

Manulife Bank Select

Client Guide



 **Manulife Bank**

Welcome to Manulife Bank...

Manulife Bank Select® is an integrated approach to managing your mortgage and day-to-day banking. This guide will assist you in getting the most out of the features of this unique banking solution.

While you won't need to read this entire guide today, we ask you to concentrate on the sections entitled **Getting started** (Section 1, page 8), **Using your Select mortgage** (Section 2, page 14) and **Using your Select banking account** (Section 3, page 17).

The Quick Starter Guide (included in your Welcome Kit) highlights exactly what you need to know to get your account up and running in just a few easy steps.

Need help with your account?

Detailed information about all your account options is available in this guide but, if you have questions, you can visit manulifebank.ca. If you prefer personal assistance, you can contact a Manulife Bank Service Representative at 1-877-765-2265 from Monday to Friday, 8am to 8pm all times zones and on Saturday, 9am to 5pm, Eastern Standard Time.

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What happens each month

Here's how the Manulife Bank Select® account works on a monthly basis.



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About Manulife Bank Select

Manulife Bank Select provides Canadians with an integrated banking solution that combines a mortgage with a high-interest*, full-feature chequing account. You can choose a fixed or variable rate mortgage and enjoy all the benefits of a chequing account while earning high interest on every dollar in your account. With Manulife Bank Select, you can actively manage your mortgage by splitting it across several terms.

And, you can view your bank account and mortgage in one online summary.

Your Select mortgage: What happens each month?

Your mortgage payment will be taken automatically from your Select banking account or another bank account in your name – you choose when, based on the timing that best suits your monthly cash flow needs:

- Weekly.
- Bi-weekly.
- Semi-monthly.
- Monthly.
- Weekly accelerated.
- Bi-weekly accelerated.

You could also be debt-free sooner by taking advantage of one or both of the annual prepayment privileges.

For a closed term mortgage:

- Make lump-sum payments up to 20% of your original mortgage amount.
- Increase your regular mortgage payment by up to 25%.

For an open term mortgage:

- Make lump-sum payments for any amount at anytime, including the full principal amount.
- Increase regular mortgage payment by any amount.

If you've chosen to split your mortgage into portions, you can make these prepayments on any or all of the portions.

Your Select banking account: What happens each month?

Money flows in

You can deposit money into the account in a number of ways:

- Have your paycheque automatically deposited.
- Make deposits at Automated Bank Machines (ABMs) displaying THE EXCHANGE® Network logo.
- Mail cheques to Manulife Bank.
- Receive *Interac*® e-Transfers.
- Transfer funds from another account.
- Make deposits with Royal Bank tellers (if you requested deposit slips when you applied).

Every deposit that you make into the account increases the balance, earning you more interest. For more information on making deposits to your account, turn to page 18.

* Interest earned is calculated on the daily closing balance and added to your account monthly.

Money flows out

You can withdraw money from your account in a number of ways to pay for your day-to-day expenses:

- Make a withdrawal from an ABM.
- Write a cheque.
- Make a debit card purchase.
- Send an *Interac* e-Transfer.
- Make a pre-authorized payment.
- Transfer funds to another account.

Your regular Manulife Bank Select mortgage payment will be automatically withdrawn from your Select banking account or another bank account in your name. If you have chosen to split your mortgage across multiple portions, you'll have a separate withdrawal for each of them. Please ensure that your bank account always has sufficient funds for your mortgage payments.

Account fees:

- If you've chosen the monthly fee with unlimited transactions option, the monthly fee will be withdrawn from your account on the last day of the month. If you send *Interac* e-Transfers, the first three e-Transfer you send each month are free and subsequent e-Transfers are \$1 each. Receiving an *Interac* e-Transfer is always free.

- If you've chosen the pay per transaction option, the fee for the transaction is withdrawn from your account on the date the transaction is made – it may take a few days to appear on your account statement. Note that there is no charge for fund transfers (including pre-authorized payments), direct deposits, cheque writing, mail-in cheques and ABM deposits at machines displaying THE EXCHANGE® Network logo. *Interac* e-Transfers are \$1 each.

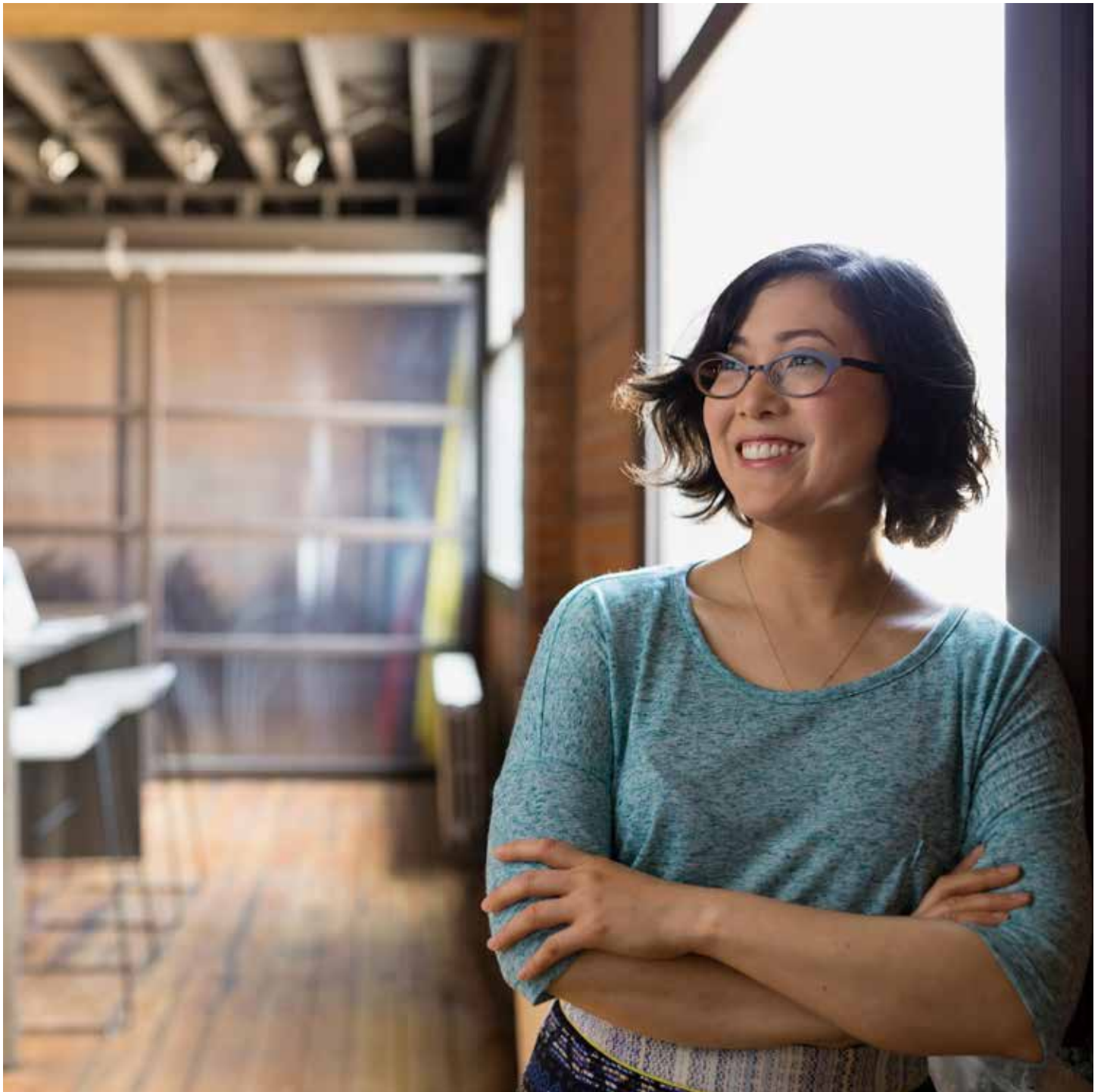
For more information about withdrawing money from your account, see page 23.

At the end of the month

Each day, the amount of interest* earned is calculated on the closing balance. On the last day of each month, the net amount of interest for the month is added to your Select banking account. Your monthly administration fee is also automatically withdrawn from your banking account (if you've chosen the monthly fee with unlimited transactions option).

Your monthly Select banking account statement is mailed to your home address. You can also view your statement online at manulifebank.ca.

*Interest earned is calculated on the daily closing balance and added to your account monthly.



Section 1 : Getting started

Complete the account activation process

Before you can use your Manulife Bank Select account, you'll need to complete the activation process.

- i. You will receive several mailings from Manulife Bank:
 - Copies of your legal documents.
 - Access Card(s)* for electronic banking transactions, ABM access and in-store purchases.
 - A personal identification number (PIN) for each Access Card.
 - Personalized cheques*.
 - Royal Bank deposit slips* to make deposits with Royal Bank tellers (if you requested deposit slips when you applied).

- ii. A representative acting on behalf of Manulife Bank will contact you to complete the legal documentation.

ACTIVATION PROCESS

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|---------------|---------------------------|
| Step 1 | Activate your Access Card |
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| Step 2 | Deposit your regular income |
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| Step 3 | Set up bill payments and pre-authorized payments |
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| Step 4 | Transfer balances from other deposit accounts |
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| Step 5 | Complete Creditor's Group Insurance application |
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*Your Access Card, cheques and deposit slips cannot be used until the account is active.

Step 1 – Activate your Access Card

Your Access Card, along with your Internet and telephone passwords, is your key to self-service banking. The card allows you to make ABM withdrawals and debit card purchases at retailers worldwide. Your Access Card number allows you to make account inquiries and transactions online at manulifebank.ca and through telephone banking at 1-877-765-2265.

How do I activate my Access Card?

Your Access Card and personal identification number (PIN) will be sent to you in separate mailings for your security. As soon as you receive your Access Card, call us to activate your card and to create your Internet and telephone banking password(s).

For security reasons, we will ask you to provide two pieces of personal information (e.g., your postal code and birth date) in addition to the Access Card number.

TIPS:

- Your PIN number is the four digit number we mailed to you. Please memorize this number. It is used for ABM and retail purchase transactions. For your own protection, do not write down your PIN or keep it near your Access Card. If you wish to change your Access Card PIN, you can do so at any Manulife Bank automated banking machine (ABM) or at an ABM that is part of THE EXCHANGE® Network of ABMs across Canada. See page 20 for more information on THE EXCHANGE® Network.
- Your PIN is different from your Internet and telephone banking password(s). Changing your PIN does not affect your password(s).
- When you receive your Access Card, keep the letter it comes with, as it includes your Access Card number. Being able to reference this number in the event that your card is lost or stolen will expedite the cancellation process.

Step 2 – Deposit your regular income

Every deposit made into the account immediately increases your balance – by depositing your income into your Manulife Bank Select account, you can ensure that every dollar you earn immediately goes to work earning interest for you.*

How do I have my income deposited into the account?

To have your regular income deposited into your Manulife Bank Select account, simply contact the person or department at your place of employment responsible for payroll. They will require a void cheque from your Manulife Bank Select account and may ask you to complete a payroll request or change form.

You can also have investment income deposited by contacting the appropriate financial institution and having them forward the income into your Manulife Bank Select account.

Step 3 – Set up bill payments and pre-authorized payments

Using Manulife Bank Select as your everyday account makes it easy to keep track of your expenses and simplifies your banking.

How do I set up automatic transactions?

To set up your automatic pre-authorized payments, contact the appropriate company and supply them with a void cheque from your Manulife Bank Select account.

To set up your bill profile, you can either logon to manulifebank.ca and “Add a payee” or contact a Manulife Bank Service Representative at 1-877-765-2265. For detailed instructions on setting up your bill payment profile, please refer to page 22.

* Interest earned is calculated on the daily closing balance and added to your account monthly.

Step 4 – Transfer balances from other deposit accounts

Once you've moved your automated transactions to your Manulife Bank Select account, it's time to transfer the balances from your other bank accounts. By using Manulife Bank Select as your only bank account, you'll eliminate any administrative charges you're currently paying to maintain these external accounts and enjoy the simplicity of Manulife Bank Select as your sole source of banking activity.

Moving your chequing and short-term savings accounts into your Manulife Bank Select account increases your balance and, therefore, the interest you earn. Because Manulife Bank Select is your everyday account, you can access that money at any time.

How do I set up fund transfers?

To set up external transfers with an account(s) you hold in your name at another Canadian financial institution, you will need to complete the Funds Transfer Agreement that is included in this welcome package. You will need to:

- 1) Complete and submit a Funds Transfer Agreement.
- 2) Attach a void personalized cheque for that external account to the form.

Once Manulife Bank receives your Funds Transfer Agreement and void cheque, the account will be added to your "Transfer funds" list and you will be able to use this option through our Internet and telephone banking services.

Online, this option is available under Login > Transfer funds.

How do I transfer balances from other accounts?

In most cases, you can simply write a cheque from your old account to your Manulife Bank Select account or request a fund transfer from your existing bank.

TIPS:

When redirecting your income, moving account balances and changing your pre-authorized payments from existing accounts, make sure that you:

- Leave enough money in existing accounts to cover any cheques that may not have been cashed or scheduled payments that may come out before the change-over is made.
- Wait to close an existing account until you are certain that all deposits, cheques and bill payments going into and out of that account have been moved to your Manulife Bank Select account.

What if I want to keep another account open?

Manulife Bank Select may be the only bank account you'll ever need. However, if you want to keep your current bank account, you can simply use Manulife Bank's fund transfer capability to transfer money to and from your Manulife Bank Select account as needed.

But remember, Manulife Bank Select works best when you make it your sole source of banking activity.

Step 5 – Complete Creditor's Group Insurance application

You may also have already applied for our Creditor's Group Insurance program when you applied for your Manulife Bank Select account. If you haven't yet applied but would like to, please refer to Section 6 of this guide, contact your banking representative or contact Manulife at 1-866-388-7095.



Section 2 : Using your Select mortgage

Your mortgage

You have chosen a fixed or variable rate mortgage with your Manulife Bank Select account. Please see your Operating Agreement for the specifics of your mortgage such as:

- Principal amount.
- Interest rate.
- Term.
- Regular payment amount which includes interest and principal (and mortgage default insurance premium if your initial mortgage principal was 80% of the value of your home or more).
- Payment frequency (weekly, bi-weekly, semi-monthly, monthly, weekly accelerated or bi-weekly accelerated.)
- Amortization period.

Your mortgage payment will be automatically withdrawn from your Select banking account or an account in your name at another financial institution. If you have chosen to split your mortgage across multiple portions, you'll have separate withdrawals for each of them based on the payment frequency and amount you have chosen for each portion. You may change your payment frequency at any time to better suit your monthly cash flow needs. Simply call our Customer Service Centre at 1-877-765-2265.

At any time, you can “lock in” and move any balances from a variable rate to a fixed rate at the same or longer term than the term remaining on the variable rate without penalty. If you would like to move from a fixed rate to another fixed rate term or move from a fixed rate to a variable rate term, you'll be required to pay a penalty (the higher of three months interest or IRD*). If you have multiple fixed rate terms, you'll be required to pay a penalty for each change you make.

Each of your mortgage payments will be for the same amount throughout the term of your mortgage unless:

- You choose to increase it (see below), or
- In the case of a variable rate mortgage, the trigger interest rate is hit.

The trigger interest rate is the interest rate at which your regular payment is no longer sufficient to pay the required interest. The Operating Agreement indicates your trigger interest rate (applies to variable rate mortgage only) and the General Terms included in this package provides further explanation.

* **Interest Rate Differential:** a penalty that may apply if you prepay more of your mortgage principal than your prepayment privileges permit. It's the difference between your mortgage rate and the rate of a mortgage that is closest to the remainder of your term, multiplied by the outstanding balance of your mortgage for the time that is left on your term. It is calculated on the amount of principal being prepaid.

Prepayment privileges

You could be debt-free sooner by taking advantage of one or both of the following annual prepayment privileges which may help you pay off your mortgage faster:

- Make lump-sum payments up to 20% of your original mortgage amount.
- Increase your regular mortgage payment by up to 25%.

These apply to closed term mortgages; if you have an open term mortgage you may prepay any amount at anytime, including the full principal and increase your regular payment by any amount once in each year of the term, without penalty.

If you've chosen to split your mortgage into portions, you can make these prepayments on any or all of the portions. If you make a prepayment above these privileges, a prepayment charge will apply (the higher of three months interest or IRD*). You may not use any unused prepayment privilege to reduce any prepayment charge if you prepay the portion(s) in full.

How do I make a mortgage prepayment?

Contact a Manulife Bank Service Representative at 1-877-765-2265 any time during your term to make a mortgage prepayment. You can make more than one prepayment during the year. The annual privileges are based on the anniversary date of your Select mortgage. A lump-sum payment will be applied at the time you call and will be taken from your Select banking account or the account that your regular mortgage payments come from. An increased payment will be applied at your next scheduled regular payment. For closed term mortgages the 25% maximum increase is based on the regular payment amount at the beginning of the annual period.

* **Interest Rate Differential:** a penalty that may apply if you prepay more of your mortgage principal than your prepayment privileges permit. It's the difference between your mortgage rate and the rate of a mortgage that is closest to the remainder of your term, multiplied by the outstanding balance of your mortgage for the time that is left on your term. It is calculated on the amount of principal being prepaid.

Your mortgage, your way – flexibility and certainty

You can split your mortgage across up to five portions, in any combination of fixed and variable rate terms. This can help you make your mortgage work for you by combining the benefits of variable and fixed rates, short and long terms. Each portion must have a minimum mortgage amount of \$25,000. Here are a few results you may be able to achieve by splitting your mortgage:

1. Reduce stress around rising interest rates – You can lock-in a portion of your mortgage at an attractive long-term fixed rate today, while keeping a portion in a low variable rate to help you pay down your principal more quickly.
2. Lower your effective interest rate – Interest rates are typically lower for shorter terms. You can make this work to your advantage. For example, if you split your mortgage between a one-year fixed term at 3.00% and a five-year fixed term at 3.40%, your effective interest rate would be 3.20% for the next year, which is lower than if you chose just a five-year fixed term.
3. Enjoy the best of both (fixed and variable) worlds – Historically, people often saved interest with variable rate mortgages. However, you may be uncomfortable with the risk that rates can change. With Manulife Bank Select, you can put a portion of your mortgage in a variable rate term and keep a portion in a fixed rate.
4. Track a portion of your mortgage for tax purposes – Do you work out of your home? With Manulife Bank Select you could put part of your mortgage – an amount equal to the percentage of your home that you use as your office – in a separate portion. You'll appreciate the simplicity this can bring to your finances at income tax time.
5. Reduce your mortgage renewal risk – No one knows where future interest rates will be when it comes time to renew your fixed rate mortgage. But by splitting your mortgage into portions, you can renew in steps over time, reducing the risk of higher rates at renewal time.

Note: You can choose to divide your mortgage into portions when you complete your initial Manulife Bank Select application or when your mortgage is up for renewal.

Section 3 : Using your Select banking account

Online banking

Your Access Number (the number on your Access Card) gives you complete self-service control of your Select banking account. You can also view the details of your mortgage. To view your account online, go to manulifebank.ca and click on Sign in. When prompted, enter your Access Number and your Internet password (which you will have created when you called to activate your Access Card).

Once you have logged in, you'll be able to view a summary of your account information and recent transactions. The Internet banking section of the website enables you to:

- View the current interest rates* applicable to your account.
- Set up and pay bills.
- Transfer funds.
- Send and receive *Interac* e-Transfers.
- Check your banking account and mortgage balances.
- Review recent account activity.
- Change your password.
- Order cheques (generally delivered within two weeks).
- Print transaction-only statements.
- Download your account information to a variety of third-party accounting software.

TIPS:

We recommend that, for security purposes, you change your passwords at least once every 90 days.

When you are done, please ensure that you log out of the Manulife Bank site and completely sign off of the Internet. You can obtain current fees without logging into Internet Banking. Go to manulifebank.ca > Services and fees schedule.

Automated telephone banking

The telephone banking system allows you to access your banking account and check your mortgage balance over the phone. Once you have set up any desired fund transfers and billing companies, you can:

- Pay a bill (rather than writing cheques or setting up automatic pre-authorized payments).
- Listen to your bill profile.
- Transfer funds.
- Check your banking account and mortgage balances.
- Review recent account activity.
- Check current interest rates.
- Change your password.

* Interest earned is calculated on the daily closing balance and added to your account monthly.

Making deposits

There are a few ways to deposit money into your Select banking account.

1. Direct deposit	Have your income automatically deposited into your account.
2. Fund transfers	Transfer funds from another Canadian financial institution.
3. Cheques	Mail cheques to: Manulife Bank, 500 King St. N, PO BOX 1602, Waterloo, ON N2J 4C6
4. ABMs	Make deposits at almost all ABMs displaying THE EXCHANGE® logo.
5. Royal Bank deposit slips (if requested on your application)	Make deposits at any branch of the Royal Bank with bank tellers. (Note: Special deposit slips must be presented to a teller. Please do not use the night deposit box.)
6. Bill payments	Set up your Select banking account as a “bill” at another financial institution to make regular deposits.
7. Interac e-Transfers	Receive <i>Interac</i> e-Transfers.

1. Direct deposit

One of the easiest ways to make deposits into your account is to have your income automatically deposited each time you get paid. To set this up, you will need to contact the Human Resources or payroll department at your place of employment and supply them with a void cheque from your Manulife Bank Select account.

2. Fund transfers

If you decide to keep a bank account open at another financial institution, fund transfers can act as a deposit to or a withdrawal from your Select banking account. You can transfer funds online at manulifebank.ca or over the telephone once your signed Funds Transfer Agreement has been received and processed by Manulife Bank. Any bill payments and funds transfers available via Internet banking are also available through telephone banking. For information on how to set up a funds transfer agreement, please refer to page 11.

Important considerations when making transfers

Personal account restrictions: Due to rules set by the Canadian Payment Association, transfers can only be made from personal accounts that are in the same name(s) as your Select banking account.

Processing time for external transfers: To allow for processing time, external transfers must be future-dated by a minimum of one business day. Please note that the time it takes to complete a transfer is dependant on the processing times of the external financial institution. When transferring funds into your account, the deposit is subject to a hold. Please refer to your General Terms for our hold funds policy or contact us for further details.

Future-dated and recurring transfers: Transfers can be future-dated or set to run on a recurring basis. Once entered, these transactions can be viewed on the Internet banking "Future transactions" page.

Note: No Funds Transfer Agreement is required for transfers between Manulife Bank accounts since all of your Manulife Bank accounts are immediately accessible when you login to Internet banking.

3. Depositing cheques

You can send us cheques for deposit into your account. Simply write your Select banking account number on the back of the cheque, make it payable to yourself and send it in using a Manulife Bank deposit envelope. You can contact a Manulife Bank Service Representative at 1-877-765-2265 for envelopes when needed.

For your security, please **do not**:

- Sign the back of the cheque.
- Send cash through the mail.

4. ABMs

You can deposit cheques and cash (coins are not accepted) at any ABM in Canada that is part of THE EXCHANGE® Network.

What is the Exchange® Network?

Manulife Bank is a member of THE EXCHANGE® Network*. This is a network of ABMs across Canada that do not charge convenience fees to Manulife Bank Select account holders. There are now more than 3,300 THE EXCHANGE® Network ABMs across Canada. Using your Access Card, you can make deposits to your Manulife Bank Select account at almost all ABMs in Canada which display this logo. To help you find THE EXCHANGE® Network ABMs near you an ABM locator is accessible at manulifebank.ca.

Important note about convenience fees

You may be charged “user” or “convenience” fees at ABMs operated by independent owners and other banks that are not part of THE EXCHANGE® Network. Some retailers may also charge a fee.

When traveling abroad, your Access Card will be accepted at vendors displaying the ACCEL® logo in the U.S. or the Maestro® logo internationally. Out-of-country Access Card transactions are subject to fees. For more information about fees and services, visit manulifebank.ca > Services and fees schedule.

*Using THE EXCHANGE® Network ABMs ensures you do not incur convenience fees. However, if you have chosen the pay per transaction option, you will incur a charge for ABM withdrawals within Canada.

5. Royal Bank deposit slips

To make deposits more convenient for you, we've made special arrangements that allow you to make deposits **with a bank teller only** at any branch of the Royal Bank.

How do I make a deposit at the Royal Bank?

If you requested deposit slips on your application you'll receive personalized deposit slips from the Royal Bank within four to six weeks after your Manulife Bank Select account has been activated. If you haven't ordered deposit slips and would like to, you can call us at 1-877-765-2265. These personalized deposit slips are encoded with Manulife Bank information and your personal account information.

These slips can only be used with a Royal Bank teller. They cannot be used to set up automatic payments, direct deposits, etc.

To use your Royal Bank deposit slips, simply:

1. Complete the date and deposit amount on the deposit slip.
2. Take it and your deposit(s) **to a teller only** at any branch of the Royal Bank. Do not use a night deposit box.

Please allow a minimum of two business days for delivery and processing of any deposits made at a Royal Bank teller. Even though it may take a few days to process your deposit, your account will be credited as of the date you submitted your deposit. All deposits made at a Royal Bank branch after 3 pm EST will be credited to your account the following business day.

The teller may refer to your deposit as a business transaction, don't worry. Since the deposit is encoded with your personal information, your deposit will go into your Manulife Bank Select account regardless of how Royal Bank processes the deposit at their end.

Does this mean I have an account at the Royal Bank?

No. You do not have an account at the Royal Bank (nor are the tellers familiar with the Manulife Bank Select account). Deposits cannot be made through a Royal Bank ABM or a night deposit box, only in-person with a Royal Bank teller.

TIPS:

Since this arrangement has been made using our Manulife Bank account, you can use any **Royal Bank teller** at the branch – including the line designated for business transactions.

6. Setting up Manulife Bank Select as a bill payment (for deposit)

Some Manulife Bank Select customers maintain an account with a traditional bank for the purpose of cashing cheques, changing coins, branch banking, etc. If you have done this, you may be able to set up your Select banking account as a “bill” with that institution. Then, you can deposit cash or cheques into that account and use that institution’s bill payment options – phone, Internet, *Interac* e-Transfers, sometimes ABMs – to “pay” your Manulife Bank Select account, thereby transferring money into your account.

7. *Interac* e-Transfers

An *Interac* e-Transfer is the ability to send and receive money online quickly, easily and securely to and from anyone with an email address and a personal bank account at a Canadian financial institution. Commonly referred to as “email money transfers,” *Interac* e-Transfers can be a great alternative to cash or cheques. You can send money to your loved ones, pay fees for a team or club or contribute to a group gift, to name a few uses.

How long it takes

When you send money from your Manulife Bank account using *Interac* e-Transfer, the money is transferred out of your account immediately. When you’re receiving an *Interac* e-Transfer, it will be available in your online account immediately and then you can access it through an ABM or debit transaction the next business day.

Security

Your money never actually travels by email or text message. Those are only the methods used to notify the recipient and to provide instructions on how to deposit the money. The money always resides safely at a financial institution and is transferred through existing payment networks that financial institutions have used for years to settle cheques, bank machine deposits and withdrawals.

Important information regarding deposits to your account

Remember to allow time for deposit processing.

Please remember to allow time (at least two business days) for delivery and processing of any ABM, Royal Bank or fund transfers into your Manulife Bank Select account. Even though it may take a few days to process your deposit, your account will be credited as of the date you submitted your deposit. Cheques mailed to Manulife Bank will be credited to your account effective the day they arrive.

When depositing cheques or transferring funds into your account, the deposit is subject to a hold. Please refer to your General Terms for our hold funds policy or contact us for further details.

Making withdrawals

Your Select banking account gives you easy access to your money.

1. ABMs	Withdraw money at any ABM*.
2. Cheques	Write a cheque for purchases.
3. Fund transfers	Transfer funds to another financial institution.
4. Interac e-Transfer	Send <i>Interac</i> e-Transfers.
5. Pre-authorized payments	Set up pre-authorized payments.
6. Bill payments	Use Internet and telephone banking to pay bills.
7. Debit and cash back	Make direct payment purchases at retailers. Use the "cash back" option at retail locations, where available.

*Using THE EXCHANGE® Network ABMs ensures you do not incur convenience fees. However, if you have chosen the pay per transaction option, you will incur a charge for ABM withdrawals.

1. ABMs

Your Access Card allows you to withdraw money at any THE EXCHANGE®, Interac®, Cirrus® or Maestro® ABM in the world.

Note that some bank machines charge “convenience fees” to people who are not their clients. There are a couple of ways to avoid these fees:

- Use ABMs that are members of THE EXCHANGE® Network. See page 20 for more information on THE EXCHANGE® Network.
- Certain retailers, such as grocery stores, allow you to ask for “cash back” without charge when you pay by debit card.

Note: You will incur a charge for ABM withdrawals outside of Canada. If you have chosen the pay per transaction option, you will also incur a charge for ABM withdrawals within Canada.

2. Personalized cheques

Your Manulife Bank Select cheques can be used to make purchases or to create “void cheques” for setting up automatic payments. If you’ve chosen the monthly fee with unlimited transactions option, we will provide an initial supply of free personalized cheques which you will receive in a separate mailing within two weeks after your account is opened. If you’ve chosen the pay per transaction option, you will need to order cheques.

Please ensure your name(s), address, telephone and account numbers are correct.

To order cheques, you have three options:

1. Use the “Order cheques” option from the Internet banking section of our website.
2. View cheque options at dhltd.com and then contact the manufacturer (Davis + Henderson) directly at 1-877-448-1294.
3. Order cheques using our telephone banking service.

A Manulife Bank Service Representative can advise you of the cost. **Please allow two weeks for printing and delivery.**

3. Fund transfers

If you decide to keep bank accounts open at other financial institutions, fund transfers can act as a deposit to or a withdrawal from your Manulife Bank Select account. You can transfer funds online at manulifebank.ca or over the telephone once your signed Funds Transfer Agreement has been received and processed by Manulife Bank. For more information on fund transfers, please refer to page 11.

4. Interac e-Transfers

Another option for making withdrawals is sending an *Interac* e-Transfer. This is a secure way of transferring money using online banking from your bank account to another person's bank account at a Canadian financial institution. A great alternative to taking out cash or writing a cheque, *Interac* e-Transfers are quick, secure and easy to do.

To get started, sign in to your online banking at manulifebank.ca and click on "Get Started" under the *Interac* e-Transfer menu on the left. You will need to register, set up your profile and add your recipients. A step-by-step demonstration is posted in the online Help menu to guide you through the process.

5. Pre-authorized bill payments

By having your bills paid automatically each month, you can simplify your banking and ensure you never miss a payment.

How do I set up an automatic bill payment?

To set up automatic payments from your Manulife Bank Select account, contact the billing company. They will require your account information – likely a void cheque from your Manulife Bank Select account – and may ask you to complete a request or change form.

It's important to review your Manulife Bank Select monthly statement to ensure all pre-authorized payments have been properly reflected in your account.

6. One-time bill payments

You can pay bills directly from your account at no extra cost with the monthly fee chequing account or for a per transaction fee with the pay per transaction option. You can set up a bill payment vendor as well as make immediate, future-dated or recurring bill payments through Internet banking. Telephone banking allows you to make immediate bill payments.

How do I set up a bill payment from my Manulife Bank Select account?

Set up your bill payment service in one of the following two ways:

1. Gather together all the bills you would like to pay then login to Internet banking to "Add a payee" to your personalized bill payment list. If a company is not listed, contact a Manulife Bank Service Representative 1-877-765-2265 to see if it can be added; or
2. Gather together all the bills you would like to pay and call us at 1-877-765-2265. A Manulife Bank Service Representative will update your file to include your bill payment details.

When you have selected one of the two options above, repeat this process for each bill you wish to set up on the payment system. These bills will also be added automatically to your Internet or telephone banking services in the order that you entered them on the website.

TIPS:

Be sure to have a recent statement for account reference and proper name of the company. There are thousands of companies on Manulife Bank's bill payment system – some with very similar names.

How do I pay a bill online?

Login to Internet banking and select "Pay bills." Select the bill(s) you wish to pay, input the amount and the date you want the transaction to be completed.

How do I pay a bill over the phone?

To pay a bill using telephone banking, select the "Pay bills, transfer funds and get account transactions" option from the main menu. Then follow the prompts.

For example, the system will say your bill name, the last four digits of your bill's account number and a two-digit identifier code (e.g., "For Phone Company 1234 press 01").

Remember to allow time for Internet and telephone bill payments. Some institutions take two business days to acknowledge receipt of your bill payment. To avoid making a late payment, please ensure you submit payment at least three business days prior to the due date stated on the bill.

TIPS:

- Pre-authorized payments make it easier to manage your banking, so the more pre-authorized payments you create, the easier your banking becomes.
- When creating future-dated transactions, ensure that you have sufficient funds in your account to cover these costs on the payment date. If there aren't enough funds available on the date selected, further future-dated transactions will not occur.

7. Debit purchases and “cash back”

Your Access Card allows you to make direct payment (debit) purchases at retailers worldwide. If you have chosen the monthly fee with unlimited transactions option, all purchases made in Canada are covered by your monthly fee. If you have chosen the pay per transaction option, you will incur a charge for direct payment (debit) purchases. For fees outside of Canada, visit manulifebank.ca.

A debit purchase may also provide you with an easy opportunity to access cash without convenience fees if there isn't an ABM that is part of THE EXCHANGE® Network nearby. Some retailers, such as grocery stores, will allow you to request “cash back” without charge when making a debit purchase.

Manulife Bank Select statements

Each month, you'll receive a comprehensive statement for your Select banking account. This statement is designed to help you easily manage your account according to your financial plan. If you don't want to wait for your statement by mail, a transaction-only version of your account statement is available through the Internet banking > Account balance section of the website. You can use the date parameters of your choice, as far back as two years from the current date.

Once a year, in late January, you will receive a comprehensive statement for your Select mortgage. This statement details your current mortgage balance and summarizes principal and interest payments made during the year, current interest rate, maturity date and other information.

TIPS:

Please be sure to carefully review your statements. If you discover any errors or discrepancies with your statement, you have 30 days to contact Manulife Bank.

Lost or stolen card

If your Access Card is lost or stolen or your PIN becomes known by someone else, you must notify us immediately at 1-877-765-2265. We will cancel your existing card and send you a new Access Card and PIN.

Foreign funds

To buy foreign funds, we recommend you use the services of a currency exchange office. When travelling, you may find that using your Access Card may be safer and more economical than carrying cash.

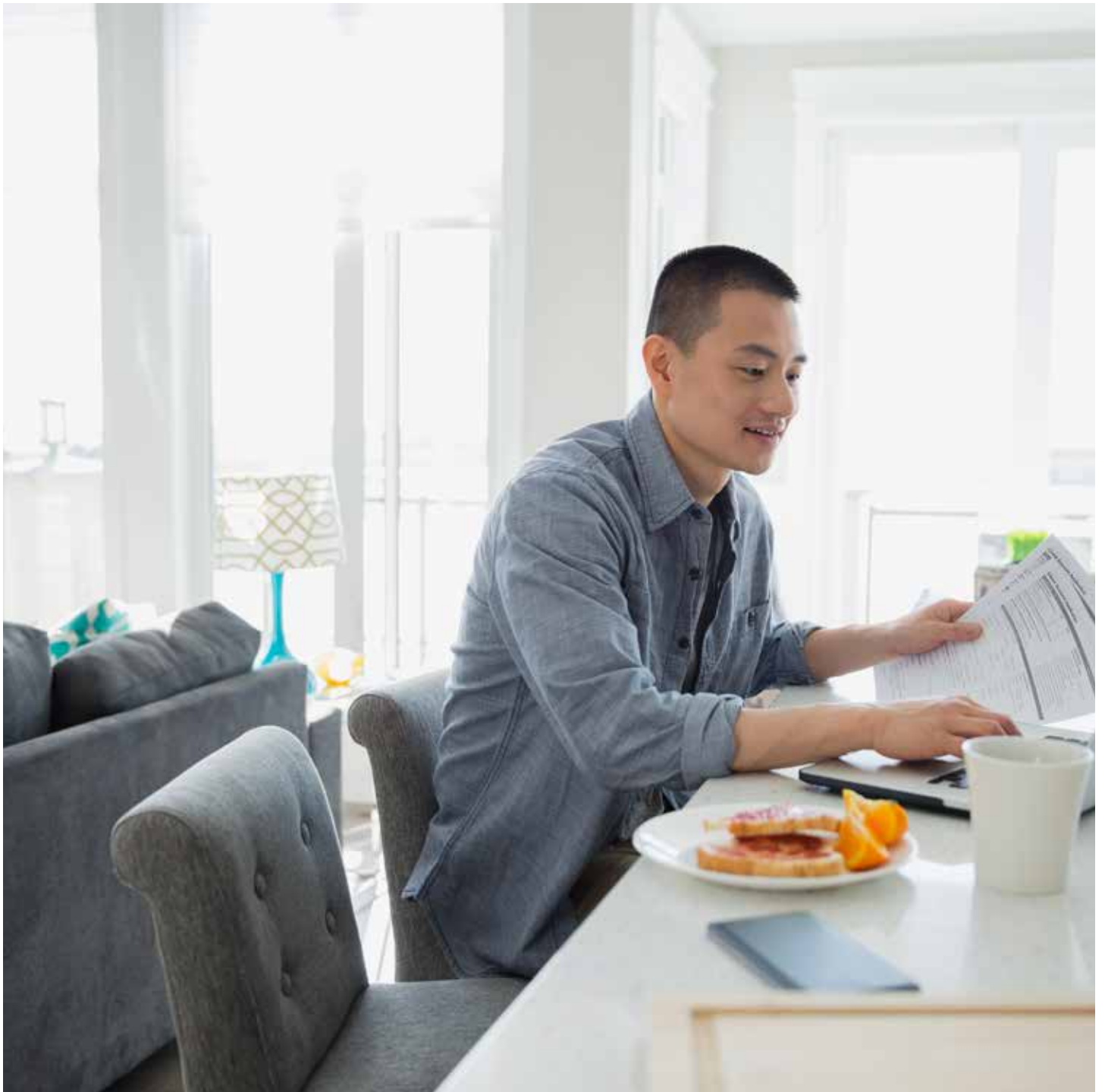
Depositing foreign funds

While Manulife Bank Select is a Canadian funds account, we can accept cheques written in U.S. dollars from accounts with Canadian financial institutions; however, they are subject to a foreign funds handling charge. To deposit the cheque, you must mail in your cheque, ensuring that you identify your account number and that your deposit is clearly marked as being written in U.S. currency.

For other currencies, please contact our Customer Service Centre at 1-877-765-2265 for additional information.

Remember to allow several days for processing

When a cheque written in foreign funds is sent directly to us, it must first be cleared by the organization that provides us with cheque clearing services and then credited to Manulife Bank in Canadian dollars, so it will not be credited immediately to your account. We are unable to guarantee processing times because we do not control the clearing process.



Section 4 : When you are mortgage-free

So, what happens to your Manulife Bank Select account when you have a paid off your mortgage? The banking account remains the same – simply continue to use it as you always have. And remember that every dollar in the account earns a high rate of interest.* You can view our current rates at manulifebank.ca or call us at 1-877-765-2265. As with other deposit accounts, credited interest in excess of \$50 per year will be subject to income tax.

TIPS:

Take advantage of some of the industry's best prepayment privileges to help you pay your mortgage off as fast as you can. Each year you can make a lump-sum principal payment up to 20% of your original mortgage amount and/or increase your regular mortgage payment by up to 25% for a closed term mortgage. For an open term mortgage you may prepay any amount at anytime and/or increase your regular payment by any amount once in each year of the term. If you've chosen to split your mortgage into portions, you can make these prepayments on any or all of the portions. Call us at 1-877-765-2265 to make a prepayment.

* Interest earned is calculated on the daily closing balance and added to your account monthly.

Section 5 : Rates and fees

Interest rates

The section below describes different rates associated with your Manulife Bank Select account. Manulife Bank regularly reviews a variety of economic and competitive factors to ensure that our mortgage and banking account rates remain competitive with other similar products in Canada.

Manulife Bank Select mortgage rates

The annual interest rate and term for your mortgage is listed on your Operating Agreement. Please note that the information is outlined in a separate chart for each mortgage portion you may have. Current interest rates for all mortgage types and terms are available at manulifebank.ca.

Manulife Bank Select bank account rate

This is the annual interest that you will earn on any balance in the banking portion of your Manulife Bank Select*. This rate is subject to change. The current interest rate is available at manulifebank.ca.

Maximum interest rate

Your Operating Agreement (a liability document that describes the terms of the mortgage agreement between you and us) sets out the interest rate(s) you will be charged on your Select account. The security document(s) that describe the bank's security interest or charge it takes on your property (attached to your Mortgage/Charge of land document), makes reference to a 'maximum' interest rate, namely the Manulife Bank Prime Rate + 7.0% (the "Security Rate"). Provincial laws require us to set and disclose a maximum interest rate that can be charged for a mortgage. This Security Rate is not the rate you are liable for; this is simply a maximum rate covered by the security. Stated another way, the security interest the Bank takes in your property is for interest up to a maximum rate.

* Interest earned is calculated on the daily closing balance and added to your account monthly.

Fees

Insufficient funds

The balance in your banking account cannot be below \$0 at any time (whether by cheque, mortgage payment, bill payment, fund transfer, ABM withdrawal or other account charge). If this occurs, the transaction will be rejected and may be returned as Non-Sufficient Funds (NSF). You will need to deposit additional funds into the account and you will be responsible for any NSF charges. Please ensure that you have deposited enough funds each month to avoid these charges.

Discharge fee

Upon discharge of the collateral mortgage security for your Manulife Bank Select account, a fee (subject to provincial regulations) is charged to prepare your documents for discharge (this fee is subject to change). Visit manulifebank.ca or call 1-877-765-2265 for details. You are responsible for any fees associated with the registration of the discharge at the applicable land registry office. Please allow 30 days to complete a discharge.

Mortgage amount increase fee

A fee will apply if the increase is within the registered amount of the mortgage. If the increase is in excess of the registered amount, the full Title Insurance fee will apply. Title Insurance fees vary by province; you can contact a Manulife Bank Service Representative for complete details at 1-877-765-2265 from Monday to Friday, 8am to 8pm across all time zones and on Saturday, 9am to 5pm, Eastern Time.

Fee changes

Fees are subject to change with 30 days notice. Manulife Bank Select fees were last amended May 14, 2017. Current fee information can be found on manulifebank.ca > Services and fees schedule.

Monthly fee

The Select Banking Account Details section of your Operating Agreement outlines whether your banking account is the monthly fee or pay per transaction type. Please contact a Manulife Bank Service Representative at 1-877-765-2265 if you would like to change your banking account type.

Monthly fee banking account

The \$16.95 fee includes unlimited monthly:

- Direct deposits (Canadian funds).
- Automated Banking Machine* (ABM) deposits and withdrawals at ABMs bearing THE EXCHANGE® Network logo within Canada.
- Internet and telephone banking.
- Access-card purchases within Canada.
- Fund transfers.
- Pre-authorized payments.
- Bill payments.
- Cheque writing (Canadian funds).
- Mail-in cheques (Canadian funds).

The monthly fee is waived for accounts with a positive balance of \$5,000 or more at the end of each month. Individuals 60 years of age or older receive a reduced monthly fee of \$9.95.

Fees associated with access-card use outside Canada and sending an Interac e-Transfer will be waived when there is a positive balance of \$5,000 or more in the account after each transaction is made.

There are some transactions that are charged directly by other institutions or require additional administrative support and are not covered by the regular monthly fee. Fees are on a per item basis unless otherwise stated and are in Canadian funds. For the full list of current rates and fees, please visit manulifebank.ca.

Pay-per-transaction banking account

This type of banking account includes unlimited monthly:

- Direct deposits (Canadian funds).
- Automated Banking Machine* (ABM) deposits at ABMs bearing THE EXCHANGE® logo within Canada.
- Internet and telephone banking.
- Fund transfers.
- Pre-authorized payments.
- Cheque writing.
- Mail-in cheques (Canadian funds).

The following everyday transaction fees are waived for accounts with a balance of \$5,000 or more after the transaction is made:

- Automated Bank Machine transactions (within and outside Canada)
- *Interac*® Direct payments (within and outside Canada)
- Sending an *Interac*® e-Transfer
- Bill payments

For the full list of current rates and fees, please visit manulifebank.ca.

*Note: Manulife Bank is a member of THE EXCHANGE® ABM Network. Deposits and withdrawals can be made at most of these ABMs. Convenience fees do not apply.



Section 6 : Protecting your account

Creditor's Group Insurance is an inexpensive way of protecting your financial stability and maintaining your family's standard of living should an unexpected death, disability or job-loss occur.

Key benefits

Creditor's Group Insurance:

- Covers Manulife Bank Select mortgage balances up to \$500,000.¹
- Provides life insurance protection with the option to add disability and job loss coverage.
- May be applied for by all new and existing Manulife Bank Select clients with a mortgage balance, who are Canadian residents.
- Has a simple application process for accounts with mortgage balances up to \$250,000² that consists of as few as three medical questions (in some cases, additional details may be required). Amounts in excess of \$250,000 will require more detailed underwriting.
- Is available for joint account holders.

- Features automatic premium payments from your Manulife Bank Select account (if you choose) and automatic claim payments to your account.
- Allows you 60 days to cancel the insurance and receive a refund of your premium after you are accepted by the insurance company, if the policy does not completely meet your needs.

More information

When you met with your banking representative, they introduced Creditor's Group Insurance to you and gave you a brochure with the product details. A number of important elements are included in the brochure, including when coverage takes effect, when benefits would be terminated, our privacy and confidentiality commitment and our policy regarding the exchange of information.

If you have any questions regarding Creditor Insurance, please speak with your financial advisor. You may also call Manulife to speak with a Service Representative at 1-866-388-7095.

¹ If you have multiple accounts, the maximum amount of Creditor's Group Insurance coverage you may have across all your Manulife One and Manulife Bank Select accounts cannot exceed \$500,000.

² If, in the future, you choose to increase the mortgage portion of your Select account, you will need to submit a new application to have your policy cover the increased amount.

Section 7 : Changes to your account

If you move

If you sell your current property and move, there are a number of options available regarding your Manulife Bank Select account.

If you are not purchasing another home

When you sell your home, you pay out your mortgage with the proceeds and it is removed from your Manulife Bank Select account. If you wish, you can continue to use your Select banking account as a chequing account. If you decide to sell your home, please inform us prior to your closing date. Call 1-877-765-2265 to make arrangements.

If you are buying a new home

There are a number of critical steps that need to be taken in advance to transfer your Manulife Bank Select account over to your new property.

If the closing date of your purchase is on the closing date of your current home:

1. At least one month before, you should advise Manulife Bank that you are moving by calling your Banking Consultant. You can find your local Banking Consultant at manulifebank.ca or by calling our Customer Service Centre and asking to be referred to a Banking Consultant.
2. Manulife Bank will re-underwrite you (obtain updated financial information and re-check your credit history).
3. Manulife Bank will arrange for an appraisal of your new property to determine the new mortgage amount for your Manulife Bank Select account. Some fees may apply.
4. Manulife Bank will coordinate the necessary documentation to transfer your mortgage from your current property to your new home.
5. You will arrange with your own lawyer (who will be handling the house purchase) to review the documentation and witness your signature.

If the new home closing date is AFTER the closing date of your current home, and assuming your new property has been approved for Manulife Bank Select (STEPS 1 TO 5 ABOVE), then:

6. When your current property sells, your Manulife Bank Select mortgage portion will be reduced to zero.
7. Proceeds from the sale of your home will be applied to your existing Manulife Bank Select mortgage to clear any outstanding mortgage balance you have (e.g., you will need to pay out your Manulife Bank Select mortgage to a balance of zero).
8. Depositing any additional funds in your Select banking account will earn the high rate of interest* that your account offers.
9. On the closing date of your new home, your Manulife Bank Select mortgage will be activated based on the mortgage balance for the new home. A cheque will be issued to your lawyer to facilitate the purchase and your Manulife Bank Select mortgage will reflect the new balance accordingly.

If the closing date of your new home is BEFORE the closing date of your current home:

Assuming you qualify for a new Manulife Bank Select mortgage, interim financing is available. You should be aware that Manulife Bank only provides interim financing if there is a firm offer to buy and a firm offer to sell. Please note that you may need to set up a new Manulife Bank Select account with a new account number if the closing date of your new home is BEFORE the closing date of your current home.

Construction financing

If you plan to construct a custom home, building financing is not normally available under Manulife Bank Select. Please contact a Manulife Bank Service Representative at 1-877-765-2265 for the availability of Construction Manulife One for your project.

If you are purchasing a home that is under construction, Manulife Bank will appraise the property upon completion, or just prior to closing, to ensure the home is finished. Generally, 10% of the appraised value of the home will be initially withheld from your Manulife Bank Select mortgage to ensure that there are no outstanding construction liens on the property.

* Interest earned is calculated on the daily closing balance and added to your account monthly.

Increasing your mortgage amount

You may feel your home has increased in value significantly or your financial situation may have changed which may give you more borrowing capacity or provide you with access to additional funds. To increase the approved mortgage amount and hence your mortgage balance, Manulife Bank will arrange for a new appraisal of your property. A mortgage amount change is subject to re-underwriting. If you initially chose a mortgage amount below the maximum approved amount, you can request to increase the mortgage amount up to the maximum approved amount. Some fees may apply. To increase the maximum approved amount, call 1-877-765-2265.

Additional mortgage financing

Should you decide to seek additional home financing outside of Manulife Bank, you are not permitted to add a mortgage without first notifying Manulife Bank and receiving our consent in writing.

About Manulife Bank

Manulife Bank is a wholly owned subsidiary of Manulife, 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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