

MANULIFE BANK OF CANADA RETIREMENT INCOME FUND

DECLARATION OF TRUST

The Canada Trust Company, a trust company amalgamated under the laws of Canada (the "Trustee"), hereby declares that it agrees to act as Trustee for the applicant who is the annuitant for purposes of Subsection 146.3(1) of the *Income Tax Act* (the "Annuitant") named in the application on the face hereof (the "Application") for the Manulife Bank of Canada *Retirement Income Fund* (hereinafter referred to as the "Fund") upon the following terms and conditions:

1. **REGISTRATION:** The Trustee will apply for registration of the Fund under the provisions of the *Income Tax Act* (Canada) (the "Act"), and any applicable provincial income tax legislation relating to retirement income funds as designated in the Annuitant's address on the Application (the Act and such provincial income tax legislation being hereinafter individually or collectively referred to as the "Applicable Tax Legislation").
2. **COMMON-LAW PARTNER AND COMMON-LAW PARTNERSHIP:** Any reference to "spouse" contained in the Declaration of Trust or in the Application means "spouse or common-law partner" and any reference to "marriage" contained in the Declaration of Trust or in the Application means "marriage or common-law partnership".
3. **APPOINTMENT OF AGENT:**
 - (a) The Annuitant authorizes the Trustee to delegate to Manulife Bank of Canada (the "Agent") the following duties under the Fund:
 - i) to receive the transfer of funds to the Annuitant's Fund;
 - ii) to provide the Annuitant with payments under the Fund in accordance with the Applicable Tax Legislation;
 - iii) to invest and reinvest the assets of the Fund;
 - iv) to hold all or any portion of the assets of the Fund in safekeeping;
 - v) to maintain Fund records and accounting properly to the Annuitant for the assets of the Fund;
 - vi) to provide the Annuitant with statements of account for the Fund at reasonable intervals;
 - vii) to prepare any forms required by the Applicable Tax Legislation; and
 - viii) such other duties under the Fund as the Trustee in its sole discretion may determine.
 - (b) Notwithstanding such delegation, the Trustee shall remain ultimately responsible for the administration of the Fund pursuant to the provision of this Declaration of Trust. The Annuitant also authorizes the Trustee to, and the Trustee may, pay the Agent all or a portion of the administration fees paid by the Annuitant to the Trustee hereunder and shall reimburse the Agent for its reasonable out-of-pocket expenses in performing the duties and responsibilities delegated to the Agent by the Trustee and charge the Annuitant's account therefor.
4. **TRANSFERS TO THE FUND:** The Trustee shall accept only such transfers of assets in a form acceptable to it, which are "qualified investments" for registered retirement income funds within the meaning of the Act, as may be directed by or on behalf of the Annuitant to be transferred to the Trustee to be held in the Annuitant's Fund, provided that such assets may only be transferred from:
 - (a) either a registered retirement income fund or a registered retirement savings plan under which the Annuitant is the annuitant; or
 - (b) the Annuitant to the extent only that the amount of consideration was an amount described in subparagraph 60(l)(v); or
 - (c) either a registered retirement savings plan or a registered retirement income fund where the spouse or former spouse of the Annuitant was the annuitant, where the Annuitant and the spouse or former spouse are living separate and apart and the transfer is made under a decree, order or judgment of a competent tribunal, or under a written separation agreement, relating to a division of property between the Annuitant and the spouse or former spouse in settlement of rights arising out of, or on the breakdown of, their marriage; or
 - (d) a registered pension plan pursuant to subsection 147.1(1) of the Act under which the Annuitant is a member; or
 - (e) a registered pension plan pursuant to subsection 147.3(5) and (7) of the Act; or
 - (f) a specified pension plan in circumstances to which subsection 146(21) of the Act applies; or
 - (g) a First Home Savings Account under which the Annuitant is the annuitant pursuant to subsection 146.6(7) of the Act; or
 - (h) as otherwise permitted by the Act.
5. **INVESTMENTS:**
 - (a) The Fund shall be invested and reinvested by the Trustee, on the direction of the Annuitant, in such investments as the Trustee shall make available from time to time. The Trustee may, but need not, require any such direction in writing.
 - (b) It shall be the responsibility of the Annuitant to choose the investments of the Fund; to determine whether any such investment would result in the imposition of any penalty under the Applicable Tax Legislation; and to determine whether any investments should be purchased, sold or retained by the Trustee as part of the Fund. The Trustee and the Agent shall not be responsible for any loss suffered by the Annuitant or by any beneficiary under the Fund as a result of the purchase, sale or retention of any investment. The Trustee shall exercise the care, diligence and skill of a reasonably prudent person to minimize the possibility that the Fund holds a non-qualified investment. Other than as heretofore stated, it shall be the responsibility of the Annuitant to determine whether any investment in the Fund is or remains a qualified investment for registered retirement income funds under the Applicable Tax Legislation.

6. **ANNUITANT'S ACCOUNT:** The Trustee will maintain an account in the name of the Annuitant showing all transfers to and payments from the Fund and all investment transactions made at the direction of the Annuitant. The Trustee shall forward to the Annuitant, at least annually, a statement showing all such transfers and payments and investment transactions made and all income earned and expenses incurred during such period.
7. **INCOME TAX INFORMATION:** The Trustee shall provide the Annuitant with appropriate information slips, in prescribed form, by the end of February of each year. Such information slips shall show the total of all payments made from the Fund during the preceding calendar year, to enable the Annuitant to report such payments in the Annuitant's income tax return.
8. **PAYMENTS FROM THE FUND:**
- (a) Subject to the terms of the Declaration of Trust and the Applicable Tax Legislation, the whole of the Fund shall be used and applied by the Trustee only for the provision of payments to the Annuitant or, if applicable, to the surviving spouse as follows:
 - i) In each year commencing not later than the first complete calendar year after the Fund is established, the Trustee shall make one or more payments the aggregate of which shall be not less than the minimum amount as defined in subsection 146.3(1) of the Act, and not more than the value of the Fund immediately before any payment.
 - (b) All payments must be included in and will be taxed as the Annuitant's income in the year of receipt. Tax shall be withheld on all payments by the Trustee in accordance with the Act. The Trustee reserves the right to liquidate the assets of the Fund, in its absolute discretion to meet payment obligations of the Fund.
 - (c) For the purposes of valuing the Fund for this Section 8, the Trustee shall include the assets forming part thereof at their net asset value.
 - (d) No payment required to be made in accordance with the provisions hereof may be assigned in whole or in part.
 - (e) The Trustee shall be discharged from all further duties and liabilities hereunder immediately following the making of the final payments as required hereunder.
 - (f) At the direction of the Annuitant, and in accordance with paragraph 146.3(2)(e) of the Act the Trustee shall transfer all or part of the property held in connection with the Fund together with all information necessary for the continuance of the Fund to any person who has agreed to be a carrier of another registered retirement income fund of the Annuitant, provided that the Trustee shall retain sufficient property of the Fund in order that the minimum amount for the calendar year shall be paid to the Annuitant in the year.
 - (g) The Trustee shall transfer all or part of the property held in connection with the Fund to a spouse or common-law partner or former spouse or common-law partner who is entitled to the amount under a decree, order or judgement of a competent tribunal or under a written agreement that relates to a division of property in settlement a breakdown of marriage or common-law partnership in accordance with subsection 146.3(14) of the Act.
9. **DEATH OF THE ANNUITANT:** In the event of death of the Annuitant prior to the making of the final payment as provided in Section 8 hereof, the Trustee shall, upon receipt of satisfactory evidence of such death, realize the interest of the Annuitant in the Fund. Subject to the deduction of all proper charges including income tax, if any, required to be withheld, the proceeds of such realization shall be held by the Trustee for payment to the beneficiary, if any, designated pursuant to Section 10 hereof, or to the legal personal representatives of the Annuitant, upon such beneficiary or representatives furnishing the Trustee with such releases and other documents as may be required or as counsel may advise, unless the Annuitant's spouse has been designated specifically as the successor annuitant of the Annuitant as provided for in Section 10 hereof, or by will, in which case the Trustee shall continue the payments to the Annuitant's spouse in accordance with the provision of Section 8 hereof, upon such spouse providing the Trustee with such documents as may be required or as counsel may advise.
10. **DESIGNATION OF SUCCESSOR ANNUITANT OR BENEFICIARY:** The Annuitant, if domiciled in a jurisdiction in which, according to applicable law, a participant in a retirement income fund may validly designate a beneficiary or a successor annuitant other than by will, may by an instrument in writing in a form prescribed by the Trustee and delivered to the Trustee prior to the death of the Annuitant, designate his spouse as successor annuitant or any person as beneficiary to be entitled to receive the value of the Annuitant's property in the Trust Fund on the death of the Annuitant. In the case of such a designation, the spouse only shall be deemed to be the successor annuitant or, any person, including the spouse, shall be deemed to be the designated beneficiary of the Annuitant, as the case may be, unless there is no such successor annuitant or designated beneficiary at the date of death of the Annuitant in which instance, all proceeds of the Fund shall be paid to the Annuitant's estate. The Annuitant shall by instrument in writing in a form prescribed by the Trustee and delivered to the Trustee prior to the death of the Annuitant, be entitled to revoke such designation.
11. **DELEGATION:** The Trustee shall be entitled to employ such person or persons including, but not limited to, lawyers and auditors as the Trustee may determine and shall be entitled to pay their fees and expenses from the trust. The Trustee may rely and act upon information and advice furnished by such person or persons or refrain from acting thereon and shall not be liable to the Annuitant as a result of so acting or refraining from so acting.
12. **TRUSTEE'S COMPENSATION:** The Trustee will be entitled to such reasonable fees and other charges as it may establish from time to time for the Fund and to reimbursement for disbursements and expenses reasonably incurred by it in performing its duties hereunder. All such fees and other amounts (together with any goods and services tax or other taxes applicable thereto) will, unless paid directly to the Trustee be charged against and deducted from the assets of the Fund in such manner as the Trustee determines, and the Trustee may realize assets of the Fund in its absolute discretion for the purposes of paying such fees and other amounts. Notwithstanding the above, the Trustee is not entitled to charge against and deduct from the assets of the Fund any charges, taxes or penalties imposed on the Trustee under the Applicable Tax Legislation.
13. **AMENDMENT:** The Trustee may, from time to time at its discretion, amend the Declaration of Trust with the concurrence of the authorities administering the Applicable Tax Legislation by giving 30 days' prior notice in writing to the Annuitant; provided, however, that any such amendments shall not have the effect of disqualifying the Fund as a registered retirement income fund within the meaning of the applicable Tax Legislation.

14. **NOTICE:** Any notice given to the Trustee hereunder shall be sufficiently given if mailed, postage prepaid, addressed to its Agent, at the principal office of the Agent in the City of Waterloo, in the Province of Ontario, and shall be deemed to have been given on the day that such notice is received by the Agent. Any notice, statement or receipt given by the Trustee to the Annuitant shall be sufficiently given if mailed, postage prepaid, to the Annuitant at the address set out in the application or at any subsequent address of which the Annuitant shall have notified the Trustee and any such notice shall be deemed to have been given on the third business day following the day of mailing.
15. **LIMITATION OF LIABILITY:**
- (a) Notwithstanding any other provisions hereof, the Trustee (including, for greater certainty, the Agent) will not be liable in its personal capacity for or in respect of:
 - i) any charge levied or imposed by any governmental authority upon or in respect of the Fund (other than any charge, tax or penalty imposed on the Trustee under the Applicable Tax Legislation), as a result of the purchase, sale or retention of any investment or as a result of payments made from the Fund and the Trustee may reimburse itself for, or may pay, any such taxes, interest penalties or other charges out of the capital or the income, or partly out of the capital and partly out of the income of the Fund as it in its absolute discretion deems expedient (and, for greater certainty, the Trustee may realize upon such assets of the Fund as it may determine in its sole discretion for purposes of paying any such amount); or
 - ii) any loss suffered or incurred by the Fund, the Annuitant or any beneficiary under the Fund caused by or resulting from the Trustee acting or declining to act upon instruction given to it, whether by the Annuitant, a person designated by the Annuitant or any person purporting to be the Annuitant, unless caused by the Trustee's dishonesty, bad faith, willful misconduct, gross negligence or reckless disregard.
 - (b) The Annuitant, his legal personal representative and each beneficiary under the Fund will at all times, indemnify and save harmless the Trustee and the Agent in respect of any taxes, interest, penalties, or other governmental charges which may be levied or imposed on the Trustee in respect of the Fund or any losses incurred by the Fund (other than losses for which the Trustee is liable in accordance herewith) as a result of the acquisition, retention or transfer of any investment or as a result of payments out of the Fund made in accordance with these terms and conditions or as a result of the Trustee acting or declining to act upon any instructions given to it by the Annuitant.
16. **PROOF OF AGE:** The statement of the Annuitant's date of birth on the Application for the Fund shall constitute a certification by the Annuitant and an undertaking to furnish such further evidence of proof of age as may be required for the provision of a retirement income.
17. **LIFE INCOME FUND:** If, due to Fund assets having been transferred into the Fund from a pension plan or other locked-in registered retirement savings plan, the Annuitant has duly completed, signed and delivered an instrument in the form of a locking-in addendum for a life income fund or locked-in retirement income fund, approved by the Trustee, then such locking-in addendum shall be deemed to be part of the Declaration of Trust. In the event of a conflict, the provisions of such locking-in addendum and the provisions of applicable pension laws referred to therein shall take precedence over any conflicting provisions hereof, or of any beneficiary designation made with respect to the Fund. Provided that no provision of the Declaration of Trust shall be interpreted to be in conflict with the requirements of the Applicable Tax legislation. The Annuitant agrees to be bound by the terms and conditions set out in the locking-in addendum forming part of this Declaration of Trust.
18. **REPLACEMENT OF TRUSTEE:** The Trustee, upon giving the Agent at least 30 days written notice or immediately if the Agent is for any reason incapable of acting in accordance with Section 3 hereof, may resign, and the Agent, upon giving the Trustee at least 90 days written notice or immediately if the Trustee is for any reason incapable of acting as Trustee hereunder, may remove the Trustee as the Trustee of the Fund, provided that a successor trustee has been appointed by the Agent in writing. If the Agent fails to designate a successor trustee within 60 days after it has received notice of the Trustee's intended resignation, the Trustee may appoint its successor trustee. Such successor trustee shall within 90 days of its appointment give written notice of its appointment to the Annuitant. A successor trustee shall have the same power, rights and obligations as the Trustee. Subject to the requirements of paragraph 146.3(2)(e) of the Act, The Trustee shall execute and deliver to the successor trustee all conveyances, transfers and further assurances as may be necessary or desirable to give effect to the appointment of the successor trustee. Any successor trustee shall be a corporation resident in Canada and authorized under the laws of the province of residence of the Annuitant indicated in the Fund application to carry out its duties and responsibilities as Trustee under the Fund. Subject to the requirements of the Canada Revenue Agency, any corporation resulting in the merger, consolidation or amalgamation to which the Trustee is a party or which purchases all or substantially all of the trust business of the Trustee shall be the successor trustee hereunder without the execution of any other instrument or document except notice to the Agent and to the Annuitant.
19. **ASSIGNMENT BY AGENT:** The Agent may assign its rights and obligations hereunder to any other corporation resident in Canada approved by the Canada Revenue Agency and any other applicable tax or other authorities, and authorized to assume and discharge the obligations of the Agent under the Fund, provided that such corporation shall execute any agreement which is necessary or advisable for the purpose of assuming such rights and obligations and further provide that no such assignment may be made without prior written consent of the Trustee, which consent may not be unreasonably withheld.
20. **HEIRS, EXECUTORS AND ASSIGNS:** The terms of this Declaration of Trust shall be binding upon the heirs, executor, administrators and assigns of the Annuitant and upon the respective successors and assigns of the Trustee and Agent.
21. **PROPER LAW:** This Declaration of Trust will be governed by and construed in accordance with the laws of Ontario (and with respect to any locking-in Addenda to the Fund containing provision required by the laws of a province, in accordance with the laws of such province), the Applicable Tax Legislation and any other laws of Canada, which may be applicable.
22. **ENGLISH LANGUAGE:** The parties hereto have requested that the Fund be established in English. **Les parties ont demandé que le régime soit rédigé en anglais.**