

IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA  
ONTARIO, QUEBEC, NOVA SCOTIA AND NEWFOUNDLAND AND LABRADOR

AND

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

AND

IN THE MATTER OF  
MANULIFE FINANCIAL CORPORATION

AND

THE MANUFACTURERS LIFE INSURANCE COMPANY

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia and Newfoundland and Labrador (collectively the "Jurisdictions") has received an application from Manulife Financial Corporation ("MFC") and The Manufacturers Life Insurance Company ("MLI") (MFC and MLI collectively referred to as "Manulife" or the "Manulife Applicants") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the requirement contained in the Legislation to file insider reports shall not apply to certain individuals who are insiders of the Manulife Applicants by reason of having the title of Vice-President;

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definitions;

AND WHEREAS the Manulife Applicants have represented to the Decision Makers that:

1. MFC is a life insurance company governed by the Insurance Companies Act (Canada). MLI is a wholly-owned subsidiary of MFC and is a life insurance company governed by the Insurance Companies Act (Canada).
2. MFC is a reporting issuer, or the equivalent, as applicable, in each province and territory of Canada. To the best of its knowledge, information and belief, MFC is not in default of its

reporting requirements under the Legislation. MLI is a reporting issuer, or the equivalent, as applicable, in each province and territory of Canada. To the best of its knowledge, information and belief, MLI is not in default of its reporting requirements under the Legislation.

3. All of the directors and officers of MFC are also directors and officers of MLI. Currently, 204 individuals are insiders of the Manulife Applicants by reason of being a senior officer or director of the Manulife Applicants or a major subsidiary of the Manulife Applicants and are not otherwise exempt from the insider reporting requirements of the Legislation by reason of existing orders and/or the exemptions contained in National Instrument 55-101 Exemption from certain Insider Reporting Requirements ("NI 55-101").

4. The Manulife Applicants have made this application to seek the requested relief in respect of approximately 134 individuals, who, in the opinion of the Manulife's Corporate Law Department, satisfy the Exempt VP Criteria (as defined below).

5. Manulife has trading restrictions in place for all directors and employees in the Manulife group of companies to ensure that such persons are aware that: (a) they are not permitted to buy or sell MFC securities when they have material information about MFC that has not been released to the general public; and (b) they are not permitted to disclose to anyone, inadvertently or intentionally, material information about MFC that has not been released to the general public, except to other employees on a need-to-know basis.

6. Manulife has additional trading restrictions in place for senior officers as well as certain other employees who may receive or have access to non-public material information about the Manulife Applicants. Manulife developed these additional restrictions to ensure that its directors, senior officers and other employees are aware of their responsibilities under the Legislation and to assist them in complying with the Legislation.

7. The additional restrictions require that trades in MFC securities may occur only during certain time frames following the announcement of MFC's financial results. These additional restrictions will continue to apply to any individual who is exempted from the insider reporting requirements by the Decision Makers.

8. Designated staff in Manulife's Corporate Law Department oversee administration of Manulife's trading restrictions for directors, senior officers and other employees.

9. Designated staff in Manulife's Corporate Law Department, in consultation with certain officers with a policy-making function, reviewed: (a) the organizational structure of Manulife and its major subsidiaries; (b) the function of each vice-president; and (c) the distribution of non-public material information about Manulife through each of its business groups and assessed whether non-public material information about Manulife was provided to a particular vice-president function in the ordinary course based on criteria contained in Canadian Securities Administrators Staff Notice 55-306 Applications for Relief from the Insider Reporting Requirements by Certain Vice Presidents (the "Staff Notice").

10. The Manulife Applicants have made this application to seek relief from the insider reporting requirement for individuals who meet the following criteria set out in the Staff Notice (the "Exempt VP Criteria"):

(a) the individual is a vice-president;

(b) the individual is not in charge of a principal business unit, division or function of the Manulife Applicants or a "major subsidiary" of the Manulife Applicants (as that term is defined in NI 55-101);

(c) the individual does not in the ordinary course receive or have access to information regarding material facts or material changes concerning the Manulife Applicants before the material facts or material changes are generally disclosed; and

(d) the individual is not an insider of the Manulife Applicants in any capacity other than as vice-president.

11. The Manulife Corporate Law Department applies the same analysis each time a new vice-president is appointed or an existing vice-president is promoted. The Manulife Corporate Law Department will review and update Manulife's Exempt VP analysis annually.

12. If an individual who is designated as an Exempt VP no longer satisfies the Exempt VP Criteria, designated staff of the Manulife Corporate Law Department will ensure that the individual is informed about his or her renewed obligation to file an insider report on trades in securities of the Manulife Applicants.

13. In connection with this application, the Manulife Applicants have filed with the Decision Makers a copy of their internal policies and procedures relating to monitoring and restricting the trading activities of their insiders and other persons whose trading activities are restricted by Manulife.

AND WHEREAS under the System, this MRRS 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 requirement contained in the Legislation to file insider reports shall not apply to insiders of the Manulife Applicants who satisfy the Exempt VP Criteria for so long as such insiders satisfy the Exempt VP Criteria provided that:

(a) the Manulife Applicants agree to make available to the Decision Makers, upon request, to the extent permitted by law, a list of all individuals who are relying on the exemption granted by this Decision as at the time of the request; and

(b) the relief granted will cease to be effective on the date when NI 55-101 is amended.

DATED April 6<sup>th</sup>, 2004.

"Paul Moore"

"Wendell Wigle"

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - relief granted to certain vice presidents of a reporting issuer from the insider reporting requirements subject to certain conditions.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 1(1), 107, 108, 121(2)(a)(ii)

Regulations Cited

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

Rules Cited

National Instrument 55-101 - Exemption From Certain Insider Reporting Requirements.