

GLOBAL REPUTATION RISK POLICY - SUMMARY

BACKGROUND

Manulife Financial's reputation is one of its most valuable assets and it is vital that it be safeguarded. The purpose of the Global Reputation Risk Policy ("the Policy") is to outline the Company's prudent and proactive approach to managing reputation risk. The Policy applies to MFC and all of its subsidiaries. The policy is reviewed regularly by the Company's Executive Risk Committee and the Risk Committee of the Board. This memorandum is only a summary of Manulife Financial's Global Reputation Risk Policy and is not a verbatim recitation of the policy.

The management of reputation risk cannot be restricted to compliance with rules and controls, it is dependent upon a strong ethical culture where sound judgement is applied within a risk-conscious and structured environment. MFC's strong corporate governance; clearly communicated corporate values emphasizing integrity and ethical conduct in every business decision and activity; and integrated approach to managing risk set the foundation for minimizing reputation risk.

PRINCIPLES

The Company:

- Conducts its business and operations with integrity and in compliance with the spirit and intent of all applicable laws and regulations in every jurisdiction in which it operates;
- Will not engage in or facilitate any business activity the purpose of which is to intentionally evade legal or regulatory obligations;
- Adheres to the principles of confidentiality and privacy in employee and customer relations, following the guidance set out in the Company's Code of Business Conduct and Ethics ("the Code"), policies and legislation that protect personal information;
- Maintains conflict of interest rules for employees, officers and directors to protect the interest of MFC's customers and shareholders;
- Recognizes that the reputation, integrity and character of persons and organizations with whom we do business, such as distributors, reinsurers, service providers, counterparties, fund managers, and vendors, may impact stakeholders' views of MFC and is an important consideration in establishing and maintaining relationships with them;
- Provides quality products, services, advice and value to meet customer needs; and
- Maintains a diverse workplace where the terms and conditions of employment are equitable and non-discriminatory for all currently employed and those seeking employment.

POLICY

- It is the responsibility of every Company employee and representative to conduct his/ her business activities in a manner that protects and enhances the Company's reputation.
- The Board of Directors and executive management set the tone from the top, creating a culture of integrity and high ethical standards exemplified in the Code and in the Company's PRIDE¹ values.

¹ "PRIDE" Values: Professionalism, Real Value to our Customers, Integrity, Demonstrated Financial Strength and Employer of Choice.

- The Company's risk management framework seeks to support shareholder value growth while ensuring that commitments to customers are met and capital and reputation are protected. The prevention-oriented framework is codified in the Enterprise Risk Policy that governs all risk taking activities and encompasses: risk governance; risk identification, measurement and assessment, monitoring and reporting; and risk control and mitigation.
- Reputation risk is a key consideration in assessing any business relationship/transaction/activity. Reputation risk assessments should be performed for all business arrangements with material reputation risk and reassessed throughout the life of the relationship/ transaction. Materiality should consider more than direct financial impact, and take into account arrangements where MFC may be perceived to have significant influence or be "lending" its reputation through endorsement of a product, distributor or supplier, or through lending or investing activities.
- Business arrangements requiring such assessments include, but are not limited to, distribution arrangements; third party referral or management arrangements; reinsurance arrangements, both third party or related party; outsourcing arrangements; product offerings; investment and lending activities; sales practices; executive compensation practices; employee relations; financial disclosures; and acquisitions or divestitures. Of particular significance are distribution arrangements where the Manulife or John Hancock brand is dominant and the Company could be assumed to be directly associated with any dealings of the distributor(s).
- Each Division/Business Unit is responsible for developing specific policies, procedures and processes related to interfaces with key business partners and other stakeholders to minimize reputation risk exposure. This includes processes to monitor and escalate, as appropriate, existing or emerging risk exposures, including reputation risk concerns. Reputation risk incidents are high priority and should involve appropriate senior levels of management. Such incidents must be responded to with a sense of urgency, addressing the concerns of all stakeholders, including employees.
 - Any issues that could potentially affect the Company's reputation must be reported immediately at a minimum to the General Manager ("GM") of the source division, the accountable Corporate executive and to the EVP & Chief Risk Officer. The GM should determine the potential exposure and the need for further escalation.
 - The business unit communications officer and Corporate Communications must also be apprised of specific emerging situations that could affect the Company's reputation.