style="list-style-type: none"> <li>■ For all Lifecheque and Individual Life policies, an extra is "temporary" if payable for 9 years or less.</li> </ul> | None                                     |

## Chargebacks of First Year and Single Premium Commissions

In the event that:

- (a) an Individual **Life, Living Benefits** or **Combination** Insurance policy /coverage lapses, terminates (except by reason of the death of the insured person or an approved claim that contractually terminates the policy/coverage) or has a decrease in the amount of insurance and premiums have not been paid in full for the duration of the applicable chargeback period;
- (b) a Manulife Investments GIC (including Term Account and Lifestyle RRIF) term exceeds the annuitant's 90th birthday, and the annuitant dies; This chargeback does not apply to individual term within RRIF contracts with deposit dates before January 1, 2003 or to MLIA GIAs with a deposit date prior to Nov. 14, 2005. The chargeback will be applied to the current Producer of Record.
- (c) an annuitant dies within 90 days of purchasing a Manulife Investments GIC or MLIA contract

then, part of the First Year or Single Premium Commissions previously paid or credited in respect of such policy/coverage will be charged back against the account of the advisor for immediate repayment, and the advisor will be entitled to retain the amount described on the next two pages.

This Chargeback provision will continue to operate on coverages/policies affected by the advisor until:

- (a) for Performax Gold, InnoVision, UltraVision, Security UL, Limited Pay UL, Family Term, Business Term, Synergy and Living Benefits, all such coverages/policies have been in effect for the duration of the applicable chargeback period;
- (b) all such Individual single premium Annuity policies have been in force 24 months.

Refer to item (d) in the *General* section of this document for information on how chargebacks may be affected by a change in Producer of Record.

Any chargeback will be the difference between the amount of First Year or Single Premium Commissions previously paid or credited to the advisor and the amount calculated by whichever of the following formulas is applicable.

# Provisions (continued)

## (a) Individual Life, Living Benefits and Combination Insurance products

If the coverage/policy has been in effect for less than the full chargeback period, the advisor would be entitled to retain an amount where the formula used to determine this amount varies depending on the type of product as listed below:

### **Performax Gold (other than Deposit Option Insurance coverages), InnoVision, UltraVision, Security UL, Limited Pay UL, Family Term, Business Term, Living Benefits policies and Synergy solutions**

$(\text{First Year Commission Earned} \times \# \text{ of months in effect}) / \text{Chargeback period in months}$

- Where the chargeback formula uses First Year Commission Earned, in the first coverage year an adjustment will be made to make the paid commission equal to the earned commission prior to any chargeback calculation. For Synergy, where the chargeback formula uses First Year Commission Earned, in the first year of the Synergy solution or the first year after a change in cost type, an adjustment will be made to make the paid commission equal to the earned commission prior to any chargeback calculation.

### **Performax Gold Deposit Option Insurance coverages**

- For a full termination of a DOI coverage during the chargeback period, no commission would be retained.
- For a partial reduction of a DOI coverage during the chargeback period
  - $\text{First Year Commission Earned} \times (\text{new amount of insurance} / \text{previous amount of insurance})$
- No chargeback would apply if a DOI coverage is reduced to pay policy costs.

#### Notes:

- For commissions which are earned at the coverage level, any chargebacks will also apply at the coverage level. For commissions which are earned on Synergy, any chargebacks will apply to Synergy.
- The chargeback formula will be applied separately to each component of the commission (e.g. Deposit, Draw, Asset Based).
- If a coverage is partially reduced during the chargeback period, then the chargeback will be prorated accordingly.

The chargeback period in all of the above formulas in this section varies depending on the type of product as noted in the following charts:

### (i) Life and Combination Insurance products

| Policies/Coverages <sup>(1)</sup>   | Chargeback period (in months) |
|---|-------------------------------|
| Performax Gold Deposit Option Insurance coverages   | 12                            |
| All other Performax Gold coverages  | 24                            |
| InnoVision, UltraVision, Security UL, Limited Pay UL, and Family Term/Business Term and Synergy | 24                            |
| All other Individual Life policies and coverages  | 36                            |

### (ii) Living Benefits policies to products

| Policies/Coverages <sup>(1)</sup>  | Chargeback period (in months) |
|--|-------------------------------|
| Lifecheque   | 24                            |
| LivingCare (launched September 22, 2007)   | 24                            |
| Venture Series, Proguard Series, ExpenseComp, Buy-Sell Plus<br><i>Applicable only to coverages added to policies issued under the current version of the product</i> | 24                            |

- For Limited Pay UL and Performax Gold policies, changing the Cost Duration for an insurance coverage will result in a chargeback prorated based on the reduction in the monthly cost for that coverage.

(1) 'Coverages' includes all insurance and rider coverages.

# Provisions (continued)

## Override Credits and Recognition Credits

Override Credits are credited upon the issue of policy contracts provided there are no outstanding requirements. (For InnoVision, Security UL, Limited Pay UL, Performax Gold, and UltraVision, asset-based Override Credits are credited monthly as earned.) Refer to the appropriate product section of this document for specific details on Override Credits.

Recognition Credits are credited upon the issue of policy contracts provided there are no outstanding requirements. (For InnoVision, Security UL, Limited Pay UL, Performax Gold, and UltraVision, asset-based Recognition Credits are credited monthly as earned.) Recognition Credits on first year lapses, terminations, or decreases of Individual Life, Living Benefits and Combination Insurance coverages and on first year surrenders of any Individual Annuity business are charged back in full. Recognition Credits on first year reinstatements are credited in full.

Unless otherwise specified, Override Credits and Recognition Credits are on a NET basis.

## General

(a) The maximum First Year Commission for deposits to any Individual Life policy will be based on the maximum first year deposit that would be payable if the policy was exempt and did not result from a term conversion. Any deposits in excess of the maximum first year deposit calculated in this way will earn commissions at the applicable renewal rate.

(b) The basis on which all First Year Commissions for Individual Life, Living Benefit and Combination Insurance products will be annualized shall be as determined by the Company from time to time with respect to both the payment of AFYC, if applicable, and the calculation of Override Credits and Recognition Credits.

Rules concerning the maximum amount of Annualized First Year Commissions released on placement are available from your Branch Manager or Managing General Agency. Depending on the amount of Annualized First Year Commission, a portion may be deferred to the second policy year.

(c) When the First Year Commission will exceed the amount defined by current Capping guidelines on an Individual Life or Living Benefits policy, the commissions and all forms of incentive compensation will be paid out on an installment basis to the advisor. Full details of the installment payments are available from your Marketing Director or Managing General Agency. Current Capping guidelines can be found on Repsource.

(d) **A change of Producer of Record** can take place on the following types of products, subject to the noted conditions:

(i) **Life, Living Benefits or Combination Insurance products** - The policy owner must submit a letter requesting a change to the Producer of Record. The Company will only consider this request under the following circumstances:

1. the advisor has been without a license to sell life insurance for at least 6 consecutive months;
2. the advisor has been involved in any act of fraud or dishonesty to the disadvantage of either the Company or the policy owner;
3. for any 12-month period ending after the termination of the advisor's contract, actual terminations from all in-force Individual Life insurance sold by the advisor exceed 125% of the expected terminations from that business as determined by the Company in accordance with its lapse standard calculations; or
4. the policy owner demonstrates in writing that the advisor is unwilling to provide a reasonable level of service despite repeated attempts by the policy owner over a 12-month period to obtain such service; under this circumstance, the advisor will be given the opportunity to help determine the actual level of service provided.

If the change is approved by the Company, then any subsequent chargebacks on that policy will be split (if necessary) based on the amount of First Year commission earned by each Producer of Record (past and present).

(ii) **Deferred Annuities placed on and after January 1, 1987** - An advisor other than the current Producer of Record provides service to the policyholder and obtains a request in writing from the

# Provisions (continued)

policyholder that the Company recognize the Servicing Advisor as the new Producer of Record. Any resulting change would take effect upon registration of the change in the Head Office records of the Company and would remain in effect for all future commissions, provided no future change of Producer of Record occurs.

(iii) **RRIF** - Same as Deferred Annuities (above).

**NOTE: "Producer of Record"** (which carries with it any commissions payable) should not be confused with **"Servicing Producer"**, **"Servicing Agent"**, or **"Servicing Advisor"** (which identify the advisor servicing the policy but not necessarily receiving commissions).

***All changes of Producer of Record are subject to the Company's approval. The Company reserves the right to decline such a change.***

(e) **Producer of record when a new coverage is added to an Individual Life, Living Benefits or Combination Insurance**

This section applies to the following products: Performax Gold, InnoVision, Security UL, Limited Pay UL, Family Term, Business Term, Synergy, Lifecheque and LivingCare. The addition of a new coverage does not change the producer of record for any existing coverages.

When a new coverage is added to an existing policy:

- Any commission payable on the new coverage will be payable to the advisor(s) who submits the signed application or change form from the policy owner. That advisor(s) will be the producer of record for the new coverage.
- Any commission payable on any existing insurance or rider coverages will continue to be payable to the current producer of record for those coverages.
- For Performax Gold policies, any Additional Payment commission for Deposit Option Insurance coverages will continue to be payable to the current producer of record for the applicable Deposit Option Insurance coverage.
- The producer of record for the existing policy does not change, therefore the following commission continues to be payable to the current producer of record for the 'policy':
  - First year and renewal deposit commission for a universal life policy (e.g. InnoVision, Security UL and Limited Pay UL);
  - First year and renewal Additional Payment commission for the Accumulation Account on a Performax Gold policy; and
  - First year and renewal commission for any policy and/or life fees on any policy.

(f) Commissions may be subject to adjustment in certain replacement and other situations, in accordance with the Company's Commission Rules as set out herein and as may be published elsewhere from time to time.

(g) The Commission, Override Credits and/or Recognition Credits respecting any policy not specified herein shall be as determined by the Company from time to time.

(h) This Schedule of Commissions, Override Credits and Recognition Credits is subject to change at any time, in which event the Company will furnish the advisor with amendments to the Schedule or a new Schedule upon request. No changes shall affect commissions, Override Credits, or Recognition Credits on:

- any Individual Life, Living Benefits or Combination Insurance policies dated before the effective date of the change; or
- any Individual Annuity policies the applications for which were submitted to the company before the effective date of the change, except for Term Account, Registered Retirement Income Fund (RRIF) and the Flexible Retirement Annuity, where a new commission schedule can affect the in-force policies as well.

For Individual Life, Living Benefit and Combination Insurance, a new commission schedule can affect the commission payable on new coverages or riders added to in-force policies.



# Provisions (continued)

## Policy Replacement

Advisors are expected to conserve policies whenever retention of policies is in the best interests of the policy owners. Advisors are responsible for ensuring that policy owners are fully informed regarding the terms and conditions for replacing existing life insurance with new insurance. A clear understanding of the policy will avoid potentially embarrassing situations.

Manulife Financial will not condone any form of systematic replacement of life insurance, be it internal or external replacement. Action will be taken in situations where abuse of this replacement philosophy takes place.

Manulife Financial has earned an enviable reputation for dealing fairly with consumers and advisors. Field and Head Office staff, and advisors, have an obligation to preserve this reputation.

Please note that commissions will be restricted when a new life insurance policy is replacing another one. This is necessary to recoup the original acquisition costs of the policy. For details, please check on [Repsource > Insurance > New Business and Underwriting > Helpful Topics > Replacing a life insurance policy.](#)

## Replacement Regulations for the Canadian Division

The basic concept regarding any replacement is that an advisor should not induce, or attempt to induce, a policy owner to replace or effect some change in existing life or accident and sickness insurance, unless it appears that, due to a change in circumstances, an existing contract of life or accident and sickness insurance should be amended or changed to another contract of life or accident and sickness insurance.

It is the advisor's responsibility to ensure that the policy owner is fully informed regarding the terms and conditions for changing the existing life or accident and sickness insurance with the original insurer. If, after this information has been provided, the policy owner wishes to replace the existing life or accident and sickness insurance with new life or accident and sickness insurance, the advisor should proceed in accordance with replacement guidelines.

If replacement in any form is intended or has taken place, you are reminded to determine if the situation falls under the "Replacement" definition and requirements of your province, or of your Life Underwriters Association and, if so, to satisfy such requirements fully.