

Updating Your CAP Guidelines Report

Review the plan's CAP Guidelines Report at least annually to make sure it continues to reflect the purpose and needs of the plan.

To update the answers for this report, login to the Manulife Plan sponsor secure website at www.manulife.ca/GRO and choose 'Create/Update a CAP report for your plan' from the CAP Guidelines Centre. You can walk through this step-by-step process again but this time the previous answers will be pre-filled for you. Simply confirm this information and make any necessary updates. You can request a new and up-to-date CAP report for your plan at the end of this process. When you've completed the report, save it to your personal computer for continuing reference.

CAP Guidelines Report For Registered Retirement Savings Plan

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Your Capital Accumulation Plan (CAP) Guidelines Report

Developed by the Joint Forum of Financial Market Regulators, the Capital Accumulation Plan (CAP) Guidelines provide an outline of the roles and responsibilities required of those who sponsor, supply and participate in Capital Accumulation Plans. The Guidelines offer direction about information that should be provided to plan members to help them understand the purpose and features of their plans as well as make appropriate investment decisions.

The Capital Accumulation Plan (CAP) Guidelines Report is intended to help plan sponsors document the steps their plan has taken to comply with the Guidelines. The information assembled in this report reflects responses provided to questions posed about each CAP guideline on Manulife's secure Plan sponsor website. This report could form part of a plan sponsor's complete CAP compliance regime.

Produce this report annually, at least, updating your answers as needed and documenting any changes made to your plan. Keep updated copies for reference to demonstrate your efforts to fulfill plan governance requirements.

Here are helpful documents to accompany your CAP Guidelines Report:

- A copy of the final Guidelines published by the Joint Forum of Financial Market Regulators.
- A copy of Manulife's compliance certificate.
- Section 5900 – Independent Audit Review of Control Policies.

These documents are available online in the Plan Governance Support Centre area of the Manulife secure website at www.manulife.ca/GRO.

Section 1 - Introduction

These Guidelines reflect the expectations of the Joint Forum regarding the appropriate management of any capital accumulation plan, regardless of what legislation governs the operation of the plan. The Guidelines are intended to support the development and continuing improvement of industry practices.

Guideline 1.1 - Definitions

1.1.1 Capital Accumulation Plan

In these Guidelines, a capital accumulation plan (CAP or plan) is defined as a tax-assisted investment or savings plan that permits the members of the CAP to make investment decisions among two or more options offered within the plan. A CAP may be established by an employer, trade union, association or any combination of these entities for the benefit of its employees or members.

Examples of a CAP may include a defined contribution registered pension plan, a group registered retirement savings plan or registered education savings plan, and a deferred profit sharing plan.

1.1.2 CAP Sponsors

In these Guidelines, employers, trade unions, associations or combinations of these entities that establish CAPs are referred to as 'CAP' sponsors.

If the CAP is a registered pension plan, many of the responsibilities of the CAP sponsor described in these guidelines are those of a pension plan administrator. In such cases, these Guidelines should be interpreted considering the different roles of employers and pension plan administrators under applicable pension benefits standards legislation.

1.1.3 Service Providers

In these guidelines, "service providers" include any providers of services or advice required by the CAP sponsor in the design, establishment and operation of a CAP.

1.1.4 CAP Members

In these guidelines, "CAP Members" are individuals who have assets in a CAP.

These individuals may include active or former employees, trade union or association members, and in certain cases, their spouses or common law partners.

1.1.5 Investment Funds

In these guidelines, an "investment fund" means a mutual fund, pooled fund, segregated fund or similar pooled investment product.

Section 1 - Introduction

Guideline 1.2 – The Intent of the Guidelines

The intent of these Guidelines is to:

- outline and clarify the rights and responsibilities of CAP sponsors, service providers and CAP members; and,
- ensure that CAP members are provided the information and assistance that they need to make investment decisions in a capital accumulation plan.

1.2.1 Application of the Guidelines

These Guidelines apply to all capital accumulation plans and supplement any legal requirements applicable to these plans. They do not replace any legislative requirements.

CAP sponsors are responsible for meeting any applicable legal requirements, including any requirements that may extend beyond the scope of these Guidelines.

Guideline 1.3 – Implications for the CAP Sponsor, Service Providers and CAP Members

1.3.1 The CAP Sponsor

When CAP sponsors decide to establish a plan, they assume certain responsibilities in their role as CAP sponsor. They may, however, delegate some responsibilities within a CAP to a service provider.

The CAP sponsor is responsible for:

- setting up the plan;
- providing investment information and decision-making tools to CAP members;
- introducing the plan to members;
- providing on-going communication to members;
- maintaining the plan; and,
- ensuring that termination of the plan or the membership of an individual within the plan is done in accordance with the terms of the CAP.

Many of the responsibilities of the CAP sponsor relate to the providing appropriate information and documents to CAP members. Information and documentation the CAP sponsor provides to CAP members should be prepared using plain language, in one or more formats that are easily read and interpreted by members.

The CAP sponsor should ensure that decisions about establishing and maintaining the plan along with information about how those decisions are made, are properly documented and that the documents are retained.

1.3.2 Service Providers

To the extent that the responsibilities of the CAP sponsor are delegated to a service provider, the service provider is responsible for following these Guidelines and any applicable legal requirements.

Service providers engaged by the CAP sponsor should have the appropriate level of knowledge and skill to perform the tasks delegated and to provide any advice within their area of expertise the CAP sponsor requests.

Section 1 - Introduction

Guideline 1.3 – Implications for the CAP Sponsor, Service Providers and CAP Members

1.3.3 CAP Members

CAP members are responsible for making investment decisions within the plan and for using the information and decision-making tools made available to help them make informed decisions.

Examples of decisions made by CAP members include:

- how much to contribute (where the member can make this choice);
- how much to contribute to any particular investment option; and,
- whether an investment in a particular option should be moved to another option.

CAP members should also consider obtaining investment advice from an appropriately qualified individual in addition to using any information or tools the CAP sponsor may provide.

Section 2 - Setting Up a CAP

Guideline 2.1.1 - Defining the purpose of the CAP

The CAP plan sponsor is responsible for clearly defining and documenting why the capital accumulation plan is being established.

Purpose of the plan:

No response provided

Guideline 2.1.2 and 2.1.3 - Selecting Service Providers

The CAP plan sponsor is responsible for establishing criteria for the selection of service providers and for using these criteria to select any service providers it engages.

Selection criteria used to select Manulife Financial as a service provider:

No response provided

Guideline 2.2.1 and 2.2.2 - Selecting investment options

The CAP plan sponsor is responsible for selecting the investment options made available in the plan. The sponsor must ensure a range of investments are offered. These investments must meet legislative requirements and support the plan's purpose.

Items considered when selecting the plan's investments:

No response provided

Guideline 2.2.3 - Transfers among investment options

Plan members should have the opportunity to transfer between investment options in the plan at least quarterly.

Opportunities for plan members to transfer among investment options:

No response provided

How does Manulife help you meet this guideline?

Plan members have the opportunity to transfer between investment options more frequently than the quarterly minimum required in the CAP guidelines. Manulife offers secure Internet site, Interactive Voice Response (IVR) or paper forms as choices to initiate these transactions.

Guideline 2.2.4 - Policy regarding failure to make investment choices

The CAP plan sponsor should establish a policy that outlines what happens if a plan member does not make an investment choice.

Selection criteria used to select the plan's default investment:

No response provided

Communication of default investment to plan members:

No response provided

How does Manulife help you meet this guideline?

Section 2 - Setting Up a CAP

Plan members receive a member booklet from Manulife when they join the plan. This explains the plan's default investment. Members can also view the plan's default investment at any time using the secure website.

Guideline 2.3 - Maintenance of records

The CAP plan sponsor should develop a document retention policy for the plan. For your reference, a copy of Manulife's document retention policy can be found on the Plan Sponsor secure website at www.manulife.ca/GRO. From the Sponsor site, click Plan Governance Support Centre, then CAP Guidelines Centre. Once you're there, look for Create/Update a CAP report and Setting up a CAP report. Manulife's policy appears in this section.

Document retention policy for the plan:

No response provided

Section 3 - Investment Information and Decision-Making Tools for CAP Members

Guideline 3.1 and 3.2 - Investment information

The CAP plan sponsor should provide plan members with investment information to help members make investment decisions within the plan.

Plan members receive investment information in these ways:

No response provided

How does Manulife help you meet this guideline?

Manulife makes a variety of investment information available to plan members, including:

- detailed information about each fund available in the plan, including fund reports and rates of return,
- general education explaining how different types of investments work,
- information about investing in different types of securities, and
- glossaries of investment terminology.

Guideline 3.3 - Investment decision-making tools

The CAP plan sponsor should provide plan members with decision-making tools to help them make investment decisions within the plan.

Plan members are provided with these decision-making tools:

No response provided

How does Manulife help you meet this guideline?

Manulife provides a variety of tools to help plan members make informed decisions about their plan and investments, including:

- Investor Strategy Worksheet - helping members determine their investor style and select appropriate funds.
- Personalized messages on statements - alerting members if their current asset mix doesn't match their identified investor style.
- Access to Financial Education Specialists - providing investment education to plan members through a toll-free number.
- Manulife's Steps Retirement Program TM - including a retirement goal setting tool to help members determine an annual retirement income goal and track their progress.

Guideline 3.4 and 3.4.1 - Investment advice

In addition to providing investment information and decision-making tools, a CAP plan sponsor may choose to enter into an arrangement with a service provider -- or refer the members to a service provider -- who can provide members with advice about investment decisions.

Investment advice is made available to plan members: no

Section 4 - Introducing the Capital Accumulation Plan to CAP Members

Guideline 4.1.1 and 4.1.2 - Information about features of the CAP and the rights and responsibilities of CAP Members

The CAP plan sponsor should provide plan members with current information on the purpose and features of the plan including information outlining members' rights and responsibilities under the plan.

Plan member communications about the features of the plan as well as members' rights and responsibilities have been provided in these ways:

No response provided

Guideline 4.2, 4.21, 4.22 and 4.23 - Investment options

The CAP plan sponsor should provide plan members with sufficient detail about investment options available in the plan so members can make informed investment decisions.

Investment information has been provided to plan members including:

No response provided

Investment information has been provided to plan members using:

No response provided

How does Manulife help you meet this guideline?

Manulife makes detailed fund pages available to plan members, electronically and on paper, explaining each investment in the plan. Fund pages are available for all standard Manulife investments in the plan.

These investment details appear on each fund page:

- name of the investment fund and fund manager(s),
- investment objective of the fund,
- types of investments the fund may hold,
- description of the risk characteristics of the fund,
- breakdown of the top holdings of the fund,
- historical rate of return information, and
- whether the fund is considered foreign property for income tax purposes.

Guideline 4.3 - Transfer options

The CAP plan sponsor should provide plan members with information about how to make transfers among investment options.

Plan members were provided with information about how to make transfers in these ways:

No response provided

How does Manulife help you meet this guideline?

Section 4 - Introducing the Capital Accumulation Plan to CAP Members

Manulife provides plan members with a booklet explaining how they can transfer money between investments.

The member booklet includes information about:

- required forms and where forms must be sent,
- ways of making transfers (Internet and IVR),
- costs for transferring money among investment options,
- any restrictions or limits on transfers,
- circumstances under which transfers may be suspended, and
- when transfers will be processed.

Guideline 4.4 and 4.5 - Description of fees, expenses and penalties

The CAP sponsor should provide plan members with a description of all fees, expenses and penalties relating to the plan if they are to be paid by members.

Plan members were provided with information about fees, expenses and penalties that are to be paid by them in these ways:

No response provided

Section 5 - Ongoing Communication to CAP Members

Guideline 5.1 - Member statements

At least annually, the CAP plan sponsor should provide plan members with a statement of their accounts.

Frequency of member statements for the plan: Semi-Annual

Details about Manulife's member statements:

No response provided

How does Manulife help you meet this guideline?

Manulife's member statements include a summary of transactions, investment activity, and details of a member's investments.

In addition Manulife's member statements also provide:

- personalized messages based on differing member demographics.
- personal rates of return for a member's entire account and for each investment.
- an estimate of what a member's current retirement savings will provide as an annual income in retirement.

Guideline 5.2.1 - Access to information

The CAP plan sponsor should provide plan members with access to additional information regarding their account.

Details available to plan members about their account:

No response provided

How does Manulife help you meet this guideline?

Through Manulife, plan members have access to the additional information referenced in this Guideline. This information is available from:

- regular member statements,
- member website,
- IVR telephone service, and
- member booklets.

Information about the plan or a member's account is also available from Manulife's customer service area.

Guideline 5.2.2 and 5.2.3 - Report on significant changes in investment options

The CAP plan sponsor should provide advance notice to plan members when there are significant changes in investment options.

Investment changes are communicated to Plan members in these ways:

No response provided

How does Manulife help you meet this guideline?

When the fund changes are initiated by Manulife?

Manulife provides written notice before adding or removing investment options. Manulife communicates fund changes directly to affected plan members in addition to announcing changes on the member website and through regular newsletters.

Last date a change was made that impacted the investments in the plan: July 29, 2007

Section 5 - Ongoing Communication to CAP Members

Guideline 5.3 - Performance reports for investment funds

At least annually, the CAP plan sponsor should provide performance reports for each investment available to plan members.

Fund performance reports are provided to plan members in these ways:

No response provided

How does Manulife help you meet this guideline?

Manulife makes fund performance reports (or fund pages) available to plan members on the secure member website.

These fund pages are updated monthly and include the:

- name of the investment fund for which performance is being reported,
- name and description of the benchmark for the investment fund,
- corresponding returns for the benchmarks, and
- performance of the fund, including historical performance.

Section 6 - Maintaining a CAP

Guideline 6.1 - Reviewing service providers

The CAP sponsor should establish criteria for the periodic review of service providers and use these criteria to review the service providers it engages.

Criteria for reviewing service provider(s) includes:

No response provided

Frequency of service provider reviews: No response provided

Guideline 6.2 - Reviewing service providers who provide investment advice

A CAP plan sponsor should periodically review service providers with whom they have an arrangement or to whom plan members are referred to help them make investment decisions.

This guideline is not applicable to this plan since investment advice is not made available to plan members.

Guideline 6.3 - Reviewing investment options

The CAP plan sponsor should establish criteria for the periodic review of each of the plan's investments.

Criteria for reviewing the plan's investments includes:

No response provided

Frequency of plan investment reviews: No response provided

Guideline 6.4 - Reviewing maintenance of records

The CAP sponsor should periodically review how well the plan's records are maintained.

The quality of plan records are reviewed: No response provided

Guideline 6.5 - Reviewing decision-making tools

The CAP sponsor should periodically review any decision-making tools provided to plan members or that members are encouraged to use.

The plan's decision-making tools are evaluated: No response provided