

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N :

IRONWORKERS ONTARIO PENSION FUND
and LEONARD SCHWARTZ

Plaintiffs

- and -

MANULIFE FINANCIAL CORPORATION, DOMINIC D'ALESSANDRO
and PETER RUBENOVITCH

Defendants

Proceeding under the *Class Proceedings Act, 1992*

PLAN OF ALLOCATION

(Supplement to the Settlement Agreement, dated January 30, 2017)

DEFINED TERMS

1. For the purposes of this Plan of Allocation, the definitions set out in the Settlement Agreement apply to and are incorporated into this Plan of Allocation and, in addition, the following definitions apply:
 - (a) “**Acquisition Expense**” means the total monies paid by the Claimant (including brokerage commissions) to acquire Eligible Shares.
 - (b) “**Claim Form**” means the form to be approved by the Courts which, when completed and submitted in a timely manner to the Administrator, constitutes a Class Member’s claim for compensation pursuant to the Settlement.
 - (c) “**Claimant**” means a Class Member who submits a properly completed Claim Form and all required supporting documentation to the Administrator.
 - (d) “**Claims Bar Deadline**” means October 9, 2017 .

- (e) “**Disposition Proceeds**” means the total proceeds paid to the Claimant (without deducting any commissions paid in respect of the dispositions) in consideration of the sale of all of his/her/its Eligible Shares; provided, however, that with respect to any Eligible Shares that the Claimant continues to hold, they shall be deemed to have been disposed of for an amount equal to the number of Eligible Shares still held, multiplied by \$14.55.
- (f) “**Eligible Shares**” means the common shares of MFC purchased or acquired during the Class Period and held through February 12, 2009.
- (g) “**FIFO**” means the principle of first-in, first-out, wherein securities are deemed to be sold in the same order that they were purchased (i.e. the first common shares purchased are deemed to be the first sold); and which requires, in the case of a Claimant who held securities of MFC at the commencement of the Class Period, that those securities be deemed to have been sold completely before Eligible Shares are sold or deemed sold.
- (h) “**Net Loss**” means that the Claimant’s Disposition Proceeds are less than the Claimant’s Acquisition Expense.
- (i) “**Net Settlement Amount**” means the Escrow Settlement Amount remaining after payment of Administration Expenses, Class Counsel Fees, and Claims Funding Expenses.
- (j) “**Nominal Entitlement**” means a Claimant’s nominal damages as calculated pursuant to the formula set forth herein, and which forms the basis upon which each Claimant’s *pro rata* share of the Net Settlement Amount.

OBJECTIVE

2. The objective of this Plan of Allocation is to equitably distribute the Net Settlement Amount among Class Members that submit valid and timely claims.

DEADLINE FOR CLAIMS

3. Any person who wishes to claim compensation shall deliver to or otherwise provide the Administrator a Claim Form by October 9, 2017 or such other date set by the Court. If the Administrator does not receive a Claim Form from a Claimant by the deadline, then the Claimant shall not be eligible for any compensation whatsoever from the Net Settlement Amount. Notwithstanding the foregoing, the Administrator may in its sole

discretion admit claims after the Claims Bar Deadline if doing so will not adversely affect the efficient administration of the Settlement and it is in the best interests of the Class Members to do so.

PROCESSING CLAIM FORMS

4. The Administrator shall review each Claim Form and verify that the Claimant is eligible for compensation from the Net Settlement Amount, as follows:
 - (a) For a Claimant claiming as a Class Member, the Administrator shall be satisfied that the Claimant is a Class Member.
 - (b) For a Claimant claiming on behalf of a Class Member or a Class Member's estate, the Administrator shall be satisfied that
 - (i) the Claimant has authority to act on behalf of the Class Member or the Class Member's estate in respect of financial affairs;
 - (ii) the person or estate on whose behalf the claim was submitted was a Class Member; and
 - (iii) The Claimant has provided all supporting documentation required by the Claim Form or alternative documentation acceptable to the Administrator.
5. The Administrator shall ensure that claims for compensation in the Claim Form are made only in respect of Eligible Shares.

CALCULATION OF NET LOSS

6. A Claimant must have sustained a Net Loss in order to be eligible to receive a payment from the Net Settlement Amount.
7. The Administrator shall first determine whether a Claimant sustained a Net Loss. If the Claimant has sustained a Net Loss, the Administrator will go on to calculate his/her/its Nominal Entitlement.

NOMINAL ENTITLEMENT

8. The Administrator will apply FIFO to distinguish the sale of MFC securities held at the beginning of the Class Period from the sale of Eligible Shares, and will continue to apply FIFO to determine the purchase transactions which correspond to the sale of Eligible Shares. The Administrator will use this data in the calculation of a Claimant's Nominal Entitlement according to the formulas listed below.

9. The date of sale or deemed disposition shall be the trade date, as opposed to the settlement date, of the transaction.
10. For the purposes of any calculation under the Plan of Allocation, the Administrator will account for the June 2006 stock split, and Claimants' holdings for the purposes of the calculations will be calculated on a split-adjusted basis.
11. No Nominal Entitlement shall be available for any Eligible Shares disposed of prior to February 12, 2009.
12. A Claimant's Nominal Entitlement will be calculated as follows, with reference to the Adjustment set out in **Figure 1** and **Figure 2**:
 - (a) For Eligible Shares disposed of during the 10 trading day period following the alleged corrective disclosure, that is, on or between February 12, 2009 and February 26, 2009, the Entitlement shall be an amount equal to the number of Eligible Shares thus disposed of, multiplied by the difference between the Acquisition Expense and the Disposition Proceeds.
 - (b) For Eligible Shares disposed of after the 10 trading day period following February 12, 2009, that is, after the close of trading on February 26, 2009, or still held by the Claimant, the Entitlement shall be the lesser of:
 - (i) an amount equal to the number of Eligible Shares thus disposed of, multiplied by the difference between the Acquisition Expense and the Disposition Proceeds.
 - (ii) an amount equal to the number of Eligible Shares thus disposed of or held, multiplied by the difference between the Acquisition Expense and \$14.55
 - (c) A Claimant's Nominal Entitlement for each purchase block, calculated pursuant to Sections 12(a) and/or 12(b), will be multiplied by the Adjustment figure corresponding with the Claimant's acquisition date, as set out in Figure 1. The resulting number is the Claimant's Nominal Entitlement.
 - (d) Purchases on or after October 14, 2008 will be multiplied by the Risk Value corresponding with the Claimant's acquisition date, as set out in **Figure 2**.

Figure 1

<i>Acquisition Date</i>	<i>Adjustment</i>
January 26, 2004 – February 4, 2004 ¹	0.40
February 5, 2004 – March 31, 2004 ²	0.43
April 1, 2004 – April 23, 2004	0.43
April 26, 2004 – August 5, 2004	0.47
August 6, 2004 – November 4, 2004	0.69
November 5, 2004 – February 9, 2005	0.67
February 10, 2005 – May 4, 2005	0.71
May 5, 2005 – August 3, 2005	0.73
August 4, 2005 – November 2, 2005	0.78
November 3, 2005 – February 8, 2006	0.80
February 9, 2006 – May 3, 2006	0.84
May 4, 2006 – August 2, 2006	0.91
August 3, 2006 – November 1, 2006	0.88
November 2, 2006 – February 12, 2007	0.93
February 13, 2007 – February 12, 2009	1.00

Figure 2

<i>Acquisition Date</i>	<i>Risk Value</i>
Prior to October 14, 2008	1
October 14, 2008 – November 5, 2008	.975
November 6, 2008 – December 1, 2008	.950
December 2, 2008 – February 12, 2009	.925

¹ Applicable only to Claims by or on behalf of Québec Class Members.

² *Ibid.*

COMPLETION OF CLAIM FORM

13. If, for any reason, a Claimant is unable to complete the Claim Form then it may be completed by the Claimant's personal representative or a member of the Claimant's family.

IRREGULAR CLAIMS

14. The claims process is intended to be expeditious, cost effective and "user friendly" and to minimize the burden on Claimants. The Administrator shall, in the absence of reasonable grounds to the contrary, assume the Claimants to be acting honestly and in good faith.
15. Where a Claim Form contains minor omissions or errors, the Administrator shall correct such omissions or errors if the information necessary to correct the error or omission is readily available to the Administrator.
16. The claims process is also intended to prevent fraud and abuse. If, after reviewing any Claim Form, the Administrator believe that the claim contains unintentional errors which would materially exaggerate the Nominal Entitlement awarded to the Claimant, then the Administrator may disallow the claim in its entirety or make such adjustments so that an appropriate Nominal Entitlement is awarded to the Claimant. If the Administrator believes that the claim is fraudulent or contains intentional errors which would materially exaggerate the Nominal Entitlement to be awarded to the Claimant, then the Administrator shall disallow the claim in its entirety.
17. Where the Administrator disallows a claim in its entirety, the Administrator shall send to the Claimant, at the email or postal address provided by the Claimant or the Claimant's last known email or postal address, a notice advising the Claimant that he or she may request the Administrator to reconsider its decision. For greater certainty, a Claimant is not entitled to a notice or a review where a claim is allowed but the Claimant disputes the determination of Nominal Entitlement or his or her individual compensation.
18. Any request for reconsideration must be received by the Administrator within 21 days of the date of the notice advising of the disallowance. If no request is received within this time period, the Claimant shall be deemed to have accepted the Administrator's determination and the determination shall be final and not subject to further review by any court or other tribunal.

19. Where a Claimant files a request for reconsideration with the Administrator, the Administrator shall advise Class Counsel of the request and conduct an administrative review of the Claimant's complaint.
20. Following its determination in an administrative review, the Administrator shall advise the Claimant of its determination. In the event the Administrator reverses a disallowance, the Administrator shall send the Claimant, at the email or postal address provided by the Claimant or the Claimant's last known email or postal address, a notice specifying the revision to the Administrator's disallowance.
21. The determination of the Administrator in an administrative review is final and is not subject to further review by any court or other tribunal.
22. Any matter not referred to above shall be determined by analogy by the Administrator in consultation with Class Counsel.

ADDITIONAL RULES

23. The Administrator shall not make payments to Claimants whose *pro rata* entitlement under this Plan of Allocation is less than CAD\$10.00. Such amounts shall instead be allocated *pro rata* to other eligible Claimants in accordance with the "Final Distribution" section of this Plan of Allocation.
24. The receipt or grant by gift, devise or inheritance of Eligible Shares during the Class Period shall not be deemed to be a purchase or acquisition of Eligible Shares for the calculation of a Claimant's Net Loss if the person from which the Shares or Notes were acquired did not themselves acquire the Shares or Notes during the Class Period, nor shall it be deemed an assignment of any claim relating to the purchase or acquisition of such Eligible Shares unless specifically provided in the instrument or gift or assignment.
25. Eligible Shares transferred between accounts belonging to the same Claimant during the Class Period shall not be deemed to be Eligible Shares for the purpose of calculating Net Loss unless those Shares were initially purchased by the Claimant during the Class Period. The Acquisition Expense for such securities shall be calculated based on the price initially paid for the Eligible Securities.
26. The Administrator shall make payment to an eligible Claimant by either bank transfer or by cheque to the Claimant at the address provided by the Claimant or the last known postal address for the Claimant. If, for any reason, a Claimant does not cash a cheque

within six months after the date on which the cheque was sent to the Claimant, the Claimant shall forfeit the right to compensation and the funds shall be distributed in accordance with the “Final Distribution” section of this Plan of Allocation.

FINAL DISTRIBUTION

27. Each Claimant’s actual compensation shall be equal to the ratio of his/her/its Nominal Entitlement to the total Nominal Entitlements of all Claimants multiplied by the Net Settlement Amount, as calculated by the Administrator.
28. If the Escrow Settlement Account is in a positive balance (whether by reason of tax refunds, un-cashed cheques or otherwise) after one hundred and eighty (180) days from the date of distribution of the Escrow Settlement Amount to Claimants, the Administrator shall, if feasible, allocate such balance among Claimants in an equitable and economic fashion. Thereafter, any remaining funds will be distributed as follows:
 - (a) Funds that are attributable to Ontario Class Members and cannot be economically distributed shall be distributed *cy-près* to a recipient to be approved by the Courts;
 - (b) *The Act Respecting the Fonds d'aide aux actions collectives*, CQLR c F-3.2.0.1.1 will apply to the portion of any remaining balance, if any, attributable to Quebec Class Members.
29. By agreement between the Administrator and Class Counsel, the Claims Bar Deadline may be extended. Class Counsel and the Administrator shall agree to extend the Claims Bar Deadline if, in their opinions, doing so will not adversely affect the efficient administration of the Settlement and it is in the best interests of the Class to do so.
30. All Funds will be paid in Canadian currency.