

Retirement Income Fund Endorsement For Locked-In New-Brunswick Pension Funds Transferred to a LIF

Upon receipt of locked-in money, The Manufacturers Life Insurance Company further declares as follows:

This Endorsement forms a part of retirement income fund policy number

Owner _____

1. In this Endorsement, "Manulife Financial" refers to The Manufacturers Life Insurance Company. The word "Act" means the New Brunswick Pension Benefits Act, and the word "Regulation" means the General Regulation made under the Act. The word "fund" refers to the retirement income fund indicated above, to which this Endorsement is attached. The owner of the fund is the owner within the meaning of that word in section 21 of the Regulation. The word "Member" refers to the person entitled under a pension plan governed by the Act and by the Income Tax Act (Canada), to amounts transferred into the fund by reason of membership in the pension plan.

2. For purposes of this Endorsement, the words "deferred pension", "pension plan", "spouse" and "Superintendent" have the same meanings as are respectively given to these words in section 1 of the Act.

Notwithstanding anything to the contrary contained in this fund, including any endorsements forming a part of it, for the purposes of any provision of the Income Tax Act (Canada) respecting Registered Retirement Income Funds ("RRIF"s), the word "spouse" does not include any person who is not recognized as a spouse or common-law partner under the Income Tax Act (Canada).

3. The only amounts that may be transferred into the fund are amounts originating, directly or indirectly, from

- (a) a registered pension plan as a transfer of the Member's deferred pension under that plan,
- (b) a locked-in retirement account or another life income fund, the owner of which is the annuitant, or
- (c) a life or deferred life annuity of the Member as described in paragraph 60(l) of the Income Tax Act (Canada) under a contract that conforms with the Act and the Regulation or with similar legislation in another jurisdiction.

4. Except as provided for in the Regulation, the money in the fund, in whole or in part, may be converted at any time only into a life annuity or a deferred life annuity as stipulated in paragraph 60(l) of the Income Tax Act (Canada) and that meets the requirements of section 23 of the Regulation.

At any time before the conversion and subject to paragraph 146.3(2)(e.1) of the Income Tax Act (Canada), the owner is entitled to transfer the money in the fund, in whole or in part, to the pension fund of a pension plan, a locked-in retirement account, or another life income fund, that is in conformity with the Act and the Regulation or with similar legislation in another jurisdiction.

Any withdrawal fees specified in the fund will be applicable at the time of the conversion or transfer.

5. If the owner dies while this fund is in force, the money in the fund will be paid to or on behalf of the owner's spouse, if there is one at the date of death. If there is no spouse at the date of death, the money will be paid to the designated beneficiary, if any, otherwise to the estate of the owner.
6. Notwithstanding paragraph 11 below, a lump sum payment or a series of payments may be made to the owner where a physician certifies in writing to Manulife Financial that the owner suffers from a significant physical or mental disability that considerably reduces his/her life expectancy. If the owner of this plan has a spouse, this paragraph applies only if the spouse has waived entitlement to the survivor's pension in the form and manner prescribed in Form 3.01 of the Regulation.
7. Notwithstanding paragraph 11 below, a lump sum payment equal to the value of the entire contract may be made on application by the owner for payment at any time if the owner and spouse certify that they are not Canadian citizens, and are not residents of Canada, as defined in the Income Tax Act (Canada). If the owner has a spouse, this paragraph applies only if the spouse waives entitlement to a survivor pension in the manner prescribed by Regulation.
8. Notwithstanding paragraph 11 below, the owner may transfer an amount from the LIF to a RRIF in accordance with subsection 22(6.1) of the Regulations providing the owner has provided written evidence that the Superintendent of Pensions has approved the transfer, the spouse of the owner has consented to the withdrawal in the form and manner prescribed in the Regulation and an amount has never previously been transferred under subsection 22(6.1). The amount that may be transferred is equal to the lesser of

- (a) three times the maximum annual withdrawal in respect to the current year, as set out in paragraph 13 below, or
 - (b) twenty-five percent of the balance of the LIF on the first day of the fiscal year in which the transfer is to be made.
9. If the money in the fund is required to be divided under section 44 of the Act (Marriage Breakdown), the value is to be determined in accordance with the Act and the Regulation, and our then current administrative rules.
10. Each fiscal year of the fund ends on December 31 and will not exceed 12 months.

Under the terms of the fund, the owner will be paid an income which will commence no later than the last day of the second fiscal year of the fund, and which will continue as long as the fund remains in force.

11. The amount of each income payment is subject to the minimum and maximum amounts specified in the Regulation. Currently, these amounts are as set out in paragraphs 12 and 13 below. Payments are also subject to the minimum specified in the Income Tax Act (Canada). Subject to these minimum and maximum amounts, the owner may elect the amount of each income payment, and if no election is made, payments are made in accordance with the provisions of the fund.
12. The amount of income paid during a fiscal year of the fund will not be less than the minimum amount set out in this paragraph. Subject to paragraph 13 below, the minimum is currently equal to the quotient of B divided by N, where
- B = the balance of the money in the fund on the first day of the fiscal year, and
 - N = the number of years between January 1 of the year in which the calculation is made and December 31 of the year during which the owner attains the age of 90 years, inclusive.
13. The amount of income paid during a fiscal year of the fund will not exceed the maximum set out in this paragraph. Subject to paragraphs 14 to 16 below, the maximum is currently equal to the quotient of B divided by V, where
- B = the balance of the money in the fund on the first day of the fiscal year, and
 - V = the value on the first day of the fiscal year in which the calculation is made of a guaranteed pension the annual payment of which is \$1 payable at the beginning of each fiscal year between that date and December 31, inclusive, of the year during which the owner attains the age of 90 years.
14. For the initial fiscal year of the fund, the minimum amount to be paid, as referred to in paragraph 12

above, will be zero, and the maximum amount to be paid, will not exceed the amount set out in paragraph 13 above.

The amount of the income paid out of the LIF during a fiscal year must not be less than the minimum amount prescribed for registered retirement income funds under the Income Tax Act (Canada).

15. If the money in the fund is derived from money transferred directly or indirectly during the first fiscal year of the fund from another life income fund of the owner, the maximum amount to be paid in the first fiscal year, as referred to in paragraph 13 above, will be equal to zero..
16. If an additional deposit is made to the fund in any fiscal year, and that additional deposit has never been under a life income fund before, an additional cash withdrawal will be allowed in that fiscal year.
- The additional cash withdrawal will not exceed the maximum amount that would be determined using the method described in paragraphs 13 and 14 above if the amount of the additional deposit were being transferred into a separate life income fund and not into this fund.
17. The value V in paragraph 13 above will be calculated by using
- (a) for the first 15 years of operation of the fund, an interest rate that does not exceed the greater of 6% per year or the interest rate obtained on long-term bonds issued by the Government of Canada for November of the previous year in which the calculation is made, as published in the Bank of Canada Review as CANSIM Series B - 14013, and
 - (b) for subsequent years, an interest rate that does not exceed 6% per year.
18. The money in the fund, including interest, may not be assigned, charged, anticipated or given as security and is exempt from execution, seizure, attachment or other process of law except under and in accordance with section 44 (Marriage Breakdown) or subsection 57(6) (Support Order) of the Act. Any transaction that contravenes this paragraph is void.
19. In the event of a transfer of the money from the fund, Manulife Financial will ensure that the name of any transferee financial institution and contract are on the list of LIFs or, LIRAs maintained by the Superintendent of Pensions (New Brunswick).
20. Before transferring money to another financial institution, Manulife Financial will advise the transferee financial institution in writing of the locked-in status of the money and will ensure that the transferee financial institution makes its acceptance of the transfer subject to the conditions provided for in section 21 of the Regulation.

The money in the fund, including interest, may not be commuted or surrendered during the lifetime of the owner except under and in accordance with

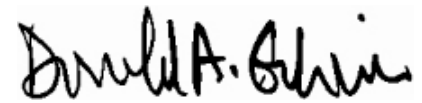
subsection 33(2) (Mental or Physical Disability), section 44 (Marriage Breakdown), section 56.1 (Foreign National Commutation) or subsection 57(6) (Support Order) of the Act. Any transaction that contravenes this paragraph is void.

21. All locked-in money in the plan will be held in an account containing only locked-in money, which account is separate from any account under the plan holding money that is not locked-in.
22. If any amendment is made to the fund that would reduce any benefits, the owner may request the transfer of the money in the fund in accordance with paragraph 4 above, before the effective date of the amendment. Manulife Financial will send the owner notice of the amendment and the period during which the transfer may be requested. The owner will receive this notice at least 90 days before the effective date of the amendment.
23. The fund may be amended only to the extent that it remains in conformity with the standard contract registered with the Superintendent and with Canada Revenue Agency.

The fund may be amended to bring it into conformity with requirements under an act of the legislature of New Brunswick or other legislation in another jurisdiction.
24. Manulife Financial will make any transfer referred to in paragraph 4 or 19 above, not more than 30 days after it receives the owner's request for the transfer.
25. Sections 27 to 33 of the Regulation (Marriage Breakdown) apply with the necessary modifications, to the division of the money in the fund.

26. The commuted value of the deferred pension transferred from the pension plan which was determined on a unisex or sex-distinct basis, as confirmed by the transferor, will be held in separate accounts. Only additional amounts determined on the same basis will be accepted for transfer into the fund. Any immediate life or deferred life annuity purchased with the value of the fund must also be determined on the same basis.
27. Manulife Financial will provide the statements required by subsections 22(7) to (9) of the Regulation.
28. Manulife Financial affirms the provisions contained in the fund.
29. Notwithstanding anything to the contrary contained in the fund, the conditions of this Endorsement will take precedence over the provisions in the fund in the case of conflicting or inconsistent provisions. **Future amendments to the Act and the Regulation, or subsequent legislation may override this Endorsement.**

THE MANUFACTURERS LIFE INSURANCE COMPANY



President and Chief Executive Officer

