

MANULIFE FINANCIAL CORP  
Form 40-F  
February 19, 2015

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**FORM 40-F**

**(Check One)**

**.. REGISTRATION STATEMENT PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934**

**OR**

**þ ANNUAL REPORT PURSUANT TO SECTION 13(a) OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the fiscal year ended December 31, 2014**

**Commission file number 1-14942**

**MANULIFE FINANCIAL CORPORATION**  
**(Exact name of Registrant as specified in its charter)**

**Canada**

(Province or other jurisdiction of incorporation or organization)

6311

(Primary Standard Industrial Classification Code Number (if applicable))

Not applicable

(I.R.S. Employer Identification Number (if applicable))

200 Bloor Street East, NT 11, Toronto, Ontario, Canada M4W 1E5

(416) 926-3000

(Address and Telephone Number of Registrant's Principal Executive Offices)

James Gallagher, Manulife Financial Corporation, 601 Congress Street, Boston, MA 02210-2805  
(617) 663-3000

(Name, address (including zip code) and telephone number

(including area code) of agent for service in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

|  |  |
|--|--|
| <b>Title of each class</b>   | <b>Name of each exchange on which registered</b> |
| <b>Common Shares</b>   | <b>New York Stock Exchange</b>                   |
| <b>Securities registered or to be registered pursuant to Section 12(g) of the Act. None.</b> |  |

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act. None.

For annual reports, indicate by check mark the information filed with this Form:

Annual Information Form

Audited Annual Financial Statements

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report:

|                          |               |
|--------------------------|---------------|
| Common Shares            | 1,864,115,966 |
| Class A Shares, Series 1 | 14,000,000    |
| Class A Shares, Series 2 | 14,000,000    |

|                          |            |
|--------------------------|------------|
| Class A Shares, Series 3 | 12,000,000 |
| Class 1 Shares Series 3  | 8,000,000  |
| Class 1 Shares Series 5  | 8,000,000  |
| Class 1 Shares Series 7  | 10,000,000 |
| Class 1 Shares Series 9  | 10,000,000 |
| Class 1 Shares Series 11 | 8,000,000  |
| Class 1 Shares Series 13 | 8,000,000  |
| Class 1 Shares Series 15 | 8,000,000  |
| Class 1 Shares Series 17 | 14,000,000 |
| Class 1 Shares Series 19 | 10,000,000 |

Indicate by check mark whether the Registrant by filing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934 (the Exchange Act ). If Yes is marked, indicate the file number assigned to the Registrant in connection with such Rule.

Yes  No

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files).

Yes  No

(Not currently applicable to Registrant)

**Principal Documents**

The following documents, filed as exhibits 99.1 and 99.2 hereto, are hereby incorporated by reference into this annual report:

- (a) Consolidated Financial Statements for the fiscal year ended December 31, 2014; and
- (b) Management's Discussion and Analysis for the fiscal year ended December 31, 2014.

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**Certifications and Disclosure Regarding Controls and Procedures.**

- (a) Certifications. See Exhibits 99.3 and 99.4 to this annual report on Form 40-F.
- (b) Disclosure Controls and Procedures. The required disclosure has been provided under the heading Critical Accounting and Actuarial Policies Controls and Procedures Disclosure Controls and Procedures in the Company's Management's Discussion and Analysis for the fiscal year ended December 31, 2014, filed as Exhibit 99.2 to this Annual Report on Form 40-F.
- (c) Management's Annual Report on Internal Control over Financial Reporting. The required disclosure has been provided under the heading Critical Accounting and Actuarial Policies Controls and Procedures Management's Report on Internal Control over Financial Reporting in the Company's Management's Discussion and Analysis for the fiscal year ended December 31, 2014, filed as Exhibit 99.2 to this annual report on Form 40-F.
- (d) Attestation Report of the Registered Public Accounting Firm. The required disclosure has been provided under the heading Independent Auditors Report on Internal Controls under Standards of the Public Company Accounting Oversight Board (United States) in the Company's Consolidated Financial Statements for the fiscal year ended December 31, 2014, filed as Exhibit 99.1 to this annual report on Form 40-F.
- (e) Changes in Internal Control Over Financial Reporting. The required disclosure has been provided under the heading Critical Accounting and Actuarial Policies Controls and Procedures Changes in Internal Control over Financial Reporting in the Company's Management's Discussion and Analysis for the fiscal year ended December 31, 2014, filed as Exhibit 99.2 to this annual report on Form 40-F.

**Audit Committee Financial Expert.**

The Board has determined that each member of the Audit Committee is independent and meets the additional independence standards for members of the Audit Committee set out in the Company's director independence policy in compliance with applicable U.S. securities law requirements, is financially literate as required by the applicable requirements of the New York Stock Exchange and the Canadian Securities Administrators and has the necessary qualifications to be designated as an audit committee financial expert under the *Sarbanes-Oxley Act of 2002*. The Board's determination does not make these directors experts for any purposes or impose greater duties, obligations or liabilities on them nor does it affect duties, obligations or liabilities of other members of the Board.

**Code of Business Conduct and Ethics.**

The Company has adopted a Code of Business Conduct and Ethics ( Code ) that applies to all directors, officers and employees, and that qualifies as a code of ethics as that term is defined in Form 40-F. The Code is available for viewing at:

<http://manulife.com/public/files/201/1/CodeofBusinessConductandEthics.pdf>

Since the adoption of the Code, there have been amendments to the Code to provide clarity and to expand on elements of the existing Code. There have not been any waivers, including implied waivers, from any provision of the Code.

**Principal Accountant Fees and Services.**

The table below sets out the fees charged by Ernst & Young LLP for services rendered to the Company and its subsidiaries in each of the past two fiscal years.

|   | <i>2014</i>             | <i>2013</i>             |
|---|-------------------------|-------------------------|
| <b>Ernst &amp; Young LLP Fees</b>   | <b>(\$ in millions)</b> | <b>(\$ in millions)</b> |
| <b>Audit Fees:</b>  | 25.9                    | 25.9                    |
| Includes the audit of the financial statements of the Company as well as the financial statements of its subsidiaries and segregated and separate funds, audits of statutory filings, prospectus services, <i>Sarbanes-Oxley Act of 2002</i> attestations, reviews of quarterly reports and regulatory filings. |                         |                         |
| <b>Audit-Related Fees:</b>  | 2.2                     | 1.7                     |
| Includes consultation concerning financial accounting and reporting standards not classified as audit, due diligence in connection with proposed or consummated transactions and assurance services to report on internal controls for third parties.   |                         |                         |
| <b>Tax Fees:</b>  | 0.3                     | 0.2                     |
| Includes tax compliance, tax planning and tax advice services.  |                         |                         |
| <b>All Other Fees:</b>  | 1.5                     | 1.2                     |
| Includes information security and other advisory services.  |                         |                         |

|               |      |      |
|---------------|------|------|
| <b>TOTAL:</b> | 29.9 | 29.0 |
|---------------|------|------|

**Pre-Approval Policies and Procedures.**

The Audit Committee reviews all requests for proposed audit or permitted non-audit services to be provided by the Company's independent auditor under the Audit Committee's Protocol for Approval of Audit and Permitted Non-Audit Services (the Protocol). Under the Protocol, the Audit Committee annually reviews and pre-approves recurring audit and non-audit services that are identifiable for the coming year. The Protocol also requires that any audit or non-audit services that are proposed during the

year be pre-approved by the Audit Committee, or by a member of the Audit Committee appointed by the Audit Committee and acting on its behalf.

All audit and non-audit services provided by Ernst & Young LLP have been pre-approved by the Audit Committee. The Audit Committee has reviewed these services to ensure that they are compatible with maintaining the auditors independence.

**Off-Balance Sheet Arrangements.**

In addition to the discussion of risk in the Company's Management's Discussion and Analysis for the fiscal year ended December 31, 2014, filed as Exhibit 99.2 to this annual report on Form 40-F, the notes to the Consolidated Financial Statements for the fiscal year ended December 31, 2014, filed as Exhibit 99.1 to this annual report on Form 40-F, include the following disclosures related to off-balance sheet arrangements:

Note 5 Derivative and Hedging Instruments

Note 10 Risk Management Securities Lending, Repurchase and Reverse Repurchase Transactions

Note 18 Interests in Structured Entities

Note 19 Commitments and Contingencies

**Tabular Disclosure of Contractual Obligations.**

The required disclosure has been provided under the heading Contractual Obligations in the Company's Management's Discussion and Analysis, filed as Exhibit 99.2 to this Annual Report on Form 40-F.

**Identification of the Audit Committee.**

The Company has a separately-designated standing audit committee established in accordance with section 3(a)(58)(A) of the Exchange Act. The members of the Audit Committee are:

Sheila S. Fraser (Chair)

John R. V. Palmer

Susan F. Dabarno

Andrea S. Rosen

Luther S. Helms

**Disclosure Pursuant to the Requirements of the New York Stock Exchange.**

Independence of Directors

A majority of the directors and all members of the Board's standing committees must be independent so that the Board operates independently of management.

A director is independent if he or she does not have a direct or indirect relationship with the Company that could reasonably be expected to interfere with the director's ability to exercise independent judgment. The Company has established an independence policy for





the Board which is consistent with applicable legal and regulatory requirements, including those established under Canadian and U.S. securities law, the *Insurance Companies Act (Canada)* and the rules of the New York Stock Exchange. The independence policy is available on our website ([www.manulife.com](http://www.manulife.com)).

Each year the Board, with the assistance of the Corporate Governance and Nominating Committee, reviews the independence of each director and has determined that 13 of the 14 director nominees are independent and that the members of the Audit Committee and the Management Resources and Compensation Committee meet the additional independence requirements for those committees. As CEO, Mr. Guloien is not independent.

#### Presiding Director at Meetings of Non-Management Directors

The independent directors meet regularly with senior executives and have an opportunity to meet privately without management present during the closed session held at the end of each Board and committee meeting. They may also use these sessions to meet privately with members of management or independent advisors.

In addition, the independent directors meet at least once each year in closed session without the CEO present to review the performance and approve the compensation of the CEO, to review the Board's effectiveness assessments and to approve the Board's objectives for the following year. In 2014, one such meeting of the independent directors was held.

#### Communication with Non-Management Directors

Shareholders wishing to contact non-management Directors of the Company may write to the Chairman of the Board, in care of the Corporate Secretary, at the head office of the Company, 200 Bloor Street East, Toronto, Ontario, Canada, M4W 1E5.

#### Corporate Governance Guidelines

The Company's governance practices are consistent in all material respects with the requirements of the *Insurance Companies Act (Canada)*, the corporate governance guidelines established by the Office of the Superintendent of Financial Institutions (Canada) and by the Canadian Securities Administrators, the New York Stock Exchange corporate governance rules for domestic issuers and the applicable U.S. Securities and Exchange Commission rules and regulations. The Company's statement of corporate governance practices is included in the Company's management information circular and is available on the Company's website at:

[http://manulife.com/public/files/202/1/mfc\\_proxycircular2012.pdf#page=61](http://manulife.com/public/files/202/1/mfc_proxycircular2012.pdf#page=61)

#### Board Committee Charters

The Board has established four standing committees to assist it in fulfilling its mandate: Corporate Governance and Nominating Committee, Audit Committee, Risk Committee and Management Resources and Compensation Committee.

All of the members of the standing committees are independent. Each committee reviews and, as necessary, updates its charter every year and monitors compliance with its charter on a regular basis throughout the year. Each committee chair reports to the Board on the committee's deliberations and any recommendations that require Board approval.

The committee charters and the position description for each committee chair are available on the Company's website:

<http://manulife.com/public/about/index/0,,lang=en&navId=610011,00.html>

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**UNDERTAKING AND CONSENT TO SERVICE OF PROCESS**

**A. Undertaking.**

Registrant undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to: the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

**B. Consent to Service of Process.**

The Company has previously filed a Form F-X in connection with the class of securities in relation to which the obligation to file this annual report arises.

Any change to the name or address of the Registrant's agent for service of process shall be communicated promptly to the Securities and Exchange Commission by an amendment to the Form F-X referencing the file number of the relevant registration statement of the Registrant.

**SIGNATURES**

Pursuant to the requirements of the Exchange Act, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereto duly authorized, on February 19, 2015.

**Manulife Financial Corporation**

By: */s/ Stephen P. Sigurdson*  
Name: Stephen P. Sigurdson  
Title: Executive Vice President and  
General Counsel

**EXHIBIT INDEX**

| <b>Exhibit</b> | <b>Description</b>  |
|----------------|---|
| 99.1           | Consolidated Financial Statements for the fiscal year ended December 31, 2014   |
| 99.2           | Management's Discussion and Analysis for the fiscal year ended December 31, 2014  |
| 99.3           | Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934 |
| 99.4           | Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934 |
| 99.5           | Section 1350 Certification of Chief Executive Officer   |
| 99.6           | Section 1350 Certification of Chief Financial Officer   |
| 99.7           | Consent of Auditors   |
| 99.8           | Consent of Appointed Actuary  |