



Manulife One for Business
General Terms



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Section 1 – Introduction

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

- 1. You and us.** In these terms, **you** (“**your**” has a corresponding meaning) are the holder or holders of a Manulife One for Business **Account** (the “**Account**”). **We** (“**us**”, “**our**” have corresponding meanings) are Manulife Bank of Canada.
- 2. Account use.** You may only use your Account for business purposes, as more particularly set out in the “Purpose of Credit Facility” section of the Commitment Letter (as defined below). You must not use your Account for personal, family, household or farming purposes.
- 3. The Operating Agreement, Commitment Letter and these General Terms.** The Manulife One for Business Account Operating Agreement (including any amendment, supplement, restatement, replacement or substitution from time to time, the “**Operating Agreement**”) is between you and us for your Account. The commitment letter issued by us and accepted by you (including any amendment, supplement, restatement, replacement or substitution from time to time, the “**Commitment Letter**”), is between you and us and sets out additional terms and conditions of the Account. Each of the Operating Agreement, the Commitment Letter and these General Terms are part of your agreement with the Bank for the Account and a reference to any of them will incorporate the others, as the case may be.
- 4. Understanding our terminology.** Descriptions of some common bank terms are provided at the end of this document (Section 7, #19).

Section 2 – Your Account

1. **Our right to debit your Account.** We may charge to your Account any of the following:
 - a) The amount of any instrument you draw, make, accept or endorse which is payable at a branch or office of ours or for which we must reimburse anyone;
 - b) An amount you instruct us to transfer to anyone or another account;
 - c) The amount of any instrument we cash or negotiate for you or credit to your Account for which we do not receive payment;
 - d) An amount we credit to any of your accounts under an instruction to transfer funds, whether by you or anyone else, which is reversed for any reason or for which we do not receive payment; and
 - e) Any other debt or liability of yours to us or an agent, affiliate or service provider of ours even if that creates or increases an overdraft.

2. **Credits to Account.** You understand that you can deposit funds to your Account by mail, direct deposit, electronic transfer, or any other method acceptable to us. We may credit to your Account deposits made by another person on your behalf. All instruments deposited must be payable to you. You authorize us to endorse in your name any instrument deposited without endorsement. This endorsement will be deemed to be made by you. All deposits to your Account will be applied to your Main Account.

3. **Hold Funds Policy.** All deposits made to your Account may be subject to a hold. These deposits can be, but are not limited to, a cheque deposited to your Account, an Electronic Funds Transfer or an ABM deposit. If your deposit is subject to a hold, the full amount of the deposit will be credited to your Account immediately; however, you will not be able to access the funds being held for any purpose, including honouring any cheques or pre-authorized payments, until the conclusion of the “hold period”.

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

	Minimum	Maximum
Cheques or Electronic Funds Transfers drawn on another Canadian Financial Institution		
• less than or equal to \$1,500.00	2	5
• greater than \$1,500.00	2	8
Cheques or other instruments drawn on American Financial Institutions	15	30
Cheques or other instruments drawn on Other Foreign Financial Institutions	30	45

You understand that the maximum hold period may not apply where there is a material increased credit risk or 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 90 days; (iii) the deposited cheque has been endorsed more than once; or (iv) the deposited cheque is considered stale-dated (after six months).

4. **Our charges.** You promise to pay our service charges at the usual rates we charge from time to time for services we normally provide in the operation of any account of yours, unless you and we otherwise agree in 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.
5. **Confirmation of Personal Identification.** You agree that we may rely on the signatures on the Operating Agreement or the Commitment Letter in the operation of the Account or other means of personal identification, including but not limited to electronic or biometric methods, as we may accept from time to time.
6. **Signing Officers.** You agree that a transaction authorized by the minimum number of required Account signatories, will bind you. You agree to notify us promptly of any changes in authorized signatories. Until we receive a change notice and have had the time to implement the change, we shall be able to rely on instructions from the authorized signatories currently in our files.
7. **Services and charges.** We need not provide services other than those we make available to persons generally or to the group of persons to which you belong. We may from time to time change, reduce or withdraw services we make available at the time to persons generally or to a group of persons. For example, we may limit the frequency or amount of your withdrawals.
8. **When interest is charged.** Interest is charged on principal (or capital) in your Account starting on the day the principal becomes owing, and accrues while the principal is owing. There is no period during which interest does not accrue, or grace period. For the Main Account and any Variable Rate Sub-account, interest on principal is calculated each day only on the principal owing on the day and charged to the Main Account on the last day of each calendar month. For a Fixed Rate Sub-account, interest is calculated monthly and charged to the Main Account, along with a payment of principal, on the last calendar day of each month.
9. **Other charges.** You must pay fees on a per transaction basis for the Account's transactional features and services, including but not limited to those accessed through Access Cards or our Internet and telephone banking services. We may change these fees and charges from time to time. To access a list of the current fees and charges or to obtain information about the transactions on your Account, visit manulifebank.ca at any time or call 1-877-765-2265, 8am to 8pm, Monday to Friday across all time zones or Saturday, 9am to 5pm, Eastern Standard Time.
10. **Charges or penalties.** If you fail to make a payment when it is due, or to comply with an obligation in the Operating Agreement, the Commitment Letter or our mortgage or hypothec or other related documents, you must pay all of the following:
 - a) If any interest payable to us is not paid on the day that it is payable, interest must be paid to us on the unpaid interest. This interest will be at the same rate as the unpaid interest. It will be calculated and payable in the same way as the unpaid interest, both before and after demand, maturity, default or judgment. If interest on unpaid interest is not paid, interest must be paid on that interest as provided above, and so on;
 - b) You must pay our charges for recovering the costs we reasonably incur for legal, collection or other services we retain to collect or attempt to collect the payment;
 - c) You must pay our charges for recovering the costs we reasonably incur in realizing on every security interest taken under the Operating Agreement or the Commitment Letter or our mortgage or hypothec, or in protecting the security interest or hypothec, including the cost of legal or other services we retain for that purpose; and
 - d) You must pay our charges for recovering the costs we reasonably incur in processing a cheque or other payment instrument that you use to make a payment under the loan but that is dishonoured.

- 11. 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.
- 12. Account Restriction.** You agree that we may restrict access to your Account if we have reason to believe that unauthorized or fraudulent activity is occurring on the Account.
- 13. Our giving of 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.
- 14. Your instructions.**
- a) **FORMS AND PROCEDURES.** You must use forms and procedures satisfactory to us for transactions. You must deal with us through the branch or office at which we keep your Account. In particular, you must use cheque forms we issue. We need not honour a cheque or provide a service unless you comply with this section;
 - b) **ELECTRONIC COMMUNICATIONS.** An electronic communication includes any communication by telephone, facsimile, wire, e-mail or the Internet. We will deem any electronic communication received from you or in your name to be duly authorized by you and you authorize us to rely and act upon any such electronic communication. We will act on a signature in an electronic communication that purports to be your signature. If you request, we will forward copies of any statements, instruments, or other documents sent by electronic communication to the number or address provided by you, even though such modes of electronic communication may not be considered secure. You will be deemed to have received the electronic communication on the date and time recorded by a facsimile machine of ours, or for email on the day recorded by 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 one password for telephone communication and the same or another password for online transactions. Should you choose to receive an Access Card, you will be given an initial PIN which you may change at an ABM that is part of THE EXCHANGE[®] Network¹ of ABMs. You will be asked for your password each time that you use our telephone or online service, and when we talk to you by phone we may also ask you for your PIN and other information, including personal information, to confirm your identity. We will be relying on oral or electronic instructions provided to us using your password and PIN, and therefore you must keep your password and PIN secret at all times. You should therefore never write down your password or PIN or choose a password or PIN that can be easily discovered (e.g., your telephone number, address or set of sequential numbers). If you suspect that any other person has become aware of your password or PIN, you must immediately notify us, and until you notify us, you will be liable for all transactions that are made using your password or your PIN. You must also assist us in investigating any unauthorized transactions. You may be also required to adopt other security measures that we make available to protect the security of your information.

¹ Manulife Bank is an authorized user of trade mark "THE EXCHANGE" which is owned by EDS/TransAlliance L.P.

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

- c) **CHANGES IN YOUR INSTRUCTIONS.** If you give us an authority or instruction, and withdraw or revoke the authority or instruction, you must indemnify us against all loss we suffer through refusing to act on the authority or instruction or reversing an action taken on it. This applies, for example, if you sign a cheque and stop payment of it, and we refuse to pay the cheque or reverse an entry for it. We are not liable for acting on an authority or instruction despite the fact that you have withdrawn or revoked it, for any reason, including our negligence. We need not reverse or stop any action we have taken on the authority or instruction;
- d) **VERIFICATION OF ACCOUNT**
 - i) **Statements:** You shall notify us in writing of any errors, irregularities or omissions within thirty (30) days of the mailing of a statement 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 or material alteration of your cheques, and that we have no responsibility for such use. Further, we will be released from any liability and claims with respect to any and every item mentioned on the statement, particularly forged or unauthorized signatures or a material alteration of an instrument.
- e) **STOP PAYMENTS.** You can ask us to stop payment of a cheque or pre-authorized payment drawn on your Account, provided it has not already been paid from your Account. You understand that in order for us to process your stop payment you must provide the exact amount and date of the item, the payee, the full account number on which it is drawn and the cheque number (if applicable). You acknowledge that if the information provided is incorrect, if the payment is final and irrevocable or if you do not give us sufficient time to process your stop payment request, we will not be able to stop the payment. The ability to request stop payments is not a contractual or legal right; you agree that we will not be responsible for any loss that might occur as a result of our failure to process a stop payment;
- f) **RETURNED INSTRUMENTS.** If an instrument is returned to us unpaid, you authorize us to reverse the credit (and any interest paid on that credit) to your Account. If the instrument is in a different currency than the currency of the Account, you authorize us to debit your account for any cost or loss associated with the currency exchange on the unpaid instrument;

- g) FOREIGN CURRENCY TRANSACTIONS. Foreign currency transactions will be converted to Canadian dollars at an exchange rate determined by us or our third party service provider on a date determined by us and may not be the same date as the service was requested. If a foreign currency transaction is reversed from your Account for any reason, you accept responsibility for any loss or costs associated with the currency exchange and you authorize us to debit such charge from your Account; and
- h) FUNDS TRANSFERS. You authorize us to process funds transfers initiated by you, subject to the following terms:
- i) We may debit or credit the Account(s) named in the Funds Transfer Agreement with us and the other accounts (the “**Other Account(s)**”) held by you with the named other financial institutions listed in the Funds Transfer Agreement (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) named on the Funds Transfer Agreement and is provided in consideration of us and the Other Financial Institution(s) agreeing to process funds transfers against your bank account(s), in accordance with the rules of the Canadian Payments Association;
 - 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;
 - iv) The Funds Transfer Agreement may be cancelled provided notice is received five (5) business days before the next scheduled funds transfer. A sample cancellation form, or further information on your right to cancel the funds transfer is available from us or by visiting www.payments.ca. Revocation of this authorization does not terminate any contract for goods or services exchanged;
 - v) 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 Institutions are not required to verify that a funds transfer has been issued in accordance with the particulars of the Funds Transfer Agreement including, but not limited to, the amount. You acknowledge that an Other Financial Institution 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; and
 - vi) Contact Information:
Manulife Bank of Canada
500 King Street North
Waterloo, ON N2J 4C6
Tel: 1-877-765-2265

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

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

16. 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.

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

18. Credit Limits.

- a) **GENERAL.** The Commitment Letter and the Operating Agreement show your credit limit for the Account. Your credit limit is the maximum principal that you can borrow under the Account, including the Main Account and any Sub-accounts. It is also the maximum indebtedness that may be outstanding at any time (except for interest that has not become payable). You and we may, in a recorded agreement, agree in the future on a different credit limit;
- b) **YOUR RESPONSIBILITY.** You agree that we will not warn you when you come close to or exceed your credit limit. In particular, you must ensure that the balance under your Account always remains low enough so that your credit limit allows you to make expected and any unexpected expenses from the Account before you make your next deposit;
- c) **OVERDRAFT.** Where the amount owing under your Account (except interest that has not become payable) is over your credit limit, the excess is an overdraft; and
- d) **SUB-ACCOUNTS.** If you place some of your borrowings in an Amortizing Variable Rate or Fixed Rate Sub-account, payments to the principal in the Sub-account will automatically reduce the Credit Limit of the Account by the amount of the principal payment(s) if your Sub-account is non-readvanceable, but will not reduce your Credit Limit if your Sub-account is readvanceable. This means that borrowings placed in an Amortizing Variable Rate or Fixed Rate Sub-account may not be readvanceable in the Main Account as principal payments are made to the Sub-account. The specific terms and conditions that apply to a Sub-account will be set out in the Operating Agreement that establishes the Sub-account.

19. Manulife Bank's Prime Lending Rate.

- a) Manulife Bank's Prime Lending Rate ("**MBC Prime rate**") is the variable rate of interest that has all of the following characteristics:
 - i) It is expressed as a nominal percentage per year;
 - ii) It is set by us and may change from time to time. You can obtain the current posted MBC Prime rate by contacting our Customer Service Centre at 1-877-765-2265, or by visiting our website at manulifebank.ca; and
 - iii) It is the reference rate for loans made in Canadian dollars in Canada under all Manulife One for Business Accounts, including your Account, but excluding Fixed Rate Sub-accounts, and, is called the Prime Lending Rate.
- b) Interest at or based on the MBC Prime rate is calculated on the daily outstanding balance of your Account (but excluding Fixed-Rate Sub-accounts) and is payable monthly (see Section 2, #21(b) – Interests Payments. Interest will be calculated for the actual number of days elapsed.

20. Your Account structure.

- a) Your Account will always contain a Main Account, which is your line of credit at a variable interest rate;
- b) You need not divide your Account into Sub-accounts. However, if your Account is divided into Sub-accounts, in addition to the Main Account, the initial terms of your Sub-accounts are set out in the Operating Agreement. You may divide your Account into Sub-accounts at any time and from time to time subject to such terms and conditions as we may require. You must provide notice to us to divide the Account in a recorded agreement; and
- c) Where the terms of payment for an amount owing are changed, even if the amount is put into a different account, the change does not make the amount a new loan or advance, but merely changes the terms of the existing loan.

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

- a) **INTEREST RATE.** The interest rate on the principal owing in your Main Account is the rate you and we agree to in the Commitment Letter. The initial rate agreed to is also shown in the Operating Agreement. Notwithstanding the foregoing, where no rate is agreed to or set out in a recorded agreement, it is the MBC Prime rate plus 2.50%;
- b) **INTEREST PAYMENTS.** Interest accrues daily and is payable on the last day of the calendar month following the calendar month in which interest accrued. All payments of interest on the Main Account will be automatically charged to your Main Account on the due date. You are required to make a cash deposit to your Main Account each month in order to pay the monthly interest. If you do not, the interest that is charged to your Main Account will increase the principal on which interest is charged, resulting in the compounding of interest monthly (see Section 3, #6 - Compound interest);
- c) **REPAYMENT.** You must pay the amount owing in your Main Account on demand. You may repay principal under your Main Account at any time. Each payment must be applied first to the accumulated cost of borrowing and then to the outstanding principal; and

- d) **OTHER COSTS OF LOAN.** Your cost of borrowing may include, but is not limited to, the following:
- i) *Legal.* Even though the mortgage or hypothec securing the Account is covered by title insurance, a lawyer or notary must complete the mortgage or hypothec and any other credit document we require, or any change to them, and give us our usual reports on them. We will also retain our own lawyer to review the documents. You must choose your own lawyer, and you shall pay for the fees, charges and disbursements for your lawyer and our lawyer and your costs of borrowing will include these charges. In certain instances, we may retain a commercial loan program service provider to administer the loan, which may remove the need for us to retain a lawyer, but this remains solely in our discretion and you shall pay for their fees, charges and disbursements. We reserve the right to disapprove, on reasonable grounds, a lawyer or notary chosen by you. We advise you to get estimates or quotes for the charges. You must pay the charges for the services or disbursements of the lawyer(s), notary(s) or commercial loan program service provider. Such charges may include, but are not limited to, fees for a mortgage or hypothec and disbursements and GST or HST (and any provincial equivalent thereof, as applicable) on those amounts. There will also be charges for a change to a mortgage or hypothec and GST or HST (and any provincial equivalent thereof, as applicable) on those amounts. In addition, there will be the normal fees paid to register documents or obtain information from the public registry about security interests, hypothec and charges related to the property.
 - ii) *Title Insurance/PPSA Insurance.* The mortgage or hypothec, or any change to it, must be covered by title insurance. You must pay the charges for the title insurance. You shall choose the title insurer from a list that we will provide to you. We may also require that our security interest be covered by PPSA insurance from an acceptable commercial loan program service provider. You must pay the charges for the PPSA insurance.
 - iii) *Appraisal or inspection.* If we have asked for an appraisal or building condition survey, you must pay the fees for the appraisal and/or building condition survey. You shall choose the appraiser or inspector from a list that we will provide to you.
 - iv) *Environmental assessment.* If we have asked for an environmental assessment, you must pay the fees for it. You shall choose a firm to conduct the environmental assessment from a list that we will provide to you.

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

- a) **NON-AMORTIZING VARIABLE RATE SUB-ACCOUNTS.** The purpose of a Non-Amortizing Variable Rate Sub-account is to track a portion of your Account. The following terms apply to Non-Amortizing Variable Rate Sub-accounts:
 - i) **INTEREST RATE.** The interest rate on the principal owing in a Non-Amortizing Variable Rate Sub-account is the same as for the Main Account. Interest is calculated monthly on the daily closing balance each day;
 - ii) **INTEREST PAYMENTS.** Interest on the principal owing for each month is automatically charged to the Main Account on the last day of each calendar month. You are required to make a cash deposit to your Main Account each month in order to pay the monthly interest. If you do not, the interest that is charged to your Main Account will increase the principal on which interest is charged, resulting in the compounding of interest monthly (see Section 3, #6 - Compound Interest); and

- iii) REPAYMENTS. You must pay the amount owing in each Non-Amortizing Variable Rate Sub-account on demand. You may repay principal of the Non-Amortizing Variable Rate Sub-account at any time. Each payment must be applied first to the accumulated cost of borrowing and then to the outstanding principal.
- b) AMORTIZING VARIABLE RATE SUB-ACCOUNTS. You cannot divide an existing closed term Amortizing Variable Rate Sub-account into one or more new Sub-accounts prior to the renewal of the particular Amortizing Variable Rate Sub-account; you must first close the existing Amortizing Variable Rate Sub-account subject to the terms and conditions as set out in the Operating Agreement (including payment of any applicable prepayment charges associated with closing the existing Amortizing Variable Rate Sub-account) before you may open one or more new Sub-accounts.

You may not increase the amount borrowed under an existing Amortizing Variable Rate Sub-Account. You must either open a new Sub-account or close the existing Amortizing Variable Rate Sub-Account subject to the terms and conditions as set out in the Operating Agreement (including payment of any applicable prepayment charges associated with closing the existing Sub-account and any administration charges) before you may open one or more new Sub-accounts at the new borrowing amount.

The following terms apply to Amortizing Variable Rate Sub-accounts:

- i) COMMENCEMENT OF TERM. The principal amount (or capital) of the Amortizing Variable Rate Sub-account set out in the Operating Agreement will be charged to the Amortizing Variable Rate Sub-account on the anticipated Sub-account activation date assuming that the mortgage or hypothec securing the Account is completed then;
- ii) TERM. The term of the particular Amortizing Variable Rate Sub-account is based on the Amortizing Variable Rate (as defined below) provided in the Operating Agreement. However, even though an Amortizing Variable Rate Sub-account has a term, it is still part of the Account, and therefore, you must pay the entire principal balance, accrued interest, penalties and fees on demand;
- iii) INTEREST RATE. Amortizing variable interest rates ("**Amortizing Variable Rates**") are calculated by adding a premium to or subtracting a discount from the MBC Prime rate, the applicable premium or discount is set out in your Operating Agreement. After the date that funds are disbursed on your Amortizing Variable Rate Sub-account, the applicable Amortizing Variable Rate corresponds to the rate as indicated in your Operating Agreement, which applies until the MBC Prime rate changes. Amortizing Variable Rates are compounded monthly, not in advance. Interest is calculated monthly on the daily closing balance of each day in the month and is debited from the Main Account, along with a fixed payment of principal, on the last calendar day of each month;
- iv) CHANGES TO THE VARIABLE RATE TERM RATE. The MBC Prime rate is a variable rate of interest that is set by us and may change from time to time. You can obtain the current posted MBC Prime rate by contacting our Customer Service Centre at 1-877-765-2265, or by visiting our website at manulifebank.ca. If the Amortizing Variable Rate increases, you agree that your regular payment will be automatically increased so that the amortization period of your Amortizing Variable Rate Sub-account will remain unchanged;
- v) AMORTIZATION PERIOD. This is the time it would take to pay off your Amortizing Variable Rate Sub-account in full, based on the regular payments and the interest rate outlined in the Operating Agreement. The amortization period is provided in the Operating Agreement;

vi) PAYMENTS.

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

vii) PREPAYMENT - AMORTIZING VARIABLE RATE SUB-ACCOUNT. If you have chosen an open term for an Amortizing Variable Rate Sub-account, as indicated in your Operating Agreement, you may, without having to pay any prepayment charge, prepay all or part of the outstanding principal amount of such Amortizing Variable Rate Sub-account at any time. If you have chosen a closed term for an Amortizing Variable Rate Sub-account, as indicated in your Operating Agreement, you may make prepayments only as provided below:

- 1) *Generally.* You may not make any prepayment if you are in default, unless we agree in writing to accept such prepayment. Also, even if you make a percentage prepayment under Section 2, #22(vii)(2) below or a prepayment in part under Section 2, #22(vii)(3) below, you must still continue to make all regular payments of principal and interest.

- 2) *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 Amortizing Variable Rate Sub-account which is set out in your Operating Agreement. However, if you do not take full advantage of this prepayment privilege in any year, you may not carry the unused percentage forward and use it in another year, and you may not use the unused percentage to reduce any prepayment charge if you prepay the Amortizing Variable Rate Sub-account in full as provided in Section 2, #22(vii)(4) below.
- 3) *Prepayment in Part (above the Percentage Prepayment).* You may at any time prepay any part of the principal amount owing under an Amortizing Variable Rate Sub-account in excess of the percentage prepayment permitted in Section 2, #22(vii)(2) above upon payment of three months' interest on the amount of the prepayment calculated at your current applicable Amortizing Variable Rate. Any unused percentage of the prepayment privilege in Section 2, #22(vii)(2) 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 the current applicable Amortizing Variable Rate and then divide that amount by four.

For example, if you want to prepay \$85,000, you have a \$10,000 unused prepayment privilege amount, and your current Amortizing Variable 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. Please contact us to determine the exact amount that you would need to pay.

- 4) *Prepayment in Full.* You may at any time prepay in full the principal amount remaining under an Amortizing Variable Rate Sub-account upon payment of three months' interest on the amount of the prepayment calculated at your current Amortizing Variable Rate. You may not use any percentage of the prepayment privilege provided in Section 2, #22(vii)(2) 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 the current applicable Amortizing Variable 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 contact us to determine the exact amount that you would need to pay.

- viii) **CONVERSION TO FIXED RATE SUB-ACCOUNTS.** At any time during the term and without penalty, you may convert your Amortizing Variable Rate Sub-account to a Fixed Rate Sub-account with a term of equal or longer duration to that of the remaining term of your existing Amortizing Variable Rate Sub-account; and

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

You will be provided notice in advance of the end of the term of the amount of the Balance, how much of the Balance is required to be renewed in an Amortizing Sub-account(s) and the available terms and interest rates and/or if the Balance may be transferred into your Main Account. If you do not provide us with instructions within an allotted amount of time to renew the Amortizing Sub-account from the available options or to have the Balance transferred into your Main Account, we reserve the right to place the amount of the Balance in question into an amortizing Sub-account at the term of our choice and at our then current interest rate.

- 23. Your Fixed Rate Sub-account(s).** You may choose to set up one or more Fixed Rate Sub-accounts. You may allocate up to 100% of your current borrowings among up to a combined maximum of five Amortizing Variable Rate Sub-accounts and Fixed Rate Sub-accounts at any time.

You cannot divide an existing closed term Fixed Rate Sub-account into one or more new Sub-accounts prior to the renewal of the particular Fixed Rate Sub-account; you must first close the existing Fixed Rate Sub-account subject to the terms and conditions as set out in the Operating Agreement (including payment of any applicable prepayment charges associated with closing the existing Fixed Rate Sub-account) before you may open one or more new Sub-accounts.

You may not increase the amount borrowed under an existing Fixed Rate Sub-account. You must either open a new Sub-account or close the existing Fixed Rate Sub-account subject to the terms and conditions as set out in the Operating Agreement (including payment of any applicable prepayment charges associated with closing the existing Sub-account and any administration charges) before you may open one or more new Sub-accounts at the new borrowing amount.

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

- a) COMMENCEMENT OF TERM. The principal amount (or capital) of the Fixed Rate Sub-account set out in the Operating Agreement will be charged to the Fixed Rate Sub-account on the anticipated account activation date assuming that the mortgage or hypothec securing the Account is completed and properly registered at that time;
- b) TERM. The term during which your interest rate for the Fixed-Rate Sub-account is fixed is provided in the Operating Agreement. However, even though a Fixed Rate Sub-account has a term, it is still part of the Account, and therefore, you must pay the entire principal balance, accrued interest, penalties and fees on demand;

- c) **INTEREST RATE.** The interest rate during the term on the principal owing in your Fixed Rate Sub-account is not based on or connected to the Manulife Bank Prime rate, but rather is set by us in our sole discretion at the time your Fixed Rate Sub-account is set up and is as shown in the Operating Agreement. The interest rate is a nominal percentage per year and is calculated monthly and compounded semi-annually, not in advance. Interest is charged to the Main Account, along with a payment of principal, on the last day of each calendar month;
- d) **AMORTIZATION PERIOD.** This is the time it would take to pay off your Fixed Rate Sub-account in full, based on the regular payments and the interest rate shown in the Operating Agreement. The amortization period is provided in the Operating Agreement;
- e) **PAYMENTS.**
- i) If principal is advanced before the term begins, you are only required to pay interest, which is due on the last day of the calendar month before the term begins;
 - ii) After the term begins, all payments of principal and interest for a month are automatically charged to the Main Account. The amount of each payment required is shown in the Operating Agreement. You are required to make a minimum cash deposit to your Main Account each month in order to pay the monthly interest;
 - iii) A payment of principal and interest is required on each of the following days:
 - On the date for the first payment of principal and interest shown in the tables in the Operating Agreement;
 - On the last day of each calendar month after that during the term;
 - On the date for the last payment of principal and interest shown in the tables in the Operating Agreement; and
 - On the date we demand payment.
 - iv) We will apply each payment of principal and interest first to pay or reduce the interest payable on the Fixed-Rate Sub-account. Then we will apply the balance to pay or reduce principal; and
 - v) Regular or additional principal payments in a Fixed Rate Sub-account(s) will automatically reduce the overall Credit Limit of the Account by the amount of the principal payment if your Fixed Rate Sub-account is non-readvanceable, but will not reduce your Credit Limit if your Fixed Rate Sub-account is readvanceable. The specific terms and conditions that apply to a Fixed Rate Sub-account will be set out in the Operating Agreement that establishes the Fixed Rate Sub-account.
- f) **PREPAYMENT - FIXED RATE SUB-ACCOUNT.** If you have chosen an open term for a Fixed Rate Sub-account, as indicated in your Operating Agreement, you may, without having to pay any prepayment charge, prepay all or part of the outstanding principal amount of such Fixed Rate Sub-account at any time. If you have chosen a closed term for a Fixed Rate Sub-account, as indicated in your Operating Agreement, you may make prepayments only as provided below:
- i) *Generally.* You may not make any prepayment if you are in default, unless we agree in writing to accept such prepayment. Also, even if you make a percentage prepayment under Section 2, #23(f)(ii) below or a prepayment in part under Section 2, #23(f)(iii) below, you must still continue to make all regular payments of principal and interest.
 - ii) *Percentage Prepayments.* In each year of the term (which is 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 Sub-account which is set out in your Operating Agreement. However, if you do not take full advantage of this prepayment privilege in any year, you may not carry the unused percentage forward and use it in another year, and you may not use the unused percentage to reduce any prepayment charge if you prepay the Fixed Rate Sub-account in full as provided in Section 2, #23(f)(iv) below.

iii) *Prepayment in Part (above the Percentage Prepayment)*. You may at any time prepay any part of the principal amount owing under a Fixed Rate Sub-account in excess of the percentage prepayment permitted in Section 2, #23(f)(ii) above upon payment of the higher of the following two amounts:

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

Any unused percentage of the prepayment privilege in Section 2, #23(f)(ii) will be used to reduce the principal amount on which interest is calculated for determining those amounts.

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

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

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

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

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

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

You may not use any percentage of the prepayment privilege provided in Section 2, #23(f)(ii) above that is unused at that time to reduce the principal amount on which interest is calculated for determining either of the foregoing two amounts.

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

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

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

- To estimate the Interest Rate Differential Amount on a prepayment in full, you first need to determine how many months are remaining in the current term of the Fixed Rate Sub-account that you want to prepay rounded up to the next whole month, from the date of prepayment to the maturity date of the Fixed Rate Sub-account. You will need to get from us the current interest rate charged by us for a new fixed rate mortgage with a term that is closest to the remaining term in the Fixed Rate Sub-account that you want to prepay. (If the current interest rate is higher than your fixed interest rate, an interest rate differential would not be applicable.) You then multiply the principal amount that you want to prepay by the difference in the two interest rates. The result is then multiplied by the remaining months of your term and then divided by 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 ($\$85,000 \times 0.5\% \times 36 \div 12 = \$1,275$). In this example, the estimated Interest Rate Differential Amount would be \$1,275. Please contact us to determine the exact amount that you would need to pay.

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

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

24. Allocation of payments.

- a) MAIN ACCOUNT. Normally, all payments into or out of your Account will be made through your Main Account;
- b) DRAWS. Where you have given us a recorded instruction to charge an amount to a Sub-account, we will transfer it from your Main Account to that Sub-account;
- c) PAYMENTS. When an amount becomes payable on a Sub-account, we will transfer the amount from your Main Account to that Sub-account. We may do so even if that creates an overdraft in your Main Account. We will also, if you have given us a recorded instruction to do so, transfer amounts from your Main Account to pay or reduce either:
 - i) principal that you are permitted to pay on any Variable Rate Sub-account; or
 - ii) principal that you are permitted to pay on a Fixed Rate Sub-account.

The transfers of amounts by us under this section is subject always to paragraph (e) of this section;

- d) CREDIT BALANCE. If the above terms create a credit balance in your Main Account, we need not reduce the interest on any outstanding balance in a Sub-account as Sub-accounts operate separately from your Main Account, but we will credit you with interest on the credit balance at our current rate for a credit balance; and
- e) EXCEPTIONS. We will transfer amounts under this section only if doing so conforms to the rest of this agreement. Despite anything in this section, if an event of default has occurred, we may prohibit you from drawing on the Account and apply a payment into your Account in any way we choose.

25. Security.

- a) IMMOVABLE HYPOTHEC OR MORTGAGE AND GENERAL SECURITY AGREEMENT. You will ensure that we have a first mortgage or hypothec of the real estate (immovable) as described in the Commitment Letter, as well as on any other property described therein. 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. You will also ensure that you have executed in favour of us, a general security agreement or movable hypothec over all of your property and assets perfected in a first priority position under the PPSA or the Civil Code of Quebec, as applicable;

- b) LIABILITIES SECURED. The mortgage or hypothec and any other credit document securing your Account will cover (but not be limited to covering) all of your present and future obligations and liabilities to us relating to the Account;
- c) TITLE. If the real estate (immovable) 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 as well as proof of payments of all co-ownership fees relating to your property. If the title to the real estate (immovable) is anything other than good or valid or absolute or freehold ownership, as applicable, we may not lend if we are not satisfied with all of the terms of the title. We also may not lend if we are not satisfied as to the encumbrances registered against or otherwise affecting the title to the real estate (immovable), and further, we may not lend unless we receive a report from a lawyer, notary (in Quebec) or an acceptable commercial loan program service provider and a policy of title insurance, that we find acceptable; and
- d) OTHER. You will ensure that we receive personal and corporate guarantees from those persons satisfactory to us. In addition, if we request it, you will ensure that we are granted and receive, in a form satisfactory to us, an assignment or hypothec of rents and leases and a general security agreement or movable hypothec over all movable property or that of your guarantor. You will ensure that the assignment or hypothec of rents and leases is registered as a first assignment or hypothec of rents and leases on title or at the proper registry office and that the security interests or hypothec created by the general security agreement or hypothec are perfected in a first priority position under the PPSA or the Civil Code of Quebec, as applicable. You will also ensure that we receive any additional security and additional agreements from you and others that we may request.

Section 3 – Credit

- 1. Demand Facility.** Your Account (which includes your line of credit under the Main Account and any and all Sub-accounts) is a demand facility – we may terminate this credit at any time and we may require you to pay the entire principal balance, accrued interest, penalties and fees on the entire Account, including the Main Account and all Sub-accounts immediately on demand at any time. In addition, we need not, despite any other term, make credit available or continue to do so, even if we do not make a demand. Any events of default and operating conditions set out in the loan documentation are strictly inserted for the benefit of us and shall not limit the demand nature of the Account in any manner.
- 2. Draws.** We may advance credit by charging your Main Account for any cheque or other order for payment we honour. Where we advance credit by honouring a cheque or other payment order, your liability for repaying that advance starts on the date in our posting. For cheques or other instruments, this will be the date on which the cheque or instrument was first presented for payment. Where the Operating Agreement or the Commitment Letter requires you to use an advance for a purpose, we may require you to arrange for us to pay it directly to a person for the purpose. We may at any time advance credit under the Operating Agreement and/or the Commitment Letter to cover an amount that you owe us and that is payable to us, but we are not obliged to do so.
- 3. Limits.** Where we have agreed to allow you credit up to a limit, you agree not to draw beyond the credit limit, but you are liable for a draw beyond the credit limit if it occurs. We may refuse to honour a draw that would cause you to go over the credit limit. As outlined in your Commitment Letter and in Section 3, #9(b) below, we may conduct annual reviews of your financial situation; should we not be reasonably satisfied with the results of a review, you acknowledge that, in addition to other rights we have, we may limit the credit available to you and require you to take steps to reduce the principal amount owing on your Account.
- 4. Rates generally.** Every rate of interest, commission, fee or other return to us charged to your Account will apply both before and after demand, maturity, default or judgment.
- 5. Variation in rate.** Where a rate of interest is plus or minus a percentage, the added or deducted percentage is a percentage of principal, not a percentage of the rate. For example, if the interest rate on your Main Account is the MBC Prime rate plus 1.75%, you would add 1.75 to the current MBC Prime rate to determine the total interest charged on your Main Account. The 1.75% does not represent a percentage of the MBC Prime rate.
- 6. Compound interest.** If any interest payable to us under the Operating Agreement and/or the Commitment Letter is not paid on the day that it is payable, interest must be paid to us on the unpaid interest. This interest will be at the same rate as the unpaid interest. It will be calculated and payable in the same way as the unpaid interest, both before and after demand, maturity, default or judgment. If interest on unpaid interest is not paid, interest must be paid on that interest as provided above, and so on.
- 7. Deferred interest.** Where any interest payable to us under the Operating Agreement and/or the Commitment Letter is not payable on a day on which interest is normally payable or calculated, interest must be paid to us on the unpaid interest. The same applies if we agree to it not being paid on that day, or permit it not to be paid on that day. This interest will be at the same rate as the unpaid interest. It will be calculated and payable in the same way as the unpaid interest. If interest on unpaid interest is not paid, interest must be paid on that interest as provided above, and so on. In calculating the amount owing for a credit limit, deferred interest will be treated as payable.
- 8. Overdrafts.** This section applies where there is an overdraft on your Account for any reason. An overdraft includes a draw as far as it causes a balance to go over a credit limit. You must repay the overdraft within 30 days after the end of the month in which the

overdraft occurred. We may also demand payment at any time and, if we do, you must repay the overdraft immediately. You must pay interest on the overdraft at the overdraft rate in effect at that time; the overdraft rate is subject to change and can be found in our publication of service charges. The current overdraft rate is set out in the Operating Agreement.

9. Conditions. We may not make an advance or give credit in any other way under the Operating Agreement or the Commitment Letter unless all of the conditions listed below are met. We may waive a condition. The conditions are:

- a) **DOCUMENTS.** We must be reasonably satisfied that the following have been done in a way acceptable to us and our lawyers. The Operating Agreement, the Commitment Letter and all credit documents under it must have been completed. They must have been registered or recorded as required by law. All security must have been duly given and have the required priority;
- b) **VERIFICATION.** We must have had a reasonable opportunity to verify all information you have given us, that conditions for advances are met and that our usual underwriting requirements are met. We may conduct periodic re-evaluations of your financial situation from time to time and we must be reasonably satisfied as to those matters. They include, but are not necessarily limited to, obtaining proof of income from a recent income statement for your business, a personal financial statement on our standard form and your T-1 general income tax returns from the preceding two years, if a corporation, financial statements prepared by a chartered accountant for the preceding three years, a credit report (if applicable, for you and any guarantor), an appraisal, a building condition survey, an environmental assessment, a current and up-to-date certificate of location upon which we may rely, references, and/or a current property rent roll supported by copies of all in-force leases;
- c) **REPRESENTATION OR WARRANTY.** We must be reasonably satisfied that every promise, representation or warranty by you, and understanding with us, is complied with, correct and complete when the advance is made or we give credit in any other way. We must be reasonably satisfied that making the advance or giving the credit will not cause a promise, representation or warranty, or understanding, not to be complied with, or not to be correct or complete, after the advance is made or the credit is given; and
- d) **DEFAULT.** We must be reasonably satisfied that none of the following events have occurred and that making the advance or giving the credit will not cause any of them to occur immediately after the advance or credit:
 - i) An event of default; or
 - ii) An event which, after notice, lapse of time or anything else (or a combination of them) would be an event of default.

The existence of an event or events of default shall not be a pre-condition to making demand.

10. Information and assistance.

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

11. Representations. You represent and warrant to us that the statements set out below are true. All information you have given us is correct and complete. The person signing the Operating Agreement and the Commitment Letter binds you. Your financial information, and the financial information of any guarantor, delivered to us fairly represents your and their respective financial

condition. You and any guarantor have a good and marketable title to, or valid leases of, all assets shown in your respective financial information. Your and any guarantor's title is free from any encumbrance not shown in the information and otherwise not permitted by us. 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 and the Commitment Letter, or the ability of any guarantor to perform that guarantor's obligations under that guarantor's guarantee and other credit documents. Each time we make an advance or give credit in any other way under the Operating Agreement and/or the Commitment Letter, you will be treated as giving us representations and warranties the same as these and as set out in the Commitment Letter. They will apply to facts that exist then.

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

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

13. Default.

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

- iv) *Credit documents.* The Operating Agreement, the Commitment Letter or any credit document is terminated, is not valid or enforceable, or has not been registered or recorded as required by law. A security is terminated, has not been duly given or does not have the required priority;
 - v) *Sale, transfer or mortgage.* There is a sale, transfer, further mortgage, further hypothec or further other charge of all or part of any interest in all or part of the real estate (immovable) or other property securing the Account that was not permitted by us. Or there is an agreement to make any of those sales, transfers, further mortgages or further charges, including any other option to encumber;
 - vi) *Death.* With regard to sole proprietors, partners or a principal of a corporation, and albeit beyond any person's control, death is considered an event of default;
 - vii) *Dissolution, insolvency or litigation:* You have outstanding judgments in your name or are named as a party in material litigation that would reasonably be likely to cause, either separately or in the aggregate, a material adverse effect on the business, assets, liabilities, operations, results of operations, condition (financial or other) or prospects or your ability to carry on your business or a significant part of your business, or if you wind up, or become subject to bankruptcy or insolvency proceedings. With regard to partnerships, an agreement or decision to terminate the partnership is made;
 - viii) *Undesirable activities:* The property that is the subject matter of the mortgage or hypothec securing your Account is used for any illegal, immoral or any other undesirable activity (as determined by us acting in our sole discretion);
 - ix) *Insurance.* You fail to insure your interest in every building and other improvement on the real estate (immovable) against loss, damage and other risks normally covered by a fire insurance policy; the policy must provide that the proceeds of any loss are payable to us. Or you fail to ensure that we receive a certified copy of every policy, if requested by us. Or where a policy expires, you fail to ensure that we receive proof of the renewal or replacement at least 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;
 - x) *Taxes.* You fail to pay all property taxes when they are due. Non payment of your property taxes is deemed an event of default; or
 - xi) *Insolvency.* If you become insolvent. A person becomes insolvent when any of the following happens: (a) by filing under the Bankruptcy Act for the benefit of creditors (b) anyone enforces a judgment, distress or similar process against an asset of yours, (c) a liquidator, receiver, monitor, trustee or similar officer is appointed for all or part of your assets or income or (d) a prior notice of exercise of hypothecary rights is notified against all or any portion of its assets or a secured creditor withdraws its authorization to collect claims.
- b) **RIGHT TO INVESTIGATE OR CURE.** If we think an event of default has occurred, we may investigate it and take whatever steps we think are needed to cure it. We may also do so if we think an event has occurred which, after notice, lapse of time or anything else (or a combination of them) would be an event of default;

- c) **RIGHT TO TERMINATE.** If an event of default occurs, the following terms apply. We may, while it continues, give you a recorded notice ending any obligation we might have to make an advance or give credit under the Operating Agreement. If we do, the obligation ends, but without affecting any right of ours;
- d) **RIGHT TO OFF-SET.** If an event of default occurs, we may without notice use an amount we owe you to pay or reduce your liability to us. We may do so even if the amount or liability is not then payable, for example, if a liability has not matured;
- e) **RIGHT TO ENFORCE SECURITY.** If an event of default occurs, we may exercise any remedy of ours under any security we hold to secure the Operating Agreement, the Commitment Letter or any credit document; and
- f) **DEMAND LOANS.** The inclusion in the Operating Agreement and the Commitment Letter of events of default shall not prejudice our right to demand payment of the entire principal balance and accrued interest on the Account at any time and the existence of an event or events of default shall not be a pre-condition to making demand.

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

15. Other rights. The rights and remedies set out in the Operating Agreement, the Commitment Letter or any credit document are not exhaustive. We may exercise any other right or remedy given to us by the Operating Agreement, the Commitment Letter, a credit document, 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.

16. Costs. You agree that we are to receive payment under the Operating Agreement and/or the Commitment Letter 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, the Commitment Letter or a credit document requires you to pay a specific cost, that does not limit this section and this section does not limit the Operating Agreement, the Commitment Letter or credit document. You must pay the following costs that we may incur in connection with your Operating Agreement and/or the Commitment Letter even if no advance is made or no credit is given:

- a) Preparing, negotiating and completing the Operating Agreement, the Commitment Letter and credit documents;
- b) Searching title to property, obtaining title insurance and PPSA insurance (if PPSA insurance is requested by us), and preparing and registering security;
- c) Inspecting and obtaining appraisal, environmental and other reports on property;
- d) Verifying information and confirming that conditions for advances or credit are met;
- e) Administering and periodically reviewing the Operating Agreement, the Commitment Letter or any credit document and obtaining advice on it; and

- f) Preserving our rights under the Operating Agreement, the Commitment Letter 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.

17. General terms relating to costs. Wherever the Operating Agreement and/or the Commitment Letter requires you to pay a cost, the following terms apply:

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

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

Section 4 – Access Cards

1. **How these terms apply.** These terms apply where we issue an Access Card to you and/or the other authorized signatories on your Account that enables you to enter a transaction on your Account (for example, through an automated banking machine (“ABM”). All of the other sections of these terms apply to the transaction.
2. **Security of Access Card, PIN and Password.** As a client of ours, you will be responsible for the use of the Access Card. Only you, or your authorized signatories, as the owner of the Account to whom the Access Card is issued, may use it. You will not disclose your Personal Identification Number (PIN) and/or password to any other person and you agree to take reasonable steps to ensure that in the event that the Access Card is lost or stolen, the finder or thief will not also obtain the PIN and/or password.
3. **Interac Flash®**
 - *Interac Flash®* functionality will be activated by conducting a successful PIN transaction at a Point of Sale purchase terminal or ABM.
 - For information regarding your *Interac Flash®* 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®* spend limit will be reset.
 - You can have *Interac Flash®* disabled on your Access Card. To do so, please contact the Manulife Bank Customer Service Center at 1-877-765-2265.
4. **Transaction verification.** Any transaction generated by use of the Access Card or PIN or password is not completed until we have verified and processed the transaction in our records according to our usual banking practice, regardless of any receipt produced at the time of transaction. You will verify each transaction upon receipt of your Account statement and notify us in writing within 30 days of any errors, irregularities or omissions.
5. **Our Liability.** We make no claims or warranties with respect to the equipment or the electronic banking system, and we shall not be liable for any failure or malfunction of the equipment or 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 have 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 or 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 may limit how often or how much you may withdraw with the Access Card and we will charge fees for cards and transactions on a per transaction basis. We may change these fees at any time without amending the Operating Agreement or the Commitment Letter. You authorize us to charge your Account as indicated when the Access Card is used. Where the Access Card is used through another financial institution (with the exception of THE EXCHANGE® Network) in or outside Canada, you must pay the transaction charges that the other institution imposes. We will, without notice, debit those charges to the Main Account. You understand that you must refer to the other financial institution for the prevailing charges, if any, imposed by that institution for transactions performed at its ABM(s).
9. **Termination.** The Access Card is our property, and we may revoke, limit, or suspend its use, or issue a new card at any time. We may retract the Access Card automatically at a terminal at any time. You may indicate that you no longer wish to use the Access Card by notifying us in writing and returning the Access Card to us cut in half. Transactions processed before we receive the notice of cancellation and the Access Card will be subject to these terms.
10. **Dispute Resolution.** If you have a problem with an Access Card transaction (other than relating to the merchandise or service that has been acquired) you should first attempt to resolve the problem with us. See the Complaint Handling Procedures in Section 6 below. If you have a dispute respecting merchandise or a service that is paid for through an Access Card transaction, you must resolve that dispute directly with the retailer concerned.

Section 5 – Personal Information Statement

- 1. Authorization - General.** You authorize us to obtain, verify, give, share and exchange information about you, now and in the future, with any individuals, financial institutions, corporations or other parties with whom you have or propose to have financial or personal dealings, or who hold information about such dealings, such as credit bureaus. You also authorize any person that we contact under this authorization to provide such information. You authorize us to record your telephone conversations for the administration of your products and to maintain quality service levels. You confirm that any individual who has provided their personal information in connection with this Account has consented to the collection, use and disclosure as provided for in this Section. You consent to the collection, use and disclosure of your information. This Section applies to all holders of Accounts.
- 2. Personal Information.** The following terms apply only to individuals, including sole proprietors, authorized signatories, beneficial (true) owners of the business and partners in an individual capacity. The following terms do not apply to entities created at law, including corporations and partnerships.

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.

Updates to this Statement and further information about our privacy practices are posted to www.manulifebank.ca.

We collect, use, verify and disclose your personal information for identified purposes, and only with your consent, or as permitted or required by law. 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 you have applied for, 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, occupation, driver’s licence, passport number or your Social Insurance Number (SIN)
- 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 our business 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 account now, and in the future
 - Your employer or credit reporting agencies
 - Public sources, such as government agencies, and internet sites

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 product(s) 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.

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, and would therefore be 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.

How long do we keep your information?

The longer of:

- the time period required by law and by guidelines set for by the financial services industry, and
- the time period required to administer the products and services we provide.

Withdrawing your consent

You may withdraw your consent for us to use your SIN or Business Number, if applicable, for non-tax administration purposes. You may also withdraw your consent for us to use your personal information to provide you with other service or product offerings, excluding those mailed with your statements.

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. 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. Much of your information is available to you online by accessing your account via the Internet at <https://client.manulifebank.com/MBCCClientUI>. If you have a question, a concern, wish to receive more information about parties who have access to your information or about our privacy policies and procedures, and/or wish to review your personal information in our files or correct any inaccuracies, you may send a written request to:

Manulife Bank of Canada
Privacy Officer
500 King Street N
Waterloo, ON N2J 4C6

Privacy_office_canadian_division@manulife.com

Please note the security of email communication cannot be guaranteed. Do not send us information of a private or confidential nature by email. By contacting us via email you are authorizing us to communicate with you by email.

Section 6 – Complaint Handling Procedures

What You Can Do If You Have A Complaint. If you have any questions or concerns about the products, services or our representatives, you may contact us through the Customer Service Centre at 1-877-765-2265. If after speaking to our staff the complaint is not resolved to your satisfaction, you may ask to speak with the manager of the department. If you are still dissatisfied with the manager's response, you may ask that your concerns be referred to senior management for an additional review. If after speaking to the staff and management the problem is not resolved to your satisfaction, you may write to:

Office of the Ombudsman
Manulife Bank of Canada
500 King Street North, Suite 500 MA
Waterloo, ON N2J 4C6

If you are not fully satisfied with the response, you have the following external recourse available to you:

The Ombudsman for Banking Services and Investments

The Ombudsman for Banking Services and Investments (OBSI) is part of the Financial Services OmbudsNetwork, 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 our dispute resolution system. The OBSI's toll free telephone number is 1-888-451-4519.

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:

Financial Consumer Agency of Canada
427 LAURIER AVENUE WEST, 6th FLOOR
OTTAWA, ON K1R 1B9

By phone or web:
1-866-461-3222
<https://www.canada.ca/en/financial-consumer-agency.html>

Section 7 – General

- 1. Deductions.** You must make all payments under the Operating Agreement and/or the Commitment Letter without set-off, compensation, counterclaim or other deduction.
- 2. Transfer.** You may not assign, transfer or otherwise dispose of the benefit of rights under the Operating Agreement and/or the Commitment Letter in whole or part, without our prior recorded consent. We reserve the right to withhold consent. We may assign, transfer or otherwise dispose of your Account and/ or the Operating Agreement, in whole or part, at any time, without your consent and without notice to you, including the right to be paid the whole or any part of any amount you owe to us under the Operating Agreement. We may subcontract any obligation under the Operating Agreement and/or the Commitment Letter 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).
- 3. Notices.** Your address for notices is that last known to us. A communication in writing may be mailed by prepaid mail addressed to you at your address. We may choose whether to send it by ordinary, certified or registered mail.

We may include it with a statement or other material. A communication so mailed will be regarded as given on the fourth business day after it was mailed; provided that, if there is a mail strike or other labour dispute affecting the normal delivery of mail on the day that it is mailed or before the end of the fourth 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 and/or the Commitment Letter that is to be in writing may be given by any other recorded means. A communication by other recorded means is regarded as given when we treat the record as received. We may treat a communication by fax or email as given when it is received by the first machine controlled by you or your agent (which includes your Internet service provider). 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.

- 4. Severability.** Subject to any other term of the Operating Agreement, where a term of the Operating Agreement and/or the Commitment Letter 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.
- 5. Amendment.** We may, from time to time at our discretion and without notice, amend these terms as they apply generally to holders of Manulife One for Business Accounts. We may also, from time to time at our discretion, amend a term of the Operating Agreement, the Commitment Letter, or a credit document by giving you at least 30 days' recorded notice of the amendment. For greater certainty, a change in a rate of interest or in the amount of a payment that results automatically from a change in the MBC Prime rate is not an amendment and therefore does not require prior notice to you.
- 6. Time.** Time is of the essence in the Operating Agreement and Commitment Letter.

- 7. Waiver.** A right of ours under the Operating Agreement or the Commitment Letter 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 or the Commitment Letter 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 credit document (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).
- 8. 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.
- 9. Merger.** Every obligation of yours survives the payment of amounts under the Operating Agreement, and survives the discharge of any guarantee or security.
- 10. Further actions.** You must, when we ask and at your expense, execute documents or take other actions to carry out the Operating Agreement.
- 11. Whole agreement.** The Operating Agreement, the Commitment Letter and these General Terms (including any security, agreements and other loan documentation delivered in connection thereto) is the whole agreement between the parties on its subject matter, and supersedes all previous representations and agreements on that subject matter.
- 12. Law.** A reference to an enacted law is to the law as amended or re-enacted, except where expressly otherwise stated.
- 13. Governing law.** The Operating Agreement is governed by the law of the jurisdiction in Canada in which the real (immovable) property that secures your Account is located, including the federal laws of Canada in force in that jurisdiction. The courts of that jurisdiction have jurisdiction in matters under the Operating Agreement, the Commitment Letter and these General Terms.
- 14. Successors.** The Operating Agreement, the Commitment Letter and these General Terms bind and benefit 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 and the Commitment Letter do not benefit an assignee of yours unless we consent in writing to such assignment, which in our sole discretion we may refuse to do so.
- 15. Changes to control of business.** You agree to notify us immediately of any change in the control of your business, including but not limited to asset or share purchase agreements or changes in partners, directors or officers who are signatories on your Account.
- 16. Information.** You can contact our Customer Service Centre at 1-877-765-2265 to get information about your Manulife One for Business Account, from 8am to 8pm Monday to Friday, across all time zones or Saturday, 9am to 5pm, Eastern Standard Time. Or you can visit our website at manulifebank.ca at any time.
- 17. Electronic disclosure.** You consent to any future disclosure statement being provided by electronic means in an electronic form that you can retrieve and retain.
- 18. Headings.** The contents are to be accepted and headings are to be ignored in interpreting these terms.

- 19. Meaning of specific verbiage.** In the Operating Agreement and the Commitment Letter, expressions have the meanings set out below, except where the Operating Agreement or the Commitment Letter 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 or other document guaranteeing or securing your obligations under your Account to us;
 - c) **INCLUDE, INCLUDES AND INCLUDING.** Shall be construed to be followed by the words “without limitation”;
 - d) **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;
 - 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 transaction as a record. Where the record is of an agreement with you, you will be taken to have entered the Operating Agreement and/or the Commitment Letter 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.

Section 8 – Transition to Bank Account

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

Notes:

Notes:

About Manulife Bank

Manulife Bank is a wholly owned subsidiary of Manulife Financial, one of Canada's largest and most respected financial institutions. Established in 1993, Manulife Bank offers a broad range of innovative banking solutions and competitive rates across Canada.

We believe that effective management of savings and debt is essential to long-term financial success. By working with a financial advisor and incorporating our innovative, integrated banking solutions into your financial plan, you could make your money work harder, enjoy financial flexibility and become debt-free sooner.

For more information visit manulifebank.ca



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