

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

AND

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

AND

IN THE MATTER OF THE MANUFACTURERS LIFE INSURANCE COMPANY AND
MANULIFE FINANCIAL CORPORATION

MRRS DECISION DOCUMENT

WHEREAS the securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, Newfoundland, New Brunswick, Prince Edward Island, Northwest Territories, Yukon Territory and Nunavut (the "Jurisdictions") has received an application (the "Application") from The Manufacturers Life Insurance Company ("MLI") and Manulife Financial Corporation ("MFC") for a decision under the securities legislation of the Jurisdictions (the "Legislation") exempting MLI and MFC from the requirement to file and obtain a receipt for a preliminary prospectus and prospectus (collectively the "Prospectus Requirements") in order to permit the use by MLI and MFC of the form and other requirements set out in Proposed National Instrument 44-101 - *Short Form Prospectus Distributions* and Proposed National Instrument 44-102 - *Shelf Distributions* (collectively referred to herein as the "POP and Shelf Procedures") in connection with the offering by MLI and MFC of certain securities under a shelf prospectus.

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the Principal Regulator for this Application.

AND WHEREAS MLI and MFC have represented to the Decision Makers that:

1. MLI was incorporated on June 23, 1887, by a Special Act of Parliament of the Dominion of Canada. Pursuant to the provisions of the then *Canadian and British Insurance Companies Act* (Canada), the predecessor legislation to the *Insurance Companies Act* (Canada) ("ICA"), MLI undertook a plan of mutualization and became a mutual life insurance company December 19, 1968. On September 23, 1999 MLI demutualized (the "Demutualization") pursuant to letters patent of conversion issued by the Minister of Finance.

2. MLI's head office is located in Ontario. MLI is regulated by the Superintendent of Financial Institutions (Canada) and it is licenced under the insurance legislation of each province and territory of Canada. The authorized capital of MLI consists of an unlimited number of Class A,

B, C and D preferred shares, each such class being issuable in series, and an unlimited number of common shares. Pursuant to the Demutualization MFC became the holder of all of the issued and outstanding common shares of MLI. Currently MLI has no other shares outstanding.

3. MLI is a reporting issuer (or equivalent) in each of the provinces and territories of Canada and to the best of its knowledge, information and belief, is not currently in default of its reporting requirements under the Legislation.

4. MFC was incorporated under the ICA on April 26, 1999. On September 23, 1999, in connection with the Demutualization, MFC became the sole shareholder of MLI and certain holders of participating life insurance policies of MLI became shareholders of MFC. The authorized share capital of MFC consists of Class A Shares, issuable in series, Class B Shares, issuable in series, and Common Shares of which approximately 482,005,387 Common Shares were issued and outstanding as of June 30, 2000.

5. MFC is a reporting issuer in each of the provinces and territories of Canada and is eligible to use the prompt offering qualification system under the Legislation (the "POP System"). To the best of its knowledge, information and belief, MFC is currently not in default of its reporting requirements under the Legislation. MFC is a publicly traded company on The Toronto Stock Exchange, The New York Stock Exchange, The Stock Exchange of Hong Kong Limited and the Philippine Stock Exchange.

6. Pursuant to the decision document issued by British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, Newfoundland and Quebec on May 19, 2000, (the "MLI Relief") MLI is not required to file an Annual Information Form ("AIF") in order to be eligible to use the POP System provided MFC has filed a current AIF and provided MFC has no assets or liabilities (other than its direct or indirect beneficial holding of all of the outstanding voting securities of MLI) of more than nominal value having regard to the total consolidated assets of MFC. The MLI Relief also granted relief to MLI from certain continuous disclosure requirements under the Legislation provided, among other things, that MFC files continuous disclosure documents under the Legislation. MFC and MLI have requested relief from New Brunswick, Prince Edward Island, Northwest Territories, Yukon Territory and Nunavut permitting MLI to use the POP System on the same basis as is set out in the MLI Relief.

7. MFC has no material assets or material liabilities other than the shares that it holds in MLI. MFC conducts its operations through MLI and MLI's branches and subsidiaries.

8. On or about August 18, 2000 MLI and MFC filed in the Jurisdictions a preliminary short form shelf prospectus (the "Preliminary Prospectus") pertaining to more than one type of security, being debt and preferred share securities (collectively, the "Securities"), to be issued by either MLI or MFC from time to time as determined on the basis of applicable tax, regulatory and market considerations prevailing at the time of issue. The Preliminary Prospectus complies with the form and content requirements set out in the POP and Shelf Procedures.

9. The decision to prepare the Preliminary Prospectus, rather than separate shelf prospectuses for each of MLI and MFC, is consistent with the approach set out in the MLI Relief which allows both companies rely upon the same continuous disclosure documents.

10. A final prospectus and any shelf prospectus supplement (each, a "Supplement") prepared in connection therewith filed under the Legislation will each comply with the form and content requirements set out in the POP and Shelf Procedures.

11. Each Supplement will, in accordance with the POP and Shelf Procedures, set out details regarding the type of security being offered (to the extent not contained in the Prospectus) and the use of proceeds sought in connection with any such offering. In the event that the security is to be offered pursuant to a medium term note program or other continuous distribution of Securities, a pricing supplement (each a "Pricing Supplement") will also be prepared and filed under the Legislation in accordance with the POP and Shelf Procedures.

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

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

THE DECISION of the Decision Makers pursuant to the Legislation is that MLI and MFC are exempted from the Prospectus Requirements of the Legislation with respect to distributions by MLI or MFC of the Securities provided that:

(i) the Preliminary Prospectus shall be in compliance with and shall be supplemented and amended in accordance with the requirements set out in the POP and Shelf Procedures;

(ii) a prospectus in respect of the Securities which complies with the POP and Shelf Procedures is filed in the Jurisdictions and a receipt or decision document, as the case may be, therefore is issued by the Jurisdictions and such prospectus is supplemented and amended in accordance with the requirements set out in the POP and Shelf Procedures; and

(iii) this decision shall continue to be operative until and shall expire upon the date which is 24 months after the date of the receipt or decision document, as the case may be, for the prospectus referred to under paragraph (ii) above despite the entry into force in any Jurisdiction of the POP and Shelf Procedures in the form currently proposed or in an amended form.

DATED at Toronto on this 1st day of September, 2000.

"Howard I. Wetston" "Theresa McLeod"

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - POP System and Shelf Prospectus Offerings - exemption granted to allow issuers to file an unallocated base shelf prospectus and to follow the requirements of proposed National Instrument 44-101 and proposed National Instrument 44-102.

Relevant Ontario Statutes

Securities Act, R.S.O. 1990, c.S.5, as am. s. 53 and 74(1).

Relevant Ontario Regulations

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am.,

Relevant Ontario Rules

Rule entitled *In the Matter of the Prompt Offering Qualification System* (1999) 22 O.S.C.B. 6298

Rule entitled *In the Matter of Rules for Shelf Prospectus Offerings and Pricing Offerings after the Prospectus is Received* (1999) 22 O.S.C.B. 6297.

Policies Cited

National Policy 47 - Prompt Offering Qualification System.

National Policy 44 - Rules for Shelf Prospectus Offerings and for Pricing Offerings after the Final Prospectus is Received.