

Schedule "A" Statement of Corporate Governance Practices

The following highlights various elements of the Company's corporate governance program.

Manulife is a strong believer that good corporate governance is critical to the Company's long-term success and the protection of the interests of its many stakeholders. Manulife's governance policies and practices are consistent with Manulife's vision to be the most professional financial services organization in the world providing strong, reliable, trustworthy and forward-thinking solutions for our client's most significant financial decisions.

Regulatory Compliance

The corporate governance practices of Manulife Financial Corporation (the "Company") meet or exceed the standards set out in the *Insurance Companies Act* (Canada) (the "Act"), Canadian Securities Administrators' National Instrument 52-109 (the "Certification Instrument"), Canadian Securities Administrators' National Instrument 52-110 – Audit Committees (the "Audit Committee Instrument") and the corporate governance standards and disclosure requirements in Canadian Securities Administrators' National Policy 58-201 – *Corporate Governance Guidelines* and National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (the "Governance Instrument"). The Company's corporate governance practices also comply with applicable requirements of the Sarbanes-Oxley Act of 2002 ("SOX"), including any U.S. Securities and Exchange Commission ("SEC") rules under SOX, and in all material respects with the domestic issuer standards of the New York Stock Exchange Listed Company Manual (the "NYSE Rules").

Mandate of the Board of Directors

The Board of the Company is responsible for the stewardship of the Company and for the supervision of the management of the business and affairs of the Company. The Board's general responsibilities are set out in the Board Mandate and the Board Policies. The Mandate of the Board is attached as Appendix "1". The Mandate of the Board is also available on the Corporate Governance page of the Company's website and printed copies are available upon request from the Corporate Secretary.

The Board carries out its key duties of strategic planning, risk management oversight and succession planning established in its Mandate in the following ways:

Strategic Planning

- Has an annual one day strategic planning session.
- Annually approves the strategic plan, which takes into account, the opportunities and risks of the business.
- Annually reviews and approves the business plan, which includes the financial and operational plans, capital allocation and risk reduction plans.
- Regularly discusses updates to and progress on implementation of the strategy.

Risk Management

- Exercises oversight of risk management directly and through the Risk Committee, Audit Committee and the Management Resources and Compensation Committee.
- Through the Risk Committee, reviews the principal risks and assesses whether the key risks of the Company have been identified.

- The Risk Committee approves and assess policies, procedures and controls to identify, assess and manage the Company's principal risks.
- The Risk Committee reviews the Company's compliance with its risk management and legal and regulatory requirements.
- The Risk Committee receives regular reports from management on the Company's key risks, reviews the risk profile relative to the risk appetite and considers the appropriate balance of risk and return.
- The Audit Committee reviews guidelines and policies governing the process by which risk assessment and management is undertaken. The Chief Risk Officer reports on the risk management process to the Audit Committee. The Audit Committee also receives key risk reports presented to the Risk Committee.
- The Management Resources and Compensation Committee and the Risk Committee each review the alignment of the compensation program with sound risk management principles and the Company's risk management objectives.

Succession Planning

- The Management Resources and Compensation Committee in conjunction with the Board is responsible for the succession process for the CEO (starting in 2011) and oversight of the succession process for the Senior Executives. This includes an annual review of the succession pool and gaps in the readiness and development plans.
- The Management Resources and Compensation Committee annually reports to the Board on succession planning.
- The Management Resources and Compensation Committee in conjunction with the Board annually reviews and assesses the contingency succession plans for the CEO.

Independence of the Board

The independence of the Board of Directors is fundamental to its stewardship role and its effectiveness. The Board Policies require that a majority of Directors be independent. Directors must satisfy the applicable independence requirements of the laws governing the Company, the stock exchanges on which the Company's securities are listed and applicable securities regulatory authorities.

The Board annually reviews and makes a determination as to the independence of each Director. The Board reviews the Directors' employment status (and the Director's spouse and children, as applicable), other board memberships, Company shareholdings and business relationships to determine whether there are any circumstances which might interfere with a Director's ability to exercise independent judgment.

The Board has determined that based on a review of the governing definitions of "independence" under the NYSE Rules, the Governance Instrument, and the Audit Committee Instrument, an analysis of the relationships between each Director and the Company, and on advice from the Corporate Governance and Nominating Committee, that only one of the Directors has a direct or indirect material relationship with the Company which could, in the view of the Board, be reasonably expected to interfere with the exercise of his or her independent judgment. As an executive officer of the Company, Mr. Guloien is considered to have a material relationship with the Company and therefore does not meet the independence standards.

Independence of the Chair of the Board

- The positions of the Chair and the CEO are separate.
- The Chair is an independent Director.
- The Chair's mandate provides that the Chair is accountable for ensuring that the Board carries out its responsibilities effectively and separately from management.
- The Chair's principal accountabilities include managing the affairs of the Board, developing the composition, structure and renewal of the Board, guiding the Board's deliberations on strategic and policy matters and ensuring proper oversight by the Board is exercised.

Nomination of Directors

The Corporate Governance and Nominating Committee is responsible for identifying qualified candidates for nomination to the Board and engages in the following activities to ensure an effective process for selecting candidates for nomination. The Corporate Governance and Nominating Committee:

- Develops and recommends to the Board criteria for the selection of new Directors, periodically reviews the criteria adopted by the Board and recommends changes to such criteria, which includes professional experience and personal characteristics.
- Maintains a Directors' Matrix identifying the desired competencies, expertise, skills, background and personal qualities of the Directors and potential candidates.
- Annually reviews the skills, areas of expertise, backgrounds, independence and qualifications of the members of the Board to determine whether any amendments are required or whether there are any gaps in the required skills and experience of the Directors.
- Identifies and recommends for approval by the Board at least annually individuals with expertise in the areas identified and whose skills and characteristics complement the existing mix, qualified and suitable to become Board members, taking into consideration any gaps identified in the Directors' Matrix.
- The Chair is responsible for approaching Board candidates. Candidates meet with the Chair and the President and CEO prior to nomination or appointment to review expected contributions and commitment requirements.

The Board will consider a nomination of a candidate for the Company's Board from a shareholder that is submitted in accordance with the Act. A proper nomination must be

submitted by shareholder proposal, signed by one or more registered or beneficial holders of shares representing in aggregate not less than five per cent of the shares of the Company entitled to vote at the meeting to which the proposal is being submitted.

Directors are required to retire at the annual meeting following their 72nd birthday and may not be nominated for re-election. The Board may waive this requirement in special circumstances, having regard to the specific expertise of the Director and the needs of the Board at the time.

A Director is expected to submit his or her resignation to the Chair of the Board for consideration by the Board upon the recommendation of the Corporate Governance and Nominating Committee in certain circumstances, including where:

- the Director is no longer qualified under the Act or other applicable laws to act as a director;
- the Director's status in terms of conflicts or credentials changes; or
- the Director does not receive the required votes under the Majority Election of Directors policy.

Majority Election of Directors Policy

The Board's Majority Election of Directors Policy provides that Director nominees who do not receive a majority of votes in favour in an uncontested election will be required to immediately submit their resignation to the Corporate Governance and Nominating Committee. The Corporate Governance and Nominating Committee will, in the absence of extenuating circumstances, recommend that the Board accept the resignation. The Board will consider the resignation and make its determination as soon as possible but in any event within 90 days of the Annual Meeting and issue a press release confirming the Director's resignation or the reason for not accepting such tendered resignation. If a Director's resignation is accepted by the Board, the Directors may fill the vacancy through the appointment of a new Director whom the Board considers will have the confidence of the shareholders or call a special meeting of shareholders to elect a Director or wait until the next Annual Meeting.

Mandates for the Chair, Committee Chairs, CEO and Individual Directors

The Board maintains mandates outlining the accountabilities for the Chair, the Chairs of Board committees, the CEO and the individual Directors, which are reviewed and updated annually. The mandates can be found on the Corporate Governance page of the Company's website or can be obtained by contacting the Corporate Secretary.

New Director Orientation and Director Continuing Education

The Board believes that understanding the Company's strategies, business operations and competitive environment is crucial to their ability to provide the necessary oversight and guidance to the Company.

The goal of the Director Orientation and Continuing Education Program is to assist the Directors in becoming knowledgeable about the Company's business and in fully understanding the nature of their roles, responsibilities and duties as a Director.

The Corporate Governance and Nominating Committee is responsible for the new Director orientation and Director continuing education programs.

New Director Orientation

New Directors will participate in a comprehensive orientation program developed by management and the Corporate Governance and Nominating Committee. This program may be tailored to reflect an individual Director's specific knowledge, skills, experience and education. This program will include the following:

- New Directors attend specialized in-depth presentations by the financial, risk, strategy, business operations, human resources and legal executives to facilitate a deeper understanding of the Company's businesses, priorities, and challenges.
- New Directors will meet with the Chair of the Board, the CEO, the heads of each principal business unit, and other members of management as appropriate, to receive presentations and to discuss the Company's strategies, operations, and business plans.
- Committee Chairs will arrange a specific committee orientation session for the new Director, which will include applicable members of management.
- New Directors are provided with detailed information about the Company, including its business strategies, corporate information, structure and the roles and expectations of the Board and individual Directors, including the legal duties and obligations of a director of a public company, Board and Committee mandates, as well as background materials, including the Annual Information Form, Proxy Circular, Annual Report, Manufacturers Life's Report to Policyholders, Board and applicable Company policies, organizational information about the Board and its meetings and the Directors' information requirements required pursuant to applicable insurance and securities regulations.
- All Directors have a standing invitation to attend committee meetings and new Directors are encouraged to do so to assist in their orientation.

Director Continuing Education

Directors participate in ongoing continuing education which includes the following elements:

- At Board meetings, committee meetings and Directors' seminars, Directors receive presentations on risk and risk management, material regulatory developments, strategic issues, annual divisional updates which provide in-depth reviews of key businesses and functions and other relevant topics.
- In 2010, the Board focused the majority of its educational sessions on risk and capital.
- On-site visits to the Company's operations scheduled in conjunction with a Board meeting. On-site meetings incorporate senior management presentations on the business divisions' strategies and operations which facilitate an understanding by the Directors of the Company's global operations. In 2010, the Directors visited the Company's

operations in Boston, Massachusetts, Beijing, China and Shanghai, China.

- In 2010, all Directors were members of the Institute of Corporate Directors, a recognized educational organization for directors to enhance their knowledge of directors' responsibilities and current governance trends.
- Additional educational needs are identified by the Board in its annual effectiveness evaluation or on an as needed basis, and by management for emerging issues, new areas of business or other areas that management feels the Board should be made aware of in more depth.
- Educational reading materials on topics relevant to the financial services and insurance industries are provided to the Board from time to time.
- Directors may seek additional professional development education at the expense of the Company and are encouraged to do so. In 2010, certain Directors attended a conference for directors on executive and board compensation and one Director received an Advanced Professional Director Certification from the American College of Corporate Directors, a national public company director education and credentialing organization.

Board Access to Management

The Company provides both formal and informal means for the Board to interact with management. Management attends the Board meetings and relevant committee meetings. Directors have access to management and are encouraged to raise any questions or concerns directly with management. The Board and Committee Chairs meet regularly with applicable management.

Board Committee Membership Standards

The Board relies on its committees to assist in fulfilling its mandate and meet its responsibilities. Committees of the Board allow Directors to share responsibility and devote the necessary resources to a particular area or issue. In 2010, there were five standing committees of the Board: the Audit Committee; the Conduct Review and Ethics Committee; the Corporate Governance and Nominating Committee; the Management Resources and Compensation Committee; and the Risk Committee.

All committees have the following common characteristics:

- Comprised solely of independent Directors.
- Have a written charter setting out the responsibilities of each committee. Each committee tracks its compliance with its charter at each meeting throughout the year. The charters and the scorecards are available on the Company's website at www.manulife.com.
- Report to and seek approvals as required from the Board after each of its meetings. Committees meet without any members of management present ("*in camera*") at each meeting.
- Reviews its performance and its charter annually.
- Has its membership reviewed by the Board and rotated as requirements of the committees and the Directors dictate.

Audit Committee

The Audit Committee is responsible for assisting the Board in its oversight role with respect to the quality and integrity of financial information, the effectiveness of the Company's internal control over financial reporting, the effectiveness of the Company's risk management and compliance practices, the performance, qualifications and independence of the independent auditor, the review and discussion of guidelines and policies governing the process by which risk assessment and management is undertaken, the performance of the Company's internal audit function, legal and regulatory compliance and executive compensation recommendations made by the Management Resources and Compensation Committee. These responsibilities include reviewing reports from the Risk Committee and the management Disclosure Committee.

In 2010, the Board reviewed the membership of the Audit Committee and determined that no member serves on more than two other audit committees of publicly traded companies and that no member's ability to serve on the Audit Committee is impaired in any way.

Financial statements are presented for review by the Audit Committee at meetings scheduled prior to Board meetings. The Audit Committee provides a report and recommendation to the Board with respect to financial disclosure of the Company.

The Audit Committee previously established the Protocol for Approval of Audit and Permitted Non-Audit Services. In 2010, under this Protocol, the Audit Committee reviewed and pre-approved recurring audit and non-audit services that were identifiable for the coming year. This Protocol also requires that any audit or non-audit services that are proposed during the year be approved by the Audit Committee or by a member appointed by the Audit Committee for this purpose.

In 2010, the Board reviewed the membership of the Audit Committee to confirm that all members are financially literate, as required by the Audit Committee Instrument and the NYSE Rules and that at least one member can be designated as a financial expert as required by SOX.

In 2010, the Board determined that all members of the Audit Committee are financially literate and that Messrs. DeWolfe, Dineen, Harding, Helms, Lindsay, Palmer and Thiessen possessed the necessary qualifications to be designated as audit committee Financial Experts.

In 2010, the Audit Committee had direct communication and in camera meetings with each of the internal auditor, the independent auditor, the Appointed Actuary, and the General Counsel. The Audit Committee also met with management. The former Audit and Risk Management Committee had direct communication and an *in camera* meeting with the Chief Risk Officer. The Company's annual information form (available at www.manulife.com) includes additional information on the Audit Committee in the section entitled "Audit Committee", including the Audit Committee's charter and composition and the relevant education and experience of its members.

Conduct Review and Ethics Committee

This committee is responsible for the oversight of the Company's ethical standards, the procedures relating to conflicts of interest, the protection of confidential information, customer complaints, related party transactions and

transactions that could have a material impact on the stability or solvency of the Company.

This committee annually reviews the Company's Code of Business Conduct and Ethics, the Related Party Procedures, the Conflict of Interest Procedures, the Confidential Information Procedures and Complaint Handling Practices.

Management Resources and Compensation Committee

This committee oversees the Company's global human resources strategy and the effective utilization of human resources, focusing on management succession, development and compensation. This committee is responsible for:

- Approving the appointment of and providing proper development, compensation and review of senior management.
- Reviewing the objectives, performance and compensation of the President and CEO and making recommendations to the Board.
- Reviewing and approving annually the appointment, succession, remuneration and performance of the Senior Executives.
- Reviewing annually the Company's compensation policies, including base pay, incentive, pension and benefit plans and making recommendations to the Board.

Corporate Governance and Nominating Committee

This committee is responsible for:

- Reviewing the structure, mandate and composition of the Board and Board committees.
- Developing director selection criteria and identifying and recommending to the Board qualified director candidates.
- Overseeing the Director orientation and education programs.
- Reviewing and evaluating the effectiveness of the Board, the committees, the Chair and the Directors.
- Recommending Director compensation.
- CEO succession. (This responsibility has been moved to the Management Resources and Compensation Committee starting in 2011.)
- Overseeing the Company's corporate governance program and developing governance policies, practices and procedures.

Risk Committee

The Board oversees the implementation by management of appropriate systems to identify and manage the principal risks of the Company's business and periodically reviews and approves the enterprise risk management policy, risk taking philosophy and overall risk appetite. The Board provides oversight for the management of risk in the Company's strategic plan.

The Risk Committee is responsible for assisting the Board in its oversight of the Company's management of its principal risks, including reviewing the principal risks of the Company identified by management and assessing whether the key risks of the Company have been identified; reviewing, and approving management's recommended policies, procedures and controls

used to identify, assess and manage the Company's principal risks; assessing the Company's programs, procedures and controls in place to manage its principal risks; and reviewing the Company's compliance with its risk management, and legal and regulatory requirements. These responsibilities include reviewing reports from the management Disclosure Committee.

Independent Directors' Meetings

At the end of each meeting of the Board and of its committees the Directors meet *in camera*. Non-independent Directors and management do not attend. These sessions have two objectives: to discuss the Board's views on the effectiveness of the meeting and to permit discussions on any substantive matters raised by the Directors. The Board will also meet without management and non-independent Directors at the request of any independent Director for all or a portion of any meeting where a potential conflict of interest arises or where otherwise appropriate.

The independent Directors of the Board meet at least once each year to review the performance and approve the compensation of the CEO, to review the Board's effectiveness assessments and approve action plans resulting from the assessments. In 2010, two meetings of the independent Directors were held.

Shareholders wishing to contact independent Directors of the Company may write to the Chair of the Board, in care of the Corporate Secretary, at the head office of the Company.

Retention of Outside Advisors by Directors

The Board and its committees may retain outside advisors at the Company's expense, as they deem necessary.

The Board of Directors, Management Resources and Compensation Committee, Audit Committee and Risk Committee retained outside advisors in 2010.

Individual Directors may also retain outside advisors, at the Company's expense with the approval of the Corporate Governance and Nominating Committee, to provide advice on any matter before the Board or committee.

Director Compensation

The Board, with the assistance of the Corporate Governance and Nominating Committee and independent external advisors, undertakes a biennial review of Director compensation to ensure that it meets the objective of properly aligning the interests of Directors with the long-term interests of the Company.

Director Share Ownership

To align Director's compensation with the long-term interests of the Company, each Director, including the Chair, is required to hold an equity position in the Company having a minimum value of three times the Annual Board Retainer (3 x \$110,000) to be reached within five years of joining the Board. Common Shares, preferred shares of the Company and DSUs are considered equity for this purpose, while stock options are not. A Director is required to take 50% of his or her Annual Board Retainer in DSUs until the minimum threshold is met. Directors' share ownership will be valued at the greater of market value and the acquisition cost or grant value for the purposes of meeting the share ownership guidelines. This measure was introduced in 2009 on a temporary basis due to the extreme

volatility of market conditions and the significant reduction in the Company's Common Share price. All Directors who have been on the Board for five years have satisfied the minimum equity ownership amount.

No stock options have been granted after 2002 to non-employee Directors and in 2004 the Board resolved to permanently discontinue stock option grants to non-employee Directors.

Board Evaluation

The Corporate Governance and Nominating Committee conducts annual, formal evaluations of the Board, Board committees, the Chair and the individual Directors. The process includes:

- Annual evaluation meetings between the Chair and each Director to discuss Board, committee and individual Director performance including a peer review.
- Each Director completes a biennial written Board and Committee Effectiveness and Director Self-Assessment Questionnaire, which has been approved by the Corporate Governance and Nominating Committee.
- The Board and Board committees are assessed against their mandates and charters.
- Contributions of individual Directors are assessed against the applicable mandates.
- The assessments of the Board and the committees focus on identifying areas for improvement.
- The results of the assessments are compiled by the Chair of the Board and presented to the Corporate Governance and Nominating Committee and the Board. Based in part on the assessments, the committee identifies and recommends objectives for the coming year. The committee also considers whether any changes in the composition, structure or mandates of the Board or any committee are required.
- Annual *in camera* meeting of the independent Directors to review the results of the evaluations and to approve the Board's objectives for the coming year recommended by the Corporate Governance and Nominating Committee.
- Review of overall size and operation of the Board and its committees to ensure that they operate effectively.
- Determination of whether a Director's ability to serve the Company is impaired by external obligations or by changes in his or her principal occupation or country of residence.

CEO Evaluation

The Management Resources and Compensation Committee and the CEO annually set financial and non-financial objectives for the CEO, which are recommended for approval by the Board. The CEO's performance is evaluated annually by the Management Resources and Compensation Committee and the Board based on these objectives and on the Company's performance.

Ethical Business Conduct

The Company has adopted the Code of Business Conduct and Ethics (the "Code"), which applies to Directors, officers, employees and those who perform services for or on behalf of the Company.

The Code complies with the requirements of the NYSE Rules, the SEC rules and the Governance Instrument.

The Code is available on the Company's website at www.manulife.com.

All employees of the Company and the Directors annually review the Code, complete an online training course, certify compliance with the Code and disclose any conflicts of interest. Any changes to an employee's or Directors status during the year is reported to the applicable human resources representative or Global Compliance.

The Board annually reviews the Code and the compliance with the Code with the assistance of the Conduct Review and Ethics Committee and reports from the Global Compliance Chief.

The Global Compliance Chief reports at least annually to the Conduct Review and Ethics Committee on compliance with the Code, noting any alleged violations. The committee reports this compliance to the Board.

As part of the annual review, the Conduct Review and Ethics Committee receives the Global Compliance Chief's report on the Ethics Hotline (the third party reporting system that permits employees to submit their ethics concerns anonymously through the internet or telephone). In addition, the Audit Committee is notified of any alleged violations of the Code relating to accounting, internal controls or audit matters.

The Board, through the Management Resources and Compensation Committee, annually reviews the integrity of the CEO and the executive officers, and their promotion of a culture of integrity.

Conflicts of Interest

Directors and executive officers are required to disclose their interest in a material contract or material transaction with the Company. Each director is required to inform the Board of any potential or actual conflicts, or what might appear to be a conflict of interest he or she may have with the Company. If a director has a personal interest in a matter before the Board or a committee, he or she will not be present for or participate in the discussion or any vote on the matter except where the Board or the committee has expressly determined that it is appropriate for him or her to do so.

CEO and CFO Certification of Financial Statements

The CEO and CFO certify the annual financial statements and quarterly financial statements as required by SOX and the Certification Instrument.

The CEO provides an annual certification to the NYSE stating the CEO is not aware of any violations of the governance requirements in the NYSE Rules.

The Company submits Written Affirmations as required by the NYSE Rules.

Disclosure and Communication Policies and Procedures

The Company has policies relating to the treatment and disclosure of information about the Company on a timely, accurate, understandable and broadly disseminated basis. Media releases relating to the Company are reviewed by Legal,

Investor Relations and Public Affairs, senior management and others as required, for both content and appropriateness of timing.

The Company's Executive Committee also serves as its Disclosure Committee. The Disclosure Committee is responsible for overseeing and monitoring disclosure processes and practices within the Company and determining whether events constitute "material information" or a "material change" for applicable regulatory purposes. Its members are the Chief Executive Officer, Chief Financial Officer, General Counsel, Chief Risk Officer, Chief Investment Officer, Chief Actuary, the senior officer responsible for human resources and the principal officers of each of the main operating business units. The Disclosure Committee is chaired by the General Counsel. The Disclosure Committee will report, as appropriate, to the Audit Committee and Risk Committee.

The Company also established a Risk Disclosure Committee in January 2010. The Risk Disclosure Committee is responsible for reviewing, considering and making recommendations as to appropriate risk disclosure based on, among other things, its review of internal risk and reports related thereto. Its members are the Chief Executive Officer, Chief Financial Officer, General Counsel, Chief Risk Officer, Chief Actuary and Controller. The Risk Disclosure Committee is also chaired by the General Counsel. It reports to the Disclosure Committee.

The Company has reviewed its disclosure policies and practices which are intended to ensure compliance by the Company with the disclosure requirements applicable to public companies.

The Company communicates with individual shareholders, institutional investors and financial analysts through its Investor Relations and Shareholder Services departments and to the media and employees through Public Affairs.

Investor Relations provides an information report at each Board meeting on share performance, issues raised by shareholders and analysts, the Company's institutional shareholder base and a summary of recent Investor Relations activities.

The Company's website, www.manulife.com, features webcasts of the quarterly investor conference calls and presentations made by senior management to the investment community, as well as annual reports, Board Mandate and committee charters and other investor information.

Shareholders can access voting results of all shareholder votes at the Company's website or at www.sedar.com.