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July 20, 2005

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - National Instrument 51-102, s. 13.1 - *Continuous Disclosure Obligations* - A credit support issuer wants an exemption from having to file continuous disclosure documents to permit it to rely on the continuous disclosure documents of its credit supporter - The issuer is a credit support issuer that complies with all of the conditions for continuous disclosure relief in section 13.4 of National Instrument 51-102 Continuous Disclosure Obligations except that its parent issuer is not an SEC issuer; the parent issuer is a Canadian reporting issuer that will send to the security holders of the credit support issuer all disclosure that it is required to send to holders of its non-convertible debt securities; the credit support issuer will remain a subsidiary of the credit supporter and will not issue any securities other than to the credit supporter or an affiliate of the credit supporter

Applicable British Columbia Provisions

National Instrument 51-102, ss. 13.1, 13.4

In the Matter of
the Securities Legislation
of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New
Brunswick, Nova Scotia and Newfoundland and Labrador (the Jurisdictions)

and

In the Matter of
the Mutual Reliance Review System for Exemptive Relief Applications

and

In the Matter of Manulife Financial Corporation (MFC) And John Hancock
Canadian Corporation (JHCC) (collectively, the Filers)

MRRS Decision Document

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application (the Application) from the Filers for a decision under the securities legislation of the Jurisdictions (the Legislation) that JHCC:

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1. be granted an exemption from the Continuous Disclosure Requirements in NI 51-102 pursuant to section 13.1 of NI 51-102 in each of the Jurisdictions;
2. except in British Columbia, be granted an exemption from the Certification Requirements in MI 52-109 pursuant to section 4.5 of MI 52-109; and
3. in Ontario, be granted an exemption from the Participation Fee Requirement in the Fee Rule pursuant to section 6.1 of the Fee Rule.

Under the Mutual Reliance Review System for Exemptive Relief Applications:

- (a) the Ontario Securities Commission is the principal regulator for this application, and
- (b) this MRRS Decision Document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 — *Definitions* have the same meaning in this decision unless they are defined in this decision.

6.496% Notes means the \$175 million of 6.496% non-convertible senior unsecured notes of JHCC payable November 30, 2011;

6.672% Notes means the \$220 million of 6.672% non-convertible senior unsecured notes of JHCC payable May 31, 2011;

Annual Certificates means the annual certificates required to be filed pursuant to Part 2 of MI 52-109;

Annual Filings means an annual information form, annual financial statements and annual MD&A, collectively;

Certification Requirements means the requirements contained in MI 52-109 to file Annual Certificates with the Decision Makers under section 2.1 of MI 52-109 and to file Interim Certificates with the Decision Makers under section 3.1 of MI 52-109;

Continuous Disclosure Requirements means the requirements contained in NI 51-102 to file audited annual financial statements including MD&A thereon under sections 4.1 and 5.1 of NI 51-102, to file unaudited interim financial statements including MD&A thereon under sections 4.3 and 5.1 of NI 51-102, to file an annual information form under section 6.1 of NI 51-102 and to file information circulars and proxy related materials under section 9.3 of NI 51-102 with the Decision Makers;

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Fee Rule means Ontario Securities Commission Rule 13-502 — *Fees*;

Interim Certificates means the interim certificates required to be filed pursuant to Part 3 of MI 52-109;

Interim Filings means interim financial statements and interim MD&A, collectively;

JHFS means John Hancock Financial Services, Inc.;

JHFS Guarantees means the unconditional and irrevocable guarantees by JHFS of JHCC's payment obligations in respect of each tranche of Notes;

JHVLICO means John Hancock Variable Life Insurance Company;

MD&A means management's discussion and analysis;

Merger means the merger of MFC and JHFS on April 28, 2004;

MFC Guarantees means the full and unconditional subordinated guarantees dated as of June 30, 2005 by MFC of JHCC's payment obligations in respect of each tranche of Notes;

MFC/JHVLICO Registration Statement means the joint registration statement on Form F-3 of MFC and JHVLICO;

MI 52-109 means Multilateral Instrument 52-109 — *Certification of Disclosure in Issuers' Annual and Interim Filings*;

MJDS means the multijurisdictional disclosure system provided for under NI 71-101;

MVAs means fixed investment period options that contain a market value adjustment feature under deferred annuity contracts issued by JHVLICO;

NI 51-102 means National Instrument 51-102 — *Continuous Disclosure Obligations*;

NI 71-101 means National Instrument 71-101 — *The Multijurisdictional Disclosure System*;

Noteholders means holders of the Notes;

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Notes means the 6.672% Notes and the 6.496% Notes;

NYSE means the New York Stock Exchange;

Participation Fee Requirement means the requirement in section 2.2 of the Fee Rule to pay a participation fee in Ontario;

Prior Decision Documents means the MRRS decision documents issued on September 17, 2001 and March 21, 2001 to JHFS and JHCC in respect of the offerings of the Notes;

SEDAR means the System for Electronic Document Analysis and Retrieval; and

US GAAP means generally accepted accounting principles in the United States.

Representations

This decision is based on the following facts represented by the Filers:

1. MFC was incorporated under the *Insurance Companies Act* (Canada) on April 26, 1999. On April 28, 2004, MFC completed the Merger with JHFS and as a result MFC became the beneficial owner of all of the issued and outstanding shares of JHFS common stock. MFC is a reporting issuer or the equivalent in each of the provinces and territories of Canada.
2. JHFS was incorporated under the Delaware General Corporation Law on August 26, 1999 to become the holding company for John Hancock Mutual Life Insurance Company. JHFS was a publicly traded company listed on the NYSE until the completion of the Merger, when MFC became the beneficial owner of all of the outstanding shares of common stock of JHFS and JHFS common stock ceased to be listed on the NYSE. As discussed more fully below, JHFS is no longer subject to reporting and disclosure obligations in the United States under the 1934 Act. JHFS is not a reporting issuer or the equivalent in any of the provinces or territories of Canada.
3. JHCC was incorporated as an unlimited liability company under the *Companies Act* (Nova Scotia) on March 27, 2001 as an indirect wholly-owned subsidiary of JHFS. JHCC's original primary business was to access Canadian capital markets to raise funds on behalf of the Canadian subsidiary companies of JHFS. No further external offerings of securities by JHCC are contemplated. JHCC has no operations that are independent of JHFS or its subsidiaries, it offers no products or services, it owns no properties and it has no employees. JHCC has not historically prepared separate financial

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statements; rather the financial results of JHCC have been, since the date of incorporation of JHCC, included in the consolidated financial results of JHFS. Following the Merger, JHCC became an indirect wholly-owned subsidiary of MFC. The financial results of JHCC have been, since the date of the Merger, included in the consolidated financial results of MFC. JHCC is a reporting issuer or the equivalent in each of the provinces of Canada.

4. The only securities that JHCC has outstanding are common shares held by John Hancock Canadian LLC, a wholly-owned subsidiary of JHFS and an indirect wholly owned subsidiary of MFC, and two tranches of notes: the 6.672% Notes and the 6.496% Notes. JHFS has unconditionally and irrevocably guaranteed JHCC's payment obligations under the Notes pursuant to the JHFS Guarantees.
5. In connection with the offerings of the Notes, JHFS and JHCC applied for and received exemptive relief from certain continuous disclosure obligations. The Prior Decision Documents relieved JHCC from the requirements of the Legislation to prepare and file with the Decision Makers and to deliver to Noteholders certain public disclosure documents regarding JHCC; provided that, among other things, certain continuous disclosure materials filed by JHFS with the SEC would be filed with the Decision Makers, and certain of such documents would be provided to Noteholders. In addition, JHFS undertook to file with the Decision Makers, in electronic format under JHCC's SEDAR profile, all documents that JHFS filed with the SEC under Section 13 (other than Sections 13(d), (f) and (g)) and Section 15(d) of the 1934 Act until such time as the Notes were no longer outstanding. Historically, JHCC filed with the Decision Makers the annual reports on Form 10-K of JHFS, the quarterly reports on Form 10-Q of JHFS and the mandatory reports on Form 8-K (including press releases) of JHFS.
6. JHFS was previously subject to the reporting obligations of the 1934 Act on account of its common stock, Series A Junior Participating Preferred Stock Purchase Rights, 5.625% Senior Notes due December 1, 2008 and Deferred Stock Units, but such obligations are no longer in existence under applicable provisions of the 1934 Act.
7. JHFS was also subject to the reporting and disclosure obligations of the 1934 Act under section 15(d) of the 1934 Act because it had a registration statement declared effective under the 1933 Act, in which it registered its guarantee of all amounts payable by JHVLICO on account of MVAs.
8. MFC and JHVLICO filed the MFC/JHVLICO Registration Statement with the SEC in order to register a full and unconditional subordinated guarantee by

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MFC of all amounts payable by JHVLICO on account of future issuances of MVAs. The MFC/JHVLICO Registration Statement was declared effective on June 29, 2005. As long as JHFS is permitted to omit filing financial statements under Regulation S-X pursuant to Rule 3-10, despite being a guarantor of JHVLICO's MVAs, JHFS is exempt, pursuant to Rule 12h-5, from future reporting obligations under the 1934 Act.

9. As long as JHFS is exempt from reporting under the 1934 Act, JHFS is not obligated to prepare and file annual reports on Form 10-K, quarterly reports on Form 10-Q or current reports on Form 8-K, separate from the reports prepared and filed by MFC on Form 40-F and Form 6-K under MJDS, as parent company of JHFS. However, MFC's financial statements include condensed consolidating financial information required by Rule 3-10(d) reflecting JHVLICO as a subsidiary issuer, MFC as a parent guarantor and JHFS as a subsidiary (of MFC) guarantor.
10. As JHFS is exempt from reporting under the 1934 Act, JHCC is no longer able to file with the Decision Makers and provide Noteholders with JHFS disclosure documents filed with the SEC. MFC, as the parent company to JHFS and JHCC, has supplemented the JHFS Guarantees by providing the MFC Guarantees. As a consequence, Noteholders can additionally look to MFC to pay amounts due and owing under the Notes under which JHCC is obligated. JHFS continues to be obligated under the JHFS Guarantees, but MFC is the relevant source of credit support for the Notes. The MFC Guarantees are substantially similar to the JHFS Guarantees and the terms of the Notes and related obligations have not changed, other than through the extension of the MFC Guarantees. In addition, the MFC Guarantees include a covenant of MFC to furnish to the trustee of the Notes and Noteholders MFC's audited annual financial statements including MD&A thereon and MFC's unaudited interim financial statements including MD&A thereon in the manner and at the time required by applicable law.
11. In order to meet the SEC's requirements for domestic issuers, JHFS historically prepared and filed its financial statements in accordance with US GAAP. MFC obtained a MRRS decision document dated February 8, 2005 exempting MFC from certain requirements to reconcile historical JHFS financial statements to Canadian GAAP and provide certain note disclosure in historical JHFS financial statements and permitting MFC to prepare certain pro forma financial statements in accordance with US GAAP and a corresponding decision document granting substantially the same relief dated February 7, 2005 from the Autorité des marchés financiers (collectively, the February 2005 Exemptive Relief). MFC is not otherwise exempt from any other timely and continuous disclosure filing requirements of the Legislation.

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12. The Continuous Disclosure Exemption (as defined below) would exempt JHCC from making its own Annual Filings and Interim Filings provided that MFC makes its Annual Filings and Interim Filings on JHCC's SEDAR profile, and therefore, it would not be meaningful or relevant for JHCC to have to file its own Annual Certificates or Interim Certificates.
13. Noteholders are ultimately concerned about the affairs and financial performance of MFC, as opposed to that of JHCC itself. Therefore, it is appropriate that MFC's Annual Certificates and Interim Certificates be available to Noteholders on the same basis as MFC's Annual Filings and Interim Filings in lieu of JHCC's Annual Certificates and Interim Certificates.

Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met.

The decision of the Decision Makers under the Legislation is that JHCC be exempted from the Continuous Disclosure Requirements (the Continuous Disclosure Exemption) for so long as:

- (a) MFC remains the direct or indirect beneficial owner of all the issued and outstanding voting securities of JHCC;
- (b) MFC remains a reporting issuer or the equivalent thereof under the Legislation;
- (c) MFC remains an electronic filer under National Instrument 13-101 – *System for Electronic Data Analysis and Retrieval (SEDAR)*;
- (d) MFC continues to comply with, or is otherwise exempt from, all timely and continuous disclosure filing requirements of the Legislation and MFC continues to comply with the conditions of the February 2005 Exemptive Relief;
- (e) JHCC continues to have minimal operations that are independent of MFC;
- (f) MFC continues to meet the disclosure requirements of Rule 3-10(d) of Regulation S-X under U.S. federal securities law by including condensed consolidating financial information regarding JHFS in a note to MFC's financial statements;

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- (g) JHCC does not issue additional securities other than to MFC or to an affiliate of MFC;
- (h) The Notes continue to have an approved rating (as defined in NI 51-102);
- (i) MFC continues to provide a full and unconditional guarantee of the payments to be made by JHCC, as stipulated in the terms of the Notes or in an agreement governing the rights of holders of the Notes, that results in the holder of the Notes being entitled to receive payments from MFC within 15 days of any failure by JHCC to make a payment;
- (j) the Filers file, in electronic format under JHCC's SEDAR profile, copies of any and all documents filed by MFC under NI 51-102 at the same time as such documents are required under the Legislation to be filed by MFC on its SEDAR profile;
- (k) MFC sends to all holders of Notes all disclosure material that would be required to be furnished to holders of non-convertible debt securities with an approved rating (as defined in NI 51-102) issued by MFC, at the time and in the manner that such material would be required to be furnished to such holders of debt securities issued by MFC; and
- (l) JHCC pays all fees that would otherwise be payable by JHCC in connection with the Continuous Disclosure Requirements, or in connection with JHCC's participation as a reporting issuer in any Jurisdiction, except as set out in the Fee Exemption below;

provided that if a material adverse change occurs in the affairs of JHCC, this decision shall expire 30 days after the date of such change.

The further decision of the Decision Makers in Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia and Newfoundland and Labrador under the Legislation is that JHCC be exempted from the Certification Requirements (the Certification Exemption) for so long as:

- (a) JHCC qualifies for the relief contemplated by, and MFC and JHCC are in compliance with, the requirements and conditions set out in the Continuous Disclosure Exemption;
- (b) JHCC is not required to, and does not, file its own Annual Filings and Interim Filings; and

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- (c) the Filers file with the Decision Makers, in electronic format under JHCC's SEDAR profile, copies of MFC's Annual Certificates and Interim Certificates at the same time as such documents are required under the Legislation to be filed by MFC on its SEDAR profile;

provided that if a material adverse change occurs in the affairs of JHCC, this decision shall expire 30 days after the date of such change.

The further decision of the Decision Maker in Ontario under the Fee Rule is that JHCC be exempted from the Participation Fee Requirement (the Fee Exemption) for a financial year of JHCC for so long as:

- (a) JHCC qualifies for the relief contemplated by, and MFC and JHCC are in compliance with, the requirements and conditions set out in the Continuous Disclosure Exemption and the Certification Exemption;
- (b) MFC has paid the participation fee required to be paid by it under subsection 2.2(1) of the Fee Rule for the financial year; and
- (c) the capitalization of JHCC represented by the Notes is included in the calculation of MFC's participation fee for the financial year;

provided that if any of the above conditions are no longer met, JHCC's participation fees under section 2.2 of the Fee Rule shall be immediately paid and calculated by multiplying:

- (i) the participation fee described under subsections 2.2(1), (2), or (3) of the Fee Rule; and
- (ii) the number of entire months remaining in the financial year of JHCC at that time, divided by 12.

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