Manulife Financial

For your future™

Retirement Income Fund Endorsement For Locked-in Nova Scotia 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 saving plan policy number

____

Owner____

1. In this Endorsement, "Manulife Financial" refers to The Manufacturers Life Insurance Company. The word "Act" means the Pension Benefits Act (Nova Scotia), and the word "Regulations" means the Regulations 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 subsection 23 (7) of the Regulations.

2. For purposes of this Endorsement, the words "acknowledged", "financial institution", "fiscal year", "LIF", "life annuity contract", "list", “Locked In Retirement Account”, "owner", ”common-law partner”, "RRIF", "surviving spouse owner" and "transfer" have the same meanings as are respectively given to these words in subsection 23 (7) of the Regulations, and the words "former member", "member", "pension", "pension plan" and "spouse" have the same meanings as are respectively given to these words in section 2 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 RRIFs, the word "spouse" does not include any person who is not recognized as a spouse or a common-law partner for the purposes of any provision of the Income Tax Act (Canada) respecting retirement income funds.

3. Subject to the Schedule IV addendum attached, 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 Act and the Regulations. Manulife Financial affirms that if the owner has a spouse at the time of the transfer to the fund, no transfer to the fund will be accepted without the written consent of the spouse of the owner.

4. Manulife Financial affirms that the money in the fund will be invested in a manner that complies with the rules for the investment of money in a RRIF. Manulife Financial declares that the money will not be invested, directly or indirectly, in any mortgage in respect of which the mortgagor is the owner or the parent, brother, sister or child of the owner, or the spouse of any such person.

5. Subject to paragraph 146.3 (2) (e) of the Income Tax Act (Canada), while this fund remains in force, the owner may transfer all or part of the money in the fund, subject to section 12 of the Schedule IV addendum.

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

6. If money from the fund is paid out contrary to the Act, the Regulations or this Endorsement, Manulife Financial declares that it will provide or ensure the provision of a pension in a manner and in an amount that would have been provided had the money not been paid out.

7. 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 maintained by the Superintendent.

8. 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 16, 17 and 18 of the Regulations.

9. The money in the fund may not be assigned, charged, or given as security, except as permitted by subsection 70(3) of the Act. Any transaction that contravenes this paragraph is void.

10. If Manulife Financial does not comply with either paragraphs 6 or 7 above and the transferee financial institution fails to pay the money transferred in the form of a pension or in the manner required or permitted by the Regulations, Manulife Financial declares that it will provide or ensure the provision of the pension referred to in paragraph 3 above.

11. Manulife Financial acknowledges that, where the money in the fund is to be used to purchase a life annuity contract, the pension to be provided to the owner, other than a surviving spouse owner, with a spouse at the date when the pension commences, is to be such joint life pension as would, if the owner were a former member as defined by the Act, be in compliance with section 52 of the Act, unless the spouse waives the entitlement in the form and manner prescribed.

12. For the purpose of a transfer, the purchase of a life annuity contract, or a payment or transfer on the death of the owner, the method and factors used to determine the value of the fund is as specified in the fund.

13. The amount of income paid during a fiscal year of the fund will not be less than the minimum amount for a retirement income fund as defined in the Income Tax Act (Canada) and will not exceed the maximum set out in the Schedule IV addendum attached. For the initial fiscal year of the fund, the minimum amount to be paid, as referred to in the Schedule IV addendum, will be zero and the maximum amount to be paid will not exceed the amount set out in the Schedule IV addendum attached.

14. If the money in the fund is derived from money transferred directly or indirectly during the first fiscal year of the fund from another LIF of the owner, the maximum amount to be paid in the first fiscal year, as referred to in the Schedule IV addendum, will be equal to zero, except to the extent that

the Income Tax Act (Canada) requires the payment of a higher amount.

15. If an additional deposit is made to the fund in any fiscal year, and that additional deposit has never been under a LIF before, an additional cash withdrawal will be allowed in that fiscal year.

16. The additional cash withdrawal will not exceed the maximum amount that would be determined using the method described in the Schedule IV addendum attached, if the amount of the additional deposit were being transferred into a separate LIF and not into this fund.

17. The commuted value of the pension benefit transferred from the pension plan which was determined on a unisex basis or sex-distinct basis, as confirmed by the transferor, will be held 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.

18. All money held under this fund is locked-in, and no money which is not locked-in may be transferred to it.

19. Manulife Financial affirms the provisions contained in this fund.

20. Manulife Financial will not make an amendment to the fund except in accordance with the following provisions:

    (a) Manulife Financial will give the owner at least 90 days notice of a proposed amendment, other than an amendment described in clause (b);

    (b) Manulife Financial will not amend the LIF if the amendment would result in a reduction in the owner's rights under the contract, unless

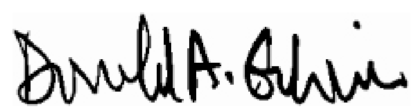
        (i) Manulife Financial is required by law to make the amendment, and
        (ii) the owner is entitled to transfer the assets in the fund under the terms of the contract that exist before the amendment is made;

    (c) when making an amendment described in clause (b), Manulife Financial will notify the owner of the nature of the amendment and allow the owner at least 90 days after the notice is given to transfer all or part of the assets in the fund.

21. Section 8 of the Schedule IV addendum attached does not apply to Manulife Financial funds.

22. 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 Regulations, or subsequent legislation may override this Endorsement.**

THE MANUFACTURERS LIFE INSURANCE COMPANY



President and Chief Executive Officer

Nova Scotia LIF Addendum
Schedule IV

Interpretation
1 (1) In this Schedule,

(a) “common-law partner” of an individual means another individual who has cohabited with the individual in a conjugal relationship for a period of at least 2 years, neither of them being a spouse;

(b) “regulations” means the *Pension Benefits Regulations*, of which this Schedule forms a part.

(c) “spouse” means either of a man and woman who

(i) are married to each other,

(ii) are married to each other by a marriage that is voidable and has not been annulled by a declaration of nullity, or

(iii) have gone through a form of marriage with each other, in good faith, that is void and are cohabiting or, if they have ceased to cohabit, have cohabited within the 12-month period immediately preceding the date of entitlement; and

(d) “temporary income” means periodic income paid under a pension plan, an annuity or a LIF to a person for a temporary period of time after retirement for the purposes of supplementing retirement income until the person is eligible to receive benefits under the *Old Age Security Act* (Canada) or is either eligible for or commences to receive retirement benefits under the Canada Pension Plan (Canada) or Quebec Pension Plan (Quebec).

(2) A fiscal year referred to in this Schedule is the fiscal year of a LIF, which must end on December 31 and must never exceed 12 months.

(3) A reference rate referred to in this Schedule for the fiscal year of a LIF

(a) is based on the month-end nominal rate of interest earned on long-term bonds issued by the Government of Canada for the month of November preceding the beginning of the fiscal year, as compiled by Statistics Canada and published in the Bank of Canada Review as CANSIM Series B-14013, with the following adjustments applied successively to that nominal rate:

(i) an increase of 0.5%,

(ii) the conversion of the increased rate, based on interest compounded semi-annually, to an effective annual rate of interest,

(iii) the rounding of the effective interest rate to the nearest multiple of 0.5%; and

(b) must not be less than 6%.

Prohibitions
2 Money held in a LIF must not be commuted, withdrawn or surrendered in whole or in part, except as permitted by Sections 27 and 28 of the regulations (small amounts at age 65 and considerably shortened life expectancy), or in accordance with Part 4 of the regulations (financial hardship).
Section 2 amended: O.I.C. 2007-375, N.S. Reg. 329/2007.

3 Money held in a LIF must not be assigned, charged, or given as security except as permitted by subsection 70(3) or Section 71A of the Act, and any transaction purporting to assign, charge, anticipate or give such money in the LIF as security is void.

4 Money held in a LIF is exempt from execution, seizure or attachment except as permitted by Section 71A of the Act.

Income commencement
5 (1) The owner must be paid an income from the LIF, the amount of which may vary annually.

(2) Payment of the income from the LIF to the owner must begin no earlier than the earliest date the owner was entitled to receive a pension under any of the pension plans from which the money was transferred into the LIF, directly or indirectly.

(3) Payments must begin no later than the end of the second fiscal year of the LIF.

(4) The minimum amount of income paid during a fiscal year must not be not less than the minimum amount prescribed for a RRIF under the *Income Tax Act* (Canada).

(5) The owner must establish the amount of income to be paid during each fiscal year at the beginning of that fiscal year and after the receipt of the information specified in subsection 11(1).

(6) If the financial institution guarantees the rate of return of the LIF over a period that is greater than one year, that period must end at the end of a fiscal year and the owner may establish the amount of income to be paid during that period at the beginning of that period.

Minimum LIF withdrawal
6 The amount of the income paid during the fiscal year of a LIF must not be less than the minimum amount prescribed by the *Income Tax Act* (Canada), determined on the basis of the

owner’s age or the age of the owner’s spouse or common-law partner where that person is younger than the owner.

Maximum LIF withdrawal - no provision for temporary income

7 The maximum income (M) to be paid from a LIF from which no temporary income is paid, is determined by the following formula:

M = F x C

where

“F” is the factor in Schedule V for the reference rate for the fiscal year and the owner’s age at the end of the preceding year; and

“C” is the balance of the LIF at the beginning of the fiscal year, increased by any money transferred to the LIF after that date and reduced by any money transferred from another LIF to the LIF in the same year.

Maximum LIF withdrawal - with temporary income

8 (1) A LIF may provide that the owner be entitled to a temporary income if the owner meets the following requirements:

(a) the owner makes an application in Form 9 (Application to a Financial Institution for Payment of Temporary Income from a LIF) to the financial institution that administers the LIF for payment of a temporary income under the LIF; and

(b) the owner is at least age 54 but under age 65 at the end of the year preceding the date of application.

(2) The temporary income must not be paid after the end of the year in which the owner reaches age 65.

(3) No temporary income is payable if any portion of a LIF payment is transferred to a non-locked-in retirement savings arrangement.

(4) The maximum temporary income (A) for the fiscal year is the lesser of

(a) (40% of the years maximum pensionable earnings) - T; and

(b) F x C x D,

where

“F” is the factor in Schedule V for the reference rate for the fiscal year and the owner’s age at the end of the preceding year;

“C” is the balance of the LIF at the beginning of the fiscal year, increased by any money transferred to the LIF after that date and reduced by any money originating during the same year from another LIF;

“T” is the total of temporary income from a pension plan for that fiscal year and temporary income from other LIFs of the owner; and

“D” is the factor in Schedule VI for the owner’s age at the end of the year preceding the current fiscal year.

(5) Despite subsection (4), if F x C x D is equivalent to less than 40% of the year’s maximum pensionable earnings, and the owner is not entitled to any temporary income from another LIF or from a pension plan, “A” is the lesser of

(a) 40% of the year’s maximum pensionable earnings, and

(b) the LIF less LIF transfers.

(6) The maximum life income (E) to be paid from a LIF from which a temporary income is paid is determined by the following formula, provided that “E” must not be less than zero:

E = (F x C) - (A ÷ D)

where

“F” is the factor in Schedule V for the reference rate for the fiscal year and the owner’s age at the end of the preceding year;

“C” is the balance of the LIF at the beginning of the fiscal year, increased by any money transferred to the LIF after that date and reduced by any money originating during the same year from another LIF.

Maximum income payable when the financial institution guarantees the rate of return of the LIF

9 (1) If the financial institution has guaranteed the rate of return of the LIF over a period greater than one year, and the owner establishes the amount of income to be paid during that period, the maximum income that may be paid during each of the fiscal years of that period is determined at the beginning of each of those fiscal years.

(2) For the first fiscal year, the maximum income is determined in accordance with Section 7.

(3) For each subsequent year, the maximum income is equal to the lesser of

(a) the balance of the LIF at the time of payment in that year; and

(b) the result of the formula (M x J) ÷ K

where

“M” represents the maximum income determined for the initial fiscal year,

“J” represents the balance of the LIF at the beginning of the fiscal year, and

“K” represents the reference balance determined at January 1 of the year, calculated as

(i) the reference balance at the beginning of the previous year, reduced by M, plus

(ii) the amount determined under subclause (i) multiplied by the reference rate for the year, if it is one of the first 16 fiscal years of the fund, or by 6% in any other case,

and in applying this formula to the second year of the period, the reference balance referred to in subclause (i) is the LIF balance at the beginning of the first year of the period.

Excess income paid

10 If the income paid to the owner during the fiscal year of the fund exceeds the maximum that may be paid, the balance of the fund must not be reduced by the excess, unless the payment is attributable to incorrect information provided by the owner.

Information to be provided by the financial institution

11 (1) At the beginning of each fiscal year, the financial institution must provide to the owner a statement indicating

(a) the balance in the LIF at the beginning of the fiscal year;

(b) information on the sums deposited, any accumulated investment earnings including any unrealized capital gains or losses, the payments made during the fiscal year and the fees charged against the LIF during the previous fiscal year;

(c) the minimum amount that must be paid out as income to the owner during the current fiscal year;

(d) the maximum amount that may be paid out as income to the owner during the current fiscal year;

(e) if the beginning of the fiscal year is later than the beginning of the calendar year, the sums deposited that were held in another LIF during the year;

(f) if the LIF provides for payment of a temporary income and the owner was at least 54 but less than 65 at the end of the preceding year,

(i) the terms and conditions the owner must meet to be entitled to payment of the temporary income under Section 8, and

(ii) that payment of temporary income will reduce the income that would otherwise be paid to the owner after age 65;

(g) that the maximum amount of income that may be paid to the owner will not be increased if a transfer is made to the LIF of assets held in another LIF during that year; and

(h) that if the owner wishes to transfer, in whole or in part, the balance of the LIF and still receive from the LIF the income determined for the fiscal year, an amount must be retained in the LIF at least equal to the difference between the income determined for the fiscal year and the income already received from the LIF since the beginning of the fiscal year.

(2) If the owner dies before the balance in the LIF is used to purchase a life annuity contract or is transferred under Section 12, the financial institution must provide to the owner's spouse or common-law partner or beneficiary or estate the information in clauses 11(1)(a) and (b) as of the owner's date of death.

(3) If the balance of the LIF is transferred to another financial institution or used to purchase a life annuity, the financial institution must provide the owner the information in clauses (1)(a) and (b) as of the date of the transfer or annuity purchase.

(4) If the balance of the LIF is transferred to another financial institution or used to purchase a life annuity, the financial institution must comply with the requirements of an administrator under subsections 23(16), (17), and (18) of the regulations.

Information provided upon transfer of additional amounts to a LIF

(5) Within 30 days following a transfer to a LIF of locked-in funds that have not been held in a LIF at any time in the current year, the financial institution must provide the owner with a statement indicating

(a) the balance of the LIF at the beginning of the fiscal year, any money transferred into the LIF during the fiscal year and balance of the LIF used to determine the maximum amount that may be paid to the owner as income during the fiscal year;

(b) the maximum amount that may be paid to the owner as income during the fiscal year;

(c) the minimum amount that must be paid to the owner as income during the fiscal year; and

(d) if the LIF provides for payment of a temporary income and the owner is at least 54 years of age but less than 65 years of age at the end of the preceding year, that the owner is entitled to receive payment of a temporary income.

(6) If a transfer is made to a LIF of assets held in another LIF at any time in the current fiscal year, the maximum amount of income that may be paid to the owner must not be increased.

Transferring assets from a LIF

12(1) The owner of a LIF may transfer all or part of the assets in a LIF

(a) to another LIF;

(b) to purchase an immediate life annuity contract that meets the conditions of Section 24 of the regulations, provided the annuity does not commence on a date earlier than the earliest date the owner was entitled to receive a pension under any of the pension plans from which the money in the LIF was transferred; or

(c) to a LIRA, if permitted under the *Income Tax Act* (Canada).
Clause 12(1)(c) replaced: O.I.C. 2007-375, N.S. Reg. 329/2007.

(2) If assets in the LIF consist of identifiable and transferable securities, the financial institution may transfer the securities with the consent of the owner.

(3) The date of transfer must not be more than 30 days after the date of application by the owner unless the term agreed to for the investments has not expired.

(4) The financial institution must advise the financial institution to which the assets are transferred that the assets were held in a LIF in the current year.

Death benefit

13 (1) On the death of the owner, the balance in the LIF must be paid to or for the benefit of the owner's spouse or common-law partner or, if there is no spouse or common-law partner, the owner's designated beneficiary or, if there is no valid designation of beneficiary, the owner's estate.

(2) A spouse or common-law partner is not entitled to receive a death benefit if a division has been made under Section 61 of the Act (pension division) of the pension benefits transferred to the LIF, unless the spouse or common-law partner is the owner's designated beneficiary.

Withdrawals

14 An application for withdrawal of the assets held in a LIF must be made in accordance with Sections 27 and 28 of the regulations (small amounts at age 65 and considerably shortened life expectancy), or in accordance with Part 4 of the regulations (financial hardship).

Section 14 amended: O.I.C. 2007-375, N.S. Reg. 329/2007.