MADE AS OF NOVEMBER 12, 2021

MANULIFE FINANCIAL CORPORATION

-and-

BNY TRUST COMPANY OF CANADA

TRUST INDENTURE

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THIS TRUST INDENTURE made as of November 12, 2021

B E T W E E N:

MANULIFE FINANCIAL CORPORATION, a corporation existing under the *Insurance Companies Act* (Canada) and having its registered office in the City of Toronto in the Province of Ontario

(together with its permitted successors and assigns, the "**Corporation**")

– and –

BNY TRUST COMPANY OF CANADA, a trust company incorporated under the federal laws of Canada and having an office in the City of Toronto in the Province of Ontario

(together with its permitted successors and assigns, the "**Trustee**")

WHEREAS the Corporation considers it necessary for its corporate purposes to create and issue its Notes in the manner provided herein;

WHEREAS the Corporation is duly authorized to create and issue the Notes to be issued as provided herein; and

WHEREAS all necessary corporate action has been taken by the Corporation to make the Notes, when certified by the Trustee and issued as provided in this Trust Indenture, valid, binding and legal obligations of the Corporation with the benefits and subject to the terms of this Trust Indenture and to make this Trust Indenture a valid and binding indenture in accordance with its terms;

WHEREAS the LRT Trustee has established the Limited Recourse Trust, which shall be governed by the LRT Declaration of Trust;

WHEREAS in accordance with the terms of the LRT Declaration of Trust, the LRT Trustee holds assets in the Limited Recourse Trust for the benefit of the Corporation to, *inter alia*, satisfy the recourse of the Holders in respect of the Corporation's obligations in respect of the Notes under this Trust Indenture;

WHEREAS the foregoing recitals are made as representations and statements of fact by the Corporation and not by the Trustee;

NOW THEREFORE THIS INDENTURE WITNESSETH and it is hereby covenanted, agreed and declared as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Trust Indenture, unless there is something in the subject matter or context inconsistent therewith:

1.1.1 "**Act**" means the *Securities Act* (Ontario), as in effect from time to time.

1.1.2 "**Affiliate**" means affiliate within the meaning of the Insurance Companies Act.

1.1.3 "**Authority**" means any competent regulatory, prosecuting, tax or governmental authority in any jurisdiction.

1.1.4 "**beneficial holder**" means a Person who holds a beneficial interest in Book-Entry Securities as shown on the books of CDS or a Participant.

1.1.5 "**Bloomberg Screen GCAN5YR Page**" means the display designated on page "GCAN5YR<INDEX>" on the Bloomberg Financial L.P. service (or such other page as may replace the GCAN5YR page on that service for purposes of displaying Government of Canada bond yields).

1.1.6 "**Book-Entry Securities**" means the Notes held through the Book-Entry System as described in Section 2.14; provided that after the occurrence of an event whereupon book-entry transfers are no longer permitted and Definitive Securities have been issued to holders of any Book-Entry Securities, such Book-Entry Securities shall be cancelled.

1.1.7 "**Book-Entry System**" means the record entry security transfer and pledge system known as at the date hereof by the name "**Depository Service**", which is administered by CDS in accordance with the operating rules and procedures of the securities settlement services of CDS, in force from time to time and any successor system thereof.

1.1.8 "**Business Day**" means any day on which Canadian chartered banks are open for business in the City of Toronto, Ontario and which is not a Saturday or Sunday.

1.1.9 "**CDS**" means CDS Clearing and Depository Services Inc., its successors and assigns approved by the Corporation and Trustee.

1.1.10 "**Certificate of the Corporation**" means a certificate signed in the name of the Corporation by any one of the President, the Chief Financial Officer, the Treasurer, the Secretary, the Controller, an Assistant Secretary or an Assistant Treasurer of the Corporation, and may consist of one or more instruments so executed.

1.1.11 "**Certified Resolution**" means a copy of a resolution certified by any officer or Director of the Corporation to have been duly passed by the Directors and to be in full force and effect on the date of such certification.

1.1.12 "**Code**" means the U.S. Internal Revenue Code of 1986, as amended, or any successor version thereof.

1.1.13 "**Consent Event**" has the meaning ascribed thereto in Section 12.13.1.

1.1.14 "**Corporation**" has the meaning attributed to such term on the first page of this Indenture.

1.1.15 **"Corresponding Trust Assets"** means the assets held in respect of the Notes by the LRT Trustee from time to time, which may only be comprised of (i) Series 28 Shares (or proceeds with respect to the subscription for units of the Limited Recourse Trust by the Corporation, which are to be used by the LRT Trustee to subscribe for Series 28 Shares), (ii) cash from the redemption, or the purchase by the Corporation for cancellation, of Series 28 Shares (other than any portion of such cash in respect of any declared and unpaid dividends) or, (iii) any combination thereof, depending on the circumstances. For greater certainty, at no time shall the Corresponding Trust Assets include any dividends paid on the Series 28 Shares or any right to receive declared, but unpaid dividends on the Series 28 Shares.

1.1.16 "**Counsel**" means a barrister or solicitor or firm of barristers and solicitors retained by the Trustee, who may be counsel to the Corporation, or retained by the Corporation and acceptable to the Trustee.

1.1.17 "**Date of Issue**" means the date of this Indenture.

1.1.18 "**Deeply Subordinated Indebtedness**" means Indebtedness which ranks senior in right of payment to Junior Subordinated Indebtedness, but is, by its respective terms, subordinate in right of payment to all other Subordinated Indebtedness.

1.1.19 "**Definitive Securities**" means certificates representing the Notes in the form set out in Schedule A to this Indenture.

1.1.20 "**Director**" means a director of the Corporation and "**Directors**" means the board of directors of the Corporation or, whenever duly empowered, the executive committee (if any) of the board of directors of the Corporation for the time being, and reference to action by the directors means action by the directors as a board or action by the executive committee of the board as a committee.

1.1.21 "**Electronic Methods**" has the meaning attributed to such term in Section 11.3.

1.1.22 "**Event of Default**" has the meaning attributed to such term in Section 6.1.

1.1.23 "**Extraordinary Resolution**" has the meaning attributed to such term in Sections 10.12 and 10.15.

1.1.24 “**Failed Coupon Payment Date**” means the fifth Business Day immediately following an Interest Payment Date upon which the Corporation does not pay interest on the Notes in cash and has not cured such non-payment by subsequently paying such interest in cash prior to such fifth Business Day.

1.1.25 “**FATCA Withholding**” means any withholding or deduction required pursuant to (i) Sections 1471-1474 of the Code, any successor legislation, any regulations, forms, instructions or other guidance issued pursuant thereto, (ii) any intergovernmental agreement entered into pursuant to such authorities, and (iii) any current or future legislation, regulations or guidance promulgated by any jurisdiction giving effect to any item described in clause (i) or (ii).

1.1.26 “**Fixed Rate Calculation Date**” means, for any Subsequent Fixed Rate Period, the Business Day prior to the first day of such Subsequent Fixed Rate Period.

1.1.27 “**Government of Canada Yield**” as at any Fixed Rate Calculation Date means the bid yield to maturity on such date (assuming semi-annual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five years as quoted as of 10:00 a.m. (Toronto time) on such date and which appears on the Bloomberg Screen GCAN5YR Page on such date; provided that, if such rate does not appear on the Bloomberg Screen GCAN5YR Page on such date, the Government of Canada Yield will mean the bid yield to maturity on such date, compounded semi-annually, which a non-callable Government of Canada nominal bond would be expected to carry if issued, in Canadian dollars in Canada, at 100% of its principal amount on such date with a term to maturity equal to the related Subsequent Fixed Rate Period, as determined by two independent Canadian investment dealers (each of which is a member of the Investment Industry Regulatory Organization of Canada or any successor to or of the Investment Industry Regulatory Organization of Canada) selected by the Corporation and based on a linear interpolation of the yields represented by the arithmetic average of bids observed in the market at or about 10:00 a.m. (Toronto time) on the relevant date for each of the two outstanding non-callable Government of Canada nominal bonds which have the terms to maturity which most closely span such Subsequent Fixed Rate Period on such Fixed Rate Calculation Date, where such arithmetic average is based in each case on the bids quoted by such independent investment dealers.

1.1.28 “**Higher Ranked Indebtedness**” means all Indebtedness (including all Subordinated Indebtedness and Deeply Subordinated Indebtedness other than Junior Subordinated Indebtedness).

1.1.29 “**Indebtedness**” means the principal of and the interest and premium, if any, on:

(a) indebtedness of the Corporation whether outstanding on the date of this Indenture or thereafter created, incurred, assumed or guaranteed, for money borrowed by the Corporation or for money borrowed by others for the payment of which the Corporation is responsible or liable;

(b) indebtedness of the Corporation whether outstanding on the date of this Indenture or thereafter created, incurred, assumed or guaranteed by the Corporation in connection with the acquisition by the Corporation or by others of any business, property or other assets;

(c) renewals, extensions or refundings of any indebtedness referred to in Sections 1.1.29(a) or 1.1.29(b) above;

(d) obligations of the Corporation to trade creditors incurred in the ordinary course of business; and

(e) any other indebtedness of the Corporation that does not constitute a Policy Liability.

1.1.30 "**Indenture Legislation**" has the meaning attributed to such term in Section 12.1.

1.1.31 "**Ineligible Government Holder**" means any person who is the federal or a provincial government in Canada or agent or agency thereof, or the government of a foreign country or any political subdivision of a foreign country, or any agent or agency of a foreign government, in each case to the extent that the recording in the Corporation's securities register of a transfer or issue of any share of the Corporation to such person would cause the Corporation to contravene the Insurance Companies Act.

1.1.32 "**Ineligible Person**" means (i) any person whose address is in, or whom the Corporation or the transfer agent for the Series 28 Shares has reason to believe is a resident of, any jurisdiction outside Canada where the issue or delivery to that person of Series 28 Shares would require the Corporation to take any action to comply with insurance, securities or analogous laws of that jurisdiction, and (ii) any person to the extent that the issuance by the Corporation or delivery by its transfer agent to that person of Series 28 Shares would cause the Corporation to be in violation of any law to which the Corporation is subject.

1.1.33 "**Initial Fixed Rate Period**" means, the period from and including the Date of Issue to but excluding March 19, 2027.

1.1.34 "**Insurance Companies Act**" means the *Insurance Companies Act* (Canada) and any other statute hereinafter enacted in substitution therefore, as such act or substituted statute may be amended from time to time.

1.1.35 "**Interest Payment Date**" has the meaning attributed to such term in Section 2.2.3.

1.1.36 "**Junior Subordinated Indebtedness**" means Indebtedness which by its terms ranks equally in right of payment with, or is subordinate to, the Notes.

1.1.37 "**LICAT Guideline**" means OSFI's Life Insurance Capital Adequacy Test Guideline effective January 2019, as may be replaced, amended, supplemented or restated from time to time.

1.1.38 “**Limited Recourse Trust**” means Manulife LRCN Limited Recourse Trust, a trust established under the laws of Manitoba and the initial holder of the Series 28 Shares.

1.1.39 “**LRT Declaration of Trust**” means the amended and restated declaration of trust governing the Limited Recourse Trust dated as of February 17, 2021, as it may be further amended or restated from time to time.

1.1.40 “**LRT Trustee**” means Computershare Trust Company of Canada (and includes any successor to or of Computershare Trust Company of Canada) until a successor LRT Trustee shall have become such pursuant to the applicable provisions of the LRT Declaration of Trust, and thereafter “LRT Trustee” shall mean or include each person who is then an LRT Trustee thereunder.

1.1.41 “**Mandatory Redemption**” has the meaning ascribed thereto in Section 3.4.

1.1.42 “**Mandatory Redemption Date**” has the meaning ascribed thereto in Section 3.4.

1.1.43 “**Maturity Date**” has the meaning ascribed thereto in Section 2.9.1.

1.1.44 “**Noteholders**” or “**Holders**” means the Persons for the time being entered in the registers of the Corporation hereinafter mentioned as holders of Notes.

1.1.45 “**Noteholders’ Request**” means an instrument signed in one or more counterparts by the Holder or Holders of not less than 25% in aggregate principal amount of the Notes then outstanding, requesting the Trustee to take the action or proceeding specified therein.

1.1.46 “**Notes**” means the 4.10% Limited Recourse Capital Notes Series 2 (Subordinated Indebtedness) of the Corporation issued and certified or to be issued and certified hereunder from time to time and for the time being outstanding.

1.1.47 “**OFAC**” has the meaning ascribed thereto in Section 5.4.

1.1.48 “**Opinion of Counsel**” means an opinion in writing signed by Counsel containing the information specified in this Indenture (it being understood that such opinion may be based upon reasonable assumptions and given in reliance upon certificates of fact or representations of the Corporation or other persons having relevant knowledge and may be subject to reasonable qualifications in the circumstances).

1.1.49 “**Optional Redemption**” has the meaning ascribed thereto in Section 3.2.

1.1.50 “**Optional Redemption Date**” has the meaning ascribed thereto in Section 3.2.

1.1.51 “**OSFI**” means the Office of the Superintendent of Financial Institutions Canada.

1.1.52 "**Participant**" means a broker, dealer, bank or other financial institution or other Person who is a participant in the depository service of CDS for whom CDS effects book-entry transfers under the Book-Entry System.

1.1.53 "**Parties**" mean the Corporation and the Trustee.

1.1.54 "**Paying Agent**" means any Person authorized by the Corporation to make payments of principal or interest with respect to the Notes on behalf of the Corporation.

1.1.55 "**Permitted Reorganization Transaction**" means a vertical short-form amalgamation of the Corporation with one or more of its wholly-owned Subsidiaries pursuant to the Insurance Companies Act.

1.1.56 "**Person**" means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, government or governmental authority or entity, however, designated or constituted.

1.1.57 "**Policy Liabilities**" means all claims of holders of policies of insurance issued by the Corporation or for which the Corporation is responsible or liable and described in paragraph 161(1)(c) of the *Winding-Up and Restructuring Act* (Canada) and any other statute hereafter enacted in substitution therefor, as such act or substituted statute may be amended from time to time.

1.1.58 "**Recourse Event**" means any one of the following: (i) on the Maturity Date, the Corporation does not pay the aggregate principal amount of the Notes, together with any accrued and unpaid interest thereon, in cash; (ii) the occurrence of a Failed Coupon Payment Date; (iii) in connection with the redemption of the Notes, on the Redemption Date for such redemption, the Corporation does not pay the Redemption Price in cash; or (iv) the occurrence of an Event of Default.

1.1.59 "**Redemption Date**" when used with respect to any Note to be redeemed, means (i) the Optional Redemption Date, (ii) the Mandatory Redemption Date, or (iii) the Special Event Redemption Date, as the case may be.

1.1.60 "**Redemption Price**", when used with respect to any Note to be redeemed, means the aggregate of (i) the principal amount of the Note, and (ii) any accrued and unpaid interest on the Note up to but excluding the applicable Redemption Date.

1.1.61 "**Regulatory Event Date**" means the date specified in a letter from the Superintendent to the Corporation on which the Notes will no longer be recognized in full as eligible "Tier 1 Capital Instruments other than Common Shares" or will no longer be eligible to be included in full as risk-based "Available Capital" on a consolidated basis, in each case under the LICAT Guideline as interpreted by the Superintendent.

1.1.62 “**Sanctions**” has the meaning ascribed thereto in Section 5.4.

1.1.63 “**Series 28 Share Redemption**” means any redemption by the Corporation of the Series 28 Shares held by the LRT Trustee in accordance with the terms of such Series 28 Shares.

1.1.64 “**Series 28 Shares**” means the Non-Cumulative Fixed Rate Reset Class 1 Shares Series 28 of the Corporation, having the terms and conditions attached as Schedule B hereto.

1.1.65 “**Series 28 Shares Voting Event**” has the meaning ascribed thereto in Section 12.13.1.

1.1.66 “**Significant Shareholder**” means any person who beneficially owns directly, or indirectly through entities controlled by such person or persons associated with or acting jointly or in concert with such person, shares of any class of the Corporation in excess of that permitted by the Insurance Companies Act.

1.1.67 “**Special Event**” means a Regulatory Event Date or Tax Event Date.

1.1.68 “**Special Event Redemption**” has the meaning ascribed thereto in Section 3.3.

1.1.69 “**Special Event Redemption Date**” has the meaning ascribed thereto in Section 3.3.

1.1.70 “**Subordinated Indebtedness**” means the Corporation’s subordinated indebtedness within the meaning of the Insurance Companies Act.

1.1.71 “**Subsequent Fixed Rate Period**” means the period from and including March 19, 2027 to but excluding March 19, 2032 and each five year period thereafter from and including the day immediately following the end of the preceding Subsequent Fixed Rate Period to but excluding March 19 in the fifth year thereafter.

1.1.72 “**Subsidiary**” means any corporation directly or indirectly controlled by the Corporation; and for the purposes of this definition, the Corporation shall be deemed to control a corporation if the Corporation beneficially owns, directly or indirectly, shares to which are attached more than 50% of the voting rights ordinarily exercisable at meetings of shareholders of such corporation, and the Corporation shall be deemed to own beneficially shares beneficially owned by a corporation controlled by it, and so on indefinitely.

1.1.73 “**Successor Entity**” has the meaning attributed to such term in Section 9.1.

1.1.74 “**Superintendent**” means the Superintendent of Financial Institutions (Canada).

1.1.75 “**Tax Event Date**” means the date on which the Corporation has received an opinion of independent counsel of nationally recognized standing experienced in such matters (who may be counsel to the Corporation) to the effect that as a result of (A) any amendment to, clarification of, or change (including any announced prospective change) in, the laws, or any regulations thereunder, or any application or interpretation thereof, of Canada or any political subdivision or taxing authority thereof or therein, affecting taxation, (B) any judicial decision, administrative pronouncement, published or private ruling, regulatory procedure, rule, notice, announcement, assessment or reassessment (including any notice or announcement of intent to adopt or issue such decision, pronouncement, ruling, procedure, rule, notice, announcement, assessment or reassessment) (collectively, an "**Administrative Action**") or (C) any amendment to, clarification of, or change (including any announced prospective change) in, the official position with respect to or the interpretation of any Administrative Action or any interpretation or pronouncement that provides for a position with respect to such Administrative Action that differs from the theretofore generally accepted position, in each case, by any legislative body, court, governmental authority or agency, regulatory body or taxing authority, irrespective of the manner in which such amendment, clarification, change, Administrative Action, interpretation or pronouncement is made known, which amendment, clarification, change or Administrative Action is effective or which interpretation, pronouncement or Administrative Action is announced on or after the Date of Issue, there is more than an insubstantial risk (assuming any proposed or announced amendment, clarification, change, interpretation, pronouncement or Administrative Action is effective and applicable) that (A) the Corporation or the Limited Recourse Trust is, or may be, subject to more than a *de minimis* amount of additional taxes, duties or other governmental charges or civil liabilities because the treatment of any of its items of income, taxable income, expense, taxable capital or taxable paid-up capital with respect to the Notes (including the treatment by the Corporation of interest on the Notes) or the treatment of the Notes or the Series 28 Shares (including dividends thereon) or other assets of the Limited Recourse Trust or the Limited Recourse Trust, as or as would be reflected in any tax return or form filed, to be filed, or otherwise could have been filed, will not be respected by a taxing authority, or (B) the Limited Recourse Trust is, or will be, subject to more than a *de minimis* amount of taxes, duties or other governmental charges or civil liabilities.

1.1.76 "**this Indenture**", "**this Trust Indenture**", "**hereto**", "**hereby**", "**hereunder**", "**hereof**", "**herein**" and similar expressions refer to this trust indenture and not to any particular Article, section, subdivision or other portion hereof, and include any and every instrument supplemental or ancillary hereto or in implementation hereof and the form and terms of the Notes issued hereunder.

1.1.77 "**Trustee**" has the meaning attributed thereto on the first page of this Indenture.

1.1.78 "**Written Order of the Corporation**" means an order signed in the name of the Corporation by any one of the President, the Chief Executive Officer, the Secretary, the Treasurer, the Controller, an Assistant Secretary or an Assistant Treasurer of the Corporation, and may consist of one or more instruments so executed.

Words importing the singular include the plural and vice versa and words importing the masculine gender include the feminine gender and vice versa.

1.2 Meaning of "outstanding" for Certain Purposes

Every Note certified and delivered by the Trustee hereunder shall be deemed to be outstanding until it shall be cancelled or delivered to the Trustee for cancellation, or a new Note shall be issued in substitution therefor under Section 2.12, or moneys for the payment thereof shall be set aside under Article 3, Article 6 or Article 7, provided that:

1.2.1 where a new Note has been issued in substitution for a Note which has been lost, stolen or destroyed, only the substituted Note shall be counted for the purpose of determining the aggregate principal amount of Notes outstanding;

1.2.2 Notes which have been partially redeemed or purchased shall be deemed to be outstanding only to the extent of the unredeemed or unpurchased part of the principal amount thereof;

1.2.3 for the purpose of any provision of this Indenture entitling Holders of outstanding Notes to vote, sign consents, requests or other instruments or take other action under this Indenture, Notes owned directly or indirectly, legally or equitably, by the Corporation, any Subsidiary or any Affiliate shall be disregarded, except that:

(a) for the purpose of determining whether the Trustee shall be protected in relying on any such vote, consent, request or other instrument or other action, only those Notes with respect to which the Trustee has received signed, written notice from the Corporation in accordance with Section 11.3 that they are so owned shall be so disregarded; and

(b) Notes so owned which have been pledged in good faith other than to the Corporation, a Subsidiary or an Affiliate shall not be so disregarded if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Notes in the pledgee's discretion free from the control of the Corporation, Subsidiary or an Affiliate.

1.3 Meaning of "proportionate share of the Corresponding Trust Assets"

Wherever used in this Indenture, the phrase "proportionate share of the Corresponding Trust Assets" shall mean, with respect to each Holder in the case of a Recourse Event:

(a) where the Corresponding Trust Assets include Series 28 Shares, one Series 28 Share for each $1,000 principal amount of Notes held by such Holder; or

(b) where the Corresponding Trust Assets include cash from the redemption of the Series 28 Shares, such Holder's pro rata share (in proportion to the aggregate principal amount of Notes held by such Holder relative to the aggregate principal amount of Notes outstanding at such time) of such cash (but excluding any cash paid upon the redemption of the Series 28 Shares that is attributable to the value of declared and unpaid dividends on the Series 28 Shares at the time of redemption).

1.4 Interpretation Not Affected By Headings, etc.

The division of this Indenture into Articles and sections, the provision of a table of contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Indenture.

1.5 Statute References

Any reference in this Indenture to a statute or regulation shall be deemed to be a reference to such statute or regulation as amended, re-enacted or replaced from time to time.

1.6 Monetary References

Unless otherwise specified herein, all references in this Indenture to "**Dollars**", "**dollars**" or the "**$**" sign shall be deemed to be a reference to the lawful money of Canada.

1.7 Day Not a Business Day

In the event that any day on or before which any action is required to be taken hereunder is not a Business Day, then such action shall be required to be taken on or before the requisite time on the first Business Day thereafter.

1.8 Invalidity of Provisions

Each of the provisions contained in this Indenture or the Notes is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof or thereof. To the extent permitted by applicable law, the Parties waive any provision of law which renders any provision of this Indenture or the Notes invalid or unenforceable in any respect.

1.9 Governing Law

This Indenture and the Notes shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as Ontario contracts.

1.10 Submission to Jurisdiction and Venue

Each of the Corporation and the Trustee submits to the exclusive jurisdiction of the Ontario courts sitting in Toronto in any action, application, reference or other proceeding arising out of or related to this Indenture and agrees that all claims in respect of any such actions, application, reference or other proceeding shall be heard and determined exclusively in such

Ontario courts. Each of the Corporation and the Trustee shall not raise any objection to Toronto or the Ontario courts as the venue of any action, application, reference or other proceeding and each of the Corporation and the Trustee irrevocably waives, to the fullest extent it may effectively do so, the defence of an inconvenient forum to the maintenance of such action, application, reference or other proceeding in Toronto and in the Ontario Courts. Each of the Corporation and the Trustee consents to any action, application, reference or other proceeding arising out of or related to this Indenture being tried or heard in Toronto and, in particular, being placed on the Commercial List of the Ontario Superior Court of Justice.

1.11 Waiver of Jury Trial

The Parties hereto hereby waive any right they may have to require a trial by jury in any legal proceeding arising out of or relating to this Indenture, the Notes or the transactions contemplated thereby.

1.12 FATCA Withholding

1.12.1 Each Party shall, within ten Business Days of a written request by another Party, supply to that other Party such forms, documentation and other information relating to it, its operations, or the Notes as that other Party reasonably requests for the purposes of that other Party's compliance with applicable law and shall notify the relevant other Party reasonably promptly in the event that it becomes aware that any of the forms, documentation or other information provided by such Party is (or becomes) inaccurate in any material respect; provided, however, that no Party shall be required to provide any forms, documentation or other information pursuant to this Section 1.12 to the extent that: (i) any such form, documentation or other information (or the information required to be provided on such form or documentation) is not reasonably available to such Party and cannot be obtained by such Party using reasonable efforts; or (ii) doing so would or might in the reasonable opinion of such Party constitute a breach of any: (a) applicable law; (b) fiduciary duty; or (c) duty of confidentiality. For purposes of this Section 1.12, "**applicable law**" shall be deemed to include (i) any rule or practice of any Authority by which any Party is bound or with which it is customary to comply; (ii) any agreement between any Authorities; and (iii) any agreement between any Authority and any Party that is customarily entered into by institutions of a similar nature.

1.12.2 The Corporation shall notify the Trustee in the event that it determines that any payment to be made by the Trustee or its agent under the Notes is a payment which could be subject to FATCA Withholding if such payment were made to a recipient that is generally unable to receive payments free from FATCA Withholding, and the extent to which the relevant payment is so treated, provided, however, that the Corporation's obligation under this Section 1.12 shall apply only to the extent that such payments are so treated by virtue of characteristics of the Corporation, the Notes, or both.

ARTICLE 2
THE NOTES

2.1 Issuance of the Notes

2.1.1 The aggregate principal amount of Notes which may be authorized, issued and certified hereunder shall consist of and be limited to $1,200,000,000 in lawful money of Canada, upon receipt by the Trustee of the following:

(a) a Certified Resolution authorizing the issue and delivery of up to $1,200,000,000 aggregate principal amount of the Notes;

(b) a Certificate of the Corporation certifying that the Corporation, so far as is known to the person(s) signing the same, is not in default under this Indenture and that it has complied with all the requirements of the Insurance Companies Act and the regulations and guidelines thereunder, including the LICAT Guideline, that the terms and conditions for the certification and delivery of such Notes have been complied with subject to the delivery of any documents or instruments specified in such Certificate of the Corporation, and that no Event of Default will exist upon such certification and delivery under the provisions of Article 6;

(c) a Written Order of the Corporation requesting the certification and delivery of the Notes and setting forth delivery instructions, provided that, if provided for in such Written Order of the Corporation or procedures, the Corporation may authorize certification and delivery pursuant to electronic instructions from the Corporation, which electronic instructions shall be promptly confirmed in writing; and

(d) an Opinion of Counsel that all requirements imposed by this Indenture or by law to create and issue the Notes have been complied with, subject to the delivery of certain documents or instruments specified in such opinion, and that such issuance is enforceable against the Corporation, subject to customary exceptions, limitations and qualifications specified in such opinion.

2.1.2 The Notes, in definitive or interim form, up to the aggregate principal amount set out in Section 2.1.1 may from time to time be executed by the Corporation and delivered to the Trustee and shall be certified by the Trustee and delivered to, or to the order of the Corporation, pursuant to a Written Order of the Corporation, without the Trustee receiving any consideration therefor.

2.2 Terms of Notes

2.2.1 The Notes authorized to be issued hereunder shall be designated “4.10% Limited Recourse Capital Notes Series 2 (Subordinated Indebtedness)”.

2.2.2 The Notes shall be dated November 12, 2021 regardless of their actual date of issue and shall mature on the Maturity Date.

2.2.3 During the Initial Fixed Rate Period, the Notes shall bear interest on their principal amount at the rate of 4.10% per annum. During each Subsequent Fixed Rate Period until the Maturity Date, the Notes shall bear interest on their principal amount at a rate per annum equal to the Government of Canada Yield as determined on the relevant Fixed Rate Calculation Date, plus 2.704%. Interest on the Notes will be payable semi-annually in arrears on March 19 and September 19 of each year, commencing on March 19, 2022, or if any such day is not a Business Day, the next Business Day (but no interest will accrue as a result of that postponement) (each such date, an "**Interest Payment Date**").

2.2.4 The Notes shall not be redeemed or purchased by the Corporation prior to the Maturity Date, except as provided in Article 3 hereof.

2.3 <u>Form of Notes</u>

2.3.1 Subject to Section 2.14, the Notes shall be issued only as fully registered Notes in minimum denominations of $200,000 and integral multiples of $1,000 in excess thereof.

2.3.2 The Notes and the certificate of the Trustee endorsed thereon shall be in the English language (or, if the Corporation so determines, in the English and French languages) and shall be substantially in the form set out in Schedule A to this Indenture, with such appropriate additions, deletions, substitutions and variations as the Trustee may approve and shall bear such distinguishing letters and numbers as the Trustee may approve, such approval of the Trustee to be conclusively evidenced by its certification of the Notes. In the event that any provision of the Notes in the French language shall be susceptible to an interpretation different from the equivalent provision in the English language, the interpretation of such provision in the English language shall be determinative.

2.3.3 If Notes are required by law to be in bilingual form or in the French language, the Corporation shall furnish a French language version of the Note, substantially in the form attached hereto as Schedule A, duly translated into the French language and accompanied by a certificate of a qualified translator into the French language or a legal opinion of Quebec counsel and in either case addressed to the Trustee that such translation is reasonable and proper, in a form satisfactory to the Trustee, and upon which the Trustee may act and rely.

2.3.4 Payments of all amounts owing in respect of the Notes or otherwise provided for hereunder shall be made in lawful money of Canada.

2.3.5 The Notes may be engraved, printed or lithographed, or partly in one form and partly in another, as the Corporation may determine.

2.4 Execution of Notes

The Notes may, but need not, be under the corporate seal of the Corporation, or a reproduction thereof which shall be deemed to be the corporate seal of the Corporation, and shall be signed (either manually or by electronic or fascimile signature) by any one of the President, the Chief Financial Officer, the Treasurer, the Secretary, the Controller, an Assistant Secretary or an Assistant Treasurer of the Corporation. A facsimile or electronic signature upon any of the Notes shall for all purposes of this Indenture be deemed to be the signature of the individual whose signature it purports to be and to have been signed at the time such facsimile or electronic signature is reproduced. Notwithstanding that any individual whose signature (either manual, electronic or in facsimile) may appear on the Notes is not, at the date of this Indenture or at the date of the Notes or at the date of the certifying and delivery thereof, the President, the Chief Financial Officer, the Secretary, the Treasurer, the Controller, an Assistant Secretary or an Assistant Treasurer, as the case may be, of the Corporation, such Notes shall be valid and binding upon the Corporation and entitled to the benefits of this Indenture.

2.5 Certification

2.5.1 No Note shall be issued or, if issued, shall be obligatory or shall entitle the Holder thereof to the benefits of this Indenture until it has been certified by or on behalf of the Trustee substantially in the form appearing on the form of the Definitive Security or in some other form approved by the Trustee, whose approval shall be conclusively evidenced by the certification thereof (either manually or by electronic or facsimile signature). Such certificate on any Note shall be conclusive evidence as against the Corporation that such Note is duly issued and is a valid obligation of the Corporation.

2.5.2 The certificate of the Trustee on any Note issued hereunder shall not be construed as a representation or warranty by the Trustee as to the validity of this Indenture or of the Notes and the Trustee shall in no respect be liable or answerable for the use made of the Notes or any of them or the proceeds thereof. The certification of the Trustee shall, however, be a representation and warranty by the Trustee that said Notes have been duly certified by or on behalf of the Trustee pursuant to the provisions of this Indenture.

2.6 Concerning Interest

2.6.1 Every Note, whether issued originally or in exchange for previously issued Notes, shall bear interest from and including the Date of Issue or from and including the last Interest Payment Date to which interest shall have been paid or made available for payment on such Notes, whichever shall be later.

2.6.2 Interest on each Note shall cease to accrue from the earliest of: (i) the Maturity Date; or (ii) if such Note is called for redemption, the Redemption Date.

2.6.3 Wherever in this Indenture or in the Notes reference is made to a rate of interest "per annum" or a similar expression is used, such interest shall be calculated on the basis of a calendar year of 365 days.

2.6.4 Interest for any period of less than six months shall be computed on the basis of a year of 365 days, and the actual number of days elapsed in that period.

2.6.5 With respect to any Notes, whenever interest is computed on a basis of a year (the "**deemed year**") which contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest shall be expressed as a yearly rate for purposes of the *Interest Act* (Canada) by multiplying such rate of interest by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year.

2.6.6 The Corporation shall provide to the Trustee its interest calculation in respect of the Initial Fixed Rate Period and each Subsequent Fixed Rate Period.

2.6.7 If the date for payment of any amount of principal or interest in respect of the Notes is not a Business Day at the place of payment, then payment will be made on the next Business Day and Holders will not be entitled to any further interest on such principal, or to any interest on such interest or other amount so payable, in respect of the period from the date for payment to such next Business Day.

2.7 Rank of Notes

All Notes created and issued under this Indenture shall be in all respects entitled, equally and rateably with all other Notes created and issued under this Indenture, to the benefits hereof without preference, priority or distinction on account of the actual time or times of certification and delivery, all in accordance with the terms and provisions of this Indenture. The Notes shall be direct unsecured obligations of the Corporation and shall constitute subordinated indebtedness for the purposes of the Insurance Companies Act.

2.8 Registration of Notes

2.8.1 The Corporation hereby duly appoints the Trustee as registrar and transfer agent in respect of the Notes. Subject to Section 2.14, the Corporation shall cause to be kept by and at the principal office of the Trustee in the City of Toronto, Ontario a central register of Holders, and in such other place or places, by the Trustee or by such other registrar or registrars, if any, as the Corporation with the approval of the Trustee may designate, branch registers in which shall be entered the names and latest known addresses of the Holders, and the other particulars, as prescribed by law, of the Notes held by them respectively and of all transfers of the Notes. Such registration shall be noted on the Notes by the Trustee or other registrar. Subject to Section 2.14, no transfer of a Note shall be effective as against the Corporation unless made on one of the appropriate registers by the Holder or the Holder's executors or administrators or other legal representatives or the Holder's attorney duly appointed by an instrument in form and execution satisfactory to the Trustee and upon compliance with such requirements as the Trustee or other registrar may prescribe, and unless such transfer shall have been duly noted on such Note by the Trustee or other registrar.

2.8.2 The registers referred to in this Section shall at all reasonable times be open for inspection by the Corporation, the Trustee and any Noteholder.

2.8.3 Subject to Section 2.14, a Holder may at any time and from time to time have such Note transferred at any of the places at which a register is kept pursuant to the provisions of this Section in accordance with such reasonable regulations as the Trustee may prescribe. A Holder may at any time and from time to time have the registration of such Note transferred from the register in which the registration thereof appears to another register maintained in another place authorized for that purpose under the provisions of this Indenture upon payment of a reasonable fee to be fixed by the Trustee.

2.8.4 None of the Corporation, the Trustee or any other registrar of Notes shall be required to transfer or exchange any Notes on any Interest Payment Date or during the 15 Business Days immediately preceding any Interest Payment Date.

2.8.5 None of the Corporation, Trustee or any other registrar for the Notes shall be charged with notice of or be bound to see to the execution of any trust, whether express, implied, constructive or otherwise in respect of any Note and may transfer any Note on the direction of the Holder thereof, whether named as trustee or otherwise, as though that Person were the beneficial holder thereof.

2.8.6 Except in the case of the central register required to be kept at the City of Toronto, Ontario, the Corporation shall have power at any time to close any branch register and in that event, it shall transfer the records thereof to another existing register or to a new register and thereafter such Notes shall be deemed to be registered on such existing or new register, as the case may be. In the event that the register in any place is closed and the records transferred to a register in another place, notice of such change shall be given to the Holders registered in the register so closed and the particulars of such change shall be recorded in the central register required to be kept in the City of Toronto, Ontario.

2.8.7 The Trustee shall require every registrar, when requested to do so by the Corporation or the Trustee, to furnish the Corporation or the Trustee, as the case may be, with a list of the names and addresses of the Holders showing the principal amounts and serial numbers of such Notes held by each Holder.

2.9 Payment of Principal and Interest in Respect of Notes

2.9.1 The date upon which the Notes shall become due and payable at final maturity, together with any accrued and unpaid interest then owing, is March 19, 2082 (the "**Maturity Date**").

2.9.2 Subject to Section 2.9.5, the principal amount of the Notes will be made payable by cheque or electronic transfer of funds to the respective Holders thereof in lawful money of Canada against surrender thereof by the respective Holders thereof.

2.9.3 Subject to Sections 2.11.3 and 2.11.4 as the interest on Notes becomes due (except interest payable on the Maturity Date which may be paid upon presentation and surrender of such Notes for payment), the Corporation, (i) on each date on which interest on such Notes becomes due, shall transfer, or arrange for the transfer of, immediately available funds for such interest (less any tax required by law to be withheld or deducted) by electronic funds transfer to an account maintained by the Holder, or (ii) at least three days prior to each date on which interest on such Notes becomes due, shall forward or cause to be forwarded by first class mail, postage prepaid (or in the event of mail service interruption by such other means as the Trustee and the Corporation shall determine to be appropriate) to the Holder for the time being at the Holder's address appearing on the appropriate register hereinbefore mentioned a cheque for such interest (less any tax required by law to be withheld or deducted) payable to the order of such Holder and negotiable at par at each of the places at which interest upon such Notes is payable. The forwarding of such cheque or electronic funds transfer, as applicable, shall satisfy and discharge the liability for the interest on such Notes to the extent of the sum represented thereby (plus the amount of any tax withheld or deducted as aforesaid) unless such cheque or electronic funds transfer is not honoured. In the event of the non-receipt of such cheque or electronic funds transfer by the Holder, or the loss or destruction thereof, the Corporation, upon being furnished with evidence of such non receipt, loss or destruction as the Corporation and the Trustee shall reasonably require and upon being indemnified to their satisfaction, shall issue or initiate or cause to be issued or initiated to such Holder a replacement cheque or electronic funds transfer for the same amount.

2.9.4 Where Notes are registered in more than one name, the principal and interest from time to time payable in respect thereof shall be paid by cheque or electronic funds transfer payable to the order or to the account of all such Holders, unless the Corporation has received written instructions from them to the contrary, and the receipt of any one of such Holders therefor shall be a valid discharge to the Trustee, any registrar of Notes and the Corporation.

2.9.5 If Notes are registered in the name of CDS or its nominee, the principal and interest from time to time payable in respect thereof shall be paid by cheque or electronic funds transfer payable to the order of CDS or its nominee, as the case may be, and the receipt of CDS or its nominee, as the case may be, therefor shall be a valid discharge to the Trustee, any registrar of Notes and the Corporation and any Paying Agent, who shall be entitled to rely upon CDS and the Participants to ensure that funds are advanced to beneficial holders of Notes.

2.9.6 If the Corporation fails to make payment of principal and/or interest when due in accordance with this Section 2.9, including on the Maturity Date, on a Redemption Date or on an Interest Payment Date, it shall promptly notify the Trustee, in writing, of its failure to make such payment.

2.10 Ownership of Notes

2.10.1 Except as otherwise provided herein, the Person in whose name any Note shall be registered shall be deemed to be the owner thereof for all purposes of this Indenture and payment of or on account of the principal of and interest on such Note shall be made only to or upon the order in writing of the Holder thereof and such payment shall be a complete discharge to the Trustee, any registrar of Notes, the Corporation and any Paying Agent for the amounts so paid.

2.10.2 The Holder for the time being of any Note shall be entitled to the principal and interest evidenced by such Note or, upon the occurrence of a Recourse Event, to such Holder's proportionate share of the Corresponding Trust Assets, free from all equities or rights of set-off or counterclaim between the Corporation and the original or any intermediate Holder thereof (except any equities of which the Corporation is required to take notice by law or by order of a court of competent jurisdiction) and all Persons may act accordingly and a transferee of a Note shall, after the appropriate form of transfer is lodged with the Trustee or other registrar of Notes and upon compliance with all other conditions in that behalf required by this Indenture or by any conditions contained in such Note or by law, be entitled to be entered on the appropriate register or on any one of the appropriate registers as the owner of such Note free from all equities or rights of set-off or counterclaim between the Corporation and such Holder's transferor or any previous Holder thereof, save in respect of equities of which the Corporation is required to take notice by law or by order of a court of competent jurisdiction.

2.11 Exchange of Notes

2.11.1 In the event that the Notes are not held in the Book-Entry System, Notes in any denomination may be exchanged for Notes of any other authorized denomination or denominations, any such exchange to be for like Notes and of an equivalent aggregate principal amount. Exchanges of Notes may only be made at the principal office of the Trustee in the City of Toronto, Ontario. Any Notes tendered for exchange shall be surrendered to the Trustee and shall be cancelled. The Corporation shall execute, and the Trustee shall certify, all Notes necessary to carry out such exchanges.

2.11.2 Notes issued in exchange for Notes which at the time of such issue have been selected or called for redemption at a later date shall be deemed to have been selected or called for redemption in the same manner and shall have noted thereon a statement to that effect.

2.11.3 Except as otherwise provided herein, upon any exchange of Notes of any denomination for Notes of any other authorized denominations and upon any transfer of Notes, the Trustee or other registrar of Notes may make a sufficient charge to reimburse it for any stamp tax, security transfer tax or other governmental charge required to be paid, and in addition a reasonable charge for its services for each Note exchanged or transferred, and payment of such charges shall be made by the party requesting such exchange or transfer as a condition precedent thereto.

2.11.4 Notwithstanding the foregoing, no charge (other than for insurance on any Notes forwarded by mail) shall be made by the Trustee, any registrar of Notes or the Corporation:

(a) for any exchange, registration or transfer of any Note applied for within a period of 30 days from the Date of Issue; or

(b) for any exchange, after such period, of Notes for Notes in lesser denominations;

provided that the Notes surrendered for exchange shall not have been issued as a result of any previous exchange other than an exchange pursuant to Section 2.11.4 or Section 3.11.

2.12 Replacement of Notes

If any of the Notes shall become mutilated or be lost, stolen or destroyed and in the absence of notice that such Notes have been acquired by a bona fide purchaser within the meaning of the Insurance Companies Act, the Corporation shall issue, and thereupon the Trustee shall certify and deliver, a new Note upon surrender and cancellation of the mutilated Note, or, in the case of a lost, stolen or destroyed Note, in lieu of and in substitution for the same, and the substituted Note shall be in a form approved by the Trustee and shall be entitled to the benefits of this Indenture equally with all other Notes issued or to be issued hereunder. In case of loss, theft or destruction, the applicant for a new Note shall furnish to the Corporation and to the Trustee such evidence of such loss, theft or destruction as shall be satisfactory to them in their discretion and shall also furnish an indemnity in amount and form satisfactory to them in their discretion. The applicant shall pay all expenses incidental to the issuance of any such new Note.

2.13 Interim Notes

2.13.1 Pending delivery to the Trustee of Definitive Securities, the Corporation may execute in lieu thereof (but subject to the same provisions, conditions and limitations as herein set forth), and the Trustee may certify, interim printed, mimeographed or typewritten Notes (“**Interim Notes**”), in such form and in such denominations as may be approved by the Trustee and the President or the Chief Financial Officer of the Corporation (whose certification or signature, either manual or in facsimile or electronic format, as the case may be, on any such Interim Notes shall be conclusive evidence of such approval), entitling the Holders thereof to Definitive Securities in any authorized denominations when the same are ready for delivery, without expense to such Holders, but the total amount of Interim Notes so issued shall not exceed the aggregate principal amount of Notes authorized to be issued hereunder. Forthwith after the issuance of any such Interim Notes, the Corporation shall cause to be prepared the appropriate Definitive Securities for delivery to the Holders of such Interim Notes.

2.13.2 Interim Notes which have been duly issued shall, until exchanged for Definitive Securities, entitle the Holders thereof to rank for all purposes as Noteholders and otherwise in respect of this Indenture to the same extent and in the same manner as though such exchange had actually been made. When exchanged for Definitive Securities such Interim Notes shall forthwith be cancelled by the Trustee. Any interest paid upon Interim Notes shall be noted thereon by the Paying Agent at the time of payment unless paid by cheque or electronic funds transfer to the Holders thereof.

2.14 <u>Book-Entry System</u>

2.14.1 Notwithstanding any other provision of this Indenture, the Corporation may elect to have the Notes issued hereunder represented in the form of a typewritten, English language, fully registered Book-Entry Securities held by, or on behalf of, CDS as depository of the Book-Entry Securities (for its Participants) and registered on the register maintained by the Trustee pursuant to Section 2.8 in the name of CDS or its nominee. It is expressly acknowledged that any such registrations of ownership and transfers of such Notes, or interests of Participants therein, will be made by CDS only through the Book-Entry System in accordance with CDS's policies and procedures. Subject to this Section 2.14, the rights of the holder of any beneficial interest in the Notes, represented by a Book-Entry Security (including the right to receive a certificate or other instrument evidencing an ownership interest in such Note) shall be limited to those established by any agreement (including a letter of representations of the Corporation to CDS) between the Corporation and CDS, by applicable law and agreements between CDS and its Participants and between such Participants and the holder of such beneficial interest. Accordingly, except as provided herein, neither the Corporation nor the Trustee shall be under any obligation to deliver, nor shall the holder of such interest have any right to require the delivery of, a certificate evidencing a Note to the holder of the interest in such Note. In the event of any conflict between this Indenture and any such agreement between the Corporation and CDS, the terms of any such agreement shall prevail, subject to Section 2.14.2.

2.14.2 Notwithstanding Section 2.14.1, after the occurrence of an Event of Default or a breach of any of the covenants of the Corporation provided for in this Indenture which breach shall have continued unremedied for a period of 60 days after the Corporation has received notice of such breach, unless the Trustee (having regard to the subject matter of the breach) shall have agreed to a longer period and, in such event, within the period agreed to by the Trustee, Noteholders may at any time determine (which determination shall, for greater certainty, require an ordinary resolution and not an Extraordinary Resolution) that the continuation of the holding of the Notes by only global certificates under the Book-Entry System is no longer in the best interests of such holders.

2.14.3 Upon any determination made pursuant to Section 2.14.2, or if required to do so by law, or if the Book-Entry System ceases to exist, or if the Corporation determines that CDS is no longer willing or able to discharge properly its responsibilities as depository and the Corporation is unable to locate a qualified successor, or if the Corporation at its option elects to terminate the Book-Entry System for any reason,

(a) the Trustee shall notify CDS and shall request CDS to notify the Participants of the availability of Definitive Securities;

(b) the Trustee shall request CDS to deliver the Book-Entry Securities to the Trustee and the Trustee shall thereupon reduce the holdings of CDS on the register maintained hereunder to nil in respect of the Notes represented by the Book-Entry Securities;

(c) the Corporation shall issue or cause to be issued, in accordance with and subject to the provisions of this Indenture, in exchange for the Book-Entry Securities, Notes in definitive form in an aggregate amount equal to the amount of the Book-Entry Securities registered in the names of the Participants as advised by CDS in accordance with their proportionate interest in the Book-Entry Securities as recorded in the records of CDS; and

(d) except as otherwise provided herein, after such replacement of the Book-Entry Securities by Notes in definitive form, all payments in respect of the Notes in definitive form shall be made to the registered holders thereof in accordance with the terms and conditions of the Notes in definitive form and the provisions of this Indenture and in all other respects such registered holders shall be the holders thereof for all purposes hereunder.

2.14.4 All expenses of the Trustee and CDS relating to this Section 2.14 shall be paid by the Corporation.

2.14.5 Any notice required or permitted to be given to any Person with a beneficial interest in Notes while the Notes are represented by global Notes held by, or on behalf of, CDS or its nominee as part of the Book-Entry System, shall be provided to CDS.

2.14.6 It is hereby acknowledged that in making the determination as to the percentage interest of a Participant in a Book-Entry Security, the Trustee shall be entitled to rely solely upon the records therefor maintained by CDS and confirmed in writing to the Trustee by CDS.

2.14.7 Neither the Corporation nor the Trustee shall be responsible for any actions, inactions or omissions on the part of CDS and/or the Participants under this Indenture or under any agreements, service rules or procedures entered into between CDS and each Participant nor shall they be liable to registered or beneficial holders of Notes for any such actions, inactions or omissions by CDS and/or the Participants which adversely affect a Person’s beneficial interest in Notes.

2.15 Amendments to Notes

Each of the Corporation and the Trustee agrees, and each Holder of a Note, by such Holder's acceptance thereof, likewise agrees, not to make any changes to this Indenture or the Notes, without, but may from time to time with, the prior written approval of the Superintendent, which might affect the classification afforded the Notes from time to time for capital adequacy purposes pursuant to the Insurance Companies Act or the LICAT Guideline.

ARTICLE 3
REDEMPTION AND PURCHASE FOR CANCELLATION OF NOTES

3.1 Applicability of Article

Subject to any applicable law restricting the redemption of the Notes, including the Insurance Companies Act and the regulations and guidelines thereunder, including the LICAT Guideline, as may be amended from time to time, the Notes shall be redeemable in accordance with this Article 3. For certainty, the Corporation will not redeem the Notes under any circumstances if such redemption would, directly or indirectly, result in the Corporation's breach of any provision of the Insurance Companies Act and the regulations and guidelines thereunder, including the LICAT Guideline, as may be amended from time to time.

3.2 Optional Redemption of Notes

During the period from February 19 to and including March 19 every five years commencing in 2027, the Corporation may, at its option, with the prior written approval of the Superintendent, redeem the Notes either in whole at any time or in part from time to time, on a full and permanent basis, on not less than 15 days' nor more than 60 days' prior notice to the Holders and the Trustee at the Redemption Price (an "**Optional Redemption**"). The Optional Redemption shall be deemed to occur on the date fixed by the Corporation for such redemption in the notice of redemption delivered pursuant to Section 3.6 (such date, the "**Optional Redemption Date**"). From and after the Optional Redemption Date, any outstanding Notes so redeemed shall cease to be outstanding, the Holders thereof shall cease to be entitled to interest thereon, and any certificates representing the Notes shall represent only the right to receive, upon surrender thereof, the Redemption Price as calculated on the Optional Redemption Date.

3.3 Special Event Redemption

At any time on or after a Special Event, the Corporation may, at its option, with the prior written approval of the Superintendent, on not less than 30 days' nor more than 60 days' prior notice to the Holders, redeem all (but not less than all) of the Notes, on a full and permanent basis, at the Redemption Price (a "**Special Event Redemption**"). The Special Event Redemption shall be deemed to occur on the date fixed by the Corporation for such redemption in the notice of redemption delivered pursuant to Section 3.6 (such date, the "**Special Event Redemption Date**"). From and after the Special Event Redemption Date, any outstanding Notes so redeemed shall cease to be outstanding, the Holders thereof shall cease to be entitled to interest thereon, and any certificates representing the Notes shall represent only the right to receive, upon surrender thereof, the Redemption Price as calculated on the Special Event Redemption Date.

3.4 Mandatory Redemption

Upon the occurrence of a Series 28 Share Redemption (a "**Mandatory Redemption Date**") on any date other than the Maturity Date, a corresponding number of outstanding Notes with an aggregate principal amount equal to the aggregate face amount of Series 28 Shares redeemed by the Corporation pursuant to the Series 28 Share Redemption, shall automatically and immediately be redeemed at the Redemption Price (a "**Mandatory Redemption**"), on a full and permanent basis, without any action on the part of, or the consent of, the Holders of such Notes. For certainty, to the extent that the Corporation has immediately prior to or concurrently with such Series 28 Share Redemption redeemed or purchased for cancellation a corresponding number of outstanding Notes in accordance with the terms of this Indenture, the foregoing requirement to automatically and immediately redeem a corresponding number of outstanding Notes shall be deemed satisfied. From and after the Mandatory Redemption Date, any outstanding Notes so redeemed shall cease to be outstanding, the Holders thereof shall cease to be entitled to interest thereon, and any certificates representing the Notes shall represent only the right to receive, upon surrender thereof, the Redemption Price.

3.5 Partial Redemption of Notes

3.5.1 If less than all the Notes are to be redeemed, the Corporation shall in each such case, at least 15 days before the date upon which notice of redemption is to be given (unless a shorter notice period is satisfactory to the Trustee), notify the Trustee by Written Order of the Corporation of its intention to redeem Notes and of the aggregate principal amount of Notes to be redeemed. The Notes to be redeemed shall be selected by the Trustee, on a pro rata basis (to the nearest multiple of $1,000), disregarding fractions, in accordance with the principal amount of Notes registered in the respective names of each Noteholder or in such other manner as it shall deem equitable and, where applicable, in accordance with the procedures of CDS. For this purpose, the Trustee may make, and from time to time amend, regulations with regard to the manner in which such Notes may be so selected and regulations so made shall be valid and binding upon all Holders notwithstanding the fact that, as a result thereof, one or more of such Notes become subject to redemption in part only.

3.5.2 Notes in denominations in excess of the minimum authorized denomination for Notes may be selected and called for redemption in part only (such part being that minimum authorized denomination or an integral multiple thereof) and, unless the context otherwise requires, references to Notes in this Article 3 shall be deemed to include any such part of the principal amount of Notes which shall have been so selected and called for redemption. The Holder of any Note called for redemption in part only, upon surrender of such Note for payment, shall be entitled to receive, without expense to such Holder, a new Note for the unredeemed part of the Note so surrendered, and the Corporation shall execute and the Trustee shall certify and deliver, at the expense of the Corporation, such new Note upon receipt from the Paying Agent of the Note so surrendered.

3.6 Notice of Redemption

Notice of intention to redeem any Notes shall be given by or on behalf of the Corporation to the Holders and the Trustee: (i) in the case of an Optional Redemption or a Mandatory Redemption, not less than 15 days nor more than 60 days prior to the Redemption Date and (ii) in the case of a Special Event Redemption, not less than 30 days nor more than 60 days prior to the Redemption Date, in the manner provided in Article 11. Every such notice of redemption shall specify the aggregate principal amount of the Notes to be redeemed, the Redemption Date, the Redemption Price and places of payment and shall state that all interest upon the principal amount of the Notes called for redemption shall cease to accrue from and after such Redemption Date.

3.7 Notes Due on Redemption Dates

3.7.1 Upon notice having been given in accordance with Section 3.6, the Notes so called for redemption shall thereupon become due and payable at the Redemption Price and on the Redemption Date, in the same manner and with the same effect as if it were the Maturity Date, notwithstanding anything contained therein or herein to the contrary, and from and after such Redemption Date, if the moneys necessary to redeem such Notes shall have been deposited as hereinafter provided and affidavits or other proof satisfactory to the Trustee as to the mailing of such notices shall have been delivered to it, such Notes shall not be considered as outstanding hereunder and interest upon such Notes shall cease to accrue after such date.

3.7.2 If any question shall arise as to whether notice of redemption or deposit of the redemption moneys has been given or made as provided above, such question shall be decided by the Trustee whose decision shall be final and binding upon all parties in interest.

3.8 Deposit of Redemption Moneys

Upon all or a portion of the Notes having been called for redemption, as applicable, the Corporation shall deposit with the Trustee, on or before the Redemption Date, such sums as may be sufficient to pay the Redemption Price of the Notes to be redeemed, together with the estimated charges and expenses to be incurred in connection with such redemption. From the sums so deposited, the Trustee shall pay or cause to be paid to the Holders of the Notes called for redemption, upon surrender of such Notes, the principal and interest to which they are respectively entitled on redemption.

3.9 Failure to Surrender Notes Called for Redemption

If the Holder of any Notes called for redemption shall, within 30 days from the Redemption Date, fail to surrender any of such Notes or shall not within such time accept payment of the Redemption Price payable in respect thereof or give such receipt therefor, if any, as the Trustee may require, such Redemption Price shall be set aside in trust for such Holder, in accordance with Section 12.9, and such setting aside shall for all purposes be deemed a payment to the Noteholder of the sum so set aside, and to that extent the Noteholder shall have no right except to receive payment out of the moneys so paid and deposited, upon surrender of his Notes, of the Redemption Price of such Notes without interest thereon.

3.10 Surrender of Notes for Cancellation

If the principal moneys due upon any Note shall become payable by redemption or otherwise, the Person presenting such Note for payment must surrender the same for cancellation, the Corporation nevertheless paying or causing to be paid the interest accrued and unpaid thereon (computed on a per diem basis if the date fixed for payment is not an Interest Payment Date).

3.11 Purchase of Notes for Cancellation

3.11.1 At any time when the Corporation is not in default hereunder it may, subject to the prior written approval of the Superintendent, purchase all or any of the Notes in the market (which shall include purchase from or through an investment dealer or a firm holding membership on a recognized stock exchange) or by invitation for tenders or by private contract at any price. Notwithstanding the foregoing, any Subsidiary may purchase Notes in the ordinary course of its business of dealing in securities.

3.11.2 If, upon an invitation for tenders, more Notes are tendered at the same lowest price than the Corporation is prepared to accept, the Notes to be purchased by the Corporation shall be selected by the Trustee, on a pro rata basis (to the nearest multiple of $1,000), disregarding fractions, in accordance with the principal amount of Notes registered in the respective names of each Noteholder, or in such other manner as it may consider equitable and, where applicable, in accordance with the procedures of CDS, from the Notes tendered by each Noteholder who tendered at such lowest price. For this purpose, the Trustee may make, and from time to time amend, regulations with respect to the manner in which Notes may be so selected and regulations so made shall be valid and binding upon all Noteholders, notwithstanding the fact that, as a result thereof one or more of such Notes become subject to purchase in part only. The Holder of any Note of which a part only is purchased, upon surrender of such Note for payment, shall be entitled to receive, without expense to such Holder, one or more new Notes for the unpurchased part so surrendered and the Trustee shall certify and deliver such new Note or Notes upon receipt of the Note so surrendered.

3.12 Cancellation of Notes

All Notes redeemed and all Notes purchased under this Article 3 shall forthwith be delivered to the Trustee and shall be cancelled by it and no Note shall be issued in substitution therefor.

3.13 Agreement of Holders and Beneficial Holders of the Notes

By acquiring any Note, each Holder and beneficial holder of such Note or any interest therein, including any Person acquiring any such Note or interest therein after the date hereof, irrevocably acknowledges, consents and agrees with and for the benefit of the Corporation as follows:

(a) that upon the occurrence of an Optional Redemption, Mandatory Redemption or Special Event Redemption, as the case may be, such redemption shall, in each case, occur without any further action on the part of such Holder or beneficial holder; and

(b) that the occurrence of an Optional Redemption, Mandatory Redemption or Special Event Redemption shall not constitute an Event of Default under the terms of the Notes or this Indenture, and following such redemption, Holders and beneficial holders of the Notes will not have any rights against the Corporation with respect to the repayment of the principal amount of, or interest on, the Notes other than if the Redemption Price is not paid in cash as required, in which case the recourse of Holders is limited to receiving the Corresponding Trust Assets.

ARTICLE 4
SUBORDINATION OF NOTES

4.1 Agreement to Subordinate

The Corporation covenants and agrees, and each Holder by such Holder's acceptance thereof, likewise agrees, that the payment of the principal of and interest on the Notes is hereby expressly subordinated, to the extent and in the manner hereinafter set forth, in right of payment to the prior payment in full of all Policy Liabilities and all Higher Ranked Indebtedness, whether now outstanding or hereinafter incurred, in accordance with the terms of such Policy Liabilities and Higher Ranked Indebtedness, and each Holder, by acceptance thereof, agrees to and will be bound by the provisions of this Article 4. The principal of and the interest on the Notes created and issued hereunder shall be equal in right of payment to Junior Subordinated Indebtedness (other than Junior Subordinated Indebtedness which by its terms ranks subordinate in right of payment to the Notes) from time to time issued and outstanding. The Corporation may create, issue or incur any other Indebtedness which, in the event of the insolvency or winding-up of the Corporation, would rank in right of payment in priority to, equally with, or subordinate to the Notes.

4.2 Distribution on Insolvency or Winding-up

In the event that proceedings are commenced by or against the Corporation as a result of its insolvency or in the event of the liquidation or winding-up of the Corporation or if proceedings are commenced which effect a reorganization, arrangement, or compromise of debt of the Corporation:

4.2.1 the holders of all Policy Liabilities and all Higher Ranked Indebtedness shall be entitled to receive payment in full of the principal thereof, the premium, if any, and the interest due thereon before the Holders are entitled to receive any payment upon the principal of and interest on indebtedness evidenced by the Notes;

4.2.2 the holders of Junior Subordinated Indebtedness (other than Junior Subordinated Indebtedness which by its terms ranks subordinate to the Notes) shall be entitled to receive payment in full of the principal thereof, the premium, if any and the interest due thereon at such time as, and not prior to such time as, the Holders are entitled to receive any payment upon the principal of and interest on indebtedness evidenced by the Notes;

4.2.3 any payment or distribution of assets of the Corporation of any kind or character, whether in cash, property or securities, to which the Holders or the Trustee would be entitled except for the provisions of this Article 4 shall be paid by the Person making such payment or distribution, whether the liquidator, agent or other agent or a trustee in bankruptcy or a receiver or otherwise, directly to the holders of Policy Liabilities and Higher Ranked Indebtedness or their representative or to the trustee under any indenture in each case under which any instruments evidencing any of such Policy Liabilities and Higher Ranked Indebtedness may have been issued, as their respective interests may appear, to the extent necessary to pay in full all Policy Liabilities and Higher Ranked Indebtedness remaining unpaid after giving effect to any concurrent payment or distribution to the holders of such Policy Liabilities and Higher Ranked Indebtedness in respect thereof;

4.2.4 in the event that, notwithstanding the foregoing, any payment or distribution of assets of the Corporation of any kind or character, whether in cash, property or securities, shall be received by the Trustee or the Holders before all Policy Liabilities and Higher Ranked Indebtedness are paid in full, such payment or distribution shall be held in trust for the benefit of, and shall be paid over to, the holders of such Policy Liabilities and Higher Ranked Indebtedness or their representative or to the trustee under any indenture under which any instruments evidencing any of such Policy Liabilities and Higher Ranked Indebtedness may have been issued, as their respective interests may appear, for application to the payment of all Policy Liabilities and all Higher Ranked Indebtedness remaining unpaid until all such Policy Liabilities and Higher Ranked Indebtedness shall have been paid in full after giving effect to any concurrent payment or distribution to the holders of such Policy Liabilities and Higher Ranked Indebtedness in respect thereof; and

4.2.5 any payments or distributions paid over to the holders of Policy Liabilities and Higher Ranked Indebtedness pursuant to Section 4.2.4 and not applied in reduction of the amounts owing to the Holders hereunder shall be deemed not to have discharged any of the obligations of the Corporation hereunder (and, to the extent that by operation of applicable law they are treated as doing so, the Corporation covenants to indemnify the Holders on demand from and against any loss suffered or incurred by them in consequence thereof).

Upon any payment or distribution of assets of the Corporation referred to in this Article 4, the Trustee and the Holders shall be entitled to call for and rely upon a certificate, addressed to the Trustee or to the Holders, of the Person making any such payment or distribution for the purpose of ascertaining the Persons entitled to participate in such distribution, the holders of the Policy Liabilities and Higher Ranked Indebtedness and other indebtedness of the

Corporation, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article 4.

4.3 Recourse to Corresponding Trust Assets

Notwithstanding Section 4.2, in the event of the occurrence of a Recourse Event, including an Event of Default, the sole remedy of a Holder shall be recourse to such Holder's proportionate share of the Corresponding Trust Assets.

4.4 No Payment to Holders if Higher Ranked Indebtedness Due or in Default

4.4.1 Upon the maturity of any Higher Ranked Indebtedness by lapse of time, acceleration or otherwise, then, except as hereinafter otherwise provided, all principal of, premium, if any, and interest on all such matured Higher Ranked Indebtedness shall first be paid in full, or shall first have been duly provided for, before any payment on account of principal of and interest on the Notes is made.

4.4.2 Upon the occurrence of a default with respect to any Higher Ranked Indebtedness, as defined therein or in the instrument creating the same, which permits the holders thereof to accelerate the maturity thereof, then, unless and until such default shall have been cured or waived or shall have ceased to exist, no payment (by purchase of Notes or otherwise) shall be made by the Corporation with respect to the principal of or interest on the Notes. In the event that, notwithstanding the foregoing, the Corporation shall make any payment of principal of or interest on the Notes after the happening of such a default, then, except as hereinafter otherwise provided, unless and until such default shall have been cured or waived or shall have ceased to exist, such payments shall be held in trust for the benefit of, and if and when such Higher Ranked Indebtedness shall have become due and payable shall be paid over to, the holders of the Higher Ranked Indebtedness or their representative or to the trustee under any indenture under which any instruments evidencing any of the Higher Ranked Indebtedness may have been issued, as their respective interests may appear, for application to the payment of all Higher Ranked Indebtedness remaining unpaid until all such Higher Ranked Indebtedness shall have been paid in full, after giving effect to any concurrent payment or distribution to the holders of such Higher Ranked Indebtedness in respect thereof.

4.4.3 The fact that any payment which is required to be made pursuant to this Indenture or the Notes is prohibited by this Section 4.4 shall not prevent the failure to make such payment from being a breach of covenant hereunder.

4.5 Payment of Notes Permitted

4.5.1 Nothing contained in this Indenture or in any of the Notes shall

(a) subject always to Section 4.5.1(b), prevent the Corporation at any time, except under the conditions described in Section 4.4 or during the pendency of any insolvency or winding-up as referred to in

Section 4.2.1, from making payments at any time of the principal of or interest on the Notes, or

(b) notwithstanding the occurrence of an Event of Default or the existence of the facts described in Section 4.4.2, prevent any payment being made by the Corporation or the Trustee on a redemption of Notes with respect to which notice of redemption shall have been given pursuant to Article 3 prior to the occurrence of such Event of Default or existence of such facts.

Until written notice shall be given to the Trustee in accordance with Section 11.3 by or on behalf of any holder of any Higher Ranked Indebtedness of the occurrence of any default with respect to such Higher Ranked Indebtedness or of the existence of any other facts which would have the result that any payment with respect to the Notes would be in contravention of the provisions of this Article 4, the Trustee shall be entitled to assume that no such default has occurred, or that no such facts exist; and nothing in this Indenture shall prevent the Trustee from applying any moneys received by it pursuant to this Indenture prior to the receipt by it of such written notice, to the purposes for which the same were received, notwithstanding the occurrence or continuance of a default with respect to, or the existence of such facts with respect to, such Higher Ranked Indebtedness.

4.6 Subordination Not to be Impaired

No right of any present or future holder of any Policy Liabilities and Higher Ranked Indebtedness of the Corporation to enforce the subordination provided for in this Article shall at any time be prejudiced or impaired by any act or failure to act on the part of the Corporation or by any act or failure to act, in good faith, by any such holder, or by any non-compliance by the Corporation with the terms, provisions and covenants of this Indenture, regardless of any knowledge thereof which any such holder may have or be otherwise charged with.

4.7 Obligations Created by Article 4

Each of the Corporation and the Trustee agrees, and each Holder of a Note, by such Holder's acceptance thereof, likewise agrees, that:

4.7.1 the provisions of this Article 4 are an inducement and consideration to each holder of Higher Ranked Indebtedness to give or continue credit to the Corporation or others or to acquire Higher Ranked Indebtedness;

4.7.2 each holder of Higher Ranked Indebtedness may accept the benefit of this Article 4 on the terms and conditions set forth in this Article 4 by giving or continuing credit to the Corporation or others or by acquiring Higher Ranked Indebtedness, in each case without notice to the Trustee or any Holder of Notes and without establishing actual reliance on this Article 4; and

4.7.3 each obligation created by this Article 4 is created for the benefit of the holders of Higher Ranked Indebtedness and is hereby declared to be created in trust for those holders by the Corporation, the Trustee and each Holder and shall be binding on the Corporation, the Trustee and each Holder whether or not the confirmation described in Section 4.10 is requested, executed or delivered.

4.8 No Set-off

Each of the Corporation and the Trustee agrees, and each Holder of a Note by such Holder's acceptance thereof, likewise agrees, that it shall have no rights of set-off or counterclaim with respect to the principal of and interest on the Notes at any time when any payment of, or in respect of, such amounts to the Trustee or the Holders is prohibited by this Article 4 or is otherwise required to be paid to the holders of Higher Ranked Indebtedness or their representative or to the trustee under any indenture under which any instruments evidencing any of such Higher Ranked Indebtedness may have been issued, as their respective interests may appear.

4.9 Amendments to Article 4

Each of the Corporation and the Trustee agrees, and each Holder, by such Holder's acceptance thereof, likewise agrees, not to make any changes to this Indenture or the Notes, including this Article 4, the definition of Higher Ranked Indebtedness, and Section 12.12, which materially prejudice the rights of the holders of Higher Ranked Indebtedness under this Article 4 without the consent of each holder of Higher Ranked Indebtedness, or their representative or the trustee under any indenture under which any instruments evidencing any of such Higher Ranked Indebtedness may have been issued.

4.10 Authorization of Holders of Notes to Trustee to Effect Subordination

Each Holder of a Note, by such Holder's acceptance thereof, authorizes and directs the Trustee, on such Holder's behalf, to take such action as may be necessary or appropriate to effect the subordination provided for in this Article 4 and appoints the Trustee as such Holder's attorney-in-fact for any and all such purposes, including the execution and delivery by the Trustee of a confirmation in the form attached as Schedule C. Forthwith upon the request of any holder of Higher Ranked Indebtedness or its representative or the trustee under any indenture under which any instruments evidencing any Higher Ranked Indebtedness may have been issued, the Trustee shall execute and deliver to the Person making that request that form of confirmation on its own behalf and on behalf of all Holders of Notes.

ARTICLE 5
COVENANTS OF THE CORPORATION

5.1 General Covenants

The Corporation covenants with the Trustee for the benefit of the Trustee and the Noteholders as follows:

5.1.1 the Corporation will duly and punctually pay or cause to be paid to every Holder the principal amount of and interest accrued on the Notes in accordance with the terms of the Notes and this Indenture; and

5.1.2 except as herein otherwise expressly provided, the Corporation will at all times maintain its corporate existence.

5.2 To Pay Trustee's Remuneration

The Corporation covenants that it will pay to the Trustee reasonable remuneration for its services as Trustee hereunder and will pay or reimburse all costs, charges and expenses properly incurred by the Trustee in connection with the trusts hereof (including reasonable fees and disbursements of its legal counsel and all other agents not regularly in its employ), on demand by the Trustee, and also (in addition to any right of indemnity given to the Trustee by law) will at all times keep the Trustee indemnified against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted by the Trustee (other than through negligence of the Trustee) in any way relating to this Indenture.

Any amount due under this Section 5.2 and unpaid 30 days after demand for such payment shall bear interest from the expiration of such 30 day period at a rate per annum equal to the prevailing rate set by the Trustee as its prime rate for commercial loans in Canadian funds at Toronto. After default all amounts so payable and the interest thereon shall be payable out of any funds coming into possession of the Trustee in priority to any payment of the principal of and interest on the Notes.

5.3 Notice of Events of Default

5.3.1 If a default occurs hereunder with respect to the Notes, the Corporation shall forthwith give notice in writing of same to the Trustee and the Trustee shall give notice of same to the Holders as soon as reasonably practicable, but in any event not later than 30 days after receipt by the Trustee of notice in writing of such default (unless the Trustee in good faith determines that the withholding of such notice is in the best interests of the Holders and has so advised the Corporation in writing) and as and to the extent provided by the Indenture Legislation. For greater certainty, the Trustee shall not have received notice of a default unless it has received written notice of such default. For the purpose of this Section, the term "default" means any event which is, or after notice or lapse of time or both would become, a Recourse Event or a failure of the LRT Trustee to deliver the Corresponding Trust Assets to a Holder.

5.3.2 Where notice of a default is given under Section 5.3.1 and such default is thereafter cured, the Trustee shall give the Holders notice of such fact that the default is no longer continuing as soon as reasonably practicable, but in any event not later than 30 days after the Trustee has received notice in writing that such default has been cured.

5.4 OFAC Sanctions

The Corporation covenants and represents that (i) neither it nor any of its Subsidiaries, Affiliates, directors or officers are the target or subject of any sanctions enforced by the US Government, (including, the Office of Foreign Assets Control of the US Department of the Treasury ("**OFAC**")), the United Nations Security Council, the European Union, HM Treasury, or other relevant sanctions authority (collectively "**Sanctions**"); and (ii) neither it nor any of its Subsidiaries, Affiliates, directors or officers will use any payments made pursuant to this Indenture or commit any action, or cause the Trustee to commit any action, under this Indenture: (a) to fund or facilitate any activities of or business with any person who, at the time of such funding or facilitation, is the subject or target of Sanctions such that it would result in the violation of any Sanctions, (b) to fund or facilitate any activities of or business with any country or territory that is the target or subject of Sanctions that broadly prohibit dealings with that country or territory, or (c) in any other manner that will result in a violation of Sanctions by any person.

ARTICLE 6
REMEDIES

6.1 Events of Default

Each of the following events constitutes an "**Event of Default**":

6.1.1 if an order is made or an effective resolution is passed for the winding-up or liquidation of the Corporation or in the event of any other dissolution of the Corporation by operation of law, except in the course of carrying out or pursuant to a transaction in respect of which the conditions of Article 9 are duly observed and performed; or

6.1.2 if the Corporation makes a general assignment for the benefit of its creditors, or otherwise acknowledges its insolvency, becomes insolvent or is declared bankrupt or consents to the institution of bankruptcy or insolvency proceedings against it under any bankruptcy, insolvency or analogous laws, or if a custodian, sequestrator, liquidator, receiver, receiver and manager or any other officer with similar powers is appointed of the Corporation or of the property of the Corporation or any part thereof which is, in the opinion of the Trustee, a substantial part thereof.

6.1.3 For the avoidance of doubt, neither (i) the non-payment of the principal or interest on the Notes or (ii) a default in the performance of any other covenant of the Corporation in this Indenture, shall constitute an Event of Default under this Indenture or the Notes.

6.2 Waiver of Default

If an Event of Default shall have occurred:

6.2.1 the Holders of more than 50% of the principal amount of the Notes shall have the power (in addition to the powers exercisable by Extraordinary Resolution as hereinafter provided) by instrument signed by such Holders to instruct the Trustee to waive any Event of Default hereunder and the Trustee shall thereupon waive the Event of Default upon such terms and conditions as such Holders shall prescribe; and

6.2.2 the Trustee, so long as it has not become bound to institute any proceedings hereunder, shall have the power to waive any Event of Default hereunder if, in the

Trustee's opinion, the same shall have been cured or adequate satisfaction made therefor, upon such terms and conditions as the Trustee may consider advisable;

provided that no delay or omission of the Trustee or of the Holders to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein and provided further that no act or omission either of the Trustee or of the Holders shall extend to or be taken in any manner whatsoever to affect any subsequent Event of Default hereunder or the rights resulting therefrom.

6.3 Recourse to Corresponding Trust Assets is Sole Remedy

Notwithstanding any other provision in this Indenture or the Notes, by acquiring any Note, each Holder and beneficial holder of such Note or any interest therein, including any Person acquiring any such Note or interest therein after the date hereof, irrevocably acknowledges and agrees with and for the benefit of the Corporation and the Trustee that the delivery of such Holder's proportionate share of the Corresponding Trust Assets to such Holder shall exhaust all remedies of such Holder under the Notes, including in connection with any Event of Default. All claims of a Holder against the Corporation shall be extinguished upon receipt by such Holder of such Holder's proportionate share of the Corresponding Trust Assets. If a Holder's proportionate share of the Corresponding Trust Assets is not delivered as required to such Holder, the sole remedy of such Holder for any claims against the Corporation shall be recourse to such Holder's proportionate share of the Corresponding Trust Assets. For greater certainty, the delivery of a Holder's proportionate share of the Corresponding Trust Assets to such Holder shall be applied to the payment of the principal amount of the Notes held by such Holder and will exhaust such Holder's remedies against the Corporation for repayment of the principal amount of the Notes held by such Holder and any accrued but unpaid interest thereon then due and payable. In case of any shortfall resulting from the value of a Holder's proportionate share of the Corresponding Trust Assets being less than the principal amount of and any accrued and unpaid interest on, or the Redemption Price of, the Notes held by such Holder, all losses arising from such shortfall shall be borne by such Holder and no claim may be made against the Corporation or the Trustee.

6.4 Enforcement by the Trustee

Subject to Section 6.2 and the provisions of any Extraordinary Resolution that may be passed by the Noteholders, in case the Corporation shall fail to pay to the Trustee the principal of and interest on the Notes then outstanding, together with any other amounts due thereunder, or a Holder's proportionate share of the Corresponding Trust Assets is not delivered as required:

6.4.1 the Trustee may in its discretion proceed to enforce the rights of the Trustee and of the Noteholders to delivery of the Corresponding Trust Assets to the Noteholders by any action, suit, remedy or proceeding authorized or permitted by this Indenture or by law or equity; and may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and of the Noteholders filed in any bankruptcy, insolvency, winding-up or other judicial proceedings relating to the Corporation;

6.4.2 no such remedy for the enforcement of the rights of the Trustee or the Noteholders shall be exclusive of or dependent on any other such remedy, but any one or more of such remedies may from time to time be exercised independently or in combination;

6.4.3 all rights of action hereunder may be enforced by the Trustee without the possession of any of the Notes or the production thereof on the trial or other proceedings relating thereto; and

6.4.4 upon the receipt of a Noteholders' Request and upon being indemnified and funded to its satisfaction as provided in Section 12.3.2, the Trustee shall exercise or take such one or more of such remedies as the Noteholders' Request may direct or, if the Noteholders' Request contains no direction, as the Trustee may consider expedient, provided that if any such Noteholders' Request directs the Trustee to take proceedings out of court, the Trustee may in its discretion take judicial proceedings in lieu thereof.

6.5 Noteholders May Not Sue

No Holder shall have the right to institute any action, suit or proceeding or to exercise any other remedy authorized or permitted by this Indenture or by law or by equity for the purpose of enforcing delivery of such Holder's proportionate share of the Corresponding Trust Assets or for the execution of any trust or power hereunder, unless:

6.5.1 such Holder shall previously have given to the Trustee written notice of the occurrence of a Recourse Event and such Holder's proportionate share of the Corresponding Trust Assets shall have failed to be delivered;

6.5.2 the Noteholders, by Extraordinary Resolution, shall have made a request to the Trustee to take action hereunder or the Noteholders' Request referred to in Section 6.4.4 shall have been delivered to the Trustee, and the Trustee shall have been offered a reasonable opportunity either itself to proceed to exercise the powers hereinbefore granted or to institute an action, suit or proceeding in its name for such purpose;

6.5.3 the Noteholders or any of them shall have furnished to the Trustee, when requested by the Trustee, sufficient funds and an indemnity in accordance with Section 12.3.2; and

6.5.4 the Trustee shall have failed to act within a reasonable time thereafter.

In such event but not otherwise, any Noteholder, acting on behalf of such Noteholder and all other Noteholders, shall be entitled to take proceedings in any court of competent jurisdiction such as the Trustee might have taken under Section 6.4, but in no event shall any Noteholder or combination of Noteholders have any right to take any other remedy or proceedings out of court; it being understood and intended that no one or more Noteholders shall have any right in any manner whatsoever to enforce any right hereunder or under any Note except subject to the conditions and in the manner herein provided, and that all powers and trusts hereunder shall be exercised and all proceedings at law shall be instituted, had and maintained by the Trustee, except only as herein provided, and in any event for the equal benefit of all Holders of outstanding Notes.

6.6 Application of Moneys or Corresponding Trust Assets by Trustee

Any money or Corresponding Trust Assets collected by the Trustee pursuant to this Indenture shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money or Corresponding Trust Assets on account of principal amount or interest or of the Redemption Price, as the case may be, upon presentation of the Notes and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

6.6.1 first, to the payment of all amounts due to the Trustee under Section 5.2, provided that the Trustee is not obligated to accept any non-cash Corresponding Trust Assets as payment for the foregoing amounts; and

6.6.2 second, ratably among Holders in payment of the principal of and accrued and unpaid interest then due on the Notes then outstanding in the priority of principal first and then accrued and unpaid interest,

provided, however, that no payments shall be made in respect of the principal or interest of any Note held, directly or indirectly, by or for the benefit of the Corporation, any Subsidiary or any Affiliate (other than any Note pledged for value and in good faith to a Person other than the Corporation, a Subsidiary or an Affiliate, but only to the extent of such Person's interest therein) except subject to the prior payment in full of the principal of and interest on all Notes which are not so held.

6.6.3 The Parties hereto acknowledge that the Trustee may be required to open one or more cash or custodian or other accounts with a banking institution or custodian, as applicable, in order to take delivery of any Corresponding Trust Assets and will only take the steps necessary to open any such account upon its receipt of a notice of default as set out in Section 5.3.

6.7 Persons Dealing with Trustee

No person dealing with the Trustee or any of its agents shall be concerned to inquire whether an Event of Default has occurred, or whether the powers which the Trustee is purporting to exercise have become exercisable, or whether any moneys remain due under this Indenture or on the Notes, or to see to the application of any moneys paid to the Trustee; and in the absence of fraud on the part of such Person, such dealing shall be deemed to be within the powers hereby conferred and to be valid and effective accordingly.

6.8 Right of Holders to Receive Principal Amount and Interest or Redemption Price

The Holder of any Note shall have the right to receive payment of: (i) the principal amount of and any accrued and unpaid interest on such Note on any Recourse Event, or (ii) in the case of a redemption, the Redemption Price on such Note on the Redemption Date (or such other date specified in this Indenture) and to institute suit for the enforcement of any such payment and such rights shall not be impaired without the consent of such Holder, provided, however, that the sole remedy of Holders if the Corporation does not make such payment shall be recourse to such Holder's proportionate share of the Corresponding Trust Assets.

6.9 Remedies Cumulative

No remedy herein conferred upon or reserved to the Trustee or the Holders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing by law or by statute.

6.10 Immunity of Shareholders, Directors and Others

The Noteholders and the Trustee waive and release any right, cause of action or remedy now or hereafter existing in any jurisdiction against any past, present or future incorporator, shareholder, Director or officer of the Corporation or of any Successor Entity for the payment of the principal of or interest on any of the Notes or on any covenant, agreement, representation or warranty by the Corporation contained herein or in the Notes.

6.11 Limitation of Liability

The obligations hereunder are not personally binding upon, nor shall resort hereunder be had to, the Directors or shareholders of the Corporation or any of the past, present or future Directors or shareholders of the Corporation or any of the past, present or future officers, employees or agents of the Corporation, but only the property of the Corporation shall be bound in respect hereof.

ARTICLE 7
SATISFACTION AND DISCHARGE

7.1 Satisfaction and Discharge of Indenture

7.1.1 This Indenture shall upon a Written Order of the Corporation cease to be of further effect (except as to any surviving rights of registration of transfer or exchange of Notes herein expressly provided for), and the Trustee, at the expense of the Corporation, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture, when:

(a) either:

(i) all Notes theretofore authenticated and delivered (other than (i) Notes which have been mutilated, destroyed, lost or stolen and which have been replaced or paid as provided in Section 2.12 and (ii) Notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Corporation and thereafter repaid to the Corporation or discharged from such trust as provided in Section 7.2) have been delivered to the Trustee for cancellation; or

(ii) all such Notes not theretofore delivered to the Trustee for cancellation have become due and payable and (i) the Corporation has deposited or caused to be deposited with the Trustee in trust funds in an amount sufficient to discharge the entire indebtedness on such Notes for principal amount and interest to the Maturity Date or to the Redemption Date, as the case may be, or (ii) in the event of a Recourse Event, the delivery to Holders of all Corresponding Trust Assets which Holders of such Notes are entitled to receive under Section 8.2;

(b) the Corporation has paid or caused to be paid all other sums payable hereunder by the Corporation; and

(c) the Corporation has delivered to the Trustee a Certificate of the Corporation stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture have been complied with.

7.1.2 Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Corporation to the Trustee under Section 5.2 and 12.8.6, and, if money or Corresponding Trust Assets shall have been deposited with the Trustee pursuant to subclause (ii) of Clause (a) of this Section, the obligations of the Trustee under Section 7.2 shall survive.

7.2 Application of Trust Money or Corresponding Trust Assets

7.2.1 Subject to the provisions of Section 7.2.2 regarding unclaimed property, all money or Corresponding Trust Assets deposited with the Trustee pursuant to Section 7.1 shall be held in trust and applied by it, in accordance with the provisions of the Notes and this Indenture, (i) in the case of money, the payment, either directly or through any Paying Agent (including the Corporation acting as its own paying agent) as the Trustee may determine, to the persons entitled thereto, to the principal amount and interest or the Redemption Price, as the case may be, for whose payment such money has been deposited with the Trustee, and (ii) in the case of Corresponding Trust Assets, to the exhaustion of all remedies under the Notes in respect of those Holders for whose proportionate share of the Corresponding Trust Assets have been deposited with the Trustee.

7.2.2 Any money or Corresponding Trust Assets deposited with the Trustee or any Paying Agent in trust to be applied in accordance with Section 7.2.1 and remaining unclaimed for two years after such principal amount, interest or the Redemption Price has become due and payable shall be paid to the Corporation on Written Order of the Corporation; and the Holder of such Note shall thereafter, as an unsecured general creditor, look only to the Corporation for payment or delivery thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money or Corresponding Trust Assets, shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Corporation cause to be published once, in a newspaper published in the English language, customarily published on each Business Day and of general circulation in the City of Toronto, Ontario, Canada, notice that such money or Corresponding Trust Assets remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publication, any unclaimed balance of such money or Corresponding Trust Assets then remaining will be paid to the Corporation.

ARTICLE 8 LIMITED RECOURSE TRUST

8.1 Satisfaction of Payment Obligations with Corresponding Trust Assets

Notwithstanding any other provision in this Indenture, the sole remedy of Holders in the event of a Recourse Event (including, for the avoidance of doubt, the non-payment of the principal amount of, interest on or the Redemption Price for the Notes when due) shall be recourse to the Corresponding Trust Assets. Upon any such Recourse Event, the principal amount of, and accrued and unpaid interest on, the Notes will be due and payable; provided that recourse for such principal amount and accrued and unpaid interest shall be solely to the Corresponding Trust Assets. The delivery to a Holder of such Holder's proportionate share of the Corresponding Trust Assets shall exhaust all remedies of such Holder under the Notes, including in connection with any Recourse Event. All claims of a Holder against the Corporation shall be extinguished upon receipt by such Holder of such Holder's proportionate share of the Corresponding Trust Assets. The delivery of a Holder's proportionate share of the Corresponding Trust Assets to such Holder shall be deemed to be in full satisfaction of the Notes and shall exhaust all remedies of such Holder against the Corporation in accordance with Section 6.3 regardless of whether the value of such Corresponding Trust Assets is less than the principal amount of and any accrued and unpaid interest on the Notes or the Redemption Price of the Notes, as applicable.

8.2 Corresponding Trust Assets

8.2.1 In connection with the issuance of the Notes, the Corporation will cause the LRT Trustee to hold Corresponding Trust Assets in the Limited Recourse Trust, that will, on the Date of Issue, consist of 1,200,000 Series 28 Shares.

8.2.2 From and after the Date of Issue, in the event of a Recourse Event, each Holder will be entitled to receive from the LRT Trustee, such Holder's proportionate share of the Corresponding Trust Assets.

8.2.3 In accordance with the LRT Declaration of Trust and subject to the provisions thereof, the Corporation shall not permit the LRT Trustee to distribute any Corresponding Trust Assets other than as provided therein, including (i) in connection with a Recourse Event and (ii) any dividends declared and paid on the Series 28 Shares while held by the LRT Trustee.

8.2.4 The Corporation will take any necessary actions to cause the LRT Trustee to deliver the Corresponding Trust Assets to the Holders in the event of a Recourse Event in accordance with the terms of the LRT Declaration of Trust and of this Indenture.

8.3 Right Not to Deliver Series 28 Shares

Notwithstanding any other provision in this Indenture, the Corporation reserves the right not to (a) deliver some or all of the Series 28 Shares to any person whom the Corporation or its transfer agent has reason to believe is an Ineligible Person or any person who, by virtue of that delivery, would become a Significant Shareholder, or (b) record in its securities register a transfer or issue of Series 28 Shares to any person whom the Corporation or its transfer agent has reason to believe is an Ineligible Government Holder based on a declaration submitted to the Corporation or its transfer agent by or on behalf of such person. In such circumstances, the Corporation will hold, as agent for such persons, the Series 28 Shares that would have otherwise been delivered to such persons and will attempt to facilitate the sale of such Series 28 Shares to parties other than the Limited Recourse Trust or the Corporation and its Affiliates on behalf of such persons through a registered dealer to be retained by the Corporation on behalf of such persons. Those sales (if any) may be made at any time and at any price as the Corporation, in its sole discretion, may determine. The Corporation will not be subject to any liability for failure to sell such Series 28 Shares on behalf of such persons or at any particular price on any particular day. The net proceeds received by the Corporation from the sale of any such Series 28 Shares will be divided among the applicable persons in proportion to the number of Series 28 Shares that would otherwise have been delivered to them after deducting the costs of sale and any applicable withholding taxes.

8.4 Agreement of Holders and Beneficial Holders of the Notes

8.4.1 By acquiring any Note, each Holder and beneficial holder of such Note or any interest therein, including any person acquiring any such Note or interest therein after the date hereof, irrevocably acknowledges, consents and agrees with and for the benefit of the Corporation and the Trustee as follows:

(a) that upon receipt by Holders of their proportionate share of the Corresponding Trust Assets, no Holder or beneficial holder of the Notes will have any rights against the Corporation with respect to the repayment of the principal amount of, or interest on, the Notes;

(b) that (i) upon receipt by Holders of their proportionate share of the Corresponding Trust Assets, the Trustee shall not be required to take any further directions from Holders or beneficial holders of the Notes under this Indenture and (ii) this Indenture shall impose no duties upon the Trustee whatsoever with respect to the delivery of the Corresponding Trust Assets;

(c) that such Holder or beneficial holder acknowledges and agrees that all authority conferred or agreed to be conferred by any Holder and beneficial holder pursuant to the provisions described above shall be binding upon the successors, assigns, heirs, executors, administrators, trustees in bankruptcy and legal representatives of each Holder and beneficial holder of a Note or any interest therein.

ARTICLE 9
SUCCESSOR ENTITIES

9.1 Certain Requirements in Respect of Merger, etc.

Other than a Permitted Reorganization Transaction, the Corporation shall not enter into any transaction, whether by way of amalgamation, merger, reconstruction, reorganization, consolidation, transfer, sale, lease or otherwise, whereby all or substantially all of its undertaking, property and assets would become the property of any other Person or, in the case of any such amalgamation, of the continuing corporation resulting therefrom, unless:

9.1.1 such other Person or continuing corporation (the "**Successor Entity**") is organized and validly existing under the laws of its incorporation, formation or organization;

9.1.2 the Successor Entity shall execute, prior to or contemporaneously with the completion of such transaction, such indenture supplemental hereto in accordance with Article 13, and other instruments (if any) as are satisfactory to the Trustee and in the Opinion of Counsel are necessary or advisable to evidence the assumption by the Successor Entity of the liability for the due and punctual payment of all the Notes and the interest thereon and all other moneys payable hereunder and the covenant of such Successor Entity to pay the same and its agreement to observe and perform all the covenants and obligations of the Corporation under this Indenture;

9.1.3 such transaction shall, to the satisfaction of the Trustee and in the Opinion of Counsel, be upon such terms as substantially to preserve and not to impair any of the rights and powers of the Trustee or of the Noteholders hereunder and upon such terms as are not in any way prejudicial to the interests of the Noteholders (including, where the Successor Entity is not organized under the laws of Canada or a province or territory thereof, the transaction would cause any material adverse tax consequences to the Noteholders); and

9.1.4 no condition or event shall exist in respect of the Corporation or the Successor Entity, either at the time of such transaction or immediately thereafter after giving full effect thereto, which constitutes or would, after the giving of notice or the lapse of time or both, constitute an Event of Default hereunder.

9.2 Vesting of Powers in Successor

Whenever the conditions of Section 9.1 have been duly observed and performed, the Trustee shall execute and deliver a supplemental indenture as provided for in Article 13 and thereupon:

9.2.1 the Successor Entity shall succeed to and be substituted for the Corporation with the same effect as if the Successor Entity had been named herein and the Successor

Entity shall possess and from time to time may exercise each and every right and power of the Corporation under this Indenture in the name of the Corporation or otherwise, and any act or proceeding by any provision of this Indenture required to be done or performed by any Directors or officers of the Corporation may be done and performed with like force and effect by the like directors or officers of such Successor Entity; and

9.2.2 the Corporation shall be released and discharged from liability under this Indenture and the Trustee may execute any documents which it may be advised are necessary or advisable for effecting or evidencing such release and discharge.

ARTICLE 10
MEETINGS OF NOTEHOLDERS

10.1 Right to Convene Meetings

10.1.1 The Trustee may itself or through an agent at any time and from time to time and shall, on receipt of a Written Order of the Corporation or a Noteholders' Request and upon being funded and indemnified to its reasonable satisfaction by the Corporation or by the Noteholders signing such Noteholders' Request against the costs which may be incurred in connection with the calling and holding of such meeting, convene a meeting of the Noteholders.

10.1.2 If the Trustee fails within 30 days after receipt of such Written Order of the Corporation or Noteholders' Request and such funding and indemnity to give notice convening a meeting, the Corporation or such Noteholders, as the case may be, may convene such meeting. Every such meeting shall be held in the City of Toronto, Ontario or at such other place as may be approved or determined by the Trustee.

10.2 Notice of Meetings

At least 21 days' notice of any meeting of Noteholders shall be given to Noteholders and a copy thereof shall be sent by mail to the Trustee unless the meeting has been called by it and to the Corporation unless the meeting has been called by it. Such notice shall state the time when and the place where the meeting is to be held and shall state briefly the general nature of the business to be transacted thereat, but it shall not be necessary for any such notice to set out the terms of any resolution to be proposed at the meeting or any of the provisions of this Article.

10.3 Chair

An individual, who need not be a Noteholder, nominated in writing by the Trustee, shall be chair of the meeting and if no individual is so nominated or if the individual so nominated is unable or unwilling to act or if the individual so nominated is not present within 15 minutes from the time fixed for the holding of the meeting, the Noteholders present in person or by proxy shall choose an individual present to be chair.

10.4 Quorum

At any meeting of Noteholders other than a meeting convened for the purpose of considering a resolution proposed to be passed as an Extraordinary Resolution, as to which the provisions of Section 10.12 shall be applicable, a quorum shall consist of one or more Noteholders present in person or by proxy and representing at least 25% in principal amount of the outstanding Notes. If a quorum of the Noteholders shall not be present within 30 minutes from the time fixed for holding any such meeting, the meeting, if convened by the Noteholders or pursuant to a Noteholders' Request, shall be dissolved; but in any other case; the meeting shall be adjourned to the same day in the next week (unless such day is not a Business Day, in which case it shall be adjourned to the next following Business Day) at such time and place as may be appointed by the chair, and no notice need be given of the adjourned meeting. At the adjourned meeting, the Noteholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened notwithstanding that they may not represent the requisite principal amount of the Notes.

10.5 Power to Adjourn

The chair of any meeting at which a quorum of the Noteholders is present may, with the consent of the Holders of a majority in principal amount of the Notes represented thereat, adjourn any such meeting and no notice of such adjournment need be given except such notice, if any, as the meeting may prescribe.

10.6 Show of Hands

Every question submitted to a meeting of Noteholders shall be decided in the first place by a majority of the votes given on a show of hands, except that votes on Extraordinary Resolutions shall be given in the manner hereinafter provided. At such meeting, unless a poll is duly demanded as herein provided, a declaration by the chair that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.

10.7 Poll

On every Extraordinary Resolution, and on any other question submitted to a meeting, when demanded by the chair or by one or more Noteholders and/or proxies for Noteholders holding at least 5% of the principal amount of the Notes represented thereat, a poll shall be taken in such manner and either at once or after an adjournment as the chair shall direct. Questions other than Extraordinary Resolutions shall, if a poll is taken, be decided by the votes of the Holders of a majority in principal amount of the Notes represented at the meeting and voted on the poll.

10.8 Voting

On a show of hands, every Person who is present and entitled to vote, whether as a Noteholder or as proxy, shall have one vote. On a poll, each Noteholder present in person or represented by a duly appointed proxy shall be entitled to one vote in respect of each $1,000 principal amount of Notes of which he or she shall then be the Holder. A proxy need not be a

Noteholder. In the case of joint registered Holders of a Note, any one of them present in person or by proxy at the meeting may vote in the absence of the other or others; but in case more than one of them are present in person or by proxy, they shall vote together in respect of the Notes of which they are joint registered Holders.

10.9 Regulations

The Trustee or the Corporation, with the approval of the Trustee, may from time to time make and from time to time vary such regulations as it shall from time to time think fit providing for:

10.9.1 voting by proxy and the form of the instrument appointing a proxy (which shall be in writing) and the manner in which the same shall be executed and for the production of the authority of any Person signing on behalf of a Noteholder;

10.9.2 the deposit of instruments appointing proxies at such place as the Trustee, the Corporation or the Noteholders convening a particular meeting, as the case may be, may in the notice convening the meeting direct and the time, if any, before the holding of the meeting or any adjournment thereof by which the same shall be deposited; and

10.9.3 the deposit of instruments appointing proxies at some approved place or places other than the place at which a particular meeting is to be held and enabling particulars of instruments appointing proxies to be mailed, telecopied or sent by electronic mail or made available online before the meeting to the Corporation or to the Trustee at the place where the same is to be held and for the voting of proxies so deposited as though the instruments themselves were produced at the meeting.

Any regulations so made shall be binding and effective and the votes given in accordance therewith shall be valid and shall be counted. Save as such regulations may provide, the only Persons who shall be recognized at any meeting of Noteholders as Holders, or as entitled to vote or be present at the meeting, shall be the Holders and Persons whom such Noteholders have duly appointed as their proxies.

10.10 Corporation and Trustee May Be Represented

The Corporation and the Trustee, by their respective employees, officers and directors, and the legal advisers of the Corporation and the Trustee may attend any meeting of the Noteholders, but shall have no vote as such.

10.11 Powers Exercisable by Extraordinary Resolution

In addition to the powers conferred upon them by any other provisions of this Indenture or by law, a meeting of all of the Noteholders shall have the following powers exercisable from time to time by Extraordinary Resolution:

10.11.1 subject to the Trustee’s and the Corporation’s prior written consent, power to approve any change whatsoever in any of the provisions of this Indenture or the

Notes (including any modification, abrogation, alteration, compromise or arrangement) of the rights of the Noteholders and/or the Trustee, against the Corporation or against its undertaking, property and assets or any part thereof arising under this Indenture or the Notes, and to authorize the Trustee to enter into any agreement or other instrument necessary to give effect to that change;

10.11.2 power to approve any scheme for the reconstruction or reorganization of the Corporation or for the consolidation, amalgamation or merger of the Corporation with any other corporation or for any transfer, sale or lease, in each case whereby all or substantially all of the undertaking, property and assets of the Corporation would become the property of another Person or, in the case of any such amalgamation, of the continuing corporation resulting therefrom, provided that no such approval shall be necessary in respect of any such transaction if the provisions of Section 9.1 have been complied with;

10.11.3 power to direct or authorize the Trustee to exercise any power, right, remedy or authority given to it by this Indenture or the Notes in any manner specified in such Extraordinary Resolution or to refrain from exercising any such power, right, remedy or authority;

10.11.4 power to waive and direct the Trustee to waive any default or Event of Default hereunder either unconditionally or upon any conditions specified in such Extraordinary Resolution;

10.11.5 power to restrain any Noteholder from taking or instituting any suit, action or proceeding for the purpose of enforcing payment of the principal or interest of any Note or for the execution of any trust or power hereunder or for any other remedy hereunder;

10.11.6 power to direct any Noteholder who, as such, has brought any action, suit or proceeding to stay or discontinue or otherwise deal with the same in the manner directed by such Extraordinary Resolution upon payment, if the taking of such action, suit or proceeding shall have been permitted by Section 6.5, of the costs, charges and expenses reasonably and properly incurred by such Noteholder in connection therewith;

10.11.7 power to appoint a committee to consult with the Trustee (and to remove any committee so appointed) and to delegate to such committee (subject to such limitations, if any, as may be prescribed in such Extraordinary Resolution) all or any of the powers which the Holders of such Notes may exercise by Extraordinary Resolution under this Section 10.11; the Extraordinary Resolution making such appointment may provide for payment of the expenses and disbursements of and compensation to such committee; such committee shall consist of such number of individuals (who need not be Noteholders) as shall be prescribed in the Extraordinary Resolution appointing it; subject to the Extraordinary Resolution appointing it, every such committee may elect its chair and may make regulations respecting its quorum, the calling of its meetings, the filling of vacancies occurring in its number, the manner in which it may act and its procedures generally and such regulations may provide that the committee may act at a meeting at which a quorum is present or may act by resolution signed in one or more counterparts by a majority of the members thereof or the number of members thereof necessary to constitute a quorum, whichever is the greater; all acts of any such committee within the authority delegated to it shall be binding upon all Holders of such Notes;

10.11.8 power to agree to any compromise or arrangement with any creditor or creditors or any class or classes of creditors, whether secured or otherwise, and with holders of any shares or other securities of the Corporation;

10.11.9 power to authorize the distribution in specie of any shares, bonds, debentures or other securities or obligations and/or cash or other consideration received or the use or disposition of the whole or any part of such shares, bonds, debentures or other securities or obligations and/or cash or other consideration in such manner and for such purpose as may be considered advisable and specified in such Extraordinary Resolution;

10.11.10 power to approve the exchange of the Notes for or the conversion thereof into shares, bonds, debentures or other securities or obligations of the Corporation or of any corporation formed or to be formed;

10.11.11 power to remove the Trustee from office and to appoint a new Trustee or Trustees; and

10.11.12 power to amend, alter or repeal any Extraordinary Resolution previously passed or approved by the Holders of such Notes or by any committee appointed pursuant to Section 10.11.7.

10.12 <u>Meaning of "Extraordinary Resolution"</u>

10.12.1 The expression "Extraordinary Resolution" when used in this Indenture means, subject as hereinafter provided in this Article 10, a resolution proposed to be passed as an Extraordinary Resolution at a meeting of Noteholders duly convened for the purpose and held in accordance with the provisions of this Article 10 at which the Holders of more than 50% of the principal amount of the Notes then outstanding are present in person or by proxy and passed by the favourable votes of the Holders of not less than 66 2/3% of the principal amount of the Notes represented at the meeting and voted on a poll upon such resolution.

10.12.2 If, at any such meeting, the Holders of 50% of the principal amount of the Notes then outstanding are not present in person or by proxy within 30 minutes after the time appointed for the meeting, then the meeting, if convened by the Noteholders or pursuant to a Noteholders' Request, shall be dissolved; but in any other case, it shall be adjourned to such date, being not less than 21 nor more than 60 days later and to such place and time as may be appointed by the chair. Not less than 10 days' notice shall be given of the time and place of such adjourned meeting in the manner provided in Article 11. Such notice shall state that at the adjourned meeting the

Noteholders present in person or by proxy shall form a quorum but it shall not be necessary to set forth the purposes for which the meeting was originally called or any other particulars. At the adjourned meeting, the Noteholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened and a resolution proposed at such adjourned meeting and passed in accordance with Section 10.12.1 shall be an Extraordinary Resolution within the meaning of this Indenture notwithstanding that the Holders of more than 50% of the principal amount of the Notes then outstanding are not present in person or by proxy at such adjourned meeting.

10.12.3 Votes on an Extraordinary Resolution shall always be given on a poll and no demand for a poll on an Extraordinary Resolution shall be necessary.

10.13 Powers Cumulative

It is hereby declared and agreed that any one or more of the powers and/or any combination of the powers in this Indenture stated to be exercisable by the Noteholders by Extraordinary Resolution or otherwise may be exercised from time to time and the exercise of any one or more of such powers or any combination of powers from time to time shall not be deemed to exhaust the right of the Noteholders to exercise the same or any other such power or powers or combination of powers thereafter from time to time.

10.14 Minutes

Minutes of all resolutions and proceedings at every meeting of Noteholders shall be made and duly entered in books to be provided for that purpose by the Trustee at the expense of the Corporation, and any such minutes, if signed by the chair of the meeting at which such resolutions were passed or proceedings had, or by the chair of the next succeeding meeting of the Noteholders, shall be prima facie evidence of the matters therein stated and, until the contrary is proved, every such meeting, in respect of the proceedings of which minutes shall have been made, shall be deemed to have been duly held and convened, and all resolutions passed or proceedings had thereat, to have been duly passed and had.

10.15 Signed Instruments

Any action which may be taken and any power which may be exercised by the Holders at a meeting held as hereinbefore in this Article 10 provided may also be taken and exercised by an instrument in writing signed in one or more counterparts by the Holders of not less than 50% of the principal amount of the outstanding Notes except in respect of matters to be taken and powers to be exercised by Extraordinary Resolution, in which case the instrument must be signed by the Holders of not less than 66 2/3% of the principal amount of the outstanding Notes and the expression “Extraordinary Resolution” when used in this Indenture shall include an instrument so signed. Notice of any resolution or Extraordinary Resolution passed in accordance with this Section 10.15 shall be given by the Trustee to the Holders affected thereby within 30 days of the date on which such resolution or Extraordinary Resolution was passed.

10.16 Binding Effect of Resolutions

Every resolution and every Extraordinary Resolution passed in accordance with the provisions of this Article 10 at a meeting of Noteholders shall be binding upon all the Noteholders, whether present at or absent from such meeting, and every instrument signed by Noteholders in accordance with Section 10.15 shall be binding upon all the Noteholders, whether signatories thereto or not, and each and every Noteholder and the Trustee (subject to the provisions for its indemnity herein contained) shall be bound to give effect to every such resolution, Extraordinary Resolution and instrument.

10.17 Evidence of Rights of Noteholders

10.17.1 Any request, direction, notice, consent or other instrument which this Indenture may require or permit to be signed or executed by the Noteholders may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Noteholders in person or by attorney duly appointed in writing. Proof of the execution of any such request, direction, notice, consent or other instrument or of a writing appointing any such attorney shall be sufficient for any purpose of this Indenture if made in the following manner, namely, the fact and date of the execution by any Person of such request, direction, notice, consent or other instrument or writing may be proved by the certificate of any notary public, or other officer authorized to take acknowledgements of deeds to be recorded at the place where such certificate is made, that the Person signing such request, direction, notice, consent or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution or in any other manner which the Trustee may consider adequate.

10.17.2 The Trustee may, nevertheless, in its discretion require further proof in cases where it considers further proof necessary or desirable or may accept such other proof as it shall consider proper.

ARTICLE 11
NOTICES

11.1 Notice to the Corporation

Any notice to the Corporation under the provisions of this Indenture shall be valid and effective if delivered personally to, by facsimile or email communication or, subject to Section 11.5, if given by registered mail, postage prepaid, addressed to, the Corporation at 200 Bloor Street East, NT-3, Toronto, Ontario, Canada, M4W 1E5, Attention: Global Treasurer and Head of Capital Management (fax number: (416) 926-5834), email: halina_von_dem_hagen@manulife.com and shall be deemed to have been given (i) on the date of delivery if delivered personally, (ii) on the Business Day on which such notice has been sent by facsimile if it is sent prior to 4:00 p.m. (Toronto Time) on a Business Day and failing which it shall be received on the next Business Day, (iii) at the time receipt of such notice sent by email is confirmed by reply email if such reply email is provided prior to 4:00 p.m. (Toronto Time) on a Business Day and failing which it shall be received on the next Business Day or (iv) on the third Business Day after such letter has been mailed, as the case may be. The Corporation may from time to time notify the Trustee of a change in address which thereafter, until changed by further notice, shall be the address of the Corporation for all purposes of this Indenture.

11.2 Notice to Noteholders

Except as otherwise expressly provided herein, all notices to be given hereunder with respect to the Notes shall be valid and effective if such notice is delivered personally or is sent by (i) first class mail, postage prepaid, addressed to the Holders of the Notes at their post office addresses appearing in any of the registers hereinbefore mentioned or (ii) Electronic Methods. For greater certainty, in the event that CDS is the Noteholder, notice to Noteholders shall be valid and effective if such notice is delivered only to CDS. Any notice so delivered or sent by mail shall be deemed to have been given on the day upon which it is delivered or mailed, as the case may be. Any accidental error, omission or failure in giving or in delivering or mailing any such notice or the non-receipt of any such notice by any Noteholder shall not invalidate or otherwise prejudicially affect any action or proceeding founded thereon.

Notwithstanding any other provision of this Indenture or any Note, where this Indenture or any Note provides for notice of any event or any other communication (including any notice of redemption or repurchase) to a holder of a Book-Entry Security (whether by mail or otherwise), such notice shall be sufficiently given if given to CDS pursuant to the standing instructions from CDS, including by electronic mail in accordance with accepted practices at CDS.

11.3 Notice to the Trustee

Any notice to the Trustee under the provisions of this Indenture shall be valid and effective if delivered personally to, by facsimile or email communication, subject to Section 11.5, if given by registered mail, postage prepaid, addressed to, the Trustee at 1 York Street, 6th Floor, Toronto, Ontario M5J 0B6, Attention Corporate Trust Administration (fax number: (416) 360-1711), email: csmtoronto@bnymellon.com, telephone: (416) 933-8500 and shall be deemed to have been given (i) on the date of delivery if delivered personally, (ii) the Business Day on which such notice has been sent by facsimile or email if it is sent prior to 4:00 p.m. (Toronto Time) on a Business Day, failing which it shall be deemed to have been given on the next Business Day, or (iii) on the third Business Day after such letter has been mailed, as the case may be. The Trustee may from time to time notify the Corporation of a change in address which thereafter, until changed by further notice, shall be the address of the Trustee for all purposes of this Indenture.

The Trustee shall be entitled to treat a facsimile, pdf or email communication or communication by other similar electronic means in a form satisfactory to the Trustee ("**Electronic Methods**") from a person purporting to be (and whom such Trustee, acting reasonably, believes in good faith to be) the authorized representative of the Corporation, as sufficient instructions and authority of the Corporation for the Trustee to act and shall have no duty to verify or confirm that person is so authorized. The Trustee shall have no liability for any losses, liabilities, costs or expenses incurred by it as a result of such reliance upon or compliance with such instructions or directions. The Corporation agrees: (i) to assume all risks arising out of the use of Electronic Methods to submit instructions and directions to the Trustee including the risk of the Trustee acting on unauthorized instructions and the risk of interception or misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting instructions to the Trustee and that there may be more secure methods of transmitting instructions than the method(s) selected by the Corporation; and (iii) that the security procedures (if any) to be followed in connection with its transmission of instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances.

11.4 Notice to CDS

Any notice to CDS under the provisions of this Indenture shall be valid and effective if delivered personally to, by facsimile or, subject to Section 11.5, if given by registered mail, postage prepaid, addressed to: Manager of Operations, CDS Clearing and Depository Services Inc., 100 Adelaide St W, Toronto, Ontario, M5H 1S3 (fax number: (416) 365-0842), and shall be deemed to have been given on the date of delivery, the Business Day immediately following the date such notice has been sent by facsimile or on the third Business Day after such letter has been mailed, as the case may be. CDS may from time to time notify the Corporation and the Trustee of a change in address which thereafter, until changed by further notice, shall be the address of CDS for all purposes of this Indenture.

11.5 Mail Service Interruption

If the Trustee determines that mail service is or is threatened to be interrupted at the time when the Trustee is required or elects to give any notice to the Noteholders hereunder by mail, the Trustee shall, notwithstanding the provisions hereof, give such notice by means of publication in *The Globe and Mail*, national edition, or any other English language daily newspaper or newspapers of general circulation in Canada and in a French language daily newspaper of general circulation in the Province of Quebec, once in each of two successive weeks, and any notice so published shall be deemed to have been given on the latest date on which the publication has taken place.

If by reason of any actual or threatened interruption of mail service due to strike, lock-out or otherwise, any notice to be given to the Trustee or to the Corporation would be unlikely to reach its destination in a timely manner, such notice shall be valid and effective only if delivered personally in accordance with Sections 11.1 or 11.3, as the case may be.

ARTICLE 12
CONCERNING THE TRUSTEE

12.1 Trust Indenture Legislation

12.1.1 In this Article 12, the term "Indenture Legislation" means the provisions, if any, of the Insurance Companies Act, *Canada Business Corporations Act*, the *Business Corporations Act* (Ontario), and any other statute of Canada or a province thereof, and of the regulations under any such statute, relating to trust indentures providing for the issue of debt obligations by corporations and to the rights, duties and obligations of trustees under such trust indentures and of corporations issuing debt obligations under trust indentures, to the extent that such provisions are at the time in force and applicable to this Indenture or the Corporation.

12.1.2 If and to the extent that any provision of this Indenture limits, qualifies or conflicts with a mandatory requirement of Indenture Legislation, such mandatory requirement shall prevail.

12.1.3 At all times in relation to this Indenture and any action to be taken hereunder, the Corporation and the Trustee each shall observe and comply with Indenture Legislation and the Corporation, the Trustee and each Noteholder shall be entitled to the benefits of Indenture Legislation.

12.2 No Conflict of Interest

The Trustee represents to the Corporation that at the date of the execution and delivery of this Indenture there exists no material conflict of interest between the role of the Trustee as a fiduciary hereunder and the Trustee's role in any other capacity. If at any time a material conflict of interest exists in the Trustee's role as a fiduciary hereunder the Trustee shall, within 90 days after ascertaining that such a material conflict of interest exists, either eliminate the same or else resign from the trusts hereunder by giving notice in writing to the Corporation at least 21 days prior to such resignation and the Trustee shall thereupon be discharged from all further duties and liabilities hereunder.

12.3 Rights and Duties of Trustee

12.3.1 The duties, responsibilities and obligations of the Trustee shall be limited to those expressly set forth herein and no duties, responsibilities or obligations shall be inferred or implied against the Trustee. In the exercise of the rights and duties prescribed or conferred by the terms of this Indenture, the Trustee shall act honestly and in good faith with a view to the best interests of the Noteholders and exercise that degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances.

12.3.2 Subject only to Section 12.3.1, the obligation of the Trustee to commence or continue any act, action or proceeding for the purpose of enforcing any rights of the Trustee or the Noteholders hereunder shall be conditional upon the Noteholders furnishing, when required by notice in writing by the Trustee, sufficient funds to commence or continue such act, action or proceeding and indemnity reasonably satisfactory to the Trustee to protect and hold harmless the Trustee against the costs, charges and expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof. None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless indemnified as aforesaid.

12.3.3 The Trustee may, before commencing or at any time during the continuance of any such act, action or proceeding, require the Noteholders at whose instance it is acting to deposit with the Trustee the Notes held by them, for which Notes the Trustee shall issue receipts.

12.3.4 Every provision of this Indenture that by its terms relieves the Trustee of liability or entitles it to rely upon any evidence submitted to it is subject to the provisions of Indenture Legislation, this Section 12.3 and Section 12.4.

12.4 Calculation of Proportionate Share of Corresponding Trust Assets

The Trustee shall have no duty or obligation in respect of the calculation or determination (including but not limited to the accuracy of such calculation or determination) of each Holder's proportionate share of the Corresponding Trust Assets, nor shall the Trustee be liable for any inaccuracy in connection therewith.

12.5 Evidence, Experts and Advisers

12.5.1 In addition to the reports, certificates, opinions, statutory declarations and other evidence required by this Indenture, the Corporation shall furnish to the Trustee such additional evidence of compliance with any provisions hereof, and in such form, as may be prescribed by Indenture Legislation or as the Trustee may reasonably require by written notice to the Corporation.

12.5.2 The Trustee will not be in contravention of the provisions of Section 12.3.1 if it acts and relies in good faith as to the truth of the statements and the accuracy of the opinions expressed therein, upon statutory declarations, opinions, reports, certificates or other evidence referred to in Section 12.5.1 provided that the Trustee examines the same and determines that such evidence complies with the applicable requirements of this Indenture and of Indenture Legislation. The Trustee shall be entitled to rely and act on the genuineness and authenticity of any such writing submitted to it. It shall not be necessary for the Trustee to ascertain whether or not the persons who have executed, signed or otherwise issued the documents have authority to do so or that they are the same persons named therein.

12.5.3 The Trustee may employ or retain such agents as it may reasonably require for the proper determination and discharge of its duties hereunder, including without limitation, counsel, auditors, accountants, appraisers, any agent appointed to publish notices or other experts or advisers, whose qualifications give authority to any opinion or report made by them, and may pay their reasonable fees and disbursements and, subject to Section 12.3.1, may act and rely on the opinion, report or advice of or information obtained from any such counsel, auditor, accountant, appraiser, agent appointed to publish notices or other expert or adviser without liability. Any remuneration so paid by the Trustee shall be repaid to the Trustee in accordance with Article 5. The Trustee shall not be liable for any action taken, suffered or omitted by any counsel, auditors, accountants, appraisers, agent appointed to publish notices or other experts or advisers appointed in good faith and with due care by the Trustee and shall not be liable for any action taken, suffered or omitted by any other agents appointed in good faith and with due care by the Trustee.

12.6 Trustee May Deal in Notes

Subject to Section 12.3, the Trustee may buy, sell, lend upon and deal in the Notes or other securities of the Corporation, either with the Corporation or otherwise, and generally contract and enter into financial transactions with the Corporation or otherwise, without being liable to account for any profits made thereby.

12.7 Trustee Not Required to Give Security

The Trustee shall not be required to give any bond or security in respect of the execution of the trusts and powers of this Indenture or otherwise in respect of this Indenture.

12.8 Protection of Trustee

By way of supplement to the provisions of any law for the time being relating to trustees, it is expressly declared and agreed as follows:

12.8.1 the Trustee shall not be liable for or by reason of any statements of fact or recitals in this Indenture or in the Notes (except the representation contained in Section 12.2 and in the certificate of the Trustee on the Notes) or required to verify the same, but all such statements or recitals are and shall be deemed to be made by the Corporation;

12.8.2 nothing herein contained shall impose any obligation on the Trustee to see to or to require evidence of the registration or filing (or renewal thereof) of this Indenture or any instrument ancillary or supplemental hereto;

12.8.3 the Trustee shall not be bound to give notice to any Person or Persons of the execution hereof;

12.8.4 the Trustee shall not incur any liability or responsibility whatever or be in any way responsible for the consequence of any breach on the part of the Corporation of any of the covenants herein contained or of any acts of the agents of the Corporation;

12.8.5 the Trustee shall not be liable for any action taken or omitted by it, or any action suffered by it except in the event of negligence, the willful misconduct or bad faith of the Trustee;

12.8.6 the Corporation indemnifies and saves harmless the Trustee and its officers, directors, employees and agents from and against any and all liabilities, losses, costs, claims, actions or demands whatsoever brought against the Trustee or which it may suffer or incur as a result of or arising out of the performance of its duties and obligations under this Indenture, including any and all legal fees and disbursements of whatever kind or nature, except in the event of the negligence or willful misconduct or bad faith of the Trustee. It is understood and agreed that this indemnification shall survive the termination or discharge of this Indenture, the occurrence of a Recourse Event, or the resignation or removal of the Trustee;

12.8.7 the Trustee and any person related to the Trustee will not be appointed a receiver or receiver and manager or liquidator of all or any part of the assets or undertaking of the Corporation;

12.8.8 the Trustee shall not be bound to give any notice or do or take any act, action or proceeding by virtue of the powers conferred on it hereby unless and until it shall have been required so to do under the terms hereof; nor shall the Trustee be required to take notice of any default hereunder, unless and until notified in writing of such default in accordance with Section 11.3, which notice shall distinctly specify the default desired to be brought to the attention of the Trustee and in the absence of any such notice the Trustee may for all purposes of this Indenture conclusively assume that no default has been made in the observance or performance of any of the representations, warranties, covenants, agreements or conditions contained herein. Any such notice shall in no way limit any discretion herein given the Trustee to determine whether or not the Trustee shall take action with respect to any default;

12.8.9 the Corporation shall provide to the Trustee an incumbency certificate setting out the names and sample signatures of persons authorized to give instructions to the Trustee hereunder. The Trustee shall be entitled to rely on such certificate until a revised certificate is provided to it hereunder. The Trustee shall be entitled to refuse to act upon any instructions given by a party which are signed by any person other than a person described in the incumbency certificate provided to it pursuant to this Section;

12.8.10 the Trustee shall not be liable for any consequential, punitive or special damages of any kind whatsoever (including, but not limited to, loss of business, goodwill, opportunity or profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action; and

12.8.11 the Trustee shall not incur any liability for not performing any act or fulfilling any duty, obligation or responsibility hereunder resulting from any occurrence beyond the control of the Trustee (including but not limited to any act or provision of any present or future law or regulation or governmental authority, any act of God or war, civil unrest, local or national disturbance or disaster, any act of terrorism, cyberterrorism, any epidemic or pandemic, any loss or malfunctions of utilities, computer or communication services or the unavailability of any wire or facsimile or other wire or communication facility) occurring after the date of this Indenture or from any breach of this Indenture by the Corporation.

12.9 <u>Investment of Trust Moneys</u>

Unless otherwise provided in this Indenture, any moneys held by the Trustee, which under the trusts of this Indenture may or ought to be invested or which may be on deposit with the Trustee or which may be in the hands of the Trustee, may be invested and reinvested in the name or under the control of the Trustee, upon the written direction of the Corporation, in “Authorized Investments”. Any such moneys shall be received by the Trustee, and shall be segregated and kept apart by, the Trustee as fiduciary for, the Noteholders. For the purpose of this Indenture, "Authorized Investments" means short term interest bearing or discount debt obligations issued or guaranteed by the Government of Canada or a Province or a Canadian chartered bank (which may include an affiliate or related party of the Trustee), or as otherwise agreed to in writing by the Corporation, provided that each such obligation is rated at least R1(middle) by DBRS Limited or any equivalent rating by another rating agency.

A direction by the Corporation to the Trustee as to investment, reinvestment or sale of securities of funds shall be in writing and shall be provided to the Trustee no later than 9:00 a.m. (Toronto time) on the day on which the investment is to be made. Any such direction received after 9:00 a.m. (Toronto time) or received on a non-Business Day, shall be deemed to have been given prior to 9:00 a.m. (Toronto time) the next Business Day. Absent direction of the Corporation, any moneys held by the Trustee will not be invested, and the Trustee shall not be liable to account for any interest.

The Corporation acknowledges and agrees that the Trustee shall engage Bank of Montreal or BMO Nesbitt Burns as its agents for the purpose of opening any accounts, receiving any cash deposits, and making any investments required pursuant to this Section 12.9.

Pending the investment of any moneys as hereinbefore provided, such moneys may be placed by the Trustee on deposit in a chartered bank in Canada or with its own deposit department or the deposit department of one of its Affiliates (as defined below for the purposes of this section) but the Trustee and its Affiliates shall not be liable to account for any profit or loss of profit to the Corporation or any other person or entity. The Trustee shall allow interest at the current rate for similar deposits on moneys remaining on deposit with it and, provided that the Corporation is not in default hereunder, shall credit the Corporation with interest received on moneys deposited with other depositories and on all moneys invested as provided in this Section 12.9.

For the purpose of this section, "Affiliate" means an affiliate within the meaning of the *Business Corporations Act* (Ontario).

Subject to Section 12.3.1, the Trustee shall not be liable for any loss or losses realized in the investment of any funds in Authorized Investments.

12.10 Action by Trustee to Protect Interests

The Trustee shall have the power to institute and maintain all and any such actions, suits or proceedings as it may consider necessary or expedient to preserve, protect or enforce its interests and the interests of the Holders.

12.11 Replacement of Trustee

12.11.1 The Trustee may resign from the trusts hereunder and thereupon be discharged from all further duties and liabilities hereunder by giving to the Corporation 90 days' notice in writing or such shorter notice as the Corporation may accept as sufficient. The Noteholders by Extraordinary Resolution shall have power at any time to remove the Trustee and to appoint a new trustee hereunder. In the event of the Trustee resigning or being removed as aforesaid or being dissolved, becoming bankrupt, going into liquidation or otherwise becoming incapable of acting hereunder, the Corporation shall forthwith appoint a new trustee hereunder unless a new trustee has already been appointed by the Noteholders; failing such appointment by the Corporation, at the expense of the Corporation the retiring trustee hereunder or any Noteholder may apply to a Judge of the Ontario Superior Court of Justice, on such notice as such Judge may direct, for the appointment of a new trustee hereunder; but any trustee so appointed by the Corporation or by the Court shall be subject to removal as aforesaid by the Noteholders. Any new trustee hereunder appointed under any provision of this Section 12.11 shall be a corporation authorized and qualified to carry on the business of a trust company in the Province of Ontario and every other jurisdiction where such authorization or qualification is necessary to enable it to act as a trustee hereunder and shall certify that it will not have any material conflict of interest upon becoming trustee hereunder. On any new appointment the new trustee shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Trustee.

12.11.2 Any corporation into which the Trustee may be merged or with which it may be consolidated or amalgamated, or any corporation resulting from any merger, consolidation or amalgamation to which the Trustee shall be a party shall be the successor Trustee under this Indenture without the necessity of the execution of any instrument or any further act.

12.12 <u>Acceptance of Trusts</u>

The Trustee accepts the trusts in this Indenture declared and provided for and agrees to perform the same upon the terms and conditions herein set forth and in trust for the various Persons who shall from time to time be Noteholders, subject to the terms and conditions herein set forth.

12.13 <u>Trustee to Provide Instructions upon Request of the Corporation</u>

12.13.1 If at any time the Corporation requests instructions from the Trustee as required under the LRT Declaration of Trust (i) in respect of statutory voting rights or voting rights conferred by the by-laws of the Corporation in respect of Series 28 Shares held by the LRT Trustee and a meeting of holders of the Corporation's preferred shares, including the holders of Series 28 Shares, has been called or a written consent is sought from the holders of the Corporation's preferred shares, including the holders of Series 28 Shares (each a "**Series 28 Shares Voting Event"**), or (ii) in respect of any consent or approval of Noteholders required under the terms of the LRT Declaration of Trust and this Indenture in respect of an amendment to the LRT Declaration of Trust or the termination of the Limited Recourse Trust (each a "**Consent Event**"), the Corporation shall itself or through an agent appointed by the Corporation provide notice (the form of such notice to be provided by the Corporation) of such Series 28 Shares Voting Event or Consent Event, as applicable, in the manner provided in Article 12 as applicable, to the Holders and solicit voting instructions from such Holders in respect of such matters for the purpose of preserving the value of the Holders' interest in the Notes and advise the

Trustee of the voting instructions received from the Holders. In respect of each Series 28 Shares Voting Event or Consent Event, each Holder shall be entitled to provide instructions in proportion to the aggregate principal amount of Notes held by such Holder.

12.13.2 The Trustee shall itself or through an agent appointed by the Corporation deliver to the Corporation the voting instructions received from the Holders and the Corporation shall direct the LRT Trustee to (i) vote the Series 28 Shares, in respect of each Series 28 Shares Voting Event, then held by the LRT Trustee in accordance with such voting instructions (it being understood that the LRT Trustee shall be directed to vote the Series 28 Shares in favour of, against and abstain on, any matter in the same proportion as voted or abstained on by the Noteholders); or (ii) take such action, or abstain from taking such action, as the case may be, that is the subject matter of the applicable Consent Event and is approved by the consent of the Holders of the requisite principal amount of outstanding Notes in accordance with Section 13.2.

12.14 <u>Recourse Events</u>

The Trustee shall not at any time be under any duty or responsibility to any Holder to determine whether any facts exist which may result in a Recourse Event or a failure of the LRT Trustee to deliver the Corresponding Trust Assets to a Holder. The Trustee shall not be accountable with respect to the validity or value (or the kind or amount) of any Series 28 Shares or of any shares or other securities or other property which may at any time be issued or delivered upon the occurrence of a Recourse Event. Except as otherwise provided herein, the Trustee shall not at any time be under any duty or responsibility or have any liability for the actions or omissions of the Corporation or the LRT Trustee in relation to a Recourse Event, including in relation to the failure of the Corporation or the LRT Trustee to deliver the Corresponding Trust Assets to the Holders or in relation to the Corporation's failure to comply with its obligations under this Indenture or the LRT Trustee's failure to comply with its obligations under the LRT Declaration of Trust.

ARTICLE 13
SUPPLEMENTAL INDENTURES; LRT DECLARATION OF TRUST

13.1 <u>Supplemental Indentures</u>

Subject to the provisions of this Indenture, from time to time the Trustee and, when authorized by a resolution of the Directors, the Corporation may, and they shall, when required by this Indenture, execute, acknowledge and deliver, by their proper officers indentures supplemental hereto which thereafter shall form part hereof, or do and perform any other acts and things and execute and deliver any other documents for any one or more of the following purposes:

13.1.1 adding to the provisions hereof such additional covenants of the Corporation, enforcement provisions and other provisions for the protection of Holders and/or providing for Events of Default in addition to those herein specified;

13.1.2 making such provisions not inconsistent with this Indenture as may be necessary or desirable with respect to matters or questions arising hereunder, including the making of any modifications in the form of the Notes which do not affect the substance thereof and which, in the opinion of the Trustee (relying on the advice of Counsel), it may be expedient to make, provided that the Trustee shall be of the opinion that such provisions and modifications will not be prejudicial to the interests of the Noteholders;

13.1.3 evidencing the succession, or successive successions, of other corporations to the Corporation and the covenants of and obligations assumed by any such successor in accordance with the provisions of this Indenture;

13.1.4 giving effect to any Extraordinary Resolution passed as provided in Article 10;

13.1.5 making any modification of any of the provisions of this Indenture or the Notes which, in the Opinion of Counsel, is of a formal, minor or technical nature;

13.1.6 making any additions to, deletions from or alterations of the provisions of this Indenture (including any of the terms and conditions of the Notes) which, in the opinion of the Trustee (relying on the advice of Counsel), are not materially prejudicial to the interests of the Noteholders and which are necessary or advisable in order to incorporate, reflect or comply with Indenture Legislation;

13.1.7 adding to or altering the provisions hereof in respect of the transfer of Notes, in a manner which, in the opinion of the Trustee (relying on the advice of Counsel), is not materially prejudicial to the interests of the Noteholders;

13.1.8 correcting or rectifying any ambiguities, defective provisions, errors or omissions herein, provided that, in the opinion of the Trustee (relying on the advice of Counsel), neither the rights of the Trustee nor the Holders are in any way materially prejudiced thereby; and

13.1.9 any other purpose not inconsistent with the terms of this Indenture provided that, in the opinion of the Trustee (relying on the advice of Counsel), the rights of the Trustee and Holders of the Notes are not materially prejudiced thereby.

13.2 <u>LRT Declaration of Trust</u>

13.2.1 Any amendment or supplemental declaration of trust for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the LRT Declaration of Trust shall require the approval of the Holders by Extraordinary Resolution; provided, however, that to the extent any such addition, change or elimination is in respect of the definition of “Trust Assets” in Section 1.1 (Definitions), Section 2.3 (Objective of the Trust), Section 2.4 (Ownership of Trust Assets), Section 2.5 (Binding Effect), Section 2.6 (Legal Character of the Trust), Section 10.6 (Acquisition and Administration of Trust Assets) and Article 14 (Termination) of the LRT Declaration of Trust (or the equivalent sections of the LRT Declaration of Trust following any addition, change or elimination to the LRT Declaration of Trust permitted in accordance with this Section 13.2), such addition, change or elimination shall not be made without the consent of the Holder of each outstanding Note affected thereby. For certainty, a change to the governing law of the LRT Declaration of Trust in accordance with the provisions of the LRT Declaration of Trust shall not require the consent of any Holders. It shall not be necessary for any act of Holders under this Section 13.2.1 to approve the particular form of any proposed amendment or supplemental declaration of trust, but it shall be sufficient if such act shall approve the substance thereof.

13.2.2 Notwithstanding Section 13.2.1, without the consent of any Holders, the LRT Trustee may make any amendment to the LRT Declaration of Trust or enter into supplemental declarations of trust to the LRT Declaration of Trust for any of the following purposes:

(a) to evidence and provide for the acceptance of appointment by a successor LRT Trustee; or

(b) to cure any ambiguity, to correct or supplement any provision of the LRT Declaration of Trust which may be defective or inconsistent with any other provision of the LRT Declaration of Trust, to add, amend, correct or supplement any provision of the LRT Declaration of Trust which may become incorrect or inaccurate as a result of the passage of time (including changes to the provisions of legislation referred to in the LRT Declaration of Trust) or to make any other provisions with respect to matters or questions arising under the LRT Declaration of Trust, provided that such action pursuant to this Section 13.2.2 shall not adversely affect the interests of the Holders in any material respect.

13.2.3 The termination of the LRT Declaration of Trust shall require the consent of the Holder of each outstanding Note affected thereby.

ARTICLE 14
EXECUTION

14.1 Counterparts and Formal Date

This Indenture may be executed in several counterparts and delivered by facsimile or other electronic transmission of a counterpart hereof bearing a manual, facsimile or other electronic signature, each of which when so executed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument.

14.2 Language of Indenture

The Parties hereto have requested that this document be drafted in the English language.

Les Parties ont demandé que le présent document soit rédigé en langue anglaise.

- signature pages follow -

IN WITNESS WHEREOF the Parties hereto have executed this Indenture as of the date first stated above.

MANULIFE FINANCIAL CORPORATION

By: *"Philip J. Witherington"*
Name: Philip J. Witherington
Title: Chief Financial Officer

By: *"Halina K. von dem Hagen"*
Name: Halina K. von dem Hagen
Title: Global Treasurer and Head of Capital Management

(corporate seal)

BNY TRUST COMPANY OF CANADA,
as Indenture Trustee

By: *"Bhawna Dhayal"*
Name: Bhawna Dhayal
Title: Vice President

SCHEDULE A

FORM OF ENGLISH LIMITED RECOURSE CAPITAL NOTE

*Unless this certificate is presented by an authorized representative of CDS Clearing and Depository Services Inc. ("**CDS**") to Manulife Financial Corporation or its agent for registration of transfer, exchange or payment, and any certificate issued in respect thereof is registered in the name of CDS & CO., or in such other name as is requested by an authorized representative of CDS (and any payment is made to CDS & CO. or to such other entity as is requested by an authorized representative of CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered holder hereof, CDS & CO., has a property interest in the securities represented by this certificate herein and it is a violation of its rights for another person to hold, transfer or deal with this certificate.*

NO.: 1

THIS INSTRUMENT DOES NOT CONSTITUTE A DEPOSIT THAT IS INSURED UNDER THE CANADA DEPOSIT INSURANCE CORPORATION ACT

$1,200,000,000

LIMITED RECOURSE CAPITAL NOTE

CUSIP 56501RAM8

MANULIFE FINANCIAL CORPORATION

Existing under the *Insurance Companies Act* (Canada)

4.10% LIMITED RECOURSE CAPITAL NOTE SERIES 2 (Subordinated Indebtedness)
DUE MARCH 19, 2082

FOR VALUE RECEIVED, MANULIFE FINANCIAL CORPORATION (the "**Corporation**") hereby promises to pay to the registered holder hereof on March 19, 2082 (the "**Maturity Date**"), or on such earlier date as the principal hereof may become due in accordance with the provisions of the Indenture hereinafter mentioned, the principal sum of one billion two hundred million dollars ($1,200,000,000) in lawful money of Canada, on presentation and surrender of this Note to either the financial institution in Canada with which the holder normally conducts its banking, which financial institution will be entitled to obtain payment from the Corporation and in the meantime to pay interest on the said principal sum during the period from and including the date hereof, or from and including the last Interest Payment Date (as defined in the Indenture referred to below) to which interest shall have been paid or made available for payment on this Note, whichever is later, to but excluding the date on which the Notes are repaid:

(a) during the Initial Fixed Rate Period, at the rate of 4.10% per annum calculated and payable semi-annually in arrears on March 19 and September 19 in each year commencing March 19, 2022 and ending on March 19, 2027, provided that for greater certainty in respect of the period from and including November 12, 2021 to but excluding March 19, 2022, the Corporation shall pay to the Holders of the Notes an amount equal to $14.265753425 per $1,000 in aggregate principal amount of the Notes and in respect of each subsequent semi-annual period during the Initial Fixed Rate Period an amount equal to $20.50 per $1,000 in aggregate principal amount of the Notes; and

(b) during each Subsequent Fixed Rate Period, at the rate per annum equal to the Government of Canada Yield as determined on the relevant Fixed Rate Calculation Date, plus 2.704%, calculated and payable semi-annually in arrears on March 19 and September 19 in each year commencing September 19, 2027.

Interest hereon shall be payable (including at maturity) by cheque mailed to the registered holder hereof or by electronic funds transfer to an account designated in writing to the Corporation and Trustee by the registered holder hereof or by such other means as may be approved by the Trustee in accordance with the Indenture, and, subject to the provisions of the Indenture, the mailing of such cheque or the making of such other payment shall satisfy and discharge the liability for interest on this Note to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold therefrom.

This Note is issued pursuant to a trust indenture made as of November 12, 2021 (the “**Indenture**”) between the Corporation and BNY Trust Company of Canada, as Trustee. Capitalized terms used by not defined herein shall have the meanings attributed to them in the Indenture. As provided in the Indenture and in the *Insurance Companies Act* (Canada) payment of all amounts owing hereunder is, in the event of the insolvency or winding-up of the Corporation, subordinate and subject in right of payment to the prior payment in full of all Policy Liabilities and all Higher Ranked Indebtedness (each as defined in the Indenture), and this Note is issued subject to the provisions of the Indenture with respect thereto. For the avoidance of doubt, as a result of the limited recourse feature described below, the ranking of the Notes will not be relevant during insolvency proceedings or wind-up of the Corporation, since the Corresponding Trust Assets shall have been delivered to the Holders, such delivery will have exhausted all remedies of such Holders against the Corporation, and the Notes shall have ceased to be outstanding.

During the period from February 19 to and including March 19 every five years commencing in 2027, the Corporation may, at its option, with the prior written approval of the Superintendent, redeem the Notes, on a full and permanent basis, in whole or in part at any time, on not less than 15 days’ nor more than 60 days’ prior notice to the Holders at the Redemption Price, all as more fully provided in the Indenture.

At any time on or after a Special Event Redemption Date, the Corporation may, at its option, with the prior written approval of the Superintendent, on not less than 30 days’ nor more than 60 days’ prior notice to the holders, redeem all (but not less than all) of the Notes, on a full and permanent basis, at the Redemption Price, all as more fully provided in the Indenture.

Upon the occurrence of a Series 28 Share Redemption on any date other than the Maturity Date, a corresponding number of outstanding Notes with an aggregate principal amount equal to the aggregate face amount of Series 28 Shares redeemed by the Corporation pursuant to the Series

28 Share Redemption, shall automatically and immediately be redeemed at the Redemption Price, on a full and permanent basis, without any action on the part of, or the consent of, the holders of such Notes, all as more fully provided in the Indenture.

The Corporation may, subject to the prior written approval of the Superintendent, purchase Notes in the market or by tender or by private contract at any price.

The Indenture provides, among other things, for: (a) the exchange of this Note at the option of the holder for other Notes of the same issue in other authorized denominations in equal aggregate principal amounts in fully registered form; and (b) making binding upon all Noteholders resolutions passed at meetings of Holders issued thereunder and instruments in writing signed by the Holders of the specified majority of the Notes.

Notwithstanding any other provision in the Indenture, the sole remedy of Holders in the event of a Recourse Event shall be recourse to the Corresponding Trust Assets. Upon any such Recourse Event, the principal amount of, and accrued and unpaid interest on, the Notes will be due and payable; provided that recourse for such principal amount and accrued and unpaid interest shall be solely to the Corresponding Trust Assets. The delivery to a Holder of such Holder's proportionate share of the Corresponding Trust Assets shall exhaust all remedies of such Holder under the Notes, including in connection with any Recourse Event. All claims of a Holder against the Corporation shall be extinguished upon receipt by such Holder of such Holder's proportionate share of the Corresponding Trust Assets, regardless of whether the value of such Holder's proportionate share of the Corresponding Trust Assets is less than the principal amount of and any accrued and unpaid interest on, or the Redemption Price of, the Notes held by such Holder, as applicable.

Reference is made to the Indenture for further particulars of the rights of the Holders of the Notes and of the Corporation and of the Trustee in respect thereof, to the same effect as if all provisions of the Indenture were set forth herein, to all of which provisions the holder of this Note by acceptance hereof assents.

This Note may be transferred or exchanged for Notes of any other authorized denomination or denominations at the principal office of the Trustee in the City of Toronto, Ontario, by the registered holder or such holder's attorney duly authorized in writing.

This Note shall not become obligatory for any purpose until certified by or on behalf of the Trustee.

IN WITNESS WHEREOF the Corporation has caused this Note to be signed by its duly authorized officers as of ________________, 2021.

MANULIFE FINANCIAL CORPORATION

By: ______________________________

Name: Halina K. von dem Hagen
Title: Global Treasurer and Head of Capital Management

NO WRITING HEREON EXCEPT BY THE REGISTRAR

REGISTRATION PANEL

DATE OF REGISTRY	IN WHOSE NAME REGISTERED	SIGNATURE OF REGISTRAR

(Form of Transfer)

FOR VALUE RECEIVED, the undersigned hereby assign(s) and transfer(s) unto

the within Note, together with the principal thereof and all accrued interest thereon, hereby irrevocably constituting and appointing attorney to transfer the said Note on the register maintained for that purpose with full power of substitution in the premises.

Dated: ________________________________

Signature guaranteed by:

________________________________ ________________________________
Signature

____
Address
____

*Unless this certificate is presented by an authorized representative of CDS Clearing and Depository Services Inc., ("**CDS**") to Manulife Financial Corporation or its agent for registration of transfer, exchange or payment, and any certificate issued in respect thereof is registered in the name of CDS & CO., or in such other name as is requested by an authorized representative of CDS (and any payment is made to CDS & CO. or to such other entity as is requested by an authorized representative of CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered holder hereof, CDS & CO., has a property interest in the securities represented by this certificate herein and it is a violation of its rights for another person to hold, transfer or deal with this certificate.*

Trustee's Certificate

This is one of the 4.10% Limited Recourse Capital Notes Series 2 (Subordinated Indebtedness) issued under the Indenture within mentioned.

BNY TRUST COMPANY OF CANADA,
as Trustee

By: ______________________________
Name:
Title: Authorized Signatory

SCHEDULE B

SERIES 28 SHARE TERMS

SCHEDULE C

The following is the form of confirmation which may be requested pursuant to Section 4.10.

CONFIRMATION

TO: ■ [insert name of holder of Higher Ranked Indebtedness or its representative or the trustee under any indenture under which any instruments evidencing the Higher Ranked Indebtedness may have been issued]

IN CONSIDERATION of the sum of $1.00 and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, BNY TRUST COMPANY OF CANADA as trustee (the "**Trustee**") under a trust indenture (the "**Indenture**") made as of November 12, 2021, between Manulife Financial Corporation (the "**Corporation**") and the Trustee, on behalf of itself and the Noteholders (as defined in the Indenture), confirms that it and each of those Noteholders are legally obligated to you to comply with the provisions of Article 4 of the Indenture.

BNY TRUST COMPANY OF CANADA, as Trustee

By: ______________________________________
Name:
Title:

By: ______________________________________
Name:
Title: