

Retirement Income Fund Endorsement For Locked-In PBSA 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 words "Pension Act" mean the Pension Benefits Standards Act, 1985, and the word "Regulations" means the regulations made under the Pension Act. The words "Tax Act" means the Income Tax Act (Canada). The word "fund" refers to the retirement income fund indicated above to which this Endorsement is attached.
2. For purposes of this Endorsement, the words "life income fund", "restricted life income fund" "locked-in registered retirement savings plan", "pension benefit", "pension plan" and "spouse" have the same meanings as are respectively given to these words in the Pension Act or the Regulations.

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 Tax Act respecting Registered Retirement Income Funds, the word "spouse" does not include any person who is not recognized as a spouse or common-law partner under the Tax Act. Spousal status is established on the date a life annuity is purchased under paragraph 4(b) below, or on the date of the owner's death, whichever comes first.
3. Subject to paragraph 4 below, all money, including all investment earnings, that is subject to any transfer to or from this fund is to be used to provide or secure a pension that would, but for the transfer and previous transfers, if any, be required or permitted by the Pension Act and the Regulations.
4. While this fund remains in force, the owner may transfer all or part of the money in the fund
 - (a) to another life income fund or to a restricted life income fund,
 - (b) for the purchase of a deferred life annuity as stipulated in paragraph 60(l) of the Tax Act and that meets the requirements of section 21 of the Regulations, or
 - (c) before the latest maturity date for registered retirement savings plans as specified under the Tax Act, to a locked-in registered retirement savings plan that meets the requirements of section 20 of the Regulations.
5. Any withdrawal fees specified in the fund will be applicable at the time of the transfer.
5. Before transferring money to another financial institution, Manulife will ensure that adequate funds are withheld to satisfy the minimum payment required in accordance with paragraph 146.3(2)(e) of the Tax Act .
6. On the death of the owner who has a spouse, the money in the fund will be paid to the surviving spouse
 - (a) by way of a transfer to a locked-in registered retirement savings plan on the relevant conditions specified in section 20 of the Regulations, or
 - (b) by way of a transfer to a life income fund or to a restricted life income fund on the relevant conditions specified in section 20.1 and 20.3 of the Regulations, or
 - (c) by way of a transfer to purchase a life annuity contract as stipulated in clause 60(l)(ii)(A) of the Tax Act.
7. The owner's spouse may waive survivor's benefits, and may revoke any such waiver, before the money in the fund is used to purchase a life annuity, by giving written notice to the annuity issuer.
8. Notwithstanding paragraph 11 below, a lump sum payment may be made to the owner
 - (a) where a physician certifies that due to mental or physical disability, the life expectancy of the owner is likely to be shortened considerably,
 - (b) where the owner is a non-resident of Canada for more than two years,
 - (c) in the calendar year in which the owner reaches age 55 or in any subsequent year, where the owner certifies that the total value of all assets in all locked-in plans is less than or equal to 50% of the Year's Maximum Pensionable Earnings, in accordance with 20.1(l) of the Regulations, or
 - (d) where the owner certifies that they expect to make expenditures on medical or disability-related treatment or adaptive technology for the calendar year in excess of 20% of their total expected income for that year and/or where the owner expects to earn less than the low income limit of 75% of the Year's

Maximum Pensionable Earnings based upon their expected income in any calendar year. The amount that may be withdrawn is the lesser of the amount determined by the formula set out in the Regulations and 50% of the Year's Maximum Pensionable Earnings.

To apply for (c) or (d) above, the owner must complete forms provided under Schedule V of the Regulations.

9. 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. The income will continue as long as the fund remains in force.

10. The amount of each income payment is subject to the minimum and maximum amounts specified in the Regulations. Currently these amounts are as set out in paragraph 11 below. 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.
11. Prior to the calendar year in which the owner turns 90, the amount of income paid during a calendar year of the fund will not be less than the minimum amount for a retirement income fund as defined in the Tax Act and will not exceed the maximum set out in this paragraph. Subject to paragraphs 12 to 14 below, the maximum is currently equal to the quotient of C divided by F, where

C = the balance in the fund (i) at the beginning of the calendar year, or (ii) at the date when the initial amount was transferred into the fund.

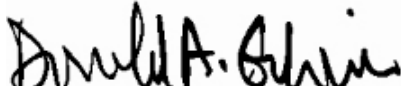
F = the value as at the beginning of the calendar year of a pension benefit of which the annual payment is \$1, payable on January 1 of each year between that date and December 31 of the year during which the owner attains the age of 90 years.

In the calendar year in which the owner reaches age 90 and for all subsequent calendar years, the owner may withdraw the balance subject to the terms of the contract.

12. For the initial calendar year of the fund, the minimum amount to be paid, as referred to in paragraph 11 above, will be zero and the maximum will be adjusted in proportion to the number of months in the fiscal year divided by 12, with any part of an incomplete month counting as one month.

13. 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 calendar year, as referred to in paragraph 11 above, will be equal to zero, except to the extent that the Tax Act requires the payment of a higher amount.
14. The value F in paragraph 11 above will be calculated by using an interest rate that
- (a) for the first 15 years after January 1 of the year in which the life income fund is valued is less than or equal to the monthly average yield on Government of Canada marketable bonds of maturity over 10 years, as published by the Bank of Canada, for the second month before the beginning of the calendar year, and
 - (b) for subsequent years, is not more than 6% .
15. The money in the fund may not be assigned, charged, anticipated or given as security, except for the purposes of subsection 25(4) of the Pension Act.
16. If the commuted value of the pension benefit transferred from the pension plan was determined on a unisex basis or on a sex-distinct basis, as confirmed by the transferor, only additional amounts determined on the same basis will be accepted for transfer into the fund. Any life or deferred life annuity purchased with the value of the fund must also be determined on the same basis.
17. All money held under this fund is locked-in, and no money which is not locked-in may be transferred to it.
18. The rights of the owner with respect to the investment of capital are as specified in the fund.
19. For the purpose of a transfer, the purchase of a life annuity, or a death benefit, the method used to determine the value of the fund is as specified in the fund.
20. Manulife Financial affirms the provisions contained in this fund.
21. 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 Pension Act and the Regulations, or subsequent legislation may override this Endorsement.**

THE MANUFACTURERS LIFE INSURANCE COMPANY


President and Chief Executive Officer