

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

AND

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

AND

**IN THE MATTER OF MANULIFE FINANCIAL CORPORATION, THE
MANUFACTURERS LIFE INSURANCE COMPANY AND MANULIFE FINANCIAL
CAPITAL TRUST**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland, Yukon, Northwest Territories and Nunavut (the "Jurisdictions") has received an application on behalf of Manulife Financial Corporation ("MFC"), The Manufacturers Life Insurance Company ("MLI") and Manulife Financial Capital Trust (the "Trust") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that certain trades in securities of MFC and MLI are exempt from the requirements under the Legislation to be registered to trade in a security (the "Registration Requirement") and to file and obtain a receipt for a preliminary prospectus and a prospectus (the "Prospectus Requirement") subject to certain conditions;

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Nova Scotia Securities Commission is the principal regulator for this application;

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

1. MFC is a holding company of a Canadian insurance company subject to the *Insurance Companies Act* (Canada) and is, and has been since September 24, 1999, a reporting issuer in each province and territory in Canada that provides for a reporting issuer regime;
2. MFC files its continuous disclosure materials on the System for Electronic Document Analysis and Retrieval ("SEDAR") in all provinces and territories in Canada;
3. to the best of its knowledge, MFC is not in default of any requirements of the Legislation;
4. MFC is qualified to use the short-form prospectus system under National Instrument 44-101 – Short Form Prospectus Distributions ("NI 44-101") in all provinces and territories in Canada;

5. the common shares of MFC (the "MFC Common Shares") are listed and posted for trading on the Toronto, New York, Hong Kong and Philippines stock exchanges;

6. MLI is a Canadian insurance company subject to the *Insurance Companies Act* (Canada) and has been reporting issuer in each province and territory in Canada that provides for a reporting issuer regime since filing a non-offering prospectus dated May 19, 1994;

7. to the best of its knowledge, MLI is not in default of any requirements of the Legislation;

8. MLI is qualified to use the short-form prospectus distribution system under NI 44-101 in all provinces and territories in Canada;

9. the Trust is an open-end trust established pursuant to a declaration of trust of The Canada Trust Company (the "Trustee"); MFC, MLI and the Trust have filed a preliminary prospectus dated November 1, 2001 (the "Preliminary Prospectus") in relation to the offering (the "Offering") by the Trust of trust units to be called "Manulife Financial Capital Securities" or "MaCS"; the MaCS are issuable in Series; the Preliminary Prospectus has been prepared in respect of MaCS - Series A ("MaCS - Series A"), being the initial series of MaCS; the principal asset of the Trust will be a senior debenture of MLI (the "MLI Debenture"), which the Trust will acquire with the proceeds of the Offering, as described in the Preliminary Prospectus;

10. the Trust will become a reporting issuer or the equivalent under the Legislation upon a receipt being issued for the final prospectus (the "Prospectus") qualifying the Offering;

11. the Offering will provide investors with the opportunity to obtain, through the holdings of MaCS - Series A, a fixed non-cumulative yield payable semi-annually;

12. the MaCS - Series A will be exchangeable for Class A Shares Series 2 of MLI ("MLI Class A Shares Series 2") at the option of the holder (the "Holder Exchange Right") and will be exchanged automatically (without the consent of the holder) for Class A Shares Series 3 of MLI ("MLI Class A Shares Series 3" and, together with the MLI Class A Shares Series 2, the "MLI Preferred Shares") on the occurrence of certain events (the "Automatic Exchange"); the Trust will be granted the right pursuant to the terms of the MLI Debenture to convert the MLI Debenture into MLI Class A Shares Series 2 and MLI Class A Shares Series 3 in order to give effect to the Holder Exchange Right and the Automatic Exchange, respectively (the "Conversion Right");

13. the Trust will have the right to subscribe, if necessary, following maturity of the MLI Debenture, for MLI Class A Shares Series 2 and MLI Class A Shares Series 3, as the case may be, to enable the Trust to give effect to the Holder Exchange Right and the Automatic Exchange, respectively (the "Subscription Right");

14. on a date to be determined coincident with the settlement of all economic terms of the Offering, the MLI Class A Shares Series 2 and the MLI Class A Shares Series 3 will be exchangeable for MFC Common Shares (the "MFC Common Share Exchange Right") from

MFC, subject to certain limitations set forth in the Preliminary Prospectus;

15. MLI will have the right to redeem MLI Class A Shares Series 2 and MLI Class A Shares Series 3 and to pay the redemption price by MLI delivering MFC Common Shares to holders of MLI Class A Shares Series 2 and MLI Class A Shares Series 3 called for redemption (the "MLI Preferred Shares Redemption Right");

16. MFC, MLI, the Trust and CIBC Mellon Trust Company, as exchange trustee, will enter into a share exchange agreement providing, among other things, for the Subscription Right, MFC Common Share Exchange Right and MLI Preferred Shares Redemption Right;

17. application will be made to list the MaCS - Series A, the MLI Class A Shares Series 2 and the MLI Class A Shares Series 3 for trading on The Toronto Stock Exchange;

18. the Prospectus will qualify the Holder Exchange Right, the Automatic Exchange, the Conversion Right, the MLI Preferred Shares Redemption Right, the MFC Common Share Exchange Right and the Subscription Right. Information about MLI and MFC will be included and incorporated by reference in the Prospectus;

19. there may be no registration or prospectus exemptions available under the Legislation for certain of the trades (the "Trades") resulting from the Holder Exchange Right, the Automatic Exchange, the Conversion Right, the Subscription Right, the MLI Preferred Shares Redemption Right and the MFC Common Share Exchange Right;

20. MLI is considering the issue of additional series of MaCS (to be designated as Series B, C, etc.) pursuant to this Offering or subsequent offerings of MaCS by the Trust. The proceeds from the issue of each additional series of MaCS would be used by the Trust to purchase a separate debenture from MLI. The features of each series of MaCS and each related debenture issued by MLI would be the same as the MaCS - Series A and the MLI Debenture except for the following:

- a. the indicated yield payable on each series of MaCS may be different;
- b. the interest rate on each debenture may be different but will correspond to the indicated yield of the particular corresponding series of MaCS;
- c. the redemption date of each debenture will be different; and
- d. each series of MaCS and the corresponding debenture will be exchangeable or convertible into separate series of shares of MLI with attributes substantially similar to the MLI Preferred Shares, except that the dates upon which various rights arise may be different from the MaCS - Series A and the MLI Preferred Shares.

21. For the purpose of this Decision, as defined below:

- a. "MaCS - Series A" includes each series of MaCS offered in the Prospectus;
- b. "MLI Class A Shares Series 2" includes each other series of Class A Shares of MLI which have substantially similar attributes to the MLI Class A Shares Series 2 (other than the economic terms thereof) as described in the Prospectus and correspond to a particular series of MaCS; and
- c. "MLI Class A Shares Series 3" includes each other series of Class A Shares of MLI which have substantially similar attributes to the MLI Class A Shares Series 3 (other than the economic terms thereof) as described in the Prospectus and correspond to a particular series of MaCS.

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

AND WHEREAS each of the Decision Makers is 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 under the Legislation is that the Registration Requirement and the Prospectus Requirement shall not apply to the Trades provided that the first trade in MLI Class A Shares Series 2, MLI Class A Shares Series 3 and MFC Common Shares acquired pursuant to the Decision shall be deemed to be a distribution or a primary distribution to the public under the Legislation of the Jurisdiction in which the trade takes place (the "Applicable Legislation") unless:

- a. in British Columbia, Alberta, Northwest Territories and Saskatchewan, the Trust, MFC and MLI has filed and obtained a receipt for the Prospectus under the Applicable Legislation; or
- b. in all other Jurisdictions:
 - i. MFC or MLI, as the case may be, is a reporting issuer or the equivalent under the Applicable Legislation at the time of the trade;
 - ii. if the seller is an insider or officer of MFC or MLI, as the case may be, the seller has no reasonable grounds to believe that MFC or MLI is in default of any requirement of the Applicable Legislation;
 - iii. no unusual effort is made to prepare the market or create a demand for the securities;
 - iv. no extraordinary commission or consideration is paid in respect of the trade; and

v. the first trade is not from the holdings of a person or company or a combination of persons or companies holding a sufficient number of any securities of MFC or MLI, as the case may be, so as to affect materially the control of MFC or MLI, or more than 20% of the outstanding voting securities of MFC or MLI, except where there is evidence showing that the holding of those securities does not affect materially the control of MFC or MLI.

DATED this 4th day of December, 2001.

H. Leslie O'Brien