



 **Manulife** Bank

Manulife Bank  
Select

General Terms

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## Section 1 – Introduction

Your Manulife Bank Select Account (the “**Account**”) is subject to these General Terms and is comprised of two parts: a banking account (the “**Banking Account**”) and a loan secured by a mortgage against your residential property (the “**Mortgage Account**”) which is comprised of one or more mortgage portions.

- 1. You and us.** In these terms, you (“**your**” has a corresponding meaning) are the holder or holders of a Manulife Bank Select Account. We (“**us**”, “**our**” have corresponding meanings) are Manulife Bank of Canada.
- 2. Account use.** You may only use your Account for personal, household, family, or investment purposes. You may not use your 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 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 Bank Select 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 Bank Select account are not included in the registered charge. Your Operating Agreement contains specific terms of your Manulife Bank Select account including your mortgage portion(s).
- 5. Understanding our terminology.** Descriptions of some common banking terms are provided at the end of this document (Section 8.22).

## Section 2 – Your Account

- 1. Your Account structure.** Your Account is initially comprised of two parts: a Banking Account and a Mortgage Account. Terms related solely to the Banking Account are set out in Section 3 of these General Terms. When you open your Account, you must also set up a Mortgage Account which is comprised of one or more mortgage portions. Terms related solely to the Mortgage Account are set out in Section 4 of these General Terms.
- 2. 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 day and time recorded by a facsimile machine of ours, or for email on the day recorded by the computer server of ours. 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 a password 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 ATM that is part of THE EXCHANGE® Network<sup>1</sup> 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) or share your password/PIN with anyone. 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.

<sup>1</sup> Manulife Bank is an authorized user of the trade mark “THE EXCHANGE” which is owned by FiServ.

- 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 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 and debit your Account for any service charges in connection with the returned instrument as set out in our fee brochure. 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;
- 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 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(s) 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.

### 3. Allocation of payments.

- a. **Banking account.** Normally, all payments into or out of your Account will be made through your Banking Account;
- b. **Payments.** When an amount becomes payable in your Mortgage Account, we will transfer the amount from your Banking Account to the Mortgage Account unless you have instructed us to debit another bank account for that amount by a Pre-Authorized Debit Agreement signed by you. We may transfer an amount from your Banking Account even if that creates an overdraft in your Banking Account. We need not make transfers under this section where the 'Exceptions' section below applies;
- c. **Credit balance.** If your Banking Account has a credit (positive) balance, we will not reduce or off-set the interest on any outstanding balance in your Mortgage Account, as the Mortgage Account operates separately from your Banking Account, but we will credit you with interest on the credit balance in your Banking Account at our current rate for a credit balance; and
- d. **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, we may prohibit you from drawing on your Banking Account and may not, in our discretion, transfer amounts that have become payable on your Mortgage Account from your Banking Account. We may also prohibit you from drawing on your Banking Account if we are required to do so by law, regulation or legal or regulatory process.

**4. 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.

**5. 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 or other person. We are not liable to you for a failure of our agent or 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, other person, group, or system.

**6. 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.

**7. Limits on our liability.** We are not liable for indirect, consequential, or special losses for breach of an obligation of ours to you. This applies whether the obligation is a condition, warranty or other obligation, 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 of ours 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.

- 8. 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.
- 9. 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.
- 10. 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.
- 11. 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 Account statements. You agree that, except in Quebec, all money in the Banking 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. If you are more than one person, you will be jointly and severally liable for the obligations under the Account. This is so even if the Account might be for the benefit of one (or any) of you.
- 12. Services.** 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.
- 13. Charges, service fees, and costs.**
- a. General.** 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 a 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. Charges may also apply to your Mortgage Account.
- b. Service fees.** As set out in detail in your Operating Agreement, you shall pay either (a) a monthly flat fee (the "**Monthly Fee**") or (b) an individual fee for each transaction for the Banking 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 Monthly Fee currently covers Automated Bank Machine (ABM) cash withdrawals (and deposits through THE EXCHANGE<sup>®</sup> Network<sup>2</sup> of ABMs) in Canada and debit card purchases in Canada. Our current Monthly Fee is provided in your Operating Agreement. A list of individual fees are available at [www.manulifebank.ca](http://www.manulifebank.ca). 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 also 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, contact our Customer Service Centre at 1-877-765-2265 or visit our website at [manulifebank.ca](http://manulifebank.ca).

- c. 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 on demand (and except for Accounts governed by the laws of the province of Quebec, in the cases of the charges referred to in ii), iii), and iv) below, you must pay interest on any such charge from the time that it is incurred until the time that it is paid at (1) if the charge relates to the Banking Account, the highest rate that applies to any amount owing under the Banking Account, and (2) if the charge relates to the Mortgage Account, the highest rate that applies to any amount owing under the Mortgage Account):
- i. 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;
  - ii. 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;
  - iii. 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
  - iv. 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 but that is dishonoured.

<sup>2</sup> 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.

#### d. Costs.

- i. 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:
1. Preparing, negotiating and completing the Operating Agreement and credit documents;
  2. Searching title to property, obtaining title insurance, and preparing and registering security;
  3. Inspecting and obtaining appraisal, environmental and other reports on property;
  4. Verifying information and confirming that conditions for advances or credit are met;
  5. Administering, periodically reviewing the Operating Agreement or any credit document and obtaining advice on it; and
  6. 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; and

- ii. Wherever the Operating Agreement requires you to pay a cost, the following terms apply:
1. If it was caused by an act of ours, it is payable if we acted in good faith;
  2. 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;
  3. It includes a fee for the time and services of an employee or agent of ours; and
  4. It includes any tax on the subject matter of the cost, such as goods and services tax 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. You must pay interest on it from the time that it is incurred. The interest rate will be (1) if the cost relates to the Banking Account, the interest rate will be the highest rate that applies to any amount owing under the Banking Account at the time the cost is incurred, and (2) if the cost relates to the Mortgage Account, the interest rate will be the highest rate that applies to

any amount owing under the Mortgage Account at the time the cost is incurred. If it is a cost associated with the Mortgage Account, it and the interest on it will be added to the amount secured by the security under the Operating Agreement and every credit document.

### Section 3 – Your Banking Account

- 1. Banking Account.** Your Banking Account is the transactional part of your Account. Your Banking Account should be kept in a credit, or positive, balance status at all times.
- 2. Interest Rates.** The interest rate on credit balances for your Banking Account is variable and may change without notice to you. Interest is calculated on the daily closing balance and posted to your account monthly. You can obtain the current posted interest rates for credit balances on your Banking Account by contacting our Customer Service Centre at 1-877-765-2265 or by visiting our website at [manulifebank.ca](http://manulifebank.ca).
- 3. Our right to debit your Banking Account.** We may charge to your Banking Account any of the following (even if such charge creates or increases an overdraft):
  - 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 Banking Account for which we do not receive payment; and
  - d. An amount we credit to your Banking Account 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.
- 4. Credits to your Banking Account.** You understand that you can deposit funds to your Banking Account by mail, direct deposit, electronic transfer, ABM deposit, mobile deposit, Interace-Transfer, or any other method acceptable to us. We may credit to your Banking 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 Banking Account.
- 5. Hold Funds Policy.** All deposits made to your Banking Account may be subject to a hold. These deposits can be, but are not limited to, a cheque deposited to your Banking 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 Banking Account; however, you will not be able to access the funds being held for any purpose, including honouring any cheques or pre-authorized payments (including payments on your Mortgage Account), 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		
<ul style="list-style-type: none"> <li>less than or equal to \$1,500.00</li> </ul>	2	5
<ul style="list-style-type: none"> <li>greater than \$1,500.00</li> </ul>	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).

**6. Overdraft.** Should your Banking Account go into a negative balance, your Banking Account will be considered in overdraft. Any overdraft amount shall be repaid as provided below and not added to your Mortgage Account balance outstanding. A joint account can be overdrawn by any person who has signed the Operating Agreement. We reserve the right to overdraw your Banking Account in order to process transactions initiated through your Account or to apply service charges on your Account. Within three (3) days of your Banking Account being in overdraft, you agree to bring your Banking Account into a positive balance (this will be deemed to have occurred if your Banking Account has a positive balance for 24 hours or more). You also agree to pay the overdraft interest rate applied to the amount in overdraft until your Banking Account is brought out of overdraft and to pay all service charges in connection with any overdraft in your Banking Account as set out in our fee brochure. You may also obtain a listing of our current service fees by contacting our Customer Service Centre at 1-877-765-2265 or by visiting our website at manulifebank.ca.

**7. Account Restriction.** You agree that we may restrict access to or close your Banking Account if we have reason to believe that unauthorized, illegal or fraudulent activity is occurring on the Banking Account.

**8. Survivorship.** 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 deceased's share in equal portions. This provision does not apply in the Province of Quebec.

**9. Quebec Joint Spouse/Former Spouse Owners.** We understand that we can declare to the Bank in writing at any time 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.

## Section 4 – Your Mortgage Account

**1. Terms that apply to your Mortgage Account.** Your Mortgage Account is the secured borrowing component of your Account and is comprised of one or more mortgage portions. The total of the Principal Amount(s) for any and all portion(s) listed in the Operating Agreement plus interest, charges and other amounts specified hereunder is the only indebtedness secured by the mortgage over the property described in the Operating Agreement. You may have a maximum of five mortgage portions open at any given time. When you create a mortgage portion or when you renew the term of a mortgage portion, you may select either a fixed or variable interest rate. The initial terms for each of your mortgage portions, including details of the interest rate that applies to each mortgage portion, are set out in your Operating Agreement. Interest rates apply both before and after: (i) any Interest Adjustment Date (as defined in your Operating Agreement), (ii) the expiry of a term, or (iii) the date a default occurs. You cannot divide an existing closed term mortgage portion into one or more new mortgage portions prior to the renewal of the particular closed term mortgage portion; you must first close the existing mortgage portion 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 mortgage portion). You cannot create additional borrowing in your Mortgage Account; you must first apply for one or more new mortgage portions. If we approve that application, you must close the existing mortgage portion 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 mortgage portion and any applicable administration charges) before you may open one or more new mortgage portions at the new borrowing amount.

Each mortgage portion under the debt secured by the Collateral Mortgage is deemed to be a separate and distinct loan. The mortgage portion(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 additional terms apply to all mortgage portions, regardless of interest rate type or term:

- a. Term.** The term for a mortgage portion is provided in the Operating Agreement;
- b. Commencement of term.** The principal amount (or capital) of a mortgage portion set out in the Operating Agreement will be charged to such mortgage portion on the date funds are advanced on such mortgage portion. The principal amount (or capital) set out in the Operating Agreement sets out the amount to be charged to each mortgage portion;
- c. Cost of borrowing.** Your cost of borrowing may include, but is not limited to the following:
  - i. Legal. Even though the mortgage or hypothec securing your Mortgage Account is covered by title insurance,



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 and HST (or other provincial equivalent, as applicable), as applicable, on those amounts. There will also be charges for a change to a mortgage or hypothec and GST and HST (or other provincial equivalent, as applicable), 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 such 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 mortgage portion(s) is set out in the Operating Agreement;

**d. Payments generally.** Prior to the occurrence of an event of default and so long as access to your Banking Account has not been restricted or closed, all payments on your mortgage portion(s) will be taken from your Banking Account unless you have instructed us to debit another bank account for that amount by a Pre-Authorized Debit Agreement signed by you. If an event of default has occurred or if access to your Banking Account has been restricted or closed, you may be required to make payments on your mortgage portion(s) directly to us;

**e. Representations.** You represent and warrant to us that the following statements 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 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;

**f. 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 also be found in the Operating Agreement.

- i. Events of default. Each event listed in this section or any part of it is an event of default under the Operating Agreement in respect of your Mortgage Account. 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:

1. Payment. You fail to pay, when due and in the manner required, any amount payable on or in connection with your Mortgage Account (including any mortgage portion) 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;
2. Compliance. You fail to comply with any other term or condition relating to your Mortgage Account (including any mortgage portion) in the Operating Agreement or any credit document;
3. Statement. A promise, representation, warranty, understanding, or other statement relating to or given in connection with your Mortgage Account

(including any mortgage portion) 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;

4. 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;
5. 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 securing the Mortgage Account without our approval, or there is an agreement to make any of those sales, transfers, further mortgages or further charges, including any other option to encumber, without our approval;
6. Death. Albeit beyond any person's control, death is considered an event of default;
7. Undesirable Activities. The real estate securing the Mortgage Account is used for any illegal, immoral, or any other undesirable activity (as defined by us acting in our sole discretion), or we have reason to believe that payments made in connection with your Mortgage Account under the Operating Agreement or any credit document are made using the proceeds from illegal or fraudulent activity;
8. Maintenance or Use of Property. You fail to maintain the real estate securing the Mortgage Account in good state of repair; you abandon the real estate securing the Mortgage Account or use it for commercial purposes;
9. 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 (Ontario) or equivalent statute in your jurisdiction, as applicable) and you fail to notify us;
10. Residency. You cease to be a Canadian resident;
11. Occupation. 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;
12. Insurance. You fail to insure your interest in every building and other improvement on the real estate

securing the Mortgage Account against loss, damage and other risks normally covered by a fire and standard perils 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;

13. Taxes. You fail to pay all property taxes when they are due; or
14. Insolvency. You become insolvent. You become insolvent when any of the following happens: (a) you file 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;
  - ii. 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;
  - iii. Right to off-set. If an event of default occurs under your Mortgage Account, we may without notice use an amount we owe you to pay or reduce your liability to us, but we are under no obligation to do so. We may do so even if the amount or liability is not then payable, for example, if a liability has not matured. In the event that we assign our interest in your Mortgage Account or any mortgage portion to another party, you hereby waive any right you may have to off-set an amount owing to you to pay or reduce your liability under your Mortgage Account or such mortgage portion, as applicable; and
  - iv. Right to enforce security. If an event of default occurs under your Mortgage Account, we may exercise any remedy of ours under any security we hold under the Operating Agreement or any credit document under it.
- g. 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 losses 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;

**h. 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;

**i. Security.**

i. Immovable hypothec or mortgage. Where our security is a first ranking hypothec or mortgage, 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, 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.

ii. Survey. At our request, you will, before the 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 property to be mortgaged or hypothecated, 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.

iii. 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.

**j. Sale of the real estate.** If you sell the property described in the Operating Agreement, when not in default, we may at our sole discretion (i) require you to repay your Mortgage Account in full, (ii) allow you to move your existing Mortgage Account to a new property, or (iii) allow the person who buys the property to assume your Mortgage Account. The following terms will apply:

i. Moving your mortgage account. To move your existing Mortgage Account to a new property, you must meet

our mortgage approval criteria, sign, or authorize a new mortgage or hypothec and pay any processing and administration fees, legal costs, property valuation fees, any other fees or costs for moving the existing Mortgage Account and any expenses we incur. If the principal amount of the new Mortgage Account (including all mortgage portions) is the same or less than the outstanding balance on your existing Mortgage Account when you sell the property, the Variable Rate or Fixed Rate then applicable to your existing mortgage portion(s) will apply to your new mortgage portion(s) and the end of the term for your new mortgage portion(s) will be the same as for your existing mortgage portion(s). If the principal amount of your new mortgage portion(s) is less than the outstanding balance on your existing mortgage portion(s) when you sell the property, you must pay us the difference between the principal amount of your new mortgage portion(s) and the balance on your existing mortgage portion(s) when you sell the property and any prepayment charges that apply to the difference.

The payment of the difference between the principal amount of your new mortgage portion(s) and the balance on your existing mortgage portion(s) will be apportioned proportionately between your existing mortgage portion(s) at the time. If you sign or authorize a new mortgage or hypothec on your new property within ninety (90) days of the sale, we will refund all or part of the prepayment charges (depending on the amount of the new Mortgage Account and if you meet the conditions above). If the principal amount of any of your new mortgage portion(s) is more than the balance on the related existing mortgage portion(s), the interest rate for such new mortgage portion(s) will be (1) if the existing mortgage portion(s) are Variable Rate mortgage portion(s), the Variable Rate then applicable to the existing mortgage portion(s), and (2) otherwise, the rate of interest that blends (a) the current interest rate for such mortgage portion(s), and (b) the rate of interest we offer at that time for a similar type of mortgage with a term closest to, but longer than, the remaining term of such existing mortgage portion(s), from the terms that we offer at that time. If the principal amount of your new mortgage portion(s) is greater than the outstanding balance on your existing mortgage portion(s) when you sell the property, the difference between the principal amount of your new mortgage portion(s) and the balance on your existing mortgage portion(s) when you sell the property will be added proportionately to the balance(s) of your new mortgage portion(s). At our discretion, the term of the new mortgage portion(s) will be for either a period equivalent to the remaining term of the existing mortgage portion(s) or for the term closest to, but longer than, the remaining term of the existing mortgage portion(s), from the terms that we offer at that time. If you wish to move your Mortgage Account to a new property and

your existing Mortgage Account has mortgage insurance, ask us to see if the mortgage insurance can also be moved; and

- ii. Assumption of the mortgage account by buyer. You must comply with the terms of your Operating Agreement even if you sell the property described in the Operating Agreement. If you agree to, or actually do, transfer your interest in the property with our prior approval (which may be granted or denied in our discretion), we may set certain requirements that you and the new owner must meet as a condition of our approval. Our requirements will include the new owner opening an Account and signing our form of assumption agreement. You must give us any information that we ask for, to allow us to decide whether or not we will approve the transfer of the property to the new owner. Even if we approve the transfer of the property to the new owner, or we make a new agreement with the new owner with respect to any of the terms and conditions of the Mortgage Account, or if we accept payments on the Mortgage Account from the new owner, that will not affect our rights against you unless we decide, at our discretion, that we will release you from some or all of your obligations relating to the Mortgage Account under the Operating Agreement. You agree that we may renew or change the terms of the Mortgage Account in an agreement with the new owner, and that you will still have to comply with your Operating Agreement, even though the Mortgage Account has been renewed or its terms have been changed without your knowledge or consent;
- k. **End of term.** If not in default, you will be sent a mortgage portion renewal agreement prior to the maturity date of a mortgage portion. The mortgage portion renewal agreement will set out our existing mortgage options and at interest rates offered by us at that time from which you may select. If we have not received your signed renewal agreement in respect of a mortgage portion at the maturity date of that mortgage portion and you have not indicated in writing otherwise, we may, at our option, renew that mortgage portion into our one-year open term fixed rate mortgage at the interest rate then offered by us at that time. If we do not send you a renewal agreement in respect of a mortgage portion, that mortgage portion is due and payable in full as of the applicable maturity date; and
- l. **Discharge of mortgage.** A signed discharge or transfer, in registerable form, will only be delivered by us upon full payment of the balance owing under all of your mortgage portions being received by us, including any per diem interest, the discharge fee and any other outstanding fees. For the purpose of calculating per diem interest on a discharge, funds received after 1:00pm (Eastern Standard Time) on any business day will be deemed to have been received on the next following business day. Contact our Customer Service Centre at 1-877-765-2265 or visit our website at [manulifebank.ca](http://manulifebank.ca) to obtain the current discharge fee. We reserve the right to refuse a discharge of your mortgage until any charges or other

outstanding fees arising after the discharge statement is issued are also fully paid.

2. **Your Variable Rate Mortgage Portion(s).** You may choose to set up one or more Variable Rate mortgage portions, provided that you do not have more than five mortgage portions open at any given time. You cannot divide an existing closed term mortgage portion into one or more new mortgage portions prior to the renewal of the particular closed term mortgage portion; you must first close the existing mortgage portion 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 mortgage portion). The following terms apply to a Variable Rate mortgage portion:
  - a. **Interest rate.** Variable interest rates (“**Variable Rates**”) are calculated by adding a premium to or subtracting a discount from Manulife Bank’s Prime Lending Rate (“**MBC Prime**”). After the date that funds are disbursed on a mortgage portion, the applicable Variable Rate corresponds to the rate as indicated in your Operating Agreement for that mortgage portion, which applies until the MBC Prime rate changes. Interest is compounded monthly, not in advance. Interest is calculated, not in advance, at the same interval as the regular payment frequency you have chosen for a mortgage portion. The interest is payable at the interval chosen by you at the time a Variable Rate mortgage portion is set up, not in advance, as shown in the Operating Agreement; 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.
  - b. **Changes to the variable rate.** MBC Prime is a variable rate of interest that is set by us and may change from time to time. You can obtain the current posted MBC Prime rate and your current variable interest rate(s) by contacting our Customer Service Centre at 1-877-765-2265 or by visiting our website at [manulifebank.ca](http://manulifebank.ca). You agree that notices of changes in the MBC Prime Rate may be contained in the account statement that we send to you. However, the Variable Rate applicable to your mortgage portion(s) may be modified notwithstanding that we have not sent to you, or you have not received, any such notice;
  - c. **Amortization period.** This is the time it would take to pay off a Variable Rate mortgage portion in full, based on the regular payments and the applicable interest rate in the Operating Agreement. The amortization period for each Variable Rate mortgage portion is provided in the Operating Agreement. Changes to the Variable Rate will change the amortization period;
  - d. **Regular payments.** All regular payments on your mortgage portion(s) will be taken from your Banking Account unless you have instructed us to debit another bank account for that amount by a Pre-Authorized Debit Agreement signed by you. The regular payments applicable to your Variable

Rate mortgage portion(s) are set out in the tables in your Operating Agreement. We will apply each payment of principal and interest first to pay or reduce the interest payable on a mortgage portion. Then we will apply the balance to pay or reduce principal. If the Variable Rate(s) increases, you agree that a larger portion of your regular payment on the applicable mortgage portion will be applied to the payment of interest and a smaller portion to the payment of principal. As a result, during the term of the mortgage portion(s), it will take longer to pay off your Variable Rate mortgage portion(s). At the end of the term for a mortgage portion, your regular payment will be adjusted to ensure that the original amortization period for such mortgage portion is not extended;

**e. Trigger interest rate.** The regular payments will apply so long as the Variable Rate(s) does not exceed the applicable Trigger Interest Rate. The Trigger Interest Rate for a mortgage portion at any time is the interest rate at which your regular payment would cease to be sufficient to pay all interest then owing on that mortgage portion. The initial Trigger Interest Rate for each mortgage portion (based on the initial principal amount and the frequency of your regular payments of each such mortgage portion) is set out in the tables in your Operating Agreement and it will change from time to time as the principal amount of a mortgage portion changes or if you change the amount or frequency of your regular payments for a mortgage portion. If the Variable Rate for a mortgage portion reaches or exceeds its Trigger Interest Rate you agree that, if there has not been an event of default which has not been cured or waived, the regular payment for that mortgage portion will be automatically increased in increments of \$50.00 based on a monthly payment frequency; or if you have chosen a payment frequency other than monthly, the \$50.00 increments will be adjusted to reflect the payment frequency. This ensures that you will pay all the interest you owe us on that mortgage portion and the principal amount of that mortgage portion does not increase. Otherwise, if your regular payment is insufficient to pay all interest owing on a mortgage portion, the balance outstanding at the date on which such mortgage portion matures could be higher than the balance indicated on your most recent statement. We will inform you of any increase in your regular payment(s) by way of a written notice;

**f. Prepayment – variable rate portion.** If you have chosen an open term for a Variable Rate mortgage portion, 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 Variable Rate mortgage portion at any time or increase your regular payments once in each year of the term (in accordance with the terms outlined in Section 4(2)(f)(iii) below) by the percentage set out in the tables in your Operating Agreement.

If you have chosen a closed term for a Variable Rate mortgage portion, 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 4(2)(f)(ii) below or a prepayment in part under Section 4(2)(f)(iv) 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 each 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 Variable Rate mortgage portion which is set out in the tables 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 your Variable Rate mortgage portion in full as provided in Section 4(2)(f)(v) below.
- iii. Increase Regular Payments. Once in each year of the term (which is each period of 12 months starting on the date on which the term begins and ending on each anniversary of that date) you may, on reasonable prior written notice, increase the amount of your regular payment of principal and interest on a Variable Rate mortgage portion by the percentage set out in the tables 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. The new increased payment amount becomes the regular principal and interest payment under that Variable Rate mortgage portion and cannot in the future be reduced.
- iv. Prepayment in Part. You may at any time prepay any part of the principal amount owing under a Variable Rate mortgage portion in excess of the percentage prepayment permitted in Section 4(2)(f)(ii) above upon payment of three months' interest on the amount of the prepayment calculated at your current interest rate. Any unused percentage of the prepayment privilege in Section 4(2)(f)(ii) will be used to reduce the principal amount on which interest is calculated for determining three months' interest.

To estimate the three months' interest costs on a prepayment in part, multiply the principal amount that you want to prepay (less any unused prepayment privilege amount) by your current variable 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, and your current variable 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.

- v. **Prepayment in Full.** You may at any time prepay in full the principal amount remaining under a Variable Rate mortgage portion upon payment of three months' interest on the amount of the prepayment calculated at your current interest rate. You may not use any percentage of the prepayment privilege provided in Section 4(2)(f)(ii) above that is unused at that time to reduce the amount on which you must pay three months' interest under this section.

To estimate the three months' interest costs on a prepayment in full, multiply the principal amount that you want to prepay by your current variable interest rate and then divide that amount by four. For example, if you want to prepay \$85,000 and your current variable 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. Please visit our website ([www.manulifebank.ca](http://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. **Conversion to fixed rate mortgage portion.** At any time during the term and without penalty, you may convert a Variable Rate mortgage portion to a Fixed Rate mortgage portion with a term of equal or longer duration to that of the remaining term of the converted Variable Rate mortgage portion.

**3. Your Fixed Rate Mortgage Portion(s).** You may choose to set up one or more Fixed Rate mortgage portions, provided that you may not have more than five mortgage portions open at any given time. You cannot divide an existing closed term mortgage portion into one or more new mortgage portions prior to the renewal of a closed term mortgage portion; you must first close the existing mortgage portion subject to the terms and conditions as set out in this Operating Agreement (including payment of any applicable prepayment charges associated with closing the existing mortgage portion). The following terms apply to a Fixed Rate mortgage portion:

- a. **Interest rate.** The interest rate during the term on the principal owing on a Fixed Rate mortgage portion is set by us in our sole discretion at the time that Fixed Rate mortgage portion is set up and is as shown in the Operating Agreement. The interest rate is a nominal percentage per year and is calculated monthly and compounded semi-annually, not in advance. Interest is calculated, not in advance, at the same interval as the regular payment frequency you have chosen for a mortgage portion. The interest is payable at the interval chosen by you at the time a Fixed Rate mortgage portion is set up, not in advance, and is as shown in the Operating Agreement;

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.

- b. **Amortization period.** This is the time it would take to pay off a Fixed Rate mortgage portion in full, based on the regular payments and the applicable interest rate in the Operating Agreement. The amortization period for each Fixed Rate mortgage portion is provided in the Operating Agreement;
- c. **Payments.**
  - i. All regular payments on your mortgage portion(s) will be taken from your Banking Account unless you have instructed us to debit another bank account for that amount by a Pre-Authorized Debit Agreement signed by you. The regular payments applicable to your Fixed Rate mortgage portion(s) are set out in the tables in your Operating Agreement; and
  - ii. We will apply each payment of principal and interest first to pay or reduce the interest payable on a mortgage portion. Then we will apply the balance to pay or reduce principal.
- d. **Prepayment – fixed rate portion.** If you have chosen an open term for a Fixed Rate mortgage portion, 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 mortgage portion at any time or increase your regular payments once in each year of the term (in accordance with the terms outlined in Section 4(3)(d)(iii) below) by the percentage set out in the tables in your Operating Agreement. If you have chosen a closed term for a Fixed Rate mortgage portion, 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 4(3)(d)(ii) below or a prepayment in part under Section 4(3)(d)(iv) 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 each 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 mortgage portion which is set out in the tables 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 your Fixed Rate mortgage portion in full as provided in Section 4(3)(d)(v) below.

- iii. Increase Regular Payments. Once in each year of the term (which is each period of 12 months starting on the date on which the term begins and ending on each anniversary of that date) you may, on reasonable prior written notice, increase the amount of your regular payment of principal and interest on a Fixed Rate mortgage portion by the percentage set out in the tables 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. The new increased payment amount then becomes the regular principal and interest payment under that Fixed Rate mortgage portion and cannot in the future be reduced.
- iv. Prepayment in Part. You may at any time prepay any part of the principal amount owing under a Fixed Rate mortgage portion in excess of the percentage prepayment permitted under Section 4(3)(d)(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 mortgage portion:
    - all interest you would have paid on the Fixed Rate mortgage portion at your current interest rate; and
    - all interest you would pay on the Fixed Rate mortgage portion 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 mortgage portion
- 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 mortgage portion 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 mortgage portion. 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 mortgage portion 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 amount) by the difference in the two interest rates. The result is then multiplied by the remaining months of your term and then divided by twelve. 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.
- v. Prepayment in Full. You may at any time prepay in full the principal amount remaining under a Fixed Rate mortgage portion 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 mortgage portion:
    - all interest you would have paid on the Fixed Rate mortgage portion at your current interest rate; and
    - all interest you would pay on the Fixed Rate mortgage portion 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 mortgage portion.

Any unused percentage of the prepayment privilege in Section 4(3)(d)(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 mortgage portion:

- To estimate the three months' interest costs on a prepayment in part, multiply the principal amount that you want to prepay (less any unused prepayment privilege amount) 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, and your fixed interest rate is 5%, you would multiply \$75,000 by 5% and 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.

You may not use any percentage of the prepayment privilege provided in Section 4(3)(d)(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 mortgage portion:

- 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 mortgage portion 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 mortgage portion. 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 mortgage portion 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 twelve. 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 ( $\$85,000 \times 0.50\% \times 36 \div 12 = \$1,275$ ). In this example, the estimated Interest Rate Differential Amount would be \$1,275.

Please visit our website [www.manulifebank.ca](http://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.

## Section 5 – Access Cards

- 1. How these terms apply.** The terms in this section apply where we issue an access card (the "Access Card") to you that enables you to enter a transaction on your Banking Account (for example, through an ABM). All of the other parts of the terms in this section 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 Banking Account to whom the Access Card is issued, may use it. You will not disclose your personal identification number (PIN) 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 or password.

### 3. *Interac Flash*<sup>®</sup>

- *Interac Flash*<sup>®</sup> 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*<sup>®</sup> limits, 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*<sup>®</sup> spend limit will be reset.
- You can have *Interac Flash*<sup>®</sup> 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:

- a. 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;
- b. 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
- c. you voluntarily disclose your PIN or password to anyone, even someone who purports 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, 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 7 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 6 – 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 7 – 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](mailto: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](mailto: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](mailto: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 OmbudsNetwork (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](http://www.canada.ca/en/financial-consumer-agency.html)

## Section 8 – 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, counterclaim, 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, including a mortgage portion 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 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 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 Mortgage or any part thereof or approval for insurance by the applicable insurer or the Pre-Qualification of the Mortgage Account 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 Mortgage Account.

**You and any guarantor consent and agree that (i) all information obtained from or concerning you and any guarantor in connection with approving the Mortgage Account 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, 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 of the Operating Agreement.
- 9. Amendment.** Except as provided in Section 2(13)(b) (Service Fees for your Banking Account), we may, at any time and without notice to you, amend any term of the Operating Agreement, except that we may not change a rate of interest (other than MBC Prime) or the amount of a payment under the Mortgage Account without your consent. If you use your Manulife Bank Select Account or if your Manulife Bank Select Account remains open 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 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 property that secures your Mortgage 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 Mortgage Account you may terminate the Operating Agreement at any time by giving us recorded notice. Where you are more than one person and all amounts owing to us under your Mortgage Account have been paid, 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.
- 19. Information.** You can contact our Customer Service Centre at 1-877-765-2265 to get information about your Manulife Bank Select Account or visit our website at [manulifebank.ca](http://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 the Mortgage 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. 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.

- e. **Person.** Includes an individual, a partnership, a corporation or other legal entity; and
- f. **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, mobile 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.

**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 9 – Transition To Bank Account**

When you have paid all amounts owing to us under your Mortgage Account, or you have transferred the real estate described in your Operating Agreement to a buyer who has assumed your Mortgage Account in accordance with Section 4 (1)(j) above, and we have released the security provided by you, we agree that you may operate your Account solely as a Banking Account with us in accordance with the terms of the Operating Agreement which deal with the Account as a Banking Account, including without limitation, Section 6 – Personal Information Statement, Section 7 – Complaint Handling Procedures and Section 8 – General of these General Terms. The Operating Agreement will be deemed amended by the deletion of all provisions dealing with the Mortgage Account and the provision of security by you. Your continued operation of the Banking Account and our acceptance of such continuation in these circumstances will be our mutual agreement to continue the Banking Account in this manner.

For more information,  
visit **[manulifebank.ca](https://manulifebank.ca)**.