

Administrative guidelines for financial transactions

GROUP ANNUITY CONTRACT

John Hancock Retirement Plan Services is committed to providing our clients with a consistent level of outstanding service, communications and support, beginning with the signing of the contract application and record keeping agreement, and continuing through our ongoing transaction processing and client services.

Throughout the life of a group annuity contract, John Hancock works closely with you, your financial representative, and your third party administrator (TPA) to ensure that financial transactions and questions are accurately and efficiently handled.

What is a "financial transaction"?

Financial transactions are defined as:

- Money received by John Hancock to fund either an ongoing contribution, a transfer from another financial carrier or a loan repayment
- Inter-account transfers within the contract
- Withdrawals as permitted under your qualified retirement plan
- Plan loans processed under the contract

What is "good order"?

Good order is defined as a set of instructions that meets the following requirements (where applicable):

- They are complete, precise and consist of legible instructions
- Allocation and loan repayment details balance to the payment amount remitted
- Instructions are provided using John Hancock defined formats or forms (unless prior approval for the use of other formats or forms has been obtained)

John Hancock will contact you or your TPA within 24 hours for clarification or additional information if instructions are not in good order. Effective dates described within this document will be determined by the date the instruction is considered to be in good order.

What is a "market day"?

A market day is when the banks and the New York Stock Exchange are open for business.

Money received by John Hancock

Money received in your plan's contract will be affected by the payment date and the allocation investment date.

The **payment date** is the market day on which your plan's contract is credited. Money received at:

- John Hancock's Service Office prior to the close of the New York Stock Exchange on any market day will be considered received on the same market day
- John Hancock's Service Office after the close of the New York Stock Exchange or on a non-market day will be considered received on the next market day
- John Hancock's Pension Banking Facility (Lockbox) on any market day or on a non-market day will be considered received no later than the second market day

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The **allocation investment date** is the market day on which contributions and loan repayments are allocated to specific investment options under your plan's group annuity contract. Allocation investment dates are always the later of the payment date or the date the instructions are received. Provided John Hancock receives instructions in good order, the allocation investment date will be determined as described below.

- Instructions received at John Hancock's Service Office prior to the close of the New York Stock Exchange on any market day:
 - ▶ Electronic submissions will be allocated on the same market day
 - ▶ Paper instructions will be allocated on the next market day
 - ▶ Individual participant rollovers will be allocated on the same market day
- Instructions received at John Hancock's Service Office after the close of the New York Stock Exchange or on a non-market day will be invested one additional market day after the dates specified above
- Instructions received at John Hancock's Pension Banking Facility (Lockbox) on any market day or on a non-market day:
 - ▶ Diskettes will be allocated no later than the third market day
 - ▶ Paper instructions will be allocated no later than the fourth market day
 - ▶ Individual participant rollovers will be allocated no later than the third market day

The allocation investment instructions that will be used to direct investment of money include:

- A participant's allocation instructions
- If the plan sponsor has elected to direct the allocation of employer money, such instructions override participant level instructions

- Where participant allocation instructions are missing or all the specific investment options to which contributions are to be allocated are not available under your plan's group annuity contract, all assets will be invested in the default investment option(s) selected by the plan's trustee provided we have the participant's first name, last name and Social Security number
- Where participant allocation instructions given do not total 100% or an investment option to which contributions are to be allocated is not available under your plan's group annuity contract, all assets will be pro-rated with the allocation instructions that have been provided and which are available under your plan's group annuity contract to equal 100%. If the allocation instructions do not equal 100% and John Hancock cannot pro-rate the incorrect instructions, all the contributions will be allocated to the default investment option(s) selected by the plan's trustee
- If there is no participant's name (first and last) and the Social Security number has not been provided, money will remain in the cash account earning our Funds on Deposit (FOD) interest rate

What are "funds on deposit" (FOD)?

John Hancock will credit FOD interest to money held while waiting for instructions to be received in good order. FOD interest will also be credited for the one day needed to process money accompanied by paper instructions.

The FOD interest will be credited for the period starting on the payment date and ending on the day prior to the allocation investment date.

Formats for Allocation and Loan Repayment instructions

Electronic formats:

- John Hancock's software and tools can be used to submit participant address and contribution data
- If you use a computerized payroll system, John Hancock File Specifications describe the required format of contribution and census files

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You and your TPA can submit allocation and loan repayment instructions, payment instructions, and census files securely via the Internet at www.jhpensions.com/er (or www.jhnypensions.com/er for plans domiciled in New York).

Inter-account transfers

Participants may move money between investment options according to the provisions of the contract and these administrative guidelines.

To move money, participants may:

- Log onto www.jhpensions.com (or www.jhnypensions.com for plans domiciled in New York); weekdays 7 a.m. to 3 a.m.; and Saturday 9 p.m. to 9 p.m. (ET), or
- Call toll-free **1-800-395-1113 (1-800-363-0530** in Spanish), Monday to Friday 7 a.m. to midnight (ET), Saturday 9:30 a.m. to 5 p.m. (ET), or
- Submit an Investment Change form, supplied by your plan administrator

Inter-account transfer requests received by John Hancock in good order will be processed according to the following:

- Requests received at John Hancock's Service Office prior to the close of the New York Stock Exchange on any market day will be processed on the later of the market day received or the date requested
- Requests received at John Hancock's Service Office after the close of the New York Stock Exchange or on a non-market day will be processed on the later of the next market day or the date requested

Protecting your participants

We take steps to protect your participants and their assets from short-term trading practices. The effect of short-term trading may disrupt or be potentially disruptive to the management of the Fund and thereby adversely impact the Fund's performance either by impacting fund management practices or increasing Fund transaction costs. These impacts are absorbed by other fund investors including retirement plan participants.

For the protection of the participants, the guidelines regarding participant exchanges are as follows:

- Participants are allowed **a maximum of two exchange days per calendar month**, over the website, by mail or fax, or through our toll-free participant services line. An **exchange** is defined as the full or partial rebalance of a participant's account, or multiple fund-to-fund exchanges (also referred to as "inter-account transfers") on one day.
- The guidelines do not apply to regular allocations, loans, or withdrawals by participants.
- Recognizing that there may be extreme market or personal circumstances requiring a participant to make a further change, John Hancock will allow a participant to move **100% of their assets to a Money Market or Stable Value Fund (as available under the contract) after the exchange limit has been reached; no subsequent exchanges may be made for 30 days**. Once the 30-day hold has expired, participants can trade again in accordance with the above guidelines.
- If it is determined that any exchange may disrupt or be potentially disruptive to a Fund, we reserve the right to impose additional restrictions, including but not limited to:
 - ▶ Restricting the number of exchanges made during a defined period
 - ▶ Restricting the dollar amount of exchange
 - ▶ Restricting the method used to submit exchanges (e.g., requiring exchange requests to be submitted in writing via U.S. mail)
 - ▶ Restricting exchanges into and out of certain investment options
 - ▶ Applying redemption fees as requested by the underlying fund manager

While we seek to identify and prevent market timing, it is not always possible to do so.

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Withdrawals

Participants may withdraw money from their accounts according to the provisions of the contract (as permitted under the plan). Depending on the type of withdrawal, and for plan loan requests, an appropriate John Hancock form must be completed.

Withdrawal requests received by John Hancock in good order will be processed according to the following:

- Requests received at John Hancock's Service Office prior to the close of the New York Stock Exchange on any market day will be processed on the later of the market day received or the date requested
- Requests received at John Hancock's Service Office after the close of the New York Stock Exchange or on a non-market day will be processed on the later of the next market day or the date requested

Please note that in order to withdraw the entire balance in a participant's account, the final allocation and/or loan repayment for the participant must be received before the withdrawal can be processed.

Contract Terminations

You may initiate termination of your John Hancock group annuity contract at any time by requesting a discontinuance quote. A letter outlining the terms and conditions of the process including any applicable charges and adjustments will be sent to you for trustee sign-off.

Your request will be processed as of the following:

- The date of receipt of the signed letter at John Hancock's Service Office if received by 12 noon (ET) on any market day, or
- The market day next following the date of receipt of the signed letter if it is received at John Hancock's Service Office either after 12 noon (ET) on any market day or after the close of the New York Stock Exchange should it close earlier for any reason, or on a non-market day.

If there are any outstanding financial transactions relating to your contract, they must be completed before we can process your request. The effective date will be the market day next following the completion of these financial transactions.

Unsettled Payments

Our clients are provided with reporting via our Plan Sponsor website for checks that remain uncashed. These reports are updated on a monthly basis. You may elect a reminder through our Message Center, including an optional email prompt for any month in which you have uncashed items.

Our report differentiates between checks that are:

- Outstanding – all items uncashed for 15 to 179 days
- Stale dated – all items uncashed for 180 days or more

Unsettled electronic fund transfers will be reissued via check should valid EFT instructions remain pending for more than 10 days.

It is important that you review the monthly reports to manage the effective payments of benefits under your Plan.

Refer to our *Unsettled Payment* reissue forms for settlement options dependent on the nature of the original payment. Reissue requests are completed within three business days.

Refer to John Hancock's Float Income disclosure for details regarding the float income that John Hancock receives from funds transferred from your contract and held in John Hancock's general account before actual disbursements are made from the general account.

Returned Mail

Mail may be returned to John Hancock by the United States Postal Service as undeliverable.

If the U.S. Postal Service has provided an updated address, we will re-mail to the address provided and update the address of record accordingly. We will also notify your designated primary contact of the change of address so they can update their address of record as appropriate.

If no updated address is provided with the returned mail, we will notify your designated primary contact and request an updated address.

- If an updated address is provided within 10 business days we will re-mail to the address provided and will update the address of record accordingly.

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- If an updated address is not provided within 10 business days, the mail will be shredded. If the mail included a check payment, the check will be included in the uncashed check report in the next monthly update.

A reissue request will be accommodated via submission of the appropriate *Unsettled Payment* form. The address for any pending tax forms related to the distribution will be updated to the client address for you to handle delivery.

We're here to help you

These Guidelines, together with the Administration Guide, provide your complete instructions for submitting contributions and information. For assistance with electronic submissions, please call Customer Technology Services at 1-800-333-0963, extension 3. For all other queries, please contact your client account representative at 1-800-333-0963 (or 1-800-574-5557 for plans domiciled in New York).



John Hancock Life Insurance Company (U.S.A.) and John Hancock Life Insurance Company of New York are collectively referred to as "John Hancock".

The term "Funds", refers to sub-accounts investing in underlying mutual funds, offered to qualified retirement plans through a group annuity contract. There can be no assurance that either a Fund or the underlying funds will achieve their investment objectives. A Fund is subject to the same risks as the underlying funds in which it invests, which include the following risks. Stocks can decline due to market, regulatory or economic developments. Investing in foreign securities is subject to certain risks not associated with domestic investing such as currency fluctuations and changes in political and economic conditions. The securities of small capitalization companies are subject to higher volatility than larger, more established companies. High Yield bonds are subject to additional risks such as the increased risk of default (not applicable to Lifestyle Aggressive Portfolio). For a more complete description of these risks, please review the underlying fund's prospectus, which is available upon request. Diversification does not ensure against loss.

Both John Hancock Life Insurance Company (U.S.A.) and John Hancock Life Insurance Company of New York do business under certain instances using the John Hancock Retirement Plan Services name. Group annuity contracts and recordkeeping agreements are issued by: John Hancock Life Insurance Company (U.S.A.), Boston, MA 02210 (not licensed in New York) and John Hancock Life Insurance Company of New York, Valhalla, NY 10595. Product features and availability may differ by state.

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