

Manulife One

General Terms



Contents

Section 1 – Introduction	3
Section 2 – Your Account	3
Section 3 – Credit	13
Section 4 – Access Cards	16
Section 5 – Personal Information Statement	17
Section 6 – Compliant Handling Procedures	19
Section 7 – General	19
Section 8 – Transition To Bank Account	21

Section 1 – Introduction

Your Manulife One Account is subject to these General Terms and is comprised of your Main Account and may include Sub-accounts.

- 1. You and us.** In these terms, **you** (“**your**” has a corresponding meaning) are the holder or holders of a Manulife One Account. **We** (“**us**”, “**our**” have corresponding meanings) are Manulife Bank of Canada.
- 2. Account use.** You may only use your Manulife One Account for personal, household, family, or investment purposes. You may not use your Manulife One Account for business transactions.
- 3. The Operating Agreement.** The Operating Agreement, including any amendment thereof (the “**Operating Agreement**”) is between you and us for your Manulife One Account (the “**Account**”). These General Terms are part of the Operating Agreement, the Operating Agreement is subject to them, and a reference to the Operating Agreement includes them.
- 4. Collateral Mortgage.** The Manulife One account is registered as a Collateral Mortgage (the “**Collateral Mortgage**”) in which security is provided in favour of Manulife Bank of Canada. The specific details of your Manulife One account are not included in the registered charge. Your Operating Agreement contains specific terms of your Manulife One account including the Main Account and any Sub-account(s).
- 5. Construction Phase.** If your Account has a “Construction Phase” (if applicable, this will be set out in your Operating Agreement), the following sections of the General Terms will not apply to your Account and will be of no force or effect during the Construction Phase: sections 2.1, 2.2, 2.3, 2.9, 2.14 a), e), f), g) and h), 2.19 a), 2.21 b), 2.23, 2.24, 2.25 b), c), and d), 2.26 d), 4, 7.4 and 8. In addition, the first three sentences of section 2.22 (“Your Main Account”) will not apply to your Account for the duration of your Construction Phase. After completion of your Construction Phase, all of the preceding sections and parts of the General Terms will apply to your Account. Details regarding your Construction Phase, including information about your draw schedule and the current list of the fees and charges applicable to your Account during the Construction Phase can be found either in your Operating Agreement or by calling 1-877-765-2265.
- 6. Understanding our terminology.** Descriptions of some common bank terms are provided at the end of this document (Section 7.22).

Section 2 – Your Account

- 1. Our right to debit your Account.** We may charge to your Account any of the following:
 - a. The amount of any instrument you draw, make, accept, or endorse which is payable at a branch or office of ours or for which we must reimburse anyone;
 - b. An amount you instruct us to transfer to anyone or another account;

- c. The amount of any instrument we cash or negotiate for you or credit to your Account for which we do not receive payment;
- d. An amount we credit to any of your accounts under an instruction to transfer funds, whether by you or anyone else, which is reversed for any reason or for which we do not receive payment.

- 2. Credits to Account.** You understand that you can deposit funds to your Account by mail, direct deposit, electronic transfer, ABM deposit, mobile deposit, Internet e-Transfer, or any other method acceptable to us. We may credit to your Account deposits made by another person on your behalf. All instruments deposited must be payable to you. You authorize us to endorse in your name any instrument deposited without endorsement. This endorsement will be deemed to be made by you. All deposits to your Account will be applied to your Main Account.
- 3. Hold Funds Policy.** All deposits made to your Account may be subject to a hold. These deposits can be, but are not limited to, a cheque deposited to your Account, an Electronic Funds Transfer, mobile deposit or an ABM deposit. If your deposit is subject to a hold, the full amount of the deposit will be credited to your account; however, you will not be able to access the funds being held for any purpose, including honouring any cheques or pre-authorized payments, until the conclusion of the “hold period”

The hold period for certain types of deposits will be the following number of business days:

	Minimum	Maximum
Cheques, Mobile Deposit Capture, or Electronic Funds Transfers drawn on another Canadian Financial Institution		
• less than or equal to \$1,500.00	2	5
• greater than \$1,500.00	2	8

You understand that the maximum hold period may not apply in exceptional circumstances, including but not limited to where (i) Manulife Bank has reasonable grounds to believe there may be illegal, fraudulent or improper activity in relation to an account; (ii) an account has been open for less than ninety (90) days; (iii) the deposited cheque has been endorsed more than once; or (iv) the deposited cheque is considered stale-dated (after six months).

- 4. Our charges.** You promise to pay our service charges at the usual rates we charge from time to time for services we normally provide in the operation of any account of yours, unless you and we otherwise agree in recorded agreement. You promise to pay any other charges you and we may agree on for services we provide to you from time to time.
- 5. Confirmation of personal identification.** You agree that we may rely on the signatures on the Operating Agreement in the operation of the Account or other means of personal identification, including but not limited to electronic or biometric methods, as we may accept from time to time.

6. Joint account. The following terms apply, as between you and us, where the Account is in the names of more than one person. You agree that a transaction authorized by less than both or all of the persons, or a person's attorney or agent, will bind you. You agree that we may credit the Account with money paid to us by or for the credit of either or any of the persons. You agree that a notice to one person is notice to both or all the persons, except where both account holders have requested to be sent statements. You agree that, except in Quebec, all money in the Account will be taken to be held by the persons on joint account with right of survivorship. These terms do not apply as far as you and we otherwise specifically agree in a recorded agreement.

7. Survivorship. In the event that the mortgage is discharged, and the main account is utilized as a banking account, and there is a positive balance, If there is more than one owner, and we hold this Account as joint with right of survivorship, if one of the owners dies, the remaining owners will become entitled to the share in equal portions. This provision does not apply in the Province of Quebec.

8. Quebec Joint Spouse/Former Spouse Owners. In the event that the mortgage is discharged and the main account is being utilized as a banking account, and there is a positive balance, we understand that we can declare to the Bank in writing at anytime a specified division of the Account balance in the event of a death. If no declaration is made and one of the owners dies, we understand that the respective share of each owner will correspond to half of the Account balance. This provision is only applicable to Quebec joint owners who are spouses or former spouses. This provision does not apply outside of Quebec and also does not apply to other types of joint ownership in Quebec.

9. Services and charges. We need not provide services other than those we make available to persons generally or to the group of persons to which you belong. We may from time to time change, reduce or withdraw services we make available at the time to persons generally or to a group of persons. For example, we may limit the frequency or amount of your withdrawals.

10. When interest is charged. Interest is charged on principal (or capital) in your Account starting on the day the principal becomes owing, and accrues while the principal is owing. There is no period during which interest does not accrue, or grace period. For the Main Account and any Variable Rate Sub-account, interest on principal is calculated each day only on the principal owing on the day and charged to the Main Account on the last day of each calendar month. For a Fixed Rate Sub-account, interest is calculated monthly and charged to the Main Account, along with a payment of principal, on the last calendar day of each month.

We calculate interest daily on the basis of a year of 365 days including February 29 in a leap year, with the result that the annual interest rate that we charge during a yearly period that includes February 29 will be equal to the Variable Annual Interest Rate in effect on each day in that yearly period multiplied by 366 and

divided by 365.

11. Other charges. You shall pay a monthly fee for the Account's transactional features and services, including, but not limited to those accessed through Access Cards or our Internet, mobile, and telephone banking services. For the Access Card, the fee currently covers Automated Bank Machine (ABM) cash withdrawals (and deposits through any Manulife Bank ABM or THE EXCHANGE® Network¹ of ABMs) in Canada and debit card purchases in Canada. Our current monthly fee is provided in the Operating Agreement. We have charges for additional services. We may change these fees and charges from time to time. If any of these charges are increased or a new charge is introduced, we will provide you with at least thirty (30) days prior written notice of the increase or addition. If any of these charges are changed or decreased, we will provide you written notice within thirty (30) days of the change or decrease. List of the current fees can be found in the Operating Agreement. To access a list of the current fees and charges, or to obtain information about the transactions on your account, visit manulifebank.ca at any time or call 1-877-765-2265.

12. Charges or penalties. If you fail to make a payment when it is due, or to comply with an obligation in the Operating Agreement or our mortgage or hypothec, you must pay all of the following:

- a. If any interest payable to us is not paid on the day that it is payable, interest must be paid to us on the unpaid interest. This interest will be at the same rate as the unpaid interest. It will be calculated and payable in the same way as the unpaid interest, both before and after demand, maturity, default or judgment. If interest on unpaid interest is not paid, interest must be paid on that interest as provided above, and so on;
- b. You must pay our charges for recovering the costs we reasonably incur for legal, collection or other services we retain to collect or attempt to collect the payment;
- c. You must pay our charges for recovering the costs we reasonably incur in realizing on every security interest taken under the Operating Agreement or our mortgage or hypothec, or in protecting the security interest, including the cost of legal or other services we retain for that purpose; and
- d. You must pay our charges for recovering the costs we reasonably incur in processing a cheque or other payment instrument that you use to make a payment under the loan but that is dishonoured.

13. Request for information or documentation. We may, from time to time, receive requests to provide information or documentation regarding your Account. You agree that you shall be responsible for any costs incurred by us in order to comply with any warrants, subpoenas, court orders, Canada Revenue Agency requests for information or other demands that we are required by law to comply with and you authorize us to charge such costs to your Account.

14. Account restriction. You agree that we may restrict access to your

¹ Deposits can be made at many ABMs that are part of THE EXCHANGE Network. Manulife Bank is an authorized user of the trade mark "THE EXCHANGE" which is owned by FiServ.

Account if we have reason to believe that unauthorized or fraudulent activity is occurring on the Account.

15. Our giving information. If we give information about your Account or you to anyone, we are not liable if the information is inaccurate or incomplete, even if that was caused by negligence.

16. Your instructions.

- a. Forms and procedures.** You must use forms and procedures satisfactory to us for transactions. In particular, please use cheque forms we issue as a failure to do so may result in our not being able to honour a cheque;
- b. Electronic communications.** An electronic communication includes any communication by telephone, facsimile, wire, e-mail, mobile, SMS or the internet. We will deem any electronic communication received from you or in your name to be duly authorized by you and you authorize us to rely and act upon any such electronic communication. We will act on a signature in an electronic communication that purports to be your signature. If you request, we will forward copies of any statements, instruments, or other documents sent by electronic communication to the number or address provided by you, even though such modes of electronic communication may not be considered secure. You will be deemed to have received the electronic communication on the date and time recorded by a facsimile machine of ours, or for email on the day recorded by our computer server. You agree that records regarding any electronic communication will be admissible in any legal, administrative or other proceeding as if such records were the original written documents. Our records will be conclusive as to the information contained in such electronic communications. Our action in response to a request in an electronic communication received from you or in your name is conclusive evidence of what we were requested to do.

When you open an Account you will have to select passwords for telephone and internet/mobile banking. You may also set up your voice recognition password. When you receive your Access Card, you will be given an initial PIN which you may change at a Manulife Bank ABM or an ABM that is part of THE EXCHANGE[®] Network² of ABMs. Each time you use telephone, mobile or internet banking you will be prompted for your password or biometric authentication. When we talk to you by phone we may also ask you for a verbal password and other information, including personal information, to confirm your identity. We will be relying on oral or electronic instructions provided to us using your password and PIN, and therefore you must keep your password and PIN secret at all times. You should therefore never write down your password or PIN or choose a password or PIN that can be easily discovered (e.g. your telephone number, address or set of sequential numbers). If you suspect that any other person has become aware of your password or PIN, you must immediately notify us, and until you notify us, you will be liable for all transactions that are made using your

password or your PIN.

You must also assist us in investigating any unauthorized transactions. You may be also required to adopt other security measures that we make available to protect the security of your information.

You must exercise safe security practices when accessing and conducting electronic transactions. This includes signing out and closing any online electronic transaction services once all transactions have been completed. You must also maintain any security measures that we recommend relating to requirements for encryption technology, virus scanning, software, firewall systems, anti-spyware software and similar safeguards to maintain security for all electronic transaction services;

- c. Changes in your instructions.** If you give us an authority or instruction, and withdraw or revoke the authority or instruction, you must indemnify us against all loss we suffer through refusing to act on the authority or instruction or reversing an action taken on it. This applies, for example, if you sign a cheque and stop payment of it, and we refuse to pay the cheque or reverse an entry for it. We are not liable for acting on an authority or instruction despite the fact that you have withdrawn or revoked it, for any reason, including our negligence. We need not reverse or stop any action we have taken on the authority or instruction;
- d. Verification of account.**
- i. **Statements:** You shall notify us in writing of any errors, irregularities or omissions within thirty (30) days of the statement date and at the expiration of the said thirty (30) days (except as to any errors, irregularities or omissions of which we have been so notified) it shall be conclusively deemed as between us and you that such statement and the amount of the balance shown is correct;
 - ii. **Other verification:** Where a periodic Account statement is not provided to you, you have thirty (30) days following the date on which any debit or credit is posted to the Account by us within which to notify us of any error, irregularity or omission in respect of such posting or the amount thereof; and at the expiration of the said thirty (30) days (except as to any errors, irregularities or omissions of which we have been so notified) it shall be conclusively deemed as between us and you that such posting and the amount is correct; and
 - iii. You understand that you are responsible for all use of your Account, including forgery, fraud or material alteration of your Access Card, cheques or other Instruments, and that we have no responsibility for such use **even if you notified us within the timeline outlined above**, unless you prove that you took reasonable precautions to protect them and exercised reasonable care in examining your Account transaction information and Statements. You agree to

² Manulife Bank is an authorized user of the trade mark "THE EXCHANGE" which is owned by FiServ.

take all reasonable precautions to maintain the security and integrity of your Account and to prevent fraudulent transactions on your Account. You agree to advise us of any suspicious circumstances that you are aware of surrounding any transaction in your Account at the time of your instruction to us. You agree to safeguard your Access Card, cheques and other Instruments at all times and to take reasonable steps to protect them. You agree to notify us immediately about any actual or suspected loss, theft, or unauthorized use of any cheques or any circumstances in which a person may reasonably conclude that fraud may occur in connection with your Account.

- e. **Stop payments.** You can ask us to stop payment of a cheque or pre-authorized payment drawn on your Account, provided it has not already been paid from your Account. You understand that in order for us to process your stop payment you must provide the exact amount and date of the item, the payee, the full account number on which it is drawn and the cheque number (if applicable). You acknowledge that if the information provided is incorrect, if the payment is final and irrevocable or if you do not give us sufficient time to process your stop payment request, we will not be able to stop the payment. The ability to request stop payments is not a contractual or legal right; you agree that we will not be responsible for any loss that might occur as a result of our failure to process a stop payment;
- f. **Returned instruments.** If an instrument is returned to us unpaid, you authorize us to reverse the credit (and any interest paid on that credit) to your Account. If the instrument is in a different currency than the currency of the Account, you authorize us to debit your account for any cost or loss associated with the currency exchange on the unpaid instrument;
- g. **Foreign currency transactions.** Eligible foreign currency transactions will be converted to Canadian dollars at an exchange rate determined by us or our third party service provider on a date determined by us and may not be the same date as the service was requested. If a foreign currency transaction is reversed from your Account for any reason, you accept responsibility for any loss or costs associated with the currency exchange and you authorize us to debit such charge from your Account; and
- h. **Funds transfers.** You authorize us to process funds transfers initiated by you, subject to the following terms. Note that the terms below are applicable to any and all types of fund transfers, including, but not limited to, transfers initiated using the Funds Transfer Agreement or linking an external account and transferring funds via online banking or using banking or using our Bank Mobile App:
 - i. We may debit or credit the Account(s) you have with us (the "Accounts") and the other accounts (the "Other Account(s)") held by you with the named other financial institutions (the "Other Financial Institution(s)") when transferring funds between them, subject to such limits

and conditions as are required by us and by the Other Financial Institution(s);

- ii. Authorization is provided for the benefit of us and the Other Financial Institution(s) and is provided in consideration of us and the Other Financial Institution agreeing to process funds transfers against your Account(s), in accordance with the rules of Payments Canada including, but not limited to, the disclosure of your personal information which may be disclosed to financial clearing institutions to give effect to your fund transfer instructions;
- iii. In order to authorize us to arrange electronic funds transfers or to vary or cancel an existing authorization, you will contact us by telephone, computer or other electronic device as permitted by us. You require a password or code to initiate and authorize such transfers or changes, which you shall provide to us. By using this password or code, and initiating a funds transfer or change, you acknowledge that you are authorizing us to transfer funds between your Account and the Other Account(s) at the Other Financial Institution(s), as specified by you or to cancel or vary an authorization as may be applicable; and
- iv. You acknowledge that provision and delivery of the Funds Transfer Agreement to us constitutes delivery by you to the Other Financial Institutions. You acknowledge that the Other Financial Institution(s) is not required to verify that a funds transfer has been issued in accordance with the particulars of your transfer instructions including, but not limited to, the amount. You acknowledge that the Other Financial Institution(s) is not required to verify that any purpose of payment for which a funds transfer was issued, which is a debit on an Other Account, has been fulfilled by us as a condition to honouring a funds transfer debit issued or caused to be issued by us on the Other Account.

17. Evidence of transactions. Our accounts, books and records are, in the absence of manifest error, conclusive evidence of the advances made under the Operating Agreement or a credit document under it, repayments of advances and your indebtedness to us. This section is subject to terms in this document giving you a right within a period to notify us in a recorded notice of any error in or omission from a statement or record. It does not apply to an amount improperly credited to you.

18. Our using others or systems. We may, as we decide, use another person, including an agent, in doing anything under the Operating Agreement. We may do anything under the Operating Agreement with another person. We and the other person or persons may be members of a partnership, joint venture, association or other group. We, an agent, or we and the other person, may use or operate a system.

A system includes a clearing system, a funds transfer system, a system based on the Internet, a voice recognition system, and a system for transferring data. We are not liable to you for any act or omission of our agent. We are not liable to you for a failure of the other person, group or system, due to any cause

beyond our reasonable control. We are not liable to you for a delay in completing or a failure to complete a transfer of funds through a funds transfer system for any reason not within our reasonable control. We are not in any event liable to you for the loss, destruction, delayed, or incorrect delivery of an instrument, security, certificate, document, instruction or signal of any kind while in transit, while in the possession or control of a person other than us, while in the possession or control of a group, or while in a system. We are not in any event liable to you for a failure to process transactions in the correct order through an agent, group or system.

19. Formalities. Subject to any specific instructions you give us in a recorded instruction, you waive demand, presentment, protest, and notice of dishonour of every bill of exchange, promissory note, cheque and other instrument drawn, made, accepted, or endorsed by you for any purpose. You will be liable to us for the instrument as if demand, presentment, protest and notice of dishonour had been duly made or given. Despite that, we may at our discretion have a demand made or have an instrument presented, protested or noted.

20. Limits on our liability. We are not liable for indirect, consequential or special loss for breach of an obligation of ours to you. This applies whether the obligation is a condition, warranty or other, and whether it is expressed, implied or imposed by law. It applies despite a term of the Operating Agreement or any other agreement to which you and we are parties. It applies despite any oral or recorded communication by or for us. Nor is a director, officer, employee or agent of ours liable for such loss. Neither we nor any director, officer, employee or agent is liable for any statement that may have been made and that is not part of the Operating Agreement, for example, any financial or tax advice. This section applies even if we are, or the other person is, negligent.

21. Credit limits.

- a. General.** The tables in the Operating Agreement show your credit limit for the Account. Your credit limit is the maximum principal (or capital) that you can borrow and it is the most that we are obliged to lend under the Account, including the Main Account and any other Sub-accounts. It is also the maximum indebtedness that may be outstanding at any time (except for interest that has not become payable). You and we may, in a recorded agreement, agree in the future on a different credit limit;
- b. Your responsibility.** You agree that we will not warn you when you come close to or exceed your credit limit. In particular, you must ensure that the balance under your Account always remains low enough so that your credit limit allows you to make expected and any unexpected expenses from the Account before you make your next deposit;
- c. Overdraft.** Where the amount owing under your Account (except interest that has not become payable) is over your credit limit, the excess is an overdraft; and
- d. Sub-accounts.** If you place some of your borrowings in an Amortizing Variable Rate or Fixed Rate Sub-account, payments to the principal in the Sub-account:

- will automatically reduce the Credit Limit of the Account by the amount of the principal payment(s) if your Sub-account is non-readvanceable; and
- will not reduce your Credit Limit if your Sub-account is readvanceable.

The details of your Sub-account(s) are set out in your Operating Agreement.

22. Manulife One Base Rate.

- a.** The Manulife One Base Rate is the variable rate of interest that has all of the following characteristics:
 - i.** It is expressed as a nominal percentage per year;
 - ii.** It is set by us and may change from time to time. You can obtain the current posted Manulife One Base Rate by contacting our Customer Service Centre at 1-877-765-2265, or by visiting our website at manulifebank.ca; and
 - iii.** It is the reference rate for loans made in Canadian dollars in Canada under Manulife One Accounts, including your Account, but excluding Fixed Rate Sub-accounts, and it is called the Manulife One Base Rate.

23. Your Account structure.

- a.** Your Account will always contain a Main Account, which is your line of credit at a variable interest rate;
- b.** You need not divide your Account into Sub-accounts. However, if your Account is divided into Sub-accounts, in addition to the Main Account, the initial terms of your Sub-accounts are set out in the tables in the Operating Agreement. You may divide your Account into Sub-accounts at any time subject to such terms and conditions as we may require. You must provide notice to us to divide the Account in a recorded agreement;
- c.** If you are more than one person, you will be jointly and severally liable for the obligations under every Account. This is so even if the Account might be for the benefit of one (or any) of you; and
- d.** Where the terms of payment for an amount owing are changed, even if the amount is put into a different account, the change does not make the amount a new loan or advance, but merely changes the terms of the existing loan.

24. Your Main Account. Your Main Account is your line of credit and is revolving. This means that you may, after reducing principal, borrow again under the Main Account. Your credit limit for the Main Account is your credit limit for your Account, minus the amount owing under any Sub-account (except for interest that has not become payable). The following terms apply to your Main Account:

- a. Interest rate.** The interest rate on the principal owing in your Main Account is the rate you and we agree to in a recorded agreement. The initial rate agreed to is shown in the tables in the Operating Agreement. Where no rate is agreed to in a recorded agreement, it is the Manulife One Base Rate;
- b. Interest payments.** Since accrued interest is charged to the Main Account on the last day of each calendar month, it

is recommended that you make deposits to the Main Account during the month to pay that interest. If you do not, the interest that is charged to the Main Account will increase the principal on which interest is charged, resulting in the compounding of interest monthly (see Section 3.6 – Compound interest);

- c. Repayment.** You must pay the amount owing in your Main Account on demand. You may repay principal under your Main Account at any time. We may also require you to make a minimum monthly deposit in an amount specified by us if a periodic re-evaluation raises concerns about your financial situation; and
- d. Costs of borrowing.** Your cost of borrowing may include, but is not limited to the following:

 - i. Legal.** Even though the mortgage or hypothec securing the Account is covered by title insurance, a lawyer or notary must complete the mortgage or hypothec, or any change to it, and give us our usual reports on it. Unless we have agreed in the Operating Agreement that we would bear the charges, you must pay the charges for the services or disbursements of the lawyer or notary and your costs of borrowing may include these charges. Such charges may include, but are not limited to, fees for a mortgage or hypothec and disbursements and GST or HST (and any provincial equivalent thereof, as applicable) on those amounts. There will also be charges for a change to a mortgage or hypothec and GST or HST (and any provincial equivalent thereof, as applicable) on those amounts. In addition, there will be the normal fees paid to register documents or obtain information from the public registry about security interests related to the property. If you are buying the property and the same lawyer or notary acts for both you and us, some of the services or disbursements of the lawyer or notary for the purchase and the mortgage or hypothec will be the same. You shall choose, retain and pay the lawyer or notary, but we reserve the right to disapprove, on reasonable grounds, a lawyer or notary chosen by you. We advise you to obtain estimates or quotes for the charges. If we require a new plan or certificate of survey for the property, you must arrange for the surveying services to be provided directly to you. You shall choose, engage and pay the surveyor;
 - ii. Lender's Title Insurance.** The mortgage or hypothec, or any change to it, must be covered by lender's title insurance. Unless we have agreed in the Operating Agreement that we would bear the charges, you must pay the charges for the lender's title insurance. Estimates of these charges are provided in the Operating Agreement. We will choose the title insurer;
 - iii. Publication or registration of a security charging movable or personal property.** In certain circumstances, we may require you to execute a separate agreement granting us security over personal or moveable property belonging to you. Where you have executed such

an agreement, we require notice of it to be registered under the personal property registry system in your jurisdiction or at the Register of Personal and Movable Real Rights (Quebec), as applicable. You must pay the charges for said registrations. Estimates for these charges are provided in the Operating Agreement; and

- iv. Appraisal or inspection.** If we have asked you to bear the charges for an appraisal, inspection or building condition survey, you must pay the associated fees. Estimates of these charges are provided in the Operating Agreement. We will choose the appraiser or inspector.

Your cost of borrowing or credit over the term of each of your Sub-accounts is set out in the Operating Agreement.

25. Your Variable Rate Sub-account(s). You may choose to set up one or more Variable Rate Sub-accounts. There are two kinds of Variable Rate Sub-accounts: Non-amortizing Variable Rate Sub-accounts and Amortizing Variable Rate Sub-accounts. You may allocate up to 100% of your current borrowings among up to a maximum of 15 Non-amortizing Variable Rate Sub-accounts (these are "Tracking Sub-accounts") and up to a combined maximum of 5 Amortizing Variable Rate Sub-accounts and Fixed Rate Sub-accounts (these are "Term Sub-accounts"). The following terms apply to a Variable Rate Sub-account:

- a. Non-amortizing Variable Rate Sub-accounts.** The purpose of a Non-amortizing Variable Rate Sub-account is to track a portion of your Account. The following terms apply to Non-amortizing Variable Rate Sub-accounts:

 - i. Interest rate.** The interest rate on the principal owing in a Non-amortizing Variable Rate Sub-account is the same as for the Main Account. Interest is calculated monthly on the daily closing balance each day;
 - ii. Interest payments.** Interest on the principal owing for each month is automatically charged to the Main Account on the last day of each calendar month; and
 - iii. Repayments.** You must pay the amount owing on demand. You may repay principal (or capital) of the Non-amortizing Variable Rate Sub-account at any time. Each payment must be applied first to the accumulated cost of borrowing and then to the outstanding principal (or capital).
- b. Amortizing Variable Rate Sub-accounts.** You may not increase the amount borrowed under an existing Amortizing Variable Rate Sub-account. You must either open a new Sub-account or close the existing Amortizing Variable Rate Sub-account subject to the terms and conditions as set out in the Operating Agreement (including payment of any applicable prepayment charges and any administration charges) before you may open one or more new Sub-accounts at the new borrowing amount.

Each Sub-account under the debt secured by the Collateral Mortgage is deemed to be a separate and distinct loan. The

Sub-account(s) that are financed from time to time under the National Housing Act, upon default, shall have priority of payment, collection and enforcement over any other debt secured by the Collateral Mortgage. The following terms apply to Amortizing Variable Rate Sub-accounts:

- i. Commencement of term.** The principal amount (or capital) of the Amortizing Variable Rate Sub-account set out in the Operating Agreement will be charged to the Amortizing Variable Rate Sub-account on the anticipated Sub-account activation date assuming that the mortgage or hypothec securing the Account is completed then. The first payment date is the last day of the calendar month in which the Sub-account is activated;
- ii. Term.** The term of the particular Amortizing Variable Rate Sub-account is based on the Amortizing Variable Rate (as defined below) provided in the Operating Agreement. However, even though an Amortizing Variable Rate Sub-account has a term, it is still part of the Account and therefore you must pay the entire principal balance, accrued interest, penalties, and fees on demand;
- iii. Interest rate.** Amortizing Variable interest rates (“Amortizing Variable Rates”) are calculated by adding a premium to or subtracting a discount from the Manulife One Base Rate, the applicable premium or discount is set out in your Operating Agreement. After the date that funds are disbursed on your Amortizing Variable Rate Sub-account, the applicable Amortizing Variable Rate corresponds to the rate as indicated in your Operating Agreement, which applies until the Manulife One Base Rate changes. Amortizing Variable Rates are compounded monthly, not in advance. Interest is calculated monthly on the daily closing balance of each day in the month and is charged to the Main Account, along with a fixed payment of principal, on the last calendar day of each month;
- iv. Changes to the amortizing variable rate.** The Manulife One Base Rate is a variable rate of interest that is set by us and may change from time to time. You can obtain the current posted Manulife One Base Rate by contacting our Customer Service Centre at 1-877-765-2265, or by visiting manulifebank.ca. If the Amortizing Variable Rate increases, you agree that your regular payment will be automatically increased so that the amortization period of your Amortizing Variable Rate Sub-account will remain unchanged;
- v. Amortization period.** Your amortization period, that is the amount of time it takes to pay back the principal amount and required interest, will not be affected by changes in the Amortizing Variable Rate. The amortization period is shown in the Operating Agreement;
- vi. Payments.**
 1. If principal is advanced before the term begins, you are only required to pay interest, which is due on

the last day of the calendar month before the term begins;

2. After the term begins, you must make payments of principal plus interest on the dates set out in the Operating Agreement. All payments of principal and interest will be automatically charged to the Main Account on the last day of each calendar month. The principal and interest portions of your first payment are shown in the Operating Agreement. The interest portion of each subsequent monthly payment will differ as interest varies based on the outstanding principal balance and the interest rate applicable to the Amortizing Variable Rate Sub-account;
3. A payment of principal and interest is required on each of the following days:
 - On the date for the first payment of principal and interest shown in the tables in the Operating Agreement;
 - On the last day of each calendar month after that during the term;
 - On the date for the last payment of principal and interest shown in the tables in the Operating Agreement; and
 - On the date we demand payment.
4. We will apply each payment of principal and interest first to pay or reduce the interest payable on the Account. Then we will apply the balance to pay or reduce principal; and on the date we demand payment.
5. Regular or additional principal payments in an Amortizing Variable Rate Sub-account(s):
 - will automatically reduce the Credit Limit of the Account by the amount of the principal payment(s) if your Sub-account is non-readvanceable; and
 - will not reduce your Credit Limit if your Sub-account is readvanceable.

The details of your Sub-account(s) are set out in your Operating Agreement.

vii. Prepayment. Amortizing Variable Rate Sub-accounts have open terms, meaning that you may pay out part or all of the outstanding balance of your Amortizing Variable Rate Sub-account at any time and without any prepayment charge;

viii. Conversion to fixed rate Sub-accounts. At any time during the term and without penalty, you may convert your Amortizing Variable Rate Sub-account to a Fixed Rate Sub-account with a term of equal or longer duration to that of the remaining term of your existing Amortizing Variable Rate Sub-account; and

ix. End of term. With regard to the balance of the Amortizing Variable Rate Sub-account at the end of the term (the “Balance”), at our sole discretion, we may:

1. Allow you to transfer all or part of the Balance to your Main Account. The terms for your Main Account will apply to the portion of the Balance placed into your Main Account after the term. The interest rate after the term on the principal owing on the portion of the Balance transferred into the Main Account will be the variable rate for your Main Account; and/or
2. Require that all or part of the Balance remain in an Amortizing Variable Rate Sub-account(s) and/or Fixed Rate Sub-account(s) (an “Amortizing Sub-account”) on terms set out in a renewal agreement that we enter into with you. You will be provided notice in advance of the end of the term of the amount of the Balance, how much of the Balance is required to be renewed in an Amortizing Sub-account(s) and the available terms and interest rates and/or if the Balance may be transferred into your Main Account.

If you do not provide us with instructions within an allotted amount of time to renew the Amortizing Sub-account from the available options or to have the Balance transferred into your Main Account, we may, at our option, renew that Sub-account into our one-year open term Fixed Rate Sub-account at the interest rate then offered by us at that time.

26. Your fixed rate Sub-account(s). You may choose to set up one or more Fixed Rate Sub-accounts. You may allocate up to 100% of your current borrowings among up to a maximum of 15 Non-amortizing Variable Rate Sub-accounts (these are “Tracking Sub-accounts”) and up to a combined maximum of five Amortizing Variable Rate Sub-accounts and Fixed Rate Sub-accounts (these are “Term Sub-accounts”). You cannot divide an existing closed term Fixed Rate Sub-account into one or more new Sub-accounts prior to the renewal of the particular Fixed Rate Sub-account; you must first close the existing Fixed Rate Sub-account subject to the terms and conditions as set out in the Operating Agreement (including payment of any applicable prepayment charges) before you may open one or more new Sub-accounts.

You may not increase the amount borrowed under an existing Fixed Rate Sub-account. You must either open a new Sub-account or close the existing Fixed Rate Sub-account subject to the terms and conditions as set out in the Operating Agreement (including payment of any applicable prepayment charges associated with closing the existing Sub-account and any administration charges) before you may open one or more new Sub-accounts at the new borrowing amount. Each Sub-account under the debt secured by the Collateral Mortgage is deemed to be a separate and distinct loan. The Sub-account(s) that are financed from time to time under the *National Housing Act*, upon default, shall have priority of payment, collection 13 and enforcement over any other debt secured by the Collateral Mortgage.

The following terms apply to a Fixed Rate Sub-account:

- a. Commencement of term.** The principal amount (or capital) of the Fixed Rate Sub-account set out in the Operating Agreement will be charged to the Fixed Rate Sub-account on the anticipated account activation date assuming that the mortgage or hypothec securing the Account is completed then. The first payment date is the last day of the calendar month in which the Sub-account is activated;
- b. Term.** The term during which your interest rate for the Fixed Rate Sub-account is fixed is provided in the Operating Agreement. However, even though a Fixed Rate Sub-account has a term, it is still part of the Account and therefore you must pay the entire principal balance, accrued interest, penalties and fees on demand;
- c. Interest rate.** The interest rate during the term on the principal owing in your Fixed Rate Sub-account is not based on or connected to the Manulife One Base Rate, but rather is set by us in our sole discretion at the time your Fixed Rate Sub-account is set up and is as shown in the Operating Agreement. The interest rate is a nominal percentage per year. It is calculated monthly and compounded semiannually, not in advance. Interest is charged to the Main Account, along with a payment of principal, on the last day of each calendar month;
- d. Amortization period.** This is the time it would take to pay off your Fixed Rate Sub-account in full, based on the regular payments and the interest rate shown in the Operating Agreement. The amortization period is provided in the Operating Agreement;
- e. Payments.** This is the time it would take to pay off your Fixed Rate Sub-account in full, based on the regular payments and the interest rate shown in the Operating Agreement. The amortization period is provided in the Operating Agreement;
 - i. If principal is advanced before the term begins, you are only required to pay interest, which is due on the last day of the calendar month before the term begins;
 - ii. After the term begins, all payments of principal and interest for a month are automatically charged to the Main Account. The amount of each payment is shown in the Operating Agreement;
 - iii. A payment of principal and interest is required on each of the following days:
 - On the date for the first payment of principal and interest shown in the tables in the Operating Agreement;
 - On the last day of each calendar month after that during the term;
 - On the date for the last payment of principal and interest shown in the tables in the Operating Agreement; and
 - On the date we demand payment.

- iv. We will apply each payment of principal and interest first to pay or reduce the interest payable on the Account. Then we will apply the balance to pay or reduce principal; and
- v. Regular or additional principal payments in a Fixed Rate Sub-account(s):
 - will automatically reduce the Credit Limit of the Account by the amount of the principal payment(s) if your Sub-account is non-readvanceable; and
 - will not reduce your Credit Limit if your Sub-account is readvanceable.

The details of your Sub-account(s) are set out in your Operating Agreement.

f. Prepayments. If you have chosen an open term for a Fixed Rate Sub-account, as indicated in your Operating Agreement, you may, without having to pay any prepayment charge, prepay all or part of the outstanding principal amount of such Fixed Rate Sub-account at any time. If you have chosen a closed term for a Fixed Rate Sub-account, as indicated in your Operating Agreement, you may make prepayments only as provided below:

- i. **Generally.** You may not make any prepayment if you are in default, unless we agree in writing to accept such prepayment. Also, even if you make a percentage prepayment under Section 2(24)(f)(ii) below or a prepayment in part under Section 2(24)(f)(iii) below, you must still continue to make all regular payments of principal and interest.
- ii. **Percentage prepayments.** In each year of the term (which is a period of 12 months starting on the date on which the term begins and ending on each anniversary of that date), you may make prepayments that together total the percentage of the original principal amount of the Fixed Rate Sub-account which is set out in your Operating Agreement. However, if you do not take full advantage of this prepayment privilege in any year, you may not carry the unused percentage forward and use it in another year, and you may not use the unused percentage to reduce any prepayment charge if you prepay the Fixed Rate Sub-account in full as provided in Section 2(24)(f)(iv) below.
- iii. **Prepayment in Part (above the Percentage Prepayment).** You may at any time prepay any part of the principal amount owing under a Fixed Rate Sub-account in excess of the percentage prepayment permitted in Section 2(24)(f)(ii) above upon payment of the higher of the following two amounts:
 - three months' interest on the amount of the prepayment calculated at your current interest rate; or
 - the "Interest Rate Differential Amount", which is the difference between the following two amounts, each calculated from the date of the prepayment until the end of the term of the Fixed Rate Sub-account:

- all interest you would have paid on the Fixed Rate Sub-account at your current interest rate; and
- all interest you would pay on the Fixed Rate Sub-account at the interest rate that we are charging on the date of prepayment for a closed fixed rate mortgage having a term that is closest to the remaining term of your Fixed Rate Sub-account.

Any unused percentage of the prepayment privilege in Section 2(24)(f)(ii) will be used to reduce the principal amount on which interest is calculated for determining those amounts.

Use the following formulae to estimate the possible prepayment charge if you wish to prepay in part the principal amount of a Fixed Rate Sub-account:

- To estimate the three months' interest costs on the prepayment in part, multiply the principal amount that you want to prepay (less any unused prepayment privilege) by your fixed interest rate and then divide that amount by four.

For example, if you want to prepay \$85,000, you have a \$10,000 unused prepayment privilege amount, and your fixed interest rate is 5%, you would multiply \$75,000 by 5% and then divide the result by 4 ($\$75,000 \times 5\% \div 4 = \937.50). In this example, the estimated three months' interest costs would be \$937.50.

- To estimate the Interest Rate Differential Amount on a prepayment in part, you first need to determine how many months are remaining in the current term of the Fixed Rate Sub-account that you want to prepay rounded up to the next whole month, from the date of prepayment to the maturity date of the Fixed Rate Sub-account. You will need to get from us the current interest rate charged by us for a new fixed rate mortgage with a term that is closest to the remaining term in the Fixed Rate Sub-account that you want to prepay. (If the current interest rate is higher than your fixed interest rate, an interest rate differential would not be applicable.) You then multiply the principal amount that you want to prepay (less any unused prepayment privilege) by the difference in the two interest rates. The result is then multiplied by the remaining months of your term and then divided by 12.

For example, if you want to prepay \$85,000, you have a \$10,000 unused prepayment privilege amount, you have 36 months left in your term, your fixed interest rate is 5% and the current interest rate that we charge for a 36 month term is 4.50%, you would multiply \$75,000 by .50% and then multiply that amount by 36 and then divide the result by 12 ($\$75,000 \times .50\% \times 36 \div 12 = \$1,125$). In this example, the

estimated Interest Rate Differential Amount would be \$1,125.

iv. Prepayment in Full. You may at any time prepay in full the principal amount remaining under a Fixed Rate Sub-account upon payment of the higher of the following two amounts:

- three months' interest on the amount of the prepayment calculated at your current interest rate; or
- the "Interest Rate Differential Amount", which is the difference between the following two amounts, each calculated from the date of the prepayment until the end of the term of the Fixed Rate Sub-account:
 - all interest you would have paid on the Fixed Rate Sub-account at your current interest rate; and
 - all interest you would pay on the Fixed Rate Sub-account at the interest rate that we are charging on the date of prepayment for a closed fixed rate mortgage having a term that is closest to the remaining term of your Fixed Rate Sub-account.

You may not use any percentage of the prepayment privilege provided in Section 2(24)(f)(ii) above that is unused at that time to reduce the principal amount on which interest is calculated for determining either of the foregoing two amounts.

Use the following formulae to estimate the possible prepayment charge if you wish to prepay in full the principal amount of a Fixed Rate Sub-account:

- To estimate the three months' interest costs on a prepayment in full, multiply the principal amount that you want to prepay by your fixed interest rate and then divide that amount by four.

For example, if you want to prepay \$85,000 and your fixed interest rate is 5%, you would multiply \$85,000 by 5% and then divide the result by 4 ($\$85,000 \times 5\% \div 4 = \$1,062.50$). In this example, the estimated three months' interest costs would be \$1,062.50.

- To estimate the Interest Rate Differential Amount on a prepayment in full, you first need to determine how many months are remaining in the current term of the Fixed Rate Sub-account that you want to prepay rounded up to the next whole month, from the date of prepayment to the maturity date of the Fixed Rate Sub-account. You will need to get from us the current interest rate charged by us for a new fixed rate mortgage with a term that is closest to the remaining term in the Fixed Rate Sub-account that you want to prepay. (If the current interest rate is higher than your fixed interest rate, an interest rate differential would not be applicable.) You then multiply the principal

amount that you want to prepay by the difference in the two interest rates. The result is then multiplied by the remaining months of your term and then divided by 12.

For example, if you want to prepay \$85,000, you have 36 months left in your term, your fixed interest rate is 5% and the current interest rate that we charge for a 36 month term is 4.50%, you would multiply \$85,000 by .50% and then multiply that amount by 36 and then divide the result by 12 ($\$85,000 \times 0.5\% \times 36 \div 12 = \$1,275$). In this example, the estimated Interest Rate Differential Amount would be \$1,275.

Please visit our website (www.manulifebank.ca) where you can use our mortgage prepayment calculator to estimate any prepayment charge and where we post our current mortgage rates. You can also call one of our customer representatives toll free (1-877-765-2265) during regular business hours and they would be pleased to discuss your prepayment options with you and provide you with detailed prepayment information.

- g. End of term. With regard to the balance of the Fixed Rate Sub-account at the end of the term (the "**Balance**"), at our sole discretion, we may:
 - i. Allow you to transfer all or part of the Balance to your Main Account. The terms for your Main Account will apply to the portion of the Balance placed into your Main Account after the term. The interest rate after the term on the principal owing on the portion of the Balance transferred into the Main Account will be the variable rate for your Main Account; and/or
 - ii. Require that all or part of the Balance remain in an Amortizing Variable Rate Sub-account(s) and/or Fixed Rate Sub-account(s) (an "Amortizing Sub-account") on terms set out in a renewal agreement that we enter into with you.

You will be provided notice in advance of the end of the term of the amount of the Balance, how much of the Balance is required to be renewed in an Amortizing Sub-account(s) and the available terms and interest rates and/or if the Balance may be transferred into your Main Account. If you do not provide us with instructions within an allotted amount of time to set up such an Amortizing Sub-account from the available options, or to have the Balance transferred into your Main Account, we may, at our option, renew that Sub-account into our one-year open term Fixed Rate Sub-account at the interest rate then offered by us at that time.

27. Allocation of payments.

- a. **Main account.** Normally, all payments into or out of your Account will be made through your Main Account;
- b. **Draws.** Where you have given us a recorded instruction to charge an amount to a Sub-account, we will transfer it from

your Main Account to that Sub-account;

- c. Payments.** When an amount becomes payable on a Sub-account, we will transfer the amount from your Main Account to that Sub-account. We may do so even if that creates an overdraft in your Main Account. We will also, if you have given us a recorded instruction to do so, transfer amounts from your Main Account to pay or reduce either:
 - i. principal that you are permitted to pay on any other Variable Rate Sub-account of yours, or
 - ii. principal that you are permitted to pay on a Fixed Rate Sub-account.
- d. Credit balance.** If the above terms create a credit balance in your Main Account, we need not reduce the interest on any outstanding balance in a Sub-account, as Sub-accounts operate separately from your Main Account, but we will credit you with interest on the credit balance at our current rate for a credit balance; and
- e. Exceptions.** We will transfer amounts under this section only if doing so conforms to the rest of this agreement. Despite anything in this section, if an event of default has occurred (e.g. default, charge on real estate, etc.), we may prohibit you from drawing on the Account and apply a payment into your Account in any way we choose.

28. Security.

- a. Immovable hypothec or mortgage.** Where our security is a first ranking mortgage or hypothec, you will ensure that we have a first immovable hypothec (in Quebec) or mortgage (in the rest of Canada) of the real estate as described in the Operating Agreement. Where our security is a second mortgage or hypothec, you will ensure that we have a second immovable hypothec (in Quebec) or mortgage (in the rest of Canada) of the real estate as described in the Operating Agreement. The mortgage or hypothec will be on the terms of our standard forms for the Account, and our standard procedures will govern how they are completed;
- b. Liabilities secured.** Under the terms of the mortgage or hypothec, it could cover liabilities of a person who is a party to the mortgage, other than a person or persons giving the mortgage or us. Or it could cover liabilities of a current or future spouse, partner or living companion of a person whose liabilities are secured. If the Operating Agreement is being entered before the mortgage or hypothec is given, we agree not to enforce the mortgage or hypothec for liabilities of those persons. Our agreement in this subsection does not apply to a liability of the person giving the mortgage or hypothec (or either or any of them). It does not apply to a person whose liability the mortgage shows that it secures. Our agreement in this subsection does not apply to a person whose liabilities it is agreed that the mortgage or hypothec will cover. The agreement must be one to which the person who held the Manulife One Account when the mortgage was given and we are parties. Or, if there were more than one person, both or all of

them. Our agreement in this subsection comes to an end when anyone other than a person giving the mortgage or hypothec becomes the owner of the real estate covered by the mortgage or hypothec, or one of the owners, or we honestly believe that either of these things has happened. If anyone who has an interest in the real estate agrees to give our security priority over the interest, our agreement in this subsection does not limit that agreement;

- c. Survey.** At our request, you will, before any advance, provide us with a plan or certificate of survey for the real estate prepared by a professional surveyor, which meets our requirements. It must confirm that the real estate is the real estate to be mortgaged, confirm that the buildings are within the boundaries and contain sufficient information to enable us to check that legal requirements as to the location of the buildings have been complied with. You need not provide the plan or certificate if any defect a plan might show is covered by title insurance; and
- d. Title.** If the real estate is a condominium (or, in Quebec, held under divided co-ownership), we may not lend if we are not satisfied with the condominium (or co-ownership) documents, including the financial statements and budget. If the title to the real estate is anything other than absolute or freehold ownership, we may not lend if we are not satisfied with all of the terms of the title. We may not lend unless we receive a report from a lawyer or a notary (in Quebec), or a policy of title insurance, that we find acceptable.

Section 3 – Credit

- 1. Demand Facility.** Your Account (which includes your line of credit under the Main Account and any and all Sub-accounts) is a demand facility—we may terminate this credit and we may require you to pay the entire principal balance, accrued interest, penalties, and fees on the entire Account and all Sub-accounts immediately on demand at any time. In addition, we need not, despite any other term, make credit available or continue to do so, even if we do not make a demand. Any events of default and operating conditions set out in the credit documentation are inserted for our benefit and shall not limit the demand nature of the Account in any manner.
- 2. Draws.** We may advance credit by charging your Main Account for any cheque or other order for payment we honour. Where we advance credit by honouring a cheque or other payment order, your liability for repaying that advance starts on the date in our posting. For cheques or other instruments, this will be the date on which the cheque or instrument was first presented for payment. Where the Operating Agreement requires you to use an advance for a purpose, we may require you to arrange for us to pay it directly to a person for the purpose. We may at any time advance credit under the Operating Agreement to cover an amount that you owe us and that is payable to us, but we are not obliged to do so.
- 3. Limits.** Where we have agreed to allow you credit up to a limit, you agree not to draw beyond the credit limit, but you are liable for a draw beyond the credit limit if it occurs. We may refuse to honour a draw that would cause you to go over the credit limit.

You acknowledge that, in addition to other rights we have, we may reduce your credit limit, not make further advances on your line of credit and/or require you to take steps to reduce the principal amount owing on your Account.

- 4. Rates generally.** Every rate of interest, commission, fee, or other return to us charged to your Account will apply both before and after demand, maturity, default, or judgment.
- 5. Variation in rate.** Where a rate of interest is plus or minus a percentage, the added or deducted percentage is a percentage of principal, not a percentage of the rate. For example, if the interest rate on your Main Account is the Manulife One Base Rate plus 1%, you would add 1 to the current Manulife One Base Rate to determine the total interest charged on your Main Account. The 1% does not represent a percentage of the Manulife One Base Rate.
- 6. Compound interest.** If any interest payable to us under the Operating Agreement is not paid on the day that it is payable, interest must be paid to us on the unpaid interest. This interest will be at the same rate as the unpaid interest. It will be calculated and payable in the same way as the unpaid interest, both before and after demand, maturity, default or judgment. If interest on unpaid interest is not paid, interest must be paid on that interest as provided above, and so on.
- 7. Deferred interest.** Where any interest payable to us under the Operating Agreement is not payable on a day on which interest is normally payable or calculated, interest must be paid to us on the unpaid interest. The same applies if we agree to it not being paid on that day, or permit it not to be paid on that day. This interest will be at the same rate as the unpaid interest. It will be calculated and payable in the same way as the unpaid interest. If interest on unpaid interest is not paid, interest must be paid on that interest as provided above, and so on. In calculating the amount owing for a credit limit, deferred interest will be treated as payable.
- 8. Overdrafts.** This section applies where there is an overdraft on your Account for any reason. An overdraft includes a draw as far as it causes a balance to go over a credit limit. You must repay the overdraft within thirty (30) days after the end of the month in which the overdraft occurred. We may also demand payment at any time and, if we do, you must repay the overdraft immediately. You must pay interest on the overdraft at the overdraft rate in effect at that time; the overdraft rate is subject to change and can be found in our publication of service charges. The current overdraft rate is set out in the Operating Agreement.
- 9. Prepayment.** Where a credit is repayable by installments and you prepay part of the credit, you must continue after the prepayment to make the payments that the Operating Agreement requires.
- 10. Conditions.** We may not make an advance or give credit in any other way under the Operating Agreement unless all of the conditions listed below are met. We may waive a condition. The conditions are:
 - a. Documents.** We must be reasonably satisfied that the following have been done in a way acceptable to us and our lawyers. The Operating Agreement and all credit documents

under it must have been completed. They must have been registered or recorded as required by law. All security must have been duly given and have the required priority;

- b. Verification.** We must have had a reasonable opportunity to verify all information you have given us, that conditions for advances are met and that our usual underwriting requirements are met. We may conduct periodic re-evaluations of your financial situation from time to time and we must be reasonably satisfied as to those matters. They include, but are not necessarily limited to, obtaining proof of income, references, a credit report (for you and any guarantor(s)), an appraisal, or a survey;
- c. Representation or warranty.** We must be reasonably satisfied that every promise, representation or warranty by you, and understanding with us, is complied with, correct and complete when the advance is made or we give credit in any other way. We must be reasonably satisfied that making the advance or giving the credit will not cause a promise, representation or warranty, or understanding, not to be complied with, or not to be correct or complete, after the advance is made or the credit is given; and
- d. Default.** We must be reasonably satisfied that none of the following events have occurred and that making the advance or giving the credit will not cause any of them to occur immediately after the advance or credit:
 - i. An event of default; or
 - ii. An event which, after notice, lapse of time or anything else (or a combination of them) would be an event of defaultThe existence of an event or events of default shall not be a pre-condition to making demand.

11. Information and assistance.

- a.** You must at your expense do what we reasonably ask to enable us to verify all information you have given us, that conditions for advances are met and that our usual underwriting requirements are met. You must allow us and persons authorized by us to enter the property securing the Account for these purposes; and
- b.** You must at any time promptly give us any financial or other information about you or the property that you have or can reasonably obtain and that we reasonably ask for in a recorded request.

12. Representations. You represent and warrant to us that the statements set out below are true. All information you have given us is correct and complete. The person signing the Operating Agreement binds you. Your financial information delivered to us fairly represents your financial condition. You have a good and marketable title to, or valid leases of, all your assets shown in your financial information. Your title is free from any encumbrance not shown in the information. You have informed us in a recorded communication of every fact known to you that materially adversely affects your ability to perform your obligations under the Operating

Agreement. Each time we make an advance or give credit in any other way under the Operating Agreement, you will be treated as giving us representations and warranties the same as these. They will apply to facts that exist then.

13. Payments. You agree to make all payments that the Operating Agreement requires you to make. The payments must be made at the times and in the manner required by the Operating Agreement and all credit documents under it. You agree to notify us in a recorded notice of each of the occurrences listed below. You must notify us immediately after it occurs. You agree also to give us reasonable information about the occurrence when we ask in a recorded request. The list of occurrences is as follows:

- a. You feel that you will be unable to make a payment to us under the Operating Agreement or any credit document;
- b. An event of default occurs;
- c. An event occurs which, after notice, lapse of time or anything else (or a combination of them), would be an event of default;
- d. There is a material change in any information in the Operating Agreement; or
- e. There is a material change in your assets or financial condition.

14. Default. In the event of a default, an administration fee may be charged to cover the costs of the servicing of the default. List of the current fees can be found in the Operating Agreement.

a. Events of default. Each event listed in this section or any part of it is an event of default under the Operating Agreement. It is an event of default even if the cause is outside anyone's control. It is an event of default even if we do not give you any notice. The following use of "you" applies to each of you if you are more than one person; an event of default for each person is an event of default for both or all of you. The events are:

- i. Payment.** You fail to pay, when due and in the manner required, any amount payable under the Operating Agreement or any credit document. This applies whether the amount is due on demand or a fixed date or by acceleration or otherwise. It applies whether the failure is to pay the amount in whole or part. It applies whether the amount is payable to us or anyone else;
- ii. Compliance.** You fail to comply with any other term or condition in the Operating Agreement or any credit document;
- iii. Statement.** A promise, representation, warranty, understanding, or other statement in or for the Operating Agreement or any credit document, or in any information given to us under any of them, is materially incorrect or incomplete. This applies whether it was by you or a guarantor. It applies whether it is materially incorrect or incomplete either when made or when deemed to be made. The information includes a financial statement, certificate or opinion. If the statement was limited in any way to what a person making it knew, the statement will for the purposes of this paragraph be read as if it had not been so limited;

- iv. Credit documents.** The Operating Agreement or any credit document is terminated, is not valid or enforceable, or has not been registered or recorded as required by law. A security is terminated, has not been duly given or does not have the required priority;
- v. Sale, transfer, or mortgage.** There is a sale, transfer, further mortgage or further charge of all or part of your interest in all or part of the real estate. Or there is an agreement to make any of those sales, transfers, further mortgages or further charges, including any other option to encumber;
- vi. Death.** Albeit beyond any person's control, death is considered an event of default;
- vii. Undesirable Activities.** The real estate is used for any illegal, immoral, or any other undesirable activity (as defined by us acting in our sole discretion);
- viii. Maintenance or Use of Property.** The real estate is used for any illegal, immoral, or any other undesirable activity (as defined by us acting in our sole discretion);
- ix. Marital Status.** You become married (as that term is understood under the Civil Code of Quebec or as that term is defined in the Family Law Act or equivalent statute in your jurisdiction, as applicable) and you fail to notify us;
- x. Residency.** If you cease to be a Canadian resident;
- xi. Occupation.** If the occupation of the real estate changes from owner occupied to non-owner occupied, or from non-owner occupied to owner occupied, and you fail to notify us of the change;
- xii. Insurance.** You fail to insure your interest in every building and other improvement on the real estate against loss, damage and other risks normally covered by a fire insurance policy; the policy must provide that the proceeds of any loss are payable to us. Or you fail to ensure that we receive a certified copy of every policy. Or where a policy expires, you fail to ensure that we receive proof of the renewal or replacement at least thirty (30) days before the expiry. Finally, if you fail to comply with any of your obligations as to insurance, we may obtain any insurance that we deem necessary to protect our interest, the cost of which will be your responsibility;
- xiii. Taxes.** You fail to pay all property taxes when they are due. Non-payment of your property taxes is deemed an event of default; or
- xiv. Insolvency.** If you become insolvent. A person becomes insolvent when any of the following happens: (a) by filing under the Bankruptcy Act for the benefit of creditors, (b) anyone enforces a judgment, distress or similar process against an asset of yours, or (c) a liquidator, receiver, trustee or similar officer is appointed for all or part of your assets or income.

- b. Right to investigate or cure.** If we think an event of default has occurred, or, if the account is governed by the laws of the province of Quebec, if an event of default has occurred, we may investigate it and take whatever steps we think are needed to cure it. We may also do so if we think an event has occurred which, after notice, lapse of time or anything else (or a combination of them) would be an event of default;
- c. Right to terminate.** If an event of default occurs, the following terms apply. We may, while it continues, give you a recorded notice ending any obligation we might have to make an advance or give credit under the Operating Agreement. If we do, the obligation ends, but without affecting any right of ours;
- d. Right to off-set.** If an event of default occurs, we may without notice use an amount we owe you to pay or reduce your liability to us. We may do so even if the amount or liability is not then payable, for example, if a liability has not matured; and
- e. Right to enforce security.** If an event of default occurs, we may exercise any remedy of ours under any security we hold under the Operating Agreement or any credit document under it.

15. Our liability. We are not liable for loss in our enforcing security under the Operating Agreement or any credit document under it unless it was caused by our dishonesty or gross negligence. No director, officer, employee, agent or shareholder of ours is liable for such a loss unless it was caused by his, her or its dishonesty or gross negligence. This is so even if the loss was caused by negligence (other than gross negligence). We are not liable for indirect, consequential or special loss in our enforcing security under the Operating Agreement or any credit document under it, however caused. Nor is a director, officer, employee, agent or shareholder of ours liable for such loss.

16. Other rights. The rights and remedies set out in the Operating Agreement or any credit document under it are not exhaustive. We may exercise any other right or remedy given to us by the Operating Agreement, a credit document under it, any other agreement or the law. We may exercise a right or remedy more than once and we may exercise rights or remedies separately or together.

17. Costs. You agree that we are to receive payment under the Operating Agreement free from every cost. You agree to pay every cost. We are however responsible for our costs in making and receiving payments in the normal course and normal overhead. Where the Operating Agreement or a credit document under it requires you to pay a specific cost that does not limit this section and this section does not limit the Operating Agreement or credit document. You must pay the following costs that we may incur in connection with your Operating Agreement, even if no advance is made or no credit is given:

- a. Preparing, negotiating and completing the Operating Agreement and credit documents;
- b. Searching title to property, obtaining title insurance, and preparing and registering security;

- c. Inspecting and obtaining appraisal, environmental and other reports on property;
- d. Verifying information and confirming that conditions for advances or credit are met;
- e. Administering, periodically reviewing the Operating Agreement or any credit document and obtaining advice on it; and
- f. Preserving our rights under the Operating Agreement or any credit document, investigating a possible event of default under it, taking steps to cure an event under it, and enforcing it.

This section is subject to anything you and we otherwise agree to in a recorded agreement.

18. General terms relating to costs. Wherever the Operating Agreement requires you to pay a cost, the following terms apply:

- a. If it was caused by an act of ours, it is payable if we acted in good faith;
- b. It includes lawyers' fees and disbursements, charged on a full indemnity basis and even though we may not have taken court proceedings. In Quebec, it includes judicial and extra-judicial fees and disbursements. It also includes fees and expenses for other professionals;
- c. It includes a fee for the time and services of an employee or agent of ours; and
- d. It includes any tax on the subject matter of the cost, such as goods and services or harmonized sales tax, as applicable. You must pay it to us as soon after it has been incurred as we ask in a recorded request for it. We may charge this amount to your Main Account. You must pay interest on it from the time that it is incurred. The interest rate will be the highest rate that applies to any amount owing under the Operating Agreement at the time the cost is incurred. It and the interest on it will be added to the amount secured by the security under the Operating Agreement and every credit document.

19. Evidence of indebtedness. Our accounts, books, and records are, in the absence of manifest error, conclusive evidence of the advances made under the Operating Agreement or a credit document under it, repayments of it and your indebtedness to us. This section is subject to terms in this document giving you a right within a period to notify us in a recorded notice of any error in or omission from a statement or record. It does not apply to an amount improperly credited to you.

Section 4 – Access Cards

- 1. How these terms apply.** These terms apply where we issue an Access Card to you that enables you to enter a transaction on your Account (for example, through an ABM). All of the other parts of these terms apply to the transaction.
- 2. Security of Access Card, PIN, and Password.** As a client of ours, you will be responsible for the use of the Access Card. Only you, as the owner of the Account to whom the Access Card is issued, may use it. You will not disclose your Personal

Identification Number (PIN) and/or password to any other person and you agree to take reasonable steps to ensure that in the event that the Access Card is lost or stolen, the finder or thief will not also obtain the PIN and/or password.

3. **Interac Flash®**

- *Interac Flash®* functionality will be activated by conducting a successful PIN transaction at a Point of Sale purchase terminal or ABM.
- For information regarding your *Interac Flash®* please refer to the information you received with your Access Card or call Manulife Bank. If you exceed the maximum total contactless spending limit at any given merchant, you will be asked to insert your Access Card and enter your PIN. Upon successful completion of the transaction, your *Interac Flash®* spend limit will be reset.
- You can have *Interac Flash®* disabled on your Access Card. To do so, please contact the Manulife Bank Customer Service Center at 1-877-765-2265.

4. Transaction Verification. Any transaction generated by use of the Access Card or PIN or password is not completed until we have verified and processed the transaction in our records according to our usual banking practice, regardless of any receipt produced at the time of transaction. You will verify each transaction upon receipt of your Account statement and notify us in writing within 30 days of any errors, irregularities or omissions.

5. Our Liability. We make no claims or warranties with respect to the equipment or the electronic banking system, and we shall not be liable for any failure or malfunction of the equipment or the system.

6. Your Liability. You understand that you are liable for all authorized use of your Access Card and for any errors that you make when using your Access Card. You are also liable for any unauthorized use of your Access Card to which you contributed. You understand that you will be considered to have contributed to an unauthorized use of your Access Card when:

- i. you fail to notify us as soon as you become aware that your Access Card has been lost, stolen or misused, or that your PIN may have become known to someone other than yourself;
- ii. you keep a poorly disguised written record of your PIN or password which includes writing your PIN on the Access Card, or keeping a record of the PIN in close proximity to your Access Card or in any manner that permits it to be associated with your Access Card; or
- iii. you voluntarily disclose your PIN or password to anyone, even someone who claims to be one of our employees or representatives, or you use an easily guessed PIN or password such as your name, telephone number, date of birth, address, social insurance number or sequential series such as "1234".

You agree to exercise safe security practices when using your Access Card when accessing Debit Card Services. This includes, but is not limited to, complying with any security measures as may be recommended by your service provider relating to requirements for encryption technology, virus scanning software, a firewall system, anti-spyware software, or any similar safeguards to maintain the security of the Access Card.

7. Lost or Stolen Access Cards. You will notify us immediately by telephone or in writing of the loss, theft, or any unauthorized use of the Access Card, PIN, and/or password. You will contact us by telephone at 1-877-765-2265 or in writing at 500 King Street North, 500 M-A, WATERLOO, ON N2J 4C6.

8. Limits and Fees. We have the right to limit the frequency or amounts of withdrawals or to impose fees for Access Cards or transactions or to change our policies regarding these matters at any time without amending the Operating Agreement, and you authorize us to charge your Account for all such fees. You also agree to pay and we may debit, without notice, from your Account the transaction charges imposed by another financial institution within or outside of Canada for each transaction for which the Access Card has been used at such other financial institution's ABMs. You understand that you must refer to the other financial institution for the prevailing charges, if any, imposed by that institution for transactions performed at its ABM(s).

9. Termination. The Access Card is our property, and we may revoke, limit, or suspend its use, or issue a new card at any time. We may retract the Access Card automatically at a terminal at any time. You may indicate that you no longer wish to use the Access Card by notifying us in writing and returning the Access Card to us cut in half. Transactions processed before we receive the notice of cancellation and the Access Card will be subject to these terms.

10. Dispute Resolution. If you have a problem with an Access Card transaction (other than relating to the merchandise or service that has been acquired) you should first attempt to resolve the problem with us. See the Complaint Handling Procedures in Section 6 below. If you have a dispute respecting merchandise or a service that is paid for through an Access Card transaction, you must resolve that dispute directly with the retailer concerned.

Section 5 – Personal Information Statement

In this Statement, "you" and "your" refer to the applicant(s) or co-applicant(s) who is (are) the account holder(s). "We", "us", "our" and "the Bank" refer to The Manulife Bank of Canada and its related affiliates.

Why do we collect, use, and disclose your personal information?

To establish and manage our relationship with you, providing you with products and services, administering our business, and complying with legal and regulatory requirements.

By signing the application, you give your consent for us to collect, use, and disclose your personal information, as set out in this Personal Information Statement. Any alterations to the consent must be agreed to in writing by the Bank.

What personal information do we collect?

Depending on the product or service, we collect specific personal information about you such as:

- Identifying information such as your name, address, telephone number(s), email address, your date of birth, driver's license, occupation, passport number or your Social Insurance Number (SIN)
- Financial information, investigative reports, credit bureau report, and/or a consumer report
- Information about how you use our products and services, and information about your preferences, demographics, and interests
- Other personal information we may require to administer your products or services and manage our relationship with you

We use fair and lawful means to collect your personal information.

Where do we collect your personal information from?

- Your completed applications and forms
- Other interactions between you and the Bank
- Other sources, such as:
 - Your advisor or authorized representative(s)
 - Third parties with whom we deal in issuing and administering your products or services now, and in the future
 - Public sources, such as government agencies, credit bureaus, and Internet sites
 - Other Financial institutions, your employer

What do we use your personal information for?

We will use your personal information to:

- Help us properly administer the products and services that we provide and to manage our relationship with you
- Confirm your identity and the accuracy of the information you provide
- Evaluate your application, and determine the suitability of our products for you
- Comply with legal and regulatory requirements
- Support and maintain the accuracy and integrity of the credit reporting system
- Understand more about you and how you like to do business with us
- Analyze data to help us make decisions and understand our customers better so we can improve the products and services we provide
- Determine your eligibility for, and provide you with details of, other products or services that may be of interest to you offered by us or our affiliates or select third parties. These could include securities, insurance products, loan and investment products, credit products and reward programs.
- Perform audits, and investigations and protect you from fraud
- Automate processing to help us make decisions about your interactions with us, such as, applications, approvals or declines

Who do we disclose your personal information to?

- Persons, financial institutions and other parties with whom we deal in issuing and administering your account now, and in the future
- Authorized employees, agents and representatives
- Your advisor and any agency which has entered into an agreement with us and has supervisory authority, directly or indirectly, over your advisor, and their employees
- Any person or organization to whom you gave consent
- Other institutions that may have granted you credit, credit bureaus and personal information agents with respect to your credit or financial history
- People who are legally authorized to view your personal information
- Service providers who require this information to perform their services for us (for example, data processing, programming, data storage, market research, printing and distribution services and investigative agencies)

The abovementioned people, organizations and service providers are both within Canada and jurisdictions outside Canada. Therefore, your personal information may be subject to interprovincial or cross-border transfers in order to provide services to you and subject to the laws of those jurisdictions.

Where personal information is provided to our service providers, we require them to protect the information in a manner that is consistent with our privacy policies and practices.

Withdrawing your consent

You may withdraw your consent for us to use your personal information for certain uses, subject to legal and contractual restrictions.

You may not withdraw your consent for us to collect, use, retain, or disclose personal information we need to issue or administer the account unless federal or provincial laws give you this right. If you do so, an account may not be issued and we may treat your withdrawal of consent as a request to terminate the account.

If you wish to withdraw your consent, phone the Bank's customer care centre at 1-877-765-2265, or write to the Privacy Officer at the address below.

Accuracy and Access

You will notify us of any change to your contact information. If your information has changed, or if you need to correct any inaccuracies to your personal information in our files.

You have the right to access and verify your personal information maintained in our files, and to request any factually inaccurate personal information be corrected, if appropriate. Requests can be sent to: **Privacy Officer Manulife, P.O Box 1602, Del Stn 500-4-A, Waterloo, Ontario N2J 4C6** or **Canada_Privacy@manulife.ca**

For more information, you can review our Manulife Bank Privacy Policy. Please note the security of email communication cannot be guaranteed. Do not send us information of a private or confidential nature by email.

Section 6 – Complaint Handling Procedures

To ensure that your questions or concerns are addressed as quickly as possible, please follow these steps:

1. First, go to the source

Most problems can be resolved quickly and easily by speaking with your advisor or with our Customer Service Centre.

Call us at: 1-877-765-2265

Email us at: manulife_bank@manulife.com

2. Talk to management

If you are not completely satisfied with our staff member's response, ask to speak to the manager in the department.

3. Ask for a further review

If your complaint is not resolved within 14 days at the first step, it will be transferred to the Customer Care Team or if you are not satisfied with the manager's response, you can escalate your complaint to the Customer Care Team for an additional review.

Call us toll free at: 1-855-891-8671

E-mail us at: escalated_customer_complaints@manulife.ca

Fax us at: 1-888-259-6351

Our response to you: Once the investigation has been completed, you will receive a written response explaining the reasons for the decision, except in some cases where an issue can be addressed easily and to your satisfaction over the phone.

4. Still not satisfied?

If the Customer Care Team is unable to resolve the problem to your satisfaction, please write to the Client Dispute Resolution Office (CDRO):

Client Dispute Resolution Office

Manulife Bank of Canada and Manulife Trust Company

500 King Street North

PO BOX 1602, Station Waterloo

Waterloo, Ontario N2J 4C6

You may also choose to e-mail us instead at ClientDisputeResolutionOffice@manulife.ca.

The CDRO aims to resolve each complaint as quickly as possible, however, should this exceed 56 days from the date you filed your complaint at Step 1, you have the option for external recourse in Step 5. Once your complaint has been resolved by the CDRO, you will be sent a written response.

5. External recourse

If after following the above steps, you continue to remain dissatisfied and wish to pursue your complaint, or your complaint has not been resolved within 56 days since you raised your complaint in Step 1, external recourse is available to you, through The Ombudsman for Banking Services and Investments (OBSI).

The Ombudsman for Banking Services and Investments

The Ombudsman for Banking Services and Investments (OBSI) is part

of the Financial Services Ombuds Network (FSON), which is a national industry-based dispute resolution system for consumers of financial services. The OBSI deals with concerns about banking and securities investment products and services that have not been resolved through the company's dispute resolution system. Toll free telephone number: 1-888-451-4519 or from Toronto (416) 287-2877.

The Financial Consumer Agency of Canada

The Financial Consumer Agency of Canada (FCAC) supervises federally regulated financial institutions to ensure they comply with federal consumer protection laws. If your complaint is about a consumer provision, you may contact the FCAC, in writing at:

The Financial Consumer Agency of Canada

6th Floor Enterprise Building

427 LAURIER AVENUE WEST

OTTAWA, ON K1R 1B9

By telephone: 1-866-461-3222

FCAC website: www.canada.ca/en/financial-consumer-agency.html

Section 7 – General

- 1. More than one of you.** "You" in the Operating Agreement means both or all of you, except where the Operating Agreement provides otherwise. Where more than one person is liable for an obligation under the Operating Agreement, the liability of the persons for the obligation is joint and several.
- 2. Deductions.** You must make all payments under the Operating Agreement without set-off, compensation, counter claim or other deduction.
- 3. Transfer.** You may not assign, transfer or otherwise dispose of the benefit of rights under the Operating Agreement in whole or part, without our prior recorded consent. We reserve the right to withhold consent. We may assign, transfer or otherwise dispose of your Account and/or the Operating Agreement, in whole or part, at any time, without your consent and without notice to you, including the right to be paid the whole or any part of any amount you owe to us under the Operating Agreement. We may subcontract any obligation under the Operating Agreement at any time, without your consent and without notice to you, but we will remain liable for the obligation (except as far as these terms provide otherwise).
- 4. Borrowing to Invest.** If you use your Account for investment purposes, you acknowledge that borrowing to invest is not appropriate for everyone. You should be fully aware of the risks and benefits associated with leveraged borrowing since losses as well as gains may be magnified. Preferred candidates are those willing to invest for the long term and not averse to increased risk. You should be aware that this strategy may have a high risk, as the property securing your Account is offered as security for the loan and you will be required to make payments regardless of the performance of the investment. The value of your investment will vary and is not guaranteed, however you must meet the loan and income tax obligations. We solely act in the capacity of lender and

loan administrator, and do not provide investment or tax advice of any nature.

- 5. Mortgage Loan Insurance Charges.** With regard to any mortgage insurance that we may obtain, you acknowledge and agree as follows:

The granting of the Loan or any part thereof or approval for insurance by the applicable insurer or the Pre-Qualification of the Loan by the applicable insurer is not to be construed or relied on by the borrower(s) and any guarantor(s) as representing a confirmation of the value or condition of the underlying property, whether or not appraisals or inspections are carried out by or for the applicable insurer; nor is it to be construed or relied on by the borrower(s) and any guarantor(s) as representing a confirmation of the borrower(s) and any guarantor(s) ability to pay the Loan.

You and any guarantor consent and agree that (i) all information obtained from or concerning you and any guarantor in connection with approving the Loan or any part thereof, including any information obtained by us from a credit reporting agency (credit bureau) will be available to and may be used by the applicable insurer for mortgage insurance purposes; and (ii) the applicable insurer may itself obtain information concerning you and any guarantor from any credit reporting agency for such purpose, which will only be considered a “soft hit” and not impact your credit score. Any information retained by the applicable insurer in that regard will be subject to applicable privacy legislation.

- 6. Credit Bureau Information.** You agree that for the purposes of our periodic review of your Account and your financial situation we may obtain credit bureau information about you and any guarantor(s), such a request is considered a “soft hit” and does not impact your or the guarantor(s) credit score.
- 7. Notices.** Any notice, including without limitation, a notice of amendment or any demand or other communication referred to in the Operating Agreement may be forwarded to you by personal delivery, courier, by prepaid ordinary, registered, or certified mail or included in a monthly statement or by email or any other electronic communication mode that we and you agree to use, at your last known address as shown in our records. You agree that it shall be deemed that you have received the same on the date of delivery, if personally delivered or if delivered by courier or on the fifth business day after mailing by prepaid ordinary, registered, or certified mail, on the day and time recorded by a fax machine of ours, if sent by fax, or on the day recorded by a server of ours for email, if sent by email, even if you do not actually receive it. If there is a mail strike on the day that it is mailed or before the end of the fifth business day after it was mailed, the mailed notice is not given until it is delivered. A notice or other communication to you under the Operating Agreement that is to be in writing may be given by an electronic communication or any other recorded means. A communication that would be given on a day that is not a business day is regarded as given on the next business day. A communication that is regarded as given on a day, is given on that day, even if you do not receive it. Our failure to make a communication, including sending a statement, does not relieve

you from an obligation.

- 8. Severability.** Subject to any other term of the Operating Agreement, where a term of the Operating Agreement is or becomes illegal, invalid or unenforceable, that does not affect the validity or enforceability of the term as far as it is legal, valid, or enforceable or of any other term.
- 9. Amendment.** We may, from time to time at our discretion and without notice, amend these General Terms as they apply generally to holders of Manulife One Accounts. We may also, from time to time at our discretion, amend a term of the Operating Agreement or a credit document under it by giving you at least thirty (30) days recorded notice of the amendment. We will not however, change a rate of interest, or the amount of a payment without your consent—but a change in a rate of interest or in the amount of a payment that results automatically from a change in the Manulife One Base Rate is not a change that requires your consent or prior notice to you. If you use your Manulife One Account, if your Manulife One Account remains open, or if any balance owing on your Manulife One Account remains unpaid after an amendment is made, it will mean you have accepted any amendment to these General Terms.
- 10. Time.** Time is of the essence in the Operating Agreement.
- 11. Waiver.** A right of ours under the Operating Agreement is waived only if the waiver is both recorded and specific. Our delay in exercising a right or failure to exercise a right is not a waiver of the right. Our exercising a right once or in part is not a waiver of the right. Our waiving a breach of a term of the Operating Agreement does not waive the term. Our giving a consent or approval does not waive the 25 right to give a consent or approval in the future. Our waiving a right against a person or under a security (including our giving a release or discharge) does not take away any other right of ours. This applies where more than one person is liable for an obligation and we waive a right against one or more of those persons (including our giving a release).
- 12. Merger.** Every obligation of yours survives the payment of amounts under the Operating Agreement, and survives the discharge of security.
- 13. Further actions.** You must, when we ask and at your expense, execute documents or take other actions to carry out the Operating Agreement.
- 14. Whole agreement.** The Operating Agreement is the whole agreement between the parties on its subject matter, and supersedes all previous representations and agreements on that subject matter.
- 15. Law.** A reference to an enacted law is to the law as amended or re-enacted, except where expressly otherwise stated.
- 16. Governing law.** The Operating Agreement is governed by the law of the jurisdiction in Canada in which the real or immovable property that secures your Account is located, including the federal laws of Canada in force in that jurisdiction. The courts of that jurisdiction have jurisdiction in matters under the Operating Agreement.

17. Termination. When you have paid all amounts owing to us under your Account, you may terminate the Operating Agreement at any time by giving us recorded notice. Where you are more than one person, either or any of you may terminate by giving the recorded notice. Despite any other term, the notice does not take effect until we actually receive it. Termination does not affect your obligations before termination, or our rights for the obligations. It does not give you a right to prepay.

18. Successors. The Operating Agreement binds and benefits an heir, personal or estate representative, successor and assignee of each party. A reference to a party includes those persons and a power given to a party is given to those persons. Despite the above, the Operating Agreement does not benefit an assignee of yours unless we consent in writing to such assignment, which in our sole discretion we may refuse to do so.

19. Information. You can contact our Customer Service Centre at 1-877-765-2265 to get information about your Manulife One Account or visit our website at manulifebank.ca.

20. Electronic disclosure. You consent to any future disclosure statement being provided by electronic means in an electronic form that you can retrieve and retain.

21. Headings. The contents are to be accepted and headings are to be ignored in interpreting these terms.

22. Meaning of specific verbiage. In the Operating Agreement, expressions have the meanings set out below, except where the Operating Agreement provides otherwise or the context requires otherwise.

- a. Business day.** Means a day other than a Saturday or Sunday, a public holiday at either our main office in Canada or an office through which we deal with you under the Operating Agreement, a day on which that office is not open for business or, for a transaction that involves a land registration office, a day on which the office is closed;
- b. Credit document.** Means an agreement guaranteeing or securing your obligations under your Account to us;
- c. Law.** Includes law that is either enacted or part of common or civil law. Enacted law includes law made by the federal or a provincial government, a municipality or any other governmental or quasi- governmental body. It includes a requirement under a law, such as a judgment, an order or a condition of an approval;
- d. Person.** Includes an individual, a partnership, a corporation or other legal entity;
- e. Record.** Means a written record or any other communication we receive or make and treat as creating a record. We may, for example, treat an entry through an ABM, a fax, an e-mail message, a voice record or an Internet transaction as a record. Where the record is of an agreement with you, you will be taken to have entered the Operating Agreement where it contains what we treat as a record of your acceptance. The

words “recorded” and “recorded agreement” and so on have a meaning that conforms to this; and

- f. Instrument.** Means a cheque, bank draft, money order, or other bill of exchange, order for payment, promissory note, security, debit or credit or other payment instruments, pre-authorized deposit or debit payments or funds transfer or any item of deposit or withdrawal of a similar nature including its electronic equivalent, as well as any image or reproduction of the foregoing.

23. Alerts. We'll send you a text or email alert when you get within \$100 of the credit limit on your personal credit card or line of credit account (s) or within \$100 of a \$0 balance for your personal deposit account (s). These alerts are designed to help you manage your money.

Section 8 – Transition To Bank Account

When you have paid all amounts owing to us under this Operating Agreement and we have released the security provided by you, we agree that you may operate your Account solely as a bank account with us in accordance with the terms of the Operating Agreement which deal with the Account as a bank account, including without limitation, Section 5 – Personal Information Statement, Section 6 – Complaint Handling Procedures and Section 7 – General of these General Terms. The Operating Agreement will be deemed amended by the deletion of all provisions dealing with credit, lines of credit and the provision of security by you. Your continued operation of the Account and our acceptance of such continuation in these circumstances will be our mutual agreement to continue the Account in this manner.

Notes:

For more information,
visit **manulifebank.ca**.