

John Hancock Investment Management

Coverdell ESA

All the forms you need to open
a John Hancock
Coverdell Education Savings Account

Saving for future generations

Next to buying a home, the cost of higher education is likely to be the single largest financial commitment of any household—and second only to retirement in terms of a family's savings priorities. With college costs climbing, many parents feel overwhelmed by the challenge. Yet there are smart things you can do to build a college savings fund.

A Coverdell ESA is a custodial account established only for the purpose of paying the qualified education expenses of the designated beneficiary of the account. When the account is established, the designated beneficiary must be under age 18 or be a special needs beneficiary. Anyone who meets the income limitations can open and contribute to a Coverdell ESA for a child. The child's parent or legal guardian will control the account, and submit and sign all forms.

With a Coverdell ESA, the money grows tax deferred and all withdrawals are tax free if the money is used for qualified expenses. It's never too early to start, even if you start small. Please consult with your financial advisor to determine if a Coverdell ESA is right for you.

This kit contains all the forms you need to open a John Hancock Coverdell ESA. Take a moment to review them and read the prospectus for the John Hancock mutual fund(s) you have selected, then simply follow the steps below.

To establish a new Coverdell ESA

Complete and sign the Coverdell ESA application and agreement form (Form 1).

To transfer or roll over an existing Coverdell ESA to a new John Hancock Coverdell ESA

Complete and sign the following forms:

- Coverdell ESA application and agreement form (Form 1)
- Coverdell ESA transfer/rollover form (Form 2)

Coverdell ESA transfer of assets—By completing the Coverdell ESA transfer/rollover form (Form 2), you are instructing the trustee or custodian of your child's current Coverdell ESA to send your child's assets directly to John Hancock Investment Management. Please forward Form 2 along with your completed Coverdell ESA application and agreement form (Form 1) and an account statement from your child's current Coverdell ESA account. John Hancock Signature Services, Inc. will contact the trustee or custodian and facilitate the transfer of assets. The distribution check will be sent directly to John Hancock by the resigning trustee or custodian and be deposited into your child's Coverdell ESA account.

Coverdell ESA rollover—(only Form 1 is required) Your current Coverdell ESA trustee or Custodian sends a check, payable to you, for the full amount of your Coverdell ESA assets. You must redeposit this amount into your child's new Coverdell ESA no later than the 60th day after the day you received your distribution. You can only make a rollover of your Coverdell ESA account once every 12 months.

To transfer an existing Coverdell ESA to an existing John Hancock Coverdell ESA

Complete and sign the Coverdell ESA transfer/rollover form only (Form 2).

Mailing instructions

✉ Regular mail

John Hancock Signature Services, Inc.
P.O. Box 219909
Kansas City, MO 64121-9909

✉ Express mail

John Hancock Signature Services, Inc.
801 Pennsylvania Avenue
Suite 219909
Kansas City, MO 64105-1307

Please note: We cannot accept starter or third-party checks.

Make a check payable to John Hancock Signature Services, Inc. for the amount of your John Hancock mutual fund investment.

Send your completed application materials, along with your check, to your investment professional or to John Hancock Investment Management directly.



Coverdell ESA application and agreement form

Introduction

Instructions

Please use this form for John Hancock custodial accounts. This form allows you to open a new Coverdell ESA. Please print in all capital letters and use black ink.

Special considerations

Shares of a fund generally may be sold only to U.S. citizens and U.S. residents. For the purposes of this policy, both the residential address and the mailing address provided must be U.S. addresses.

Questions about this form?

☎ 800-225-5291

Website:

🌐 jhinvestments.com

See the end of this document
for return instructions

1. Owner information

Responsible individual—The parent or legal guardian of the minor child. The responsible individual will act as the custodian for the child on the account. John Hancock Life & Health Insurance Co., custodian for the Coverdell ESA of:

Responsible individual's first name _____ MI _____ Last name _____ Suffix _____

Residential address or place of business (No P.O. boxes except A.P.O. or F.P.O. boxes. Must be a U.S. address)

City _____ State _____ Zip code _____

Social Security number (Required) _____ Phone number _____ Home Mobile _____ Date of birth (MM/DD/YYYY) _____

Email address _____

Mailing address (if different from above)

Street address/A.P.O., F.P.O., or P.O. box/apt. # (Must be a U.S. address)

City _____ State _____ Zip code _____

Designated beneficiary—The child for whom the account is being established. The designated beneficiary must be under age 18 or be a special needs student.

Child's first name _____ MI _____ Last name _____ Suffix _____

Child's Social Security number (Required) _____ Child's date of birth (MM/DD/YYYY) _____ Special needs student

1. Owner information (continued)

The IRS requires us to retain the name and tax identification number of the depositor, defined as the person establishing the account and providing the initial funding, as well as the name of the responsible individual, who must be the parent or legal guardian of the minor child for whom the account is being established. If these are the same, please write "Same as responsible individual" below.

Depositor information—The person establishing the account and making the initial contribution.

First name _____ MI _____ Last name _____ Suffix _____

Social Security number

The following is to be completed by the depositor

- Check here if the responsible individual is to retain control of the account after the designated beneficiary reaches the age of majority under his or her state law and until such a time as all assets have been distributed from the custodial account and the custodial account terminates. Otherwise, the designated beneficiary becomes the responsible individual. (See Article V of the agreement for additional information.)
- Check here if the responsible individual may change the beneficiary designated under this agreement to another member of the designated beneficiary's family as described in Code section 529(e)(2) in accordance with the custodian's procedures.

Go paperless

- I consent to receiving electronic delivery of account documents as described below.

By checking the box above, I consent to receiving electronic delivery of John Hancock Investment Management mutual fund and account documents, notices and communications, including but not limited to confirmation and quarterly account statements, tax information and notices, annual/semiannual reports, prospectuses, and other required and informational notices (account documents) instead of in paper form by regular mail. My consent will remain in effect until revoked. I understand that John Hancock will send me an email when account documents are available for viewing, downloading, and printing. Each email will provide a link to jhinvestments.com, which will allow me to access my account documents online. Accessing account documents online requires minimum technical requirements, including (i) access to the internet, (ii) a valid email address, and (iii) installation of Adobe Acrobat Reader on my computer. (Adobe Acrobat Reader can be downloaded, free of charge, at adobe.com.) I understand that no confidential data will be sent through email, and John Hancock does not charge a fee for providing electronic documents; however, I may incur internet access charges, telephone charges, and other third-party charges when receiving electronic documents or downloading required software. I understand that I can receive a free paper copy of account documents, revoke my consent, and/or update my email address at any time by calling 800-225-5291 or by visiting jhinvestments.com.

2. Fund selection

Indicate the full fund name, share class, the tax year of your contribution, and amounts to be invested, or indicate a percentage. If a fund class is not selected, John Hancock Investment Management will default to Class A shares. Consult your prospectus for details.

Fund name	A	C	Tax year	Investment amount (\$)	% to each fund
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Total must equal 100%

3. Initial investment by check

Please select one of the following if you are sending a check with your Coverdell ESA agreement and then proceed to Section 5.

- Check represents an annual contribution
- Check represents a transfer/rollover from another Coverdell ESA (issued by your prior custodian, payable to John Hancock)
- Check represents assets from another Coverdell ESA, rolled over within 60 days

Please note: We cannot accept starter or third-party checks. Make checks payable to John Hancock Signature Services, Inc. The initial investment must be at least \$1,000.

4. Initial investment by transfer

Please select one of the following if you are initiating a transfer from your existing account, attach a completed Coverdell ESA transfer/rollover form (Form 2), and then proceed to Section 5.

- Transfer from another Coverdell ESA account. Request the proceeds from my current trustee/custodian and open a John Hancock Coverdell ESA.
- Transfer from my existing John Hancock account number, _____.

Approximate amount of transfer: \$_____. (Initial investment must be at least \$1,000.)

5. Designation of a death beneficiary

- Please take care in choosing your beneficiaries and, of course, make plans to periodically review your beneficiaries to make sure nothing should change.
- Complete the required information for each beneficiary named.
- If a named designated death beneficiary is a qualified family member under the age of 30 on the date of the designated beneficiary's death, then the designated death beneficiary shall assume the ESA as his or her own. Consequently, the ESA retains its status, and no tax consequences will result from the transfer. The age 30 limitation may be waived for designated death beneficiaries with special needs.
- If no beneficiaries are designated, or if there are no beneficiaries living at the time of your death, your estate will generally be entitled to your account assets.
- You may change the beneficiary(ies) at any time after the initial designation by notifying John Hancock Signature Services, Inc. in writing. Each new beneficiary designation will cancel all previous designations, unless specified otherwise.
- Percentages for beneficiaries must total 100% for each section. If not, transfers shall be made proportionally on the percentages stated. If no percentages are indicated, each primary beneficiary who survives you will receive equal percentages of your account.
- If multiple beneficiaries are listed and a beneficiary does not survive you, his or her percentage will be divided equally among the remaining eligible beneficiaries, unless previously stated otherwise.
- Contingent beneficiaries are entitled to receive your account only if there are no surviving primary beneficiaries at the time of your death.
- This beneficiary designation will apply to all of your John Hancock custodial accounts of the same account type. Beneficiaries designated on this form will replace all previous designations, if applicable.

Name of primary beneficiary(ies)	SSN/tax ID#	% share	Date of birth/trust	Relationship to owner	Name of custodian if beneficiary is a minor
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
		TOTAL: _____	(Must add up to 100%)		

Name of contingent beneficiary(ies)	SSN/tax ID#	% share	Date of birth/trust	Relationship to owner	Name of custodian if beneficiary is a minor
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
		TOTAL: _____	(Must add up to 100%)		

6. Systematic investment

Withdraw \$_____ per month from the bank account named below and invest it in the following fund(s). If you have more than one fund, please indicate the percentage or breakdown between the funds.

Fund name	A	C	Tax year	Investment amount (\$)	% to each fund
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Initiate withdrawals on day _____ of (check one):

Each month

Each quarter beginning _____
(MM/DD/YYYY)

If no withdrawal date is selected, we will default to the 15th of each month. Once your application is received, please allow five business days to establish systematic investments.

7. Bank information

Attach a voided check or bank deposit slip preprinted with your account information if you have requested a systematic investment in Section 6 or would like the ability to move money between your bank account and mutual fund account in the future. For security purposes, the bank account should match the name provided in Section 1 and must be in place at least 15 calendar days before it can be used for an outgoing wire. If another individual exists on your bank account or the bank account belongs to a third party, all parties should complete the Adding Bank Information form found at jhinvestments.com.

Establish the service(s) between my fund account and my: checking account NOW/money market/savings account

By signing this application, I authorize you to charge to my account checks made payable to the order of John Hancock Signature Services, Inc. I am aware that your rights with respect to each check shall be the same as if I had signed the check personally and drawn it on John Hancock Signature Services, Inc. This authority is to remain in effect until I revoke it in writing, and until you actually receive such notice, I agree that you shall be fully protected in honoring the check. If any check should be dishonored, whether with or without cause and whether intentionally or inadvertently, you shall be under no liability whatsoever.

I am providing written permission for John Hancock Signature Services, Inc. to obtain a consumer report about me as part of its process to authenticate my identity and to protect against fraud. This consumer report will be used solely to validate that I am an authorized holder, user or signatory of the account used or to be used in connection with the current or future transfer of funds. John Hancock will notify me if any adverse action is taken on the basis of such a report.

8. Sales charge reduction privileges

The reduction of sales charge is only applied to Class A shares; however, all share classes may be aggregated in accordance with the Statement of Additional Information (SAI).

Accumulation and combination privilege

When calculating my sales charges, include the assets in the following John Hancock mutual fund accounts owned by me, my spouse, and my children under 21. (See the SAI for details.)

Fund/account #

Fund/account #

Letter of intention (see the SAI for details)

Over the next 13 months, I plan to invest at least

\$50,000 \$100,000 \$250,000 \$500,000 \$1 million, or

I have an existing letter of intention already established on the following account:

Fund/account #

Net asset value (NAV) privilege

Available for Class A shares to the following, as described in the SAI. Please check the box that applies.

- I am an employee of John Hancock.
 I am an employee of the affiliated firm named below, which maintains a selling agreement with John Hancock.
 I am an investment professional and have completed Section 9.
 I am an immediate family member of the employee or investment professional named below. (Investment professionals must complete Section 9.)
 I am transferring assets from an existing account that I acquired as a result of a reorganization of the fund into John Hancock and have terminated my relationship with the prior financial institution. I am attaching a Coverdell ESA transfer/rollover form (Form 2).

John Hancock employee's name or investment professional's name

Broker-dealer/John Hancock department

Relationship to John Hancock employee or investment professional

9. Investment professional information (must be completed by your investment professional)

Investment professional's first name

MI

Last name

Firm name

Address

City

State

Zip code

Firm number

Branch number

Investment professional number

Phone number

**SIGN
HERE**

Signature of investment professional

Date signed (MM/DD/YYYY)

10. Responsible individual signature's, taxpayer identification number, and certification

Note: You must sign and enter the minor's taxpayer identification number below. Your account cannot be established without this required information.

I hereby adopt this Coverdell Education Savings Account (ESA), appointing John Hancock Life & Health Insurance Co. to serve as custodian and to perform the administrative services of this plan. I have received and read the prospectus(es) for the fund(s) in which I am making my ESA investment. In addition, I have received and read a copy of the adoption agreement, custodial agreement, and disclosure statement, and I understand the eligibility requirements for the type of ESA deposit I am making, as well as any fees to which my account(s) may be subject. I understand that I am responsible for determining my eligibility for the ESA each year I make a contribution, and that all contributions I make are within the limits set forth by the tax laws. I also assume complete responsibility for the tax consequences of any contributions (including rollover contributions) and distributions that I make. I acknowledge that identifying information is required before the account can be opened and is subject to verification by my financial professional, the fund, or its agents. If verification is unsuccessful, John Hancock may close my account, redeem my shares at the next net asset value, minus any applicable sales charges, and take other steps that it deems reasonable. I understand that under certain circumstances, if no activity occurs in my account within a time period specified by state law, my shares may be transferred to the appropriate state.

Note: The rules for transferring abandoned property vary state by state, so we suggest you contact your state's department of abandoned property if you have any questions regarding requirements.

Certification required of U.S. persons only (including U.S. citizens, U.S. resident aliens, or other U.S. persons)

Under penalties of perjury, I certify that:

1. The number shown below is my correct taxpayer identification number,
2. I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding,
3. I am a U.S. citizen or other U.S. person, including a U.S. resident alien (as defined in the IRS Form W-9 instructions), and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Note: Cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return.

Please note that, by signing this form, you declare that you make the above certifications under penalties of perjury. Under penalties of perjury, I certify the above statements.

The IRS does not require your consent to any provision of this document other than the certification required to avoid backup withholding.

SIGN
HERE

Signature of responsible individual
(Sign exactly as name appears in Section 1)

Date signed (MM/DD/YYYY)

PRINT
HERE

Designated beneficiary's/minor's Social Security number as entered in Section 1
(Required to establish your account)

PRINT
HERE

Print name of minor

Exemptions: See IRS Form W-9 instructions for exemption rules and exemption codes. Enter codes below, only if applicable. Generally, individuals are not exempt from backup withholding. FATCA codes apply to persons submitting this form for accounts maintained outside the United States by certain foreign financial institutions. If you are submitting this form for an account you hold in the United States, you may leave this field blank.

Exempt payee code (if any): _____

Exempt payee code (if any): _____

Exemption from FATCA reporting code (if any): _____

Exemption from FATCA reporting code (if any): _____

Acceptance by Stella Mink
Stella Mink—Vice President
John Hancock Life & Health Insurance Co.

11. Mail



Regular mail

John Hancock Signature Services, Inc.
P.O. Box 219909
Kansas City, MO 64121-9909



Express mail

John Hancock Signature Services, Inc.
801 Pennsylvania Avenue
Suite 219909
Kansas City, MO 64105-1307

Coverdell ESA transfer/ rollover form

Introduction

Instructions

Please use this form to roll over or transfer assets to your John Hancock custodial Coverdell ESA account. Please fill out a separate form for each account rolling over or transferring to John Hancock Investment Management. All sections must be completed. Please print in all capital letters and use black ink.

Special considerations

The IRS only permits a single rollover in a 12-month period, regardless of the number of ESAs owned.

Questions about this form?

☎ 800-225-5291

Website:

🌐 jhinvestments.com

✉ See the end of this document for return instructions

1. Current Coverdell ESA account—Please fill out a separate form for each account transferring or rolling over to John Hancock

All sections must be completed. Please provide a copy of your most recent account statement, if available.

Account is transferring from:

Resigning trustee/custodian name _____ Phone number _____

Address of resigning trustee/custodian _____

City _____ State _____ Zip code _____

Account name _____ Account number _____

2. New account information

Responsible individual—The parent or legal guardian of the minor child. The responsible individual will act as the custodian for the child on the account. (This information should be consistent with the information provided on Form 1.)

John Hancock Life & Health Insurance Co., custodian for the Coverdell ESA of:

Responsible individual's first name _____ MI _____ Last name _____ Suffix _____

Residential address or place of business (No P.O. boxes except A.P.O. or F.P.O. boxes) _____

City _____ State _____ Zip code _____

Social Security number (Required) _____ Phone number _____ Date of birth (MM/DD/YYYY) _____

Mailing address (if different from above)

Street address/A.P.O., F.P.O., or P.O. box/apt. # _____

City _____ State _____ Zip code _____

2. New account information (continued)

Designated beneficiary—The child for whom the account is being established. The designated beneficiary must be under age 18 or be a special needs student.

Child's first name _____ MI _____ Last name _____ Suffix _____

Child's Social Security number (Required) _____ Child's date of birth (MM/DD/YYYY) _____ Special needs student

3. Asset transfer information

Please check and complete one of the following:

Transfer in kind (reregister) the following assets to my new or existing Coverdell ESA (currently held at John Hancock Investment Management).

Fund name and account number (if existing)	A	C	Investment amount (\$)	% to each fund
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Please deposit the proceeds of my rollover/transfer into my existing John Hancock Coverdell ESA(s), listed below.

Fund name and account number (if existing)	A	C	Investment amount (\$)	% to each fund
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

I am opening a new account and have attached a new Coverdell ESA application and agreement form (Form 1).

To resigning trustee or custodian:

Please liquidate all or part (\$_____) of the accounts listed below and transfer the proceeds to my new or existing John Hancock Coverdell ESA immediately or at maturity (if applicable).

Account number	All (or) part	Liquidation/maturity date (MM/DD/YYYY)
_____	<input type="checkbox"/> (or) <input type="checkbox"/> (\$_____)	_____
_____	<input type="checkbox"/> (or) <input type="checkbox"/> (\$_____)	_____
_____	<input type="checkbox"/> (or) <input type="checkbox"/> (\$_____)	_____

4. Asset transfer authorization

Please sign here to authorize the transfer of your/your child's assets. If the child is considered a minor under state law, the parent or guardian must sign the authorization.

SIGN
HERE

Signature of responsible individual

Date signed (MM/DD/YYYY)

Medallion signature guaranteed by:

Your resigning trustee or custodian may require that your signature be guaranteed. Please call them for requirements.

Note: Signature guarantee should not be dated.

5. Acceptance by new custodian

To be completed by John Hancock Life & Health Insurance Co.

We agree to accept custodianship and the transfer described above for the John Hancock Coverdell ESA established on behalf of the individual named above. John Hancock Life & Health Insurance Co. accepts its appointment as successor custodian of the above Coverdell ESA account and requests the liquidation of assets as indicated above.

Important note: This account is not effective until its receipt has been acknowledged through a confirmation statement mailed by the custodian to the depositor.

Acceptance by Stella Mink
Stella Mink—Vice President
John Hancock Life & Health Insurance Co.

6. Mail

Note to resigning trustee/custodian: Be sure to return a copy of this Coverdell ESA transfer/rollover form with your check for the account proceeds, payable to:



Regular mail

John Hancock Signature Services, Inc.
P.O. Box 219909
Kansas City, MO 64121-9909



Express mail

John Hancock Signature Services, Inc.
801 Pennsylvania Avenue
Suite 219909
Kansas City, MO 64105-1307

Note: Please keep the following pages for your records. They do not need to be returned to John Hancock.

COVERDELL ESA CUSTODIAL ACCOUNT

Form 5305-EA under Section 530 of the Internal Revenue Code

FORM (REV. OCTOBER 2016)

The Depositor whose name appears on the Application is establishing a Coverdell Education Savings Account under Section 530 for the benefit of the Designated Beneficiary whose name appears on the Application exclusively to pay for the qualified elementary, secondary, and higher education expenses, within the meaning of Section 530(b)(2), of such Designated Beneficiary.

The Depositor has assigned the custodial account the sum indicated on the Application.

The Depositor and the Custodian make the following agreement:

ARTICLE I

The Custodian may accept additional cash contributions provided the Designated Beneficiary has not attained the age of 18 as of the date such contributions are made. Contributions by an individual contributor may be made for the tax year of the Designated Beneficiary by the due date of the beneficiary's tax return for that year (excluding extensions). Total contributions that are not rollover contributions described in section 530(d)(5) are limited to \$2,000 for the tax year. In the case of an individual contributor, the \$2,000 limitation for any year is phased out between modified adjusted gross income (AGI) of \$95,000 and \$110,000. For married individuals filing jointly, the phase-out occurs between modified AGI of \$190,000 and \$220,000. Modified AGI is defined in Section 530(c)(2).

ARTICLE II

No part of the custodial account funds may be invested in life insurance contracts, nor may the assets of the custodial account be commingled with other property except in a common trust fund or a common investment fund (within the meaning of Section 530(b)(1)(D)).

ARTICLE III

1. Any balance to the credit of the Designated Beneficiary on the date on which he or she attains age 30 shall be distributed to him or her within 30 days of such date.
2. Any balance to the credit of the Designated Beneficiary shall be distributed within 30 days of his or her death unless the designated death beneficiary is a Family Member of the Designated Beneficiary and is under the age of 30 on the date of death. In such case, that Family Member shall become the Designated Beneficiary as of the date of death.

ARTICLE IV

The Depositor shall have the power to direct the Custodian regarding the investment of the amount listed on the Application assigned to the custodial account (including earnings thereon) in the investment choices offered by the Custodian. The Responsible Individual, however, shall have the power to redirect the Custodian regarding the investment of such amounts, as well as the power to direct the Custodian regarding the investment of all additional contributions (including earnings thereon) to the custodial account. In the event that the Responsible Individual does not direct the Custodian regarding the investment of additional contributions (including earnings thereon), the initial investment direction of the Depositor also will govern all additional contributions made to the custodial account until such time as the Responsible Individual otherwise directs the Custodian. Unless otherwise provided in this agreement, the Responsible Individual also shall have the power to direct the Custodian regarding the administration, management, and distribution of the account.

ARTICLE V

The Responsible Individual named by the Depositor shall be a parent or guardian of the Designated Beneficiary. The custodial account shall have only one Responsible Individual at any time. If the Responsible Individual becomes incapacitated or dies while the Designated Beneficiary is a minor under state law, the successor Responsible Individual shall be the person named to succeed in that capacity by the preceding Responsible Individual in a witnessed writing or, if no successor is so named, the successor Responsible Individual shall be the Designated Beneficiary's other parent or successor guardian. Unless otherwise directed by checking the option on the Application, at the time that the Designated Beneficiary attains the age of majority under state law, the Designated Beneficiary becomes the Responsible Individual. If a Family Member under the age of majority under state law becomes the Designated Beneficiary by reason of being a named death beneficiary, the Responsible Individual shall be such Designated Beneficiary's parent or guardian.

ARTICLE VI

(See the Application and Section 10.04 of this agreement for information regarding the Responsible Individual's ability to change the Designated Beneficiary named by the Depositor.)

ARTICLE VII

1. The Depositor agrees to provide the Custodian with all information necessary to prepare any reports required by Section 530(h). 2. The Custodian agrees to submit to the Internal Revenue Service (IRS) and Responsible Individual the reports prescribed by the IRS.

ARTICLE VIII

Notwithstanding any other articles which may be added or incorporated, the provisions of Articles I through III will be controlling. Any additional articles inconsistent with Section 530 and the related regulations will be invalid.

ARTICLE IX

This agreement will be amended as necessary to comply with the provisions of the Code and the related regulations. Other amendments may be made with the consent of the Depositor and the Custodian whose signatures appear on the Application.

ARTICLE X

10.01 Notices and Change of Address: Any required notice regarding this Coverdell ESA will be considered effective when the Custodian sends it to the intended recipient at the last address that the Custodian has in its records. Any notice to be given to the Custodian will be considered effective when the Custodian actually receives it. The Responsible Individual must notify the Custodian of any change of address.

10.02 Representations and Responsibilities: The Depositor and the Responsible Individual represent and warrant to the Custodian that any information the Depositor and Responsible Individual have given or will give the Custodian with respect to this agreement is complete and accurate. Further, the Depositor and the Responsible Individual agree that any directions they give the Custodian, or action they take will be proper under this agreement and that the Custodian is entitled to rely upon any such information or directions. If the Custodian fails to receive directions regarding any transaction, receives ambiguous directions regarding any transaction or if the Custodian, in good faith, believes that any transaction requested is in dispute, the Custodian reserves the right to take no action until further clarification acceptable to the Custodian is received from the Responsible Individual or the appropriate government or judicial authority. The Custodian shall not be liable for acting upon any instructions given by the Responsible Individual named on the Application prior to the time the Custodian receives appropriate written notice that the Designated Beneficiary has met the requirements for assuming control of the Coverdell ESA, or that a new Responsible Individual has been appointed. The Custodian shall not be responsible for losses of any kind that may result from the Depositor's and Responsible Individual's directions to it or the Depositor's and Responsible Individual's actions or failures to act. The Depositor and Responsible Individual agree to reimburse the Custodian for any loss the Custodian may incur as a result of such directions, actions or failures to act. The Custodian has no duty to determine whether the contributions or distributions with respect to this Coverdell ESA comply with the Code, regulations, rulings or this agreement and shall not be responsible for any penalties, taxes, judgments or expenses of the Designated Beneficiary or any Depositor to this Coverdell ESA.

The Responsible Individual will have 60 days after receiving any documents, statements or other information from the Custodian to notify the Custodian in writing of any errors or inaccuracies reflected in these documents, statements or other information. If the Custodian is not notified within 60 days, the documents, statements or other information will be deemed correct and accurate, and the Custodian will have no further liability or obligation for such documents, statements, other information or the transactions described therein.

By performing services under this Agreement, the Custodian is acting as the Responsible Individual's agent. The Depositor, Responsible Individual and Designated Beneficiary acknowledge and agree that nothing in this Agreement will be construed as conferring fiduciary status upon the Custodian. The Custodian will not be required to perform any additional services unless specifically agreed to under the terms and conditions of this Agreement, or as required under the code and the regulations promulgated thereunder with respect to Coverdell ESAs. The Designated Beneficiary, Depositor, and Responsible Individual agree to indemnify and hold the Custodian harmless for any and all claims, action, proceedings, damages, judgments, liabilities, costs, and expenses, including attorneys' fees arising from or in connection with this Agreement.

Notwithstanding anything in this Agreement to the contrary, the

Custodian may establish a policy permitting someone other than the Designated Beneficiary's parent or legal guardian to serve as Responsible Individual, provided the individual is not prohibited by law from serving in that capacity and fulfilling his or her obligations under this Agreement.

To the extent written instructions or notices are required under this Agreement, the Custodian may accept or provide such information in any other form permitted by the Code or applicable regulations including, but not limited to, electronic communication.

10.03 (a) Payment of the following fee(s) may be made by separate check or the Custodian will deduct it from the Custodial Account.

1. Calendar Year Maintenance Fee per Designated Beneficiary \$15.00
(b) Upon thirty (30) days' prior written notice, Custodian may substitute a fee schedule differing from the one above. Custodial fees, any income, estate, gift and inheritance taxes and other taxes of any kind whatsoever, including transfer taxes incurred in connection with the investment or reinvestment of the assets in the Custodian Account, that may be levied or assessed in respect to such assets and all other administrative expenses incurred by Custodian in performance of its duties, including fees for legal services rendered to Custodian, may be charged to the Custodial account, with the right to liquidate Fund shares for this purpose, or (at Custodian's option) to the Depositor.

10.04 Beneficiary(ies):

Unless indicated otherwise on the Application, the Responsible Individual may not change the Designated Beneficiary. If the Depositor has indicated on the Application that the Responsible Individual may change the beneficiary designated under this agreement and the Responsible Individual chooses to do so, the Responsible Individual must designate a member of the family (as defined in Section 529(e)(2)) of the existing Designated Beneficiary. This designation can only be made on a form prescribed by the Custodian.

The Depositor or Responsible Individual may name one or more person or entity as death beneficiary of this Coverdell ESA. This designation can only be made on a form prescribed by the Custodian and it will only be effective when it is filed with the Custodian during the lifetime of the Designated Beneficiary. Each beneficiary designation filed with the Custodian will cancel all previous designations. The consent of a death beneficiary shall not be required in order to revoke a death beneficiary designation. If both primary and contingent beneficiaries have been named, and no primary death beneficiary survives the Designated Beneficiary, the contingent death beneficiaries will acquire the designated share of this Coverdell ESA. If a death beneficiary is not designated with respect to this Coverdell ESA, or if all of the primary and contingent death beneficiaries predecease the Designated Beneficiary, the Designated Beneficiary's estate will be the death beneficiary.

If the Designated Beneficiary dies before receiving all of the amounts in this Coverdell ESA, the Custodian will have no obligation to pay the death beneficiaries until such time the Custodian is notified of the Designated Beneficiary's death by receiving a valid death certificate. Any balance remaining in the Coverdell ESA upon the death of the Designated Beneficiary will be distributed within 30 days of the Designated Beneficiary's death, unless a qualified family member under the age of 30 is named as a death beneficiary. If the death beneficiary is a qualified family member under the age of 30, that individual will become the Designated Beneficiary as of the original Designated Beneficiary's date of death. Qualified family members are defined in IRC Section 529(e)(2).

The Custodian may, for any reason (e.g., due to limitations of its charter or bylaws), require a qualified family member who becomes the Designated Beneficiary to take a total distribution of the Coverdell ESA by December 31 of the year following the year of the original Designated Beneficiary's death.

10.05 Investment of Amounts in the Coverdell ESA: The Responsible Individual has exclusive responsibility for and control over the investment of the assets of this Coverdell ESA, provided that such assets may only be invested in shares ("Shares") of John Hancock open-end mutual funds ("John Hancock Funds"). All transactions shall be subject to any and all restrictions or limitations, direct or indirect, which are imposed by our charter, articles of incorporation, or bylaws; any and all applicable federal and state laws and regulations; the rules, regulations, customs and usages of any exchange, market or clearing house where the transaction is executed; our policies and practices; and this Agreement. After your death, and unless otherwise specified, your beneficiary(ies) shall have the right to direct the investment of your Coverdell ESA assets, subject to

the same conditions that applied to you during your lifetime under this Agreement (including, without limitation, Section 10.02 of this article). We shall have no discretion to direct any investment in your Coverdell ESA. We assume no responsibility for rendering investment advice with respect to your Coverdell ESA, nor will we offer any opinion or judgment to you on matters concerning the value or suitability of any investment or proposed investment for your IRA. In the absence of instructions from you, or if your instructions are not in a form acceptable to us, we shall have the right to hold any uninvested amounts in cash, and we shall have no responsibility to invest uninvested cash unless and until directed by you. We will not exercise the voting rights and other shareholder rights with respect to investments in your Coverdell ESA, except in accordance with your instructions in a form acceptable to us. However, if you do not deliver timely voting instructions to us regarding John Hancock Funds, you hereby authorize us and we may vote such Shares for or against any proposal in the same proportion as all John Hancock Fund Shares for which voting instructions have been received.

You will select the type of investment for your Coverdell ESA assets, provided, however, that your selection of investments shall be limited to those types of investments that we are authorized by our charter, articles of incorporation, or bylaws to offer and do in fact offer for investment in Coverdell ESAs. We may, in our sole discretion, make available to you, additional investment offerings, which shall be limited to publicly traded securities, mutual funds, money market instruments and other investments that are obtainable by us and that we are capable of holding in the ordinary course of our business.

10.06 Termination of Agreement, Resignation, or Removal of Custodian:

Either the Custodian or the Responsible Individual may terminate this agreement at any time by giving written notice to the other. The Custodian can resign as Custodian at any time effective 30 days after mailing written notice of its resignation to the Responsible Individual. Upon receipt of that notice, the Responsible Individual must make arrangements to transfer the Coverdell ESA to another financial organization. If the Responsible Individual does not complete a transfer of the Coverdell ESA within 30 days from the date the Custodian mails the notice to the Responsible Individual, the Custodian has the right to transfer the Coverdell ESA assets to a successor Coverdell ESA trustee or custodian that the Custodian chooses in its sole discretion or the Custodian may pay the Coverdell ESA balance to the Designated Beneficiary in a single sum. The Custodian shall not be liable for any actions or failures to act on the part of any successor trustee or custodian nor for any tax consequences the Designated Beneficiary may incur that result from the transfer or distribution of the Coverdell ESA assets pursuant to this section. If this agreement is terminated, the Custodian may hold back from the Coverdell ESA a reasonable amount of money that it believes is necessary to cover any one or more of the following: *any fees, expenses or taxes chargeable against the Coverdell ESA; *any penalties associated with the early withdrawal of any savings instrument or other investment in the Coverdell ESA. If the Custodian is merged with another organization (or comes under the control of any Federal or State agency) or if the entire organization (or any portion which includes the Coverdell ESA) is bought by another organization, that organization (or agency) shall automatically become the trustee or custodian of the Coverdell ESA, but only if it is the type of organization authorized to serve as a Coverdell ESA trustee or custodian. If the Custodian is required to comply with Section 1.408-2(e) of the Treasury Regulations and fails to do so, or the Custodian is not keeping the records, making the returns or sending the statements as are required by forms or regulations, the IRS may, after notifying the Responsible Individual or the Designated Beneficiary, require that a substitute trustee or custodian be appointed.

The Custodian may establish a policy requiring distribution of the entire balance of this Coverdell ESA to the Designated Beneficiary in cash or property if the balance of this Coverdell ESA drops below the minimum balance required under the applicable investment or policy established.

10.07 Successor Custodian: If the Custodian's organization changes its name, reorganizes, merges with another organization (or comes under the control of any federal or state agency) or if the entire organization (or any portion that includes this Coverdell ESA) is bought by another organization, that organization (or agency) will automatically become the Trustee or Custodian of this Coverdell ESA, but only if it is the type of organization authorized to serve as a Coverdell ESA Trustee or Custodian.

10.08 Amendments: The Custodian shall have the right to amend this agreement at any time. Any amendment the Custodian makes to

comply with the Code and related regulations does not require the consent of either the Responsible Individual or the Depositor. Notwithstanding anything in this agreement to the contrary, other amendments may be made with the consent of the Responsible Individual. The Responsible Individual will be deemed to have consented to any other amendment unless, within 30 days from the date the Custodian mails the amendment, the Responsible Individual notifies the Custodian in writing that the Responsible Individual does not consent.

10.09 Transfers from Other Plans: The Custodian can receive amounts transferred to the Coverdell ESA from the custodian or trustee of another Coverdell ESA.

10.10 Withdrawals: All requests for withdrawal shall be on a form provided by us or in a form and manner that is acceptable to us. The method of distribution must be specified in writing or in any other method acceptable to the Custodian. The tax identification number of the recipient must be provided to us before we are obligated to make a distribution. Any withdrawals shall be subject to all applicable tax and other laws and regulations including possible early withdrawal penalties and withholding requirements.

10.11 Liquidation of Assets: The Custodian has the right to liquidate assets in the Coverdell ESA if necessary to make distributions or to pay fees, expenses or taxes properly chargeable against the Coverdell ESA. If the Responsible Individual fails to direct the Custodian as to which assets to liquidate, the Custodian will decide in its complete and sole discretion and the Responsible Individual agrees not to hold the Custodian liable for any adverse consequences that result from the Custodian's decision.

10.12 Restrictions on the Fund: Neither the Responsible Individual, the Designated Beneficiary (nor anyone acting on behalf of the Designated Beneficiary), the Depositor nor any contributor may sell, transfer or pledge any interest in the Coverdell ESA in any manner whatsoever, except as provided by law or this agreement. The assets in the Coverdell ESA shall not be responsible for the debts, contracts or torts of the Responsible Individual, the Designated Beneficiary, the Depositor or any person entitled to distributions under this agreement.

10.13 What Law Applies: This agreement is subject to all applicable Federal and State laws and regulations. If it is necessary to apply any State law to interpret and administer this agreement, the law of the Custodian's domicile shall govern. If any part of this agreement is held to be illegal or invalid, the remaining parts shall not be affected. Neither the Responsible Individual's nor the Custodian's failure to enforce at any time or for any period of time any of the provisions of this agreement shall be construed as a waiver of such provisions, or the parties' right thereafter to enforce each and every such provision.

INSTRUCTIONS

(Section references are to the Internal Revenue Code unless otherwise noted.)

WHAT'S NEW

Military death gratuity – Families of soldiers who receive military death benefits may contribute, subject to certain limitations, up to 100 percent of such benefits into an educational savings account. Publication 970, *Tax Benefits for Education*, explains the rules for rolling over the military death gratuity and lists eligible family members.

PURPOSE OF FORM

Form 5305-EA is a model custodial account agreement that meets the requirements of Section 530(b)(1) and has been pre-approved by the IRS. A Coverdell Education Savings Account (ESA) is established after the form is fully executed by both the Depositor and the Custodian. This account must be created in the United States for the exclusive purpose of paying the qualified elementary, secondary, and higher education expenses of the Designated Beneficiary. If the model account is a trust account, see Form 5305-E, *Coverdell Education Savings Trust Account*. Do not file Form 5305-EA with the IRS. Instead, the Depositor must keep the completed form in its records.

DEFINITIONS

Custodian: The Custodian must be a bank or savings and loan association, as defined in Section 408(n), or any person who has the approval of the IRS to act as Custodian. Any person who may serve as a Custodian of a Traditional IRA may serve as the Custodian of a Coverdell ESA.

Depositor: The Depositor is the person who establishes the custodial account.

Designated Beneficiary: The Designated Beneficiary is the individual on whose behalf the custodial account has been established.

Family Member: Family Members of the Designated Beneficiary include his or her spouse, child, grandchild, sibling, parent, niece or nephew, son-in-law,

daughter-in-law, father-in-law, mother-in-law, brother-in-law or sister-in-law, and the spouse of any such individual. A first cousin, but not his or her spouse, is also a "family member."

Responsible Individual: The Responsible Individual, generally, is a parent or guardian of the Designated Beneficiary. However, under certain circumstances, the Responsible Individual may be the Designated Beneficiary.

IDENTIFICATION NUMBERS

The depositor and designated beneficiary's Social Security numbers will serve as their identification numbers. If the depositor is a nonresident alien and does not have an identification number, write "Foreign" on the return for which is filed to report the depositor's information. The designated beneficiary's Social Security number is the identification number of his or her Coverdell ESA. If the designated beneficiary is a nonresident alien, the designated beneficiary's individual taxpayer identification number is the identification number of his or her Coverdell ESA. An employer identification number (EIN) is required only for a Coverdell ESA for which a return is filed to report unrelated business income. An EIN is required for a common fund created for Coverdell ESAs.

SPECIFIC INSTRUCTIONS

Note: *The age limitation restricting contributions, distributions, rollover contributions, and change of beneficiary are waived for a designated beneficiary with special needs.*

Article X: Article X and any that follow may incorporate additional provisions that are agreed to by the Depositor and Custodian to complete the agreement. They may include, for example, provisions relating to: definitions, investment powers, voting rights, exculpatory provisions, amendment and termination, removal of the Custodian, Custodian's fees, state law requirements, treatment of excess contributions, and prohibited transactions with the Depositor, Designated Beneficiary, or Responsible Individual, etc. Attach additional pages as necessary.

Optional Provisions in Article V and Article VI: Form 5305-EA may be reproduced in a manner that provides only those optional provisions offered by the Custodian.

DISCLOSURE STATEMENT

REQUIREMENTS OF A COVERDELL ESA

A. Cash Contributions—A Coverdell ESA contribution must be in cash.

B. Maximum Contribution—The total amount that may be contributed to any and all Coverdell ESAs on behalf of a Designated Beneficiary is \$2,000 per year, excluding rollover and transfer contributions. Contributions may not be made to a Coverdell ESA after the Designated Beneficiary's 18th birthday, except in the case of a special needs beneficiary. The Coverdell ESA contribution that may be made by a Depositor is further limited if the Depositor's modified adjusted gross income (MAGI) exceeds \$190,000 and he or she is a married individual filing jointly (\$95,000 for single taxpayers). Married individuals filing jointly with MAGI exceeding \$220,000 may not fund a Coverdell ESA. Single individuals with MAGI exceeding \$110,000 may not fund a Coverdell ESA. The MAGI limits apply only to Depositors that are individuals. If the Depositor is married filing jointly with MAGI between \$190,000 and \$220,000, the maximum Coverdell ESA contribution is determined as follows: (1) subtract the Depositor's MAGI from \$220,000, (2) divide the difference by \$30,000, and (3) multiply the result in step (2) by \$2,000. For example, if the Depositor's MAGI is \$205,000, the maximum Coverdell ESA contribution that may be made by such Depositor is \$1,000. This amount is determined as follows: $[(\$220,000 \text{ minus } \$205,000) \text{ divided by } \$30,000] \text{ multiplied by } \$2,000$. If the Depositor is a single tax filer with MAGI between \$95,000 and \$110,000, the maximum Coverdell ESA contribution is determined as follows: (1) subtract the Depositor's MAGI from \$110,000, (2) divide the difference by \$15,000, and (3) multiply the result in step (2) by \$2,000. For example, if the Depositor's MAGI is \$98,000, the maximum Coverdell ESA contribution that may be made by such Depositor is \$1,600. This amount is determined as follows: $[(\$110,000 \text{ minus } \$98,000) \text{ divided by } \$15,000] \text{ multiplied by } \$2,000$. The Coverdell ESA contribution that may be made by a Depositor is not limited by contributions made by the Depositor to Traditional or Roth IRAs. In addition, there is no earned income requirement to be eligible to contribute to a Coverdell ESA. There is no requirement that the Depositor be related to the Designated Beneficiary in order to make contributions. In addition, the Designated Beneficiary may contribute to his or her own Coverdell ESA.

C. Eligible Custodians—The custodian of the Coverdell ESA must be a bank, savings and loan association, credit union, or person approved by the Secretary of the Treasury.

D. Commingling Assets—The assets of the Coverdell ESA cannot be commingled with other property except in a common trust fund or common investment fund.

E. Life Insurance—No portion of the Coverdell ESA may be invested in life insurance contracts.

F. Collectibles—The assets of the Coverdell ESA may not be invested in collectibles (within the meaning of Internal Revenue Code (IRC) Sec. 408(m)). A collectible is defined as any work of art, rug or antique, metal or gem, stamp or coin, alcoholic beverage, or other tangible personal property specified by the Internal Revenue Service (IRS). However, specially minted United States gold and silver bullion coins and certain state-issued coins are permissible investments. Platinum coins and certain gold, silver, platinum or palladium bullion (as described in IRC Sec. 408(m)(3)) are also permitted as Coverdell ESA investments.

G. Required Distributions—Except in the case of a special needs beneficiary, the assets of the Coverdell ESA are required to be distributed to the Designated Beneficiary within 30 days of the Designated Beneficiary's attainment of age 30. The Designated Beneficiary will be subject to both income tax and an additional 10 percent tax on the portion of the distribution that represents earnings, if the Designated Beneficiary does not have any qualified education expenses in that year. Any balance remaining in the Coverdell ESA upon the death of the Designated Beneficiary shall be distributed within 30 days of the Designated Beneficiary's death, unless a death beneficiary is named and the death beneficiary is a qualified family member under age 30. If the death beneficiary is a qualified family member under age 30, that individual will become the Designated Beneficiary as of the date of death. Qualified family members include the Designated Beneficiary's child, grandchild or stepchild; brother, sister, stepbrother or stepsister; nephew or niece; parents, stepparents, or grandparents; uncle or aunt; spouses of all the family members listed above; cousin; and the Designated Beneficiary's spouse.

If a qualified family member becomes the Designated Beneficiary, the Custodian, if it so chooses for any reason (e.g. due to limitations of its charters or bylaws), may require a total distribution of the Coverdell ESA by December 31 of the year following the year of the original Designated Beneficiary's death.

H. Responsible Individual—The Responsible Individual is generally the parent or guardian of the Designated Beneficiary. However, the financial organization may establish a policy that permits someone other than the Designated Beneficiary's parent or legal guardian to serve as the Responsible individual. Unless otherwise indicated on the Application, the Responsible Individual may not change the Designated Beneficiary to another member of the Designated Beneficiary's family. If the Depositor has indicated on the application that the Responsible Individual may change the Designated Beneficiary, the Responsible Individual may change the Designated Beneficiary to another member of the Designated Beneficiary's family. The Responsible Individual shall perform the following duties:

1. receive a copy of the plan agreement and disclosure statement.
2. direct the Custodian regarding the investment of contributions, including the ability to redirect the investment of the initial contribution.
3. direct the Custodian regarding the administration, management and distribution of the account, unless the plan agreement indicates otherwise.
4. name a successor responsible individual if the need arises.
5. notify the Custodian of any address change for the individuals identified on the plan agreement.
6. remove excess contributions made to the Coverdell ESA.

INCOME TAX CONSEQUENCES OF ESTABLISHING A COVERDELL ESA

A. Contributions Not Deducted—No deduction is allowed for Coverdell ESA contributions, including transfer and rollover contributions.

B. Contribution Deadline—The deadline for making a Coverdell ESA contribution is the Depositor's tax return due date (not including extensions). The Depositor may designate a contribution as a contribution for the preceding taxable year in a manner acceptable to the Custodian. For example, if the Depositor is a calendar-year filer and makes a Coverdell ESA contribution on or before the tax filing deadline, the contribution is considered to have been made for the previous tax year if the depositor designates it as such.

C. Excess Contributions—An excess contribution is any amount that is contributed to the Coverdell ESA that exceeds the eligible contribution limit. If the excess is not corrected timely, an additional penalty tax of six percent will be imposed on the excess amount. The procedure for correcting the excess is determined by the timeliness of the correction as identified below.

1. Removal Before the Deadline—The Responsible Individual should remove the excess contribution, along with the earnings attributable to the excess, before June 1 of the year following the year for which the excess was made. An excess withdrawn by this deadline is not taxable upon distribution, but the Designated Beneficiary must include the earnings attributable to the excess in his or her taxable income for the year in which the excess contribution was made. The six percent excess contribution penalty tax will be avoided.

2. Failure to Remove Before the Deadline—Excess Coverdell ESA contributions that are not removed before June 1 of the year following the year for which the excess was made, are treated as contributions for the next calendar year. If, however, additional contributions are made for that year and the total amount results in an excess, the excess amount will be subject to a six percent penalty tax if not removed timely. If additional contributions have been made for the next year, the amount of the excess equals the excess contribution for the current year, plus the excess contributions remaining from the preceding year, reduced by any distributions made during the current year.

The Designated Beneficiary must file IRS Form 5329 to report and remit any additional penalty taxes to the IRS.

D. Tax-Deferred Earnings—The investment earnings of the Coverdell ESA are not subject to federal income tax as they accumulate in the Coverdell ESA. In addition, distributions of the Coverdell ESA earnings will be free from federal income tax if the distributions are taken to pay for qualified education expenses, as discussed below.

E. Taxation of Distributions—The taxation of distributions from the Coverdell ESA depends on whether or not the distributions are used for qualified education expenses.

1. Qualified Education Expenses—The Designated Beneficiary may take tax-free distributions from a Coverdell ESA to pay for elementary, secondary or post-secondary education expenses at an eligible educational institution. Such expenses include tuition, fees, books, supplies, special needs services, room and board, uniforms, transportation, academic tutoring and supplementary items or services (including extended day programs). Also qualifying are expenses for the purchase of computer technology or equipment, Internet access and related services, if such technology, equipment or services are to be used by the Designated Beneficiary or Designated Beneficiary's family during any of the years the Designated Beneficiary is in school. Qualified expenses may also include amounts contributed to a qualified tuition program.

2. Nonqualifying Distributions—If a Designated Beneficiary withdraws amounts from a Coverdell ESA which exceed the qualified education expenses for the same year, or the distributions are not used for qualified education expenses, a portion of the distributions will be taxable. The amount in excess of the qualified education expenses is taxable pro rata, based on the earnings and the basis in the account. In most cases of a nonqualified distribution, the taxable portion of a Coverdell ESA distribution is also subject to an additional 10 percent tax. There are several exceptions to the 10 percent tax including distributions made payable (a) to a designated death beneficiary of the Coverdell ESA or to the estate of the Designated Beneficiary following the death of the Designated Beneficiary; (b) to the Designated Beneficiary if the Designated Beneficiary is disabled; (c) to the Designated Beneficiary if the Designated Beneficiary received a qualified scholarship, an educational assistance allowance or an excludable payment exception, but only to the extent the distribution is not more than the amount of the scholarship, allowance or excludable payment, and (d) to the Designated Beneficiary as a removal of excess along with the net income attributable.

3. American Opportunity or Lifetime Learning Credits—A Designated Beneficiary may claim the American Opportunity Credit or the Lifetime Learning Credit on his or her federal income tax return in the same taxable year that a tax-free distribution from a Coverdell ESA is claimed, as long as the distribution(s) does not cover the same expenses claimed for the American Opportunity Credit or Lifetime Learning Credit.

F. Income Tax Withholding—Any withdrawal from the Coverdell ESA is not subject to federal income tax withholding.

G. Rollovers—Coverdell ESA amounts may be rolled over to another Coverdell ESA of the same Designated Beneficiary or that of a qualified family member, provided that all of the applicable rollover rules are followed. Rollover is a term used to describe a tax-free movement of cash to a Coverdell ESA from another Coverdell ESA. The rollover rules are generally summarized below. These transactions are often

complex. If you have any questions regarding a rollover, please see a competent tax advisor.

1. Coverdell ESA to Coverdell ESA Rollovers—Funds distributed from a Coverdell ESA may be rolled over to another Coverdell ESA of the same Designated Beneficiary or that of a qualifying family member if the requirements of IRC Sec. 530(d)(5) are met. A proper Coverdell ESA to Coverdell ESA rollover is completed if all or part of a distribution is rolled over not later than 60 days after the distribution is received.

Effective for distributions occurring on or after January 1, 2015, the responsible individual is permitted to roll over only one distribution from a Coverdell ESA in a 12-month period, regardless of the number of Coverdell ESAs owned by the designated beneficiary. A distribution may be rolled over to the same Coverdell ESA or to another Coverdell ESA that is eligible to receive the rollover. For more information on rollover limitations, you may wish to obtain IRS Publication 970, *Tax Benefits for Education*, from the IRS or refer to the IRS website at www.irs.gov.

2. Qualified Family Member—A Coverdell ESA may be rolled to another Coverdell ESA of the same Designated Beneficiary or to a Coverdell ESA maintained for the benefit of a qualified family member of the Designated Beneficiary, who is under the age of 30. The age 30 limitation does not apply to qualified family members who are special needs beneficiaries. Qualified family members of the Designated Beneficiary include the Designated Beneficiary's child, grandchild, or stepchild, brother, sister, stepbrother, or stepsister, nephew or niece, parents, stepparents, or grandparents, uncle or aunt, spouses of all the family members listed above, cousins and the Designated Beneficiary's spouse.

3. Rollover of Military Death Benefits—If a Designated Beneficiary receives or has received a military death gratuity or a payment from the Service-members' Group Life Insurance (SGLI) program, the Designated Beneficiary may be able to roll over the proceeds to the Coverdell ESA. The rollover contribution amount is limited to the sum of the death benefits or SGLI payment received, less any such amount that was rolled over to a Roth IRA. Proceeds must be rolled over within one year of receipt of the gratuity or SGLI payment for deaths occurring on or after June 17, 2008. Any amount that is rolled over under this provision is considered nontaxable basis in the Coverdell ESA.

LIMITATIONS AND RESTRICTIONS

A. Prohibited Transactions—If the Responsible Individual engages in a prohibited transaction with the Coverdell ESA as described in IRC Sec. 4975, the Coverdell ESA will lose its tax-exempt status and the Designated Beneficiary must generally include the value of the earnings in his or her account in his or her gross income for the year.

B. Pledging—If the Responsible Individual pledges any portion of the Coverdell ESA as collateral for a loan, the amount so pledged will be treated as a distribution and may be included in the Designated Beneficiary's gross income for that year to the extent that it represents earnings.

C. Gift Tax—Transfers of Coverdell ESA assets to a death designated beneficiary made during the Designated Beneficiary's life and at his or her request or because of the Designated Beneficiary's failure to instruct otherwise, may be subject to federal gift tax under IRC Sec. 2501.

OTHER

A. IRS Plan Approval—The agreement used to establish this Coverdell ESA has been approved by the IRS. The IRS approval is a determination only as to form. It is not an endorsement of the plan in operation or of the investments offered.

B. Additional Information—You may obtain further information on Coverdell ESAs from your District Office of the IRS. In particular, you may wish to obtain IRS Publication 970, *Tax Benefits for Education*, by calling 800-TAX-FORM, or by visiting www.irs.gov.

C. Important Information About Procedures for Opening a New Account—To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial organizations to obtain, verify, and record information that identified each person who opens an account. What this means for you: When you open an account, you are required to provide your name, residential address, date of birth and identification number. We may require other information that will allow us to identify you.



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

John Hancock Life & Health Insurance Company
380 Stuart Street
Boston, MA 02116

EIN Number: 13-3072894

Re: John Hancock Life & Health Insurance Company – Nonbank Trustee/Custodian
Application

Ladies and Gentlemen:

In a letter dated August 10, 2009, and as supplemented by letters, facsimiles, and emails dated September 11, 18, 22, October 27, and November 5, 6, and 10, 2009, your authorized representative requested a written Notice of Approval that John Hancock Life & Health Insurance Company may act as a passive nonbank custodian of medical savings accounts established under section 220 of the Internal Revenue Code and health savings accounts described in section 223, passive nonbank custodian of plans qualified under section 401 or accounts described in section 403(b)(7), passive nonbank custodian for individual retirement accounts (IRAs) established under sections 408, and 408A (dealing with Roth IRAs), passive nonbank custodian of Coverdell education savings accounts under section 530, and as a passive nonbank custodian of eligible deferred compensation plans described in section 457(b).

Section 220(d)(1)(B) of the Code (dealing with Archer MSAs (medical savings accounts)) provides, in pertinent part, that the trustee of a medical savings account must be a bank (as defined in section 408(n)), an insurance company (as defined in section 816), or another person who demonstrates to the satisfaction of the Secretary that the manner in which such person will administer the trust will be consistent with the requirements of this section. Q & A-10 of Notice 96-53, 1996-2 C.B. 219 provides, in pertinent part, that persons other than banks, insurance companies, or previously approved IRA trustees or custodians may request approval to be a trustee or custodian in accordance with the procedures set forth in section 1.408-2(e) of the Income Tax Regulations.

Section 223(d)(1)(B) of the Code provides, in pertinent part, that the trustee of a health savings account must be a bank (as defined in section 408(n)), an insurance company (as defined in section 816), or another person who demonstrates to the satisfaction of the Secretary that the manner in which such person will administer the trust will be consistent with the requirements of this section. Section 223(d)(4)(E) provides, in

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general, that rules similar to section 408(h) (dealing with custodial accounts) also apply to health savings accounts.

Section 401(f)(1) of the Code provides that a custodial account shall be treated as a qualified trust under this section if such custodial account would, except for the fact it is not a trust, constitute a qualified trust under this section. Section 401(f)(2) provides that the custodian must be a bank (as defined in section 408(n)) or another person who demonstrates to the satisfaction of the Secretary that the manner in which such other person will hold the assets will be consistent with the requirements of section 401 of the Code. Section 401(f) also provides that in the case of a custodial account treated as a qualified trust, the person holding the assets of such account shall be treated as the trustee thereof.

Section 403(b)(7)(A) of the Code requires, in part, that for amounts paid by an employer to a custodial account to be treated as amounts contributed to an annuity contract for his employee, the custodial account must satisfy the requirements of section 401(f)(2). That section also requires, in order for the amounts paid by an employer to be treated as amounts contributed to an annuity contract for his employee, that the amounts are to be invested in regulated investment company stock to be held in the custodial account, and under the custodial account no such amounts may be paid or made available to any distributee before the employee dies, attains age 59 1/2, has a severance from employment, becomes disabled (within the meaning of section 72(m)(7)), or in the case of contributions made pursuant to a salary reduction agreement (within the meaning of section 3121(a)(1)(D)), encounters financial hardship.

Section 408(a)(2) of the Code requires that the trustee of an IRA be a bank (as defined in section 408(n) of the Code) or such other person who demonstrates to the satisfaction of the Secretary that the manner in which such other person will administer the IRA will be consistent with the requirements of section 408.

Section 408(h) of the Code provides that a custodial account shall be treated as a trust under this section if the assets of such account are held by a bank (as defined in subsection (n)) or another person who demonstrates to the satisfaction of the Secretary that the manner in which such other person will administer the account will be consistent with the requirements of this section, and if the custodial account would, except for the fact that it is not a trust, constitute an IRA described in subsection (a). Section 408(h) also provides that, in the case of a custodial account treated as a trust by reason of the preceding sentence, the custodian of such account shall be treated as the trustee thereof.

Section 408A of the Code provides, in general, that a Roth IRA shall be treated in the same manner as an individual retirement plan. Section 7701(a)(37)(A) defines an individual retirement plan as an individual retirement account described in section 408.

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Section 530(b)(1)(B) of the Code (dealing with Coverdell education savings accounts) requires that the trustee of such an account be a bank (as defined in section 408(n)) or another person who demonstrates to the satisfaction of the Secretary that the manner in which that person will administer the trust will be consistent with the requirements of this section or who has so demonstrated with respect to any individual retirement plan.

Section 530(g) of the Code (dealing with Coverdell education savings accounts) provides that a custodial account shall be treated as a trust if the assets of such account are held by a bank (as defined in section 408(n)) or another person who demonstrates, to the satisfaction of the Secretary, that the manner in which he will administer the account will be consistent with the requirements of this section, and if the custodial account would, except for the fact that it is not a trust, constitute an account described in subsection (b)(1). For purposes of title 26 [the Internal Revenue Code], in the case of a custodial account treated as a trust by reason of the preceding sentence, the custodian of such account shall be treated as the trustee thereof.

Section VII of Notice 98-8, 1998-1 C.B. 355 (guidance relating to the requirements applicable to eligible deferred compensation plans described in section 457(b) of the Code), provides, in pertinent part, that for purposes of the trust requirements of section 457(g)(1), a custodial account will be treated as a trust if the custodian is a bank, as described in section 408(n), or a person who meets the nonbank trustee requirements of section VIII of this notice, and the account meets the requirements of section VI of this notice, other than the requirement that it be a trust. Section VIII provides that the custodian of a custodial account may be a person other than a bank only if the person demonstrates to the satisfaction of the Commissioner that the manner in which the person will administer the custodial account will be consistent with the requirements of sections 457(g)(1) and (g)(3) of the Code. To do so, the person must demonstrate that the requirements of paragraphs (2)-(6) of section 1.408-2(e) of the regulations relating to nonbank trustees will be met.

The Income Tax Regulations at section 1.408-2(e) contain the requirements that such other person must comply with in order to act as trustee or custodian, for purposes of sections 220, 223, 401(f), 403(b)(7), 408(a)(2), 408(h), 408(q), 408A, 457(b) and 530 of the Code. One of the requirements of section 1.408-2(e) states that such person must file a written application with the Commissioner demonstrating, as set forth in that section, its ability to act as a trustee or custodian.

Because John Hancock Life & Health Insurance Company represents that it is an insurance company as defined in section 816 of the Code, pursuant to sections 220(d)(1)(B) and 223(d)(1)(B) of the Code, John Hancock Life & Health Insurance Company is not required to meet the requirements of section 1.408-2(e) of the regulations in order to serve as the custodian of medical savings accounts described in section 220 and health savings accounts described in section 223.

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Based on all the information submitted to this office and all the representations made in the application, we have concluded that John Hancock Life & Health Insurance Company meets the requirements of section 1.408-2(e) of the regulations and, therefore, is approved to act as a passive nonbank custodian of plans qualified under section 401 or accounts described in section 403(b)(7), passive nonbank custodian for individual retirement accounts (IRAs) established under sections 408, and 408A (dealing with Roth IRAs), passive nonbank custodian of Coverdell education savings accounts established under section 530, and as a passive nonbank custodian of eligible deferred compensation plans described in section 457(b).

This Notice of Approval authorizes John Hancock Life & Health Insurance Company to act only as a passive nonbank custodian within the meaning of section 1.408-2(e)(6)(i)(A) of the regulations, that is, it is authorized only to acquire and hold particular investments specified by the custodial agreement. It may not act as a passive custodian if under the written custodial agreement it has discretion to direct investments of the custodial funds.

This Notice of Approval while authorizing John Hancock Life & Health Insurance Company to act as a custodian does not authorize it to pool accounts in a common investment fund (other than a mutual fund) within the meaning of section 1.408-2(e)(5)(viii)(C) of the regulations. John Hancock Life & Health Insurance Company may not act as a custodian unless it undertakes to act only under custodial agreements that contain a provision to the effect that the grantor is to substitute another trustee or custodian upon notification by the Commissioner that such substitution is required because John Hancock Life & Health Insurance Company has failed to comply with the requirements of section 1.408-2(e) of the regulations or is not keeping such records, or making such returns or rendering such statements as are required by forms or regulations. For example, one such form is Form 990-T for IRAs that have \$1000 or more of unrelated business taxable income that is subject to tax by section 511(b)(1) of the Code.

John Hancock Life & Health Insurance Company is required to notify the Commissioner of Internal Revenue, Attn: SE:T:EP:RA, Internal Revenue Service, Washington, D.C. 20224, in writing, of any change which affects the continuing accuracy of any representations made in its application. Further, the continued approval of John Hancock Life & Health Insurance Company to act as a passive nonbank custodian of plans qualified under section 401 or accounts described in section 403(b)(7), passive nonbank custodian for individual retirement accounts (IRAs) established under sections 408, and 408A (dealing with Roth IRAs), passive or non-passive nonbank custodian of Coverdell education savings accounts established under section 530, and as a passive nonbank custodian of eligible deferred compensation plans described in section 457(b) is contingent upon the continued satisfaction of the criteria set forth in section 1.408-2(e) of the regulations.

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This approval Notice of Approval is not transferable to any other entity. An entity that is a member of a controlled group of corporations, within the meaning of section 1563(a) of the Code, may not rely on a Notice of Approval issued to another member of the same controlled group. Furthermore, any entity that goes through an acquisition, merger, consolidation or other type of reorganization may not necessarily be able to rely on the Notice of Approval issued to such entity prior to the acquisition, merger, consolidation or other type of reorganization. Such entity may have to apply for a new Notice of Approval in accordance with section 1.408-2(e) of the regulations.

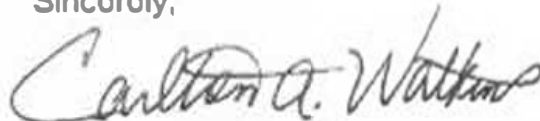
This Notice of Approval constitutes a notice that John Hancock Life & Health Insurance Company may act as a passive nonbank custodian of plans qualified under section 401 or accounts described in section 403(b)(7), passive nonbank custodian for individual retirement accounts (IRAs) established under sections 408, and 408A (dealing with Roth IRAs), passive nonbank custodian of Coverdell education savings accounts established under section 530, and as a passive nonbank custodian of eligible deferred compensation plans described in section 457(b) and does not bear upon its capacity to act as a trustee or custodian under any other applicable law. This is not an endorsement of any investment. The Internal Revenue Service does not review or approve investments.

This Notice of Approval is effective as of the date of this notice and will remain in effect until withdrawn by John Hancock Life & Health Insurance Company or revoked by the Service. This Notice of Approval does not authorize John Hancock Life & Health Insurance Company to accept any fiduciary account before this notice becomes effective.

In accordance with the power of attorney on file in this office, a copy of this notice is being sent to your authorized representative.

If you have any questions, please contact Mr. Ernest L. Tichenor (Badge No. 50-37980) at (202) 283-9571.

Sincerely,



Carlton A. Watkins, Manager
Employee Plans Technical Group 1

For information about any John Hancock fund, please read the prospectus. The prospectus contains more complete information about factors that should be considered before investing, including investment objective's, charges, expenses, and risks. Please read the prospectus carefully before investing or sending money. For prospectuses, contact your financial professional, call John Hancock Investment Management at 800-225-5291, or visit our website at jhinvestments.com.



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