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SUPERIOR COURT FOR THE STATE OF CALIFORNIA
COUNTY OF ALAMEDA

BARBARA LARSON, Individually and On
Behalf Of All Others Similarly Situated,

Plaintiff,

vs.

JOHN HANCOCK LIFE INSURANCE
COMPANY (U.S.A.),

Defendant

) Case No.: RG16813803

) **FIRST AMENDED JOINT STIPULATION AND**
) **SETTLEMENT AGREEMENT**

) Dept: 23

) Judge: Hon. Brad Seligman

) Trial Date: March 19, 2018

) Date Action Filed: April 29, 2016

FIRST AMENDED JOINT STIPULATION AND SETTLEMENT AGREEMENT

IT IS HEREBY STIPULATED AND AGREED by, between and among Plaintiff Barbara Larson, individually and as the appointed representative of the certified class of similarly situated policy owners, and Defendant John Hancock Life Insurance Company (U.S.A.), that the causes of action and matters raised by and related to this lawsuit, captioned *Barbara Larson, Individually and On Behalf Of All Others Similarly Situated, v. John Hancock Life Insurance Company (U.S.A.)*, Case No. RG16813803, in the Superior Court for the State of California, County of Alameda, are hereby settled and compromised on the terms and conditions set forth in this First Amended Joint Stipulation and Settlement Agreement and the releases set forth herein, subject to approval of the Court.

This Agreement is made and entered into by and among Plaintiff and Defendant (as defined herein) and is intended by the Parties to fully, finally, and forever resolve, discharge, and settle the Released Claims (as defined herein) upon and subject to the terms and conditions hereof.

TERMS OF AGREEMENT AND SETTLEMENT

1. Definitions

Capitalized terms in this Agreement are defined herein as follows:

1.1. “Action” means the lawsuit, captioned *Barbara Larson, Individually and On Behalf Of All Others Similarly Situated, v. John Hancock Life Insurance Company (U.S.A.)*, Case No. RG16813803, in the Superior Court for the State of California, County of Alameda.

1.2. “Agreement” means this First Amended Joint Stipulation and Settlement Agreement.

1.3. “Claims” means all suits, claims, cross-claims, counter-claims, controversies, liabilities, demands, obligations, debts, indemnities, costs, fees, expenses, losses, liens, actions, or causes of action (however denominated), including Unknown Claims, of every nature, character, and description, whether in law, contract, statute or in equity, direct or indirect, whether known or unknown, foreseen or not foreseen, accrued or not yet

accrued, or present or contingent, for any injury, damage, obligation, or loss whatsoever, including but not limited to compensatory damages, statutory liquidated damages, exemplary damages, punitive damages, losses, costs, expenses, or attorneys' fees.

1.4. "Class Counsel" means the attorneys appointed by the Court on March 23, 2017, to serve as lead counsel: Norman Siegel of Stueve Siegel Hanson LLP and John Schirger of Miller Schirger, LLC; and as liaison counsel, Daniel Girard of Girard Gibbs LLP.

1.5. "Class List" means the Policies identified by policy number to be filed with the Court as an exhibit to Plaintiff's motion for Final Approval of the Settlement. The Class List consists of the Policies in the Settlement Class less the 21 Opt-Out Policies.

1.6. "Class List Date" means December 31, 2017.

1.7. "Class Notice" means the notice of the Settlement approved by the Court to be sent by the Settlement Administrator, as described in Section 4, to the persons and entities on the Notice List. The Parties will submit the Class Notice in the form attached to this Agreement as Exhibit A for the Court's approval.

1.8. "Class Website" means a website set up by the Settlement Administrator containing relevant information regarding the Settlement.

1.9. "Confidential Information" means material designated as "Confidential Information" in accordance with the terms of the Stipulated Protective Order RE: Confidential Information entered in the Action on August 26, 2016.

1.10. "Court" means The Superior Court of the State of California, for the County of Alameda, Hon. Brad Seligman.

1.11. "Defendant" means John Hancock Life Insurance Company (U.S.A.) and its predecessor and successor entities.

1.12. “Excluded Claims” refers to new Claims against Defendant that could not have been asserted in the Action based solely upon a future increase in Defendant’s Applied Monthly Rate scale should that occur after the Final Settlement Date. Excluded Claims are limited to those incremental claims or damages that could not have been included in the Action because a future increase in Defendant’s Applied Monthly Rate scale has not yet taken place. Excluded Claims do not include claims based on Defendant’s past or future decision to decrease or not decrease its Applied Monthly Rate or any other rerating, rate changes or changes in deductions from Policy account values resulting from an insured’s status, attained age or risk classification, such claims being Released Claims. The right to pursue Excluded Claims, if they exist in the future, is expressly reserved by the Settlement Class Members.

1.13. “Fairness Hearing” means any hearing held by the Court on any motion(s) for final approval of the Settlement for the purposes of: (i) entering the Order and Judgment; (ii) determining whether the Settlement should be approved as fair, reasonable, adequate and in the best interests of the Settlement Class Members; (iii) ruling upon an application by Class Counsel for attorneys’ fees and reimbursement of expenses and reasonable service award payments for the Plaintiff; and (iv) ruling on any other matters raised or considered.

1.14. “Final Approval Date” means the date on which the Court enters its Order and Judgment approving the Settlement.

1.15. “Final Settlement Date” means the date on which the Order and Judgment becomes final, which shall be the latest of: (i) the date of final affirmance on any appeal of the Order and Judgment; (ii) the date of final dismissal with prejudice of the last pending appeal from the Order and Judgment; or (iii) if no appeal is filed, the expiration of the time for filing or noticing any form of valid appeal from the Order and Judgment.

1.16. “Notice Date” means the date on which the Settlement Administrator mails the Class Notice.

1.17. “Notice List” means those individuals or entities that are reflected as the last known policy owners of the Policies on the Class List.

1.18. “Opt-Out Policies” means the 21 Policies whose 17 Owners exercised their rights to opt out of the class after receiving the notice sent pursuant to the Court’s March 23, 2017, Class Certification Order. The 21 Opt-Out Policies are identified in Exhibit B.

1.19. “Order and Judgment” means the Court’s order fully and finally approving the Settlement and entering final judgment. Pursuant to California Civil Rule 3.769(h), the judgment will include a provision for the retention of the Court’s jurisdiction over the Parties to enforce the terms of the judgment.

1.20. “Owner” means a Policy’s owner or owners, whether person or entity and whether in an individual or representative capacity, as indicated in Defendant’s records as of the Class List Date, except that if such Owner is deceased as of the Class List Date, the Owner shall mean the estate of such deceased owner.

1.21. “Parties” means, collectively, Plaintiff and Defendant.

1.22. “Plaintiff” means Barbara Larson, individually and as representative of the Settlement Class, and her heirs, assigns, successors-in-interest, personal representatives, executors, or administrators of her estate.

1.23. “Policy” or “Policies” means the Scheduled Premium Variable Whole Life insurance policies issued by Defendant on Form 94-85 and referred to by Defendant as the Flex V2 policies. An exemplar of the Policy is attached as Exhibit A to the Complaint filed in the Action. Policy or Policies shall include all applications, schedules, riders, and other forms specifically made a part of the policies at the time of their issue, plus all riders and amendments issued thereafter.

1.24. “Preliminary Approval Date” means the date on which the Court enters the order granting preliminary approval of the proposed Settlement.

1.25. “Released Claims” means any and all Claims asserted in the Action, that might have been asserted in the Action or that hereafter may be asserted arising out of or related to the facts, transactions, events, occurrences, acts, disclosures, statements, omissions, or failures to act that were or could have been alleged in the Action, including Claims arising out of, or based upon allegations that Defendant or any of its predecessors breached the

Policies by considering non-mortality factors, such as, for example, expenses (including without limitation, administrative, maintenance, and acquisition expenses, sales commissions, taxes, and fees) reinsurance costs, persistency, future investment income, or profit, in determining Applied Monthly Rates; recovering expenses through the Insurance Charge in excess of the Policy's maximum Maintenance Charge; and failing to adjust or decrease Applied Monthly Rates or any other charge to reflect changing mortality expectations. Released Claims expressly includes all claims based on Defendant's calculation, recalculation and deduction of its cost of insurance charges, Applied Monthly Rates and other Policy Charges or Account Values. Released Claims expressly includes all claims that Defendant failed to decrease its Applied Monthly Rate or may have a future obligation to decrease the Applied Monthly Rate for any reason. Released Claims do not include Excluded Claims.

1.26. "Released Parties" means, individually and collectively, Defendant and Defendant's current and former shareholders, agents, representatives, principals, employees, independent contractors, attorneys, trustees, owners, directors, officers, fiduciaries, administrators, partners, subrogees, creditors, insurance providers, parent, subsidiaries, divisions, affiliates, related entities, predecessors, successors and assignees, if any; and Plaintiff and each Settlement Class Member and their respective agents, heirs, relatives, representatives, attorneys, successors, insurers, trustees, subrogees, executors, assignees, and all other persons or entities acting by, through, under, or in concert with any of them.

1.27. "Releasing Parties" means Plaintiff and each Settlement Class Member on behalf of themselves and their respective agents, heirs, relatives, representatives, attorneys, successors, insurers, trustees, subrogees, executors, assignees, and all other persons or entities acting by, through, under, or in concert with any of them; and Defendant and Defendant's current and former shareholders, agents, representatives, principals, employees, independent contractors, attorneys, trustees, owners, directors, officers, fiduciaries, administrators, partners, subrogees, creditors, insurance providers, parent, subsidiaries, divisions, affiliates, related entities, predecessors, successors and assignees, if any.

1.28. “Settlement” means the settlement set forth in this Agreement.

1.29. “Settlement Administrator” means Epiq Systems Inc., or another qualified third-party settlement administrator mutually agreed upon by Plaintiff and Defendant (such agreement not to be unreasonably withheld) to provide Class Notice and administer payment of settlement relief.

1.30. “Settlement Class” means all persons who own or owned a Flex V Scheduled Premium Variable Whole Life insurance policy (Form 94-85) and referred to as the Flex V2, that is an individual life insurance policy, the benefits, payments or values of which may increase or decrease in accordance with the investment experience of a “Separate Account,” issued or administered by Defendant, or its predecessors in interest, the terms of which provide or provided for: (i) an “Insurance Charge” calculated using an “Applied Monthly Rate” that is based on Defendant’s “expectations of future mortality experience;” (ii) an additional but separate “Maintenance Charge;” (iii) an investment, interest-bearing, or savings component; and (iv) a death benefit. Excluded from the Settlement Class are: (i) anyone employed with Plaintiff’s counsel’s firms; (ii) the assigned Judge and his or her immediate family; (iii) the policies issued on a New Jersey policy form; and (iv) the Opt-Out Policies. The Settlement Class is made up of the Owners of the Policies on the Class List.

1.31. “Settlement Class Member(s)” means all persons and entities that are included in the Settlement Class.

1.32. “Settlement Fund” means a non-reversionary cash fund consisting of the consideration paid by Defendant to the Settlement Class in the amount of \$59,750,000. The Settlement Fund will be a single qualified settlement fund pursuant to 26 U.S.C. § 468 that will be used to pay Settlement Administration Expenses, Plaintiff’s Service Award, Class Counsel’s Fees and Expenses, and all settlement relief to Settlement Class Members. No portion of the Settlement Fund may revert to Defendant, and Defendant shall have no financial obligations under this Settlement other than payment of the Settlement Fund.

1.33. “Net Settlement Fund” means the Settlement Fund, less Settlement Administration Expenses, Plaintiff’s Service Award, and Class Counsel’s Fees and Expenses, which shall be distributed to the Settlement Class pursuant to the distribution formulae set forth in Exhibit C.

1.34. “Settlement Administration Expenses” means all fees, costs, and expenses incurred by the Settlement Administrator, including Class Notice costs and claims administration, which shall be fixed at the amount of \$311,637, and shall be paid from the Settlement Fund.

1.35. “Plaintiff’s Service Award” means the amount of the award approved by the Court to be paid to Barbara Larson from the Settlement Fund, in addition to any settlement relief she may be eligible to receive, as compensation for efforts undertaken by her on behalf of the Settlement Class, and as consideration for the releases provided for in this Agreement.

1.36. “Class Counsel’s Fees and Expenses” means the amount of the award approved by the Court to be paid to Class Counsel from the Settlement Fund for attorneys’ fees and reimbursement of Class Counsel’s costs and expenses, all as more fully set forth in Section 6.

1.37. “Settlement Fund Account” means the escrow account to be established by the Settlement Administrator in the United States, from which all payments out of the Settlement Fund will be made. The Settlement Fund Account shall be established under terms acceptable to Plaintiff and Defendant at a depository institution insured by the Federal Deposit Insurance Corporation.

1.38. “Unknown Claims” means any claims asserted, that might have been asserted or that hereafter may be asserted in the Action arising out of the facts, transactions, events, occurrences, acts, disclosures, statements, omissions, or failures to act that were alleged in the Action that Plaintiff or any Settlement Class Member does not know or suspect to exist in his or her favor at the time of the entry of the Order and Judgment, and which if known by him or her might have affected his or her decision to opt out of or object to the Settlement. With respect to any and all Claims released under Paragraph 3.1, Plaintiff Barbara Larson and the Defendant stipulate and agree that,

upon the Final Settlement Date, Plaintiff shall be deemed to have, and by operation of the Order and Judgment shall have, expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights, and benefits of Section 1542 of the California Civil Code, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

Plaintiff Barbara Larson shall upon the Final Settlement Date be deemed to have, and by operation of the Order and Judgment shall have, waived any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to Section 1542 of the California Civil Code. Plaintiff Barbara Larson may hereafter discover facts in addition to or different from those that they now know or believe to be true with respect to the subject matter of the Released Claims, but Plaintiff Barbara Larson upon the Final Settlement Date, shall be deemed to have, and by operation of the Order and Judgment shall have, fully, finally, and forever settled and released any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct that is negligent, intentional, with or without malice, or any breach of any duty, law, or rule without regard to subsequent discovery or existence of such different or additional facts.

1.39. The terms “he or she” and “his or her” include “it” or “its,” where applicable. Defined terms expressed in the singular also include the plural form of such term, and vice versa, where applicable.

1.40. All references herein to sections and paragraphs refer to sections and paragraphs of this Agreement, unless otherwise expressly stated in the reference.

2. Settlement Relief

2.1. Within five (5) days following the Final Settlement Date, Defendant shall fully fund the Settlement Fund by wire transfer into the Settlement Fund Account. Within two (2) days following the Final Settlement Date,

Class Counsel shall provide to Defendant's Counsel written confirmation of all necessary information to complete the wire transfer.

2.2. Within seven (7) days following the Final Settlement Date, the Settlement Administrator shall transfer Class Counsel's Fees and Expenses, and Plaintiff's Service Award, by wire transfer to the trust account of Miller Schirger, LLC. Class Counsel shall retain ten percent (10%) of the amount awarded by the Court for attorneys' fees in an interest bearing account maintained by Class Counsel pending the submission and approval of a final compliance status report after completion of the process for distribution of settlement relief to the Settlement Class Members.

2.3. The Net Settlement Fund shall be distributed to the Settlement Class pursuant to a distribution formulae proposed by Class Counsel, attached hereto as Exhibit C, subject to approval by the Court. The Parties agree that Class Counsel may, subject to Court approval, revise, modify, change or amend the distribution formulae and the attached Exhibit C, and that any such revision, modification, change or amendment shall neither revise, modify, change or amend the terms of the Agreement, nor constitute an amendment or modification to the Agreement subject to the provisions of Paragraph 9.10.

2.4. Class Counsel will deliver the data necessary to apply the distribution formulae for Settlement Class Members to the Settlement Administrator within (5) days after the Preliminary Approval Date. Within thirty (30) days after the Final Settlement Date, the Settlement Administrator shall calculate each Settlement Class Member's distribution pursuant to the distribution formulae and deliver to each Settlement Class Member by U.S. mail, first-class postage prepaid, a settlement check in the amount of the share of the Net Settlement Fund to which he/she/it is entitled pursuant to the distribution formulae approved by the Court. Settlement checks will be automatically mailed without any proof of claim or further action on the part of the Settlement Class Members.

2.5. Checks shall remain negotiable for 180 days. Settlement Class Members who do not cash their checks within 180 days of issuance will have their checks cancelled and, as to Settlement Class Members who do

not reside in California, their check amounts sent to the unclaimed property division of the state in which each such Settlement Class Member was last sent Class Notice. Checks shall be re-issued by the Settlement Administrator if such requests are received from Settlement Class Members prior to the date when the transfer to the unclaimed property divisions has occurred. For Settlement Class Members who reside in California, any residual funds remaining in the Settlement Fund Account after 1 year from the Final Settlement Date shall be paid pursuant to California Code of Civil Procedure § 384 (revision effective June 27, 2017), in that twenty-five percent of any residual funds attributable to Settlement Class Members who reside in California will be deposited in accordance with § 384(b)(3)(A), twenty-five percent of any residual funds attributable to Settlement Class Members who reside in California will be deposited in accordance with § 384(b)(3)(B), and fifty percent of any residual funds attributable to Settlement Class Members who reside in California will be paid to a nonprofit organization providing civil legal services to the indigent in accordance with § 384(b)(3)(C), or as otherwise approved by the Court.

2.6. The Parties agree that if the Court finds that the amount of the Settlement Fund, or the distribution formulae submitted by Class Counsel, is not fair and reasonable, and refuses to approve the Settlement on that basis, the Parties will negotiate in good faith a modification of the Settlement to resolve the issue to the satisfaction of the Court.

3. Releases and Waivers

3.1. Upon the Final Settlement Date and Defendant's wiring of the Settlement Fund amount provided by Paragraph 2.1, the Releasing Parties shall be deemed to have, and by operation of the Order and Judgment shall have, fully, finally, and forever released, relinquished and discharged the Released Parties of and from all Released Claims.

3.2. Nothing in this Section 3 shall preclude any action to enforce the terms of this Agreement.

3.3. The scope of the Released Claims or Released Parties shall not be impaired in any way by the failure of any Settlement Class Member to actually receive the benefits provided for under this Agreement.

4. Notice to Settlement Class Members

4.1. Subject to the requirements of any orders entered by the Court, and no later than thirty (30) days after the Preliminary Approval Date or the date the Court approves the Class Notice plan, whichever date is later, the Settlement Administrator will mail a Class Notice by first-class mail to the addresses on the Notice List. The Parties agree and understand that if more time is needed to prepare the Notice List and mail Class Notice, they will agree on another date for mailing the Class Notice, unless otherwise ordered by the Court.

4.2. The mailing of a Class Notice to a person or entity that is not in the Settlement Class shall not render such person or entity a part of the Settlement Class or otherwise entitle such person to participate in this Settlement.

4.3. Defendant will deliver the Notice List to the Settlement Administrator within five (5) days following the Preliminary Approval Date. This Notice List shall be designated Confidential Information. The Parties agree and understand that if more time is needed to prepare the Notice List, they will agree on another date for delivering the Notice List to the Settlement Administrator, unless otherwise ordered by the Court.

4.4. The Settlement Administrator will run an update of the last known addresses provided by Defendant through the National Change of Address database before initially mailing the Class Notice. If a Class Notice is returned to the Settlement Administrator as undeliverable, the Settlement Administrator will endeavor to: (i) re-mail any Class Notice so returned with a forwarding address and (ii) make reasonable efforts to attempt to find an address for any returned Class Notice that does not include a forwarding address. The Settlement Administrator will endeavor to re-mail the Class Notice to every person and entity in the Notice List for which it obtains an updated address. If any Settlement Class Member is known to be deceased, the Class Notice will be addressed to the deceased Settlement Class Member's last known address and "To the Estate of [the deceased Settlement Class Member]."

4.5. The Settlement Administrator has previously verified that direct mail to the last known addresses of the persons and entities on the Notice List is sufficient practical notice as required in the Settlement Administrator's

experience handling class notices, and therefore the Parties agree no other forms of notice are necessary subject to approval of the Court. The Settlement Administrator will establish, maintain, and update a Class Website to provide relevant information regarding the Settlement to Settlement Class Members.

4.6. The Agreement may be amended or modified by a written instrument signed by or on behalf of all Parties or their respective successors-in-interest, as provided in Paragraph 9.10. Unless otherwise ordered by the Court, notice of any such amendment or modification made to this Agreement will be provided to Settlement Class Members through the Class Website.

4.7. The Settlement Administration Expenses shall be paid from the Settlement Fund.

5. Responses to Class Notice

5.1. The Parties will request that Settlement Class Members who previously received notice of this Action will have the right to object to the Settlement pursuant to Paragraph 5.2, but will not have the right to opt-out of the Settlement Class. If the Court permits the Settlement Class Members a new opportunity to opt-out, the Parties will conform the Notice to the Court's order.

5.2. Settlement Class Members may object to this Settlement by serving a written objection on the Settlement Administrator within forty-five (45) days after the Notice Date, or as otherwise determined by the Court. Unless otherwise ordered by the Court, the objection must contain: (1) the full name, address, telephone number, email address, if any, of the Settlement Class Member; (2) Policy number; (3) a written statement of all grounds for the objection accompanied by any legal support for the objection (if any); (4) copies of any papers, briefs, or other documents upon which the objection is based; (5) a list of all persons who will be called to testify in support of the objection (if any); (6) a statement of whether the Settlement Class Member intends to appear at the Fairness Hearing; and (7) the signature of the Settlement Class Member or his/her counsel. If an objecting Settlement Class Member intends to appear at the Fairness Hearing through counsel, the written objection must also state the identity of all attorneys representing the objecting Settlement Class Member who will appear at the Settlement Hearing. Unless

otherwise ordered by the Court, Settlement Class Members who do not timely make their objections as provided in this Paragraph will be deemed to have waived all objections and shall not be heard or have the right to appeal approval of the Settlement. The Class Notice shall advise Settlement Class Members of their right to object and the manner required to do so.

5.3. Class Counsel shall file with the Court all objections served on the Settlement Administrator within five (5) days after the deadline for Settlement Class Members to file objections, or as otherwise directed by the Court. The Parties may serve and file responses to written objections any time prior to the Fairness Hearing, or as otherwise directed by the Court.

6. Fees and Expenses

6.1. For the settlement relief provided to Settlement Class Members, Class Counsel will seek an award of attorneys' fees in an amount not to exceed thirty percent (30%) of the Settlement Fund, and reimbursement of Class Counsel's costs and expenses in an amount not to exceed \$650,000, subject to approval by the Court. Provided that neither Plaintiff nor Class Counsel seek attorneys' fees, costs and expenses in excess of the amounts set forth in this Paragraph, Defendant agrees not to oppose or support any objection or opposition to Plaintiff or Class Counsel's request for approval of attorneys' fees, costs and expenses.

6.2. Class Counsel may move the Court, and Defendant agrees not to oppose the motion, for a service award payment to Plaintiff in an amount not to exceed \$25,000 to compensate Plaintiff for efforts undertaken by her on behalf of the Settlement Class and as consideration for the release provided in Paragraph 1.38. Payment of this service award shall be made to Plaintiff in addition to, and shall not diminish or prejudice in any way, any settlement relief which she may be eligible to receive.

6.3. Defendant and Plaintiff shall not be liable or obligated to pay any fees, expenses, costs, or disbursements to any person, either directly or indirectly, in connection with the Action, this Agreement, or the Settlement, other than those expressly provided in this Agreement.

6.4. The Parties agree that the Settlement is not conditioned on the Court's approval of Plaintiff's Service Award or approval of the payment of Class Counsel's Fees and Expenses.

6.5. The Settlement Administration Expenses shall be paid from the Settlement Fund, as provided in Section 4.

7. Tax Reporting and No Prevailing Party

7.1. Any person or entity receiving any payment or consideration pursuant to this Agreement shall alone be responsible for the reporting and payment of any federal, state and/or local income or other form of tax on any payment or consideration made pursuant to this Agreement, and Defendant shall have no obligations to report or pay any federal, state and/or local income or other form of tax on any payment or consideration made pursuant to this Agreement.

7.2. No Party shall be deemed the prevailing party for any purposes of this Action.

8. Preliminary and Final Approval

8.1. The Parties agree that Plaintiff shall move for preliminary approval of this Agreement and approval of the Class Notice plan by no later than February 7, 2018. A hearing on Plaintiff's motion for preliminary approval is currently scheduled for February 13, 2018. Plaintiff, through Class Counsel, will request that the Court enter a preliminary approval order in the form attached hereto as Exhibit D and schedule the Fairness Hearing for purposes of determining the fairness of the Settlement, considering Plaintiff's Application for Fees and Expenses, granting final approval of the Settlement and this Agreement and entering the Order and Judgment.

8.2. Class Counsel agrees to file a Motion for Final Approval of the Settlement and an Application for Fees and Expenses no later than twenty-one (21) days before the Fairness Hearing. The Motion for Final Approval of the Settlement will include a proposed Final Order and Judgment in a form agreed to by the Parties.

8.3. The Final Order and Judgment proposed by the Parties shall, among other things: (i) approve the Settlement as fair, reasonable, and adequate; and (ii) pursuant to California Civil Rule 3.769(h), the judgment will include a provision for the retention of the court's jurisdiction over the Parties to enforce the terms of the judgment.

9. Other Provisions

9.1. The Parties: (i) acknowledge that it is their intent to consummate this Agreement, (ii) agree to cooperate in good faith to the extent reasonably necessary to effect and implement all terms and conditions of the Agreement and to exercise their best efforts to fulfill the foregoing terms and conditions of the Agreement, and (iii) agree to cooperate in good faith to obtain preliminary and final approval of the Settlement and to finalize the Settlement.

9.2. Plaintiff: (i) agrees to serve as representative of the Settlement Class; (ii) remains willing, able, and ready to perform all of the duties and obligations of a representative of the Settlement Class; (iii) is familiar with the allegations in the Action, or has had such allegations described or conveyed to her; (iv) has consulted with Class Counsel about the Action (including discovery conducted in the Action), this Agreement, and the obligations of a representative of the Settlement Class; and (v) shall remain and serve as a representative of the Settlement Class until the terms of this Agreement are effectuated and fully implemented, this Agreement is terminated in accordance with its terms, or, the Court at any time determines that the Plaintiff cannot represent the Settlement Class. The Parties agree that should the Plaintiff be rendered medically incompetent or die prior to the Final Settlement Date, any further obligation of Plaintiff as a representative of the Settlement Class shall be carried out by her heirs, assigns, successors-in-interest, personal representatives, executors, or administrators of her estate.

9.3. The Parties agree that the amounts paid in Settlement and the other terms of the Settlement were negotiated in good faith, and at arm's length, by the Parties, and reflect a settlement that was reached voluntarily after consultation with competent legal counsel.

9.4. Class Counsel shall provide Defendant's counsel with draft copies of the pleadings they intend to file in support of this Agreement and Settlement, including Plaintiff's Motion for Final Approval of the Settlement and an Application for Fees and Expenses, no less than three (3) business days prior to Plaintiff's filing.

9.5. No person or entity shall have any claim against Class Counsel, the Settlement Administrator, Defendant's counsel or any of the Released Parties based on actions taken substantially in accordance with the Agreement and the Settlement contained therein or further orders of the Court.

9.6. Defendant specifically and generally denies any and all liability or wrongdoing of any sort with regard to any of the claims or allegations in the Action and makes no concessions or admissions of liability of any sort. Neither this Agreement nor the Settlement nor any drafts or communications related thereto, nor any act performed or document executed pursuant to, or in furtherance of, the Agreement or the Settlement: (i) is or may be deemed to be or may be used as an admission of, or evidence of, the validity of any Released Claim, or of any wrongdoing or liability of the Released Parties, or any of them; or (ii) is or may be deemed to be or may be used as an admission of, or evidence of, any fault or omission of the Released Parties, or any of them, in any civil, criminal or administrative proceeding in any court, administrative agency or other tribunal. Nothing in this Paragraph shall prevent Defendant and/or any of the Released Parties from using this Agreement and Settlement or the Order and Judgement in any action that may be brought against them in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or reduction or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

9.7. Plaintiff and Class Counsel agree that if this Agreement or the Settlement fails to be approved, fails to become effective, or otherwise fails to be consummated, or if there is no Final Settlement Date, Defendant shall retain, and expressly reserves, any and all of the rights it had prior to the execution of this Agreement to object to the maintenance of the Action as a class action by Class Counsel and Plaintiff. Plaintiff and Class Counsel agree that nothing in this Agreement or other papers or proceedings related to the Settlement shall be used as evidence or

argument concerning whether the Action may properly be maintained as a class action, whether the purported class is ascertainable, or whether Class Counsel or Plaintiff can adequately represent class members under applicable law. If the Agreement is deemed void or the Final Settlement Date does not occur, Plaintiff and Class Counsel agree not to argue or present any argument, and hereby waive any argument, that Defendant could not contest (or is estopped from contesting) maintenance of this Action as a class action based on any grounds it had prior to the execution of this Agreement; and this Agreement shall not be deemed an admission by, or ground for estoppel against, Defendant that class certification or any claims brought in the Action are proper or that such class certification or claims cannot be contested on any grounds that Defendant had prior to the execution of this Agreement. In the event the Agreement is declared void or the Final Settlement Date does not occur, Plaintiff and Class Counsel retain and reserve any and all rights and arguments they had prior to execution of this Agreement to oppose Defendant's positions and arguments. Each of the Parties will be restored to the place it was in as of the date this Agreement was signed with the right to assert in the Action any argument or defense that was available to it at that time.

9.8. Nothing in this Agreement shall change the terms of any Policy.

9.9. The Parties agree, to the extent permitted by law, that all agreements made and orders entered during the course of the Action relating to confidentiality of information shall survive this Agreement.

9.10. The Agreement may be amended or modified only by a written instrument signed by or on behalf of all Parties or their respective successors-in-interest. No waiver of any provision of this Agreement or consent to any departure by either Party therefrom shall be effective unless the same shall be in writing, signed by the Parties or their counsel, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No amendment or modification made to this Agreement pursuant to this Paragraph shall require any additional notice to the Settlement Class Members, including written or publication notice, unless ordered by the Court. Plaintiff and Class Counsel agree not to seek such additional notice. The Parties may provide updates on any amendments or modifications made to this Agreement on the Class Website as described in Paragraph 1.8.

9.11. Each person executing the Agreement on behalf of any party hereto hereby warrants that such person has the full authority to do so.

9.12. The Agreement may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument. Furthermore, pdf's or copies of original signatures may be accepted as actual signatures, and will have the same force and effect as the original. A complete set of executed counterparts shall be filed with the Court.

9.13. The Agreement shall be binding upon, and inure to the benefit of, the successors, heirs, and assigns of the Parties hereto; but this Agreement is not designed to and does not create any third-party beneficiaries either express or implied, except as to the Settlement Class Members.

9.14. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against either party. No party shall be deemed the drafter of this Agreement. The Parties acknowledge that the terms of the Agreement are contractual and are the product of negotiations between the Parties and their counsel. Each party and her or its respective counsel cooperated in the drafting and preparation of the Agreement. In any construction to be made of the Agreement, the Agreement shall not be construed against any party.

9.15. Other than necessary disclosures made to the Court or the Settlement Administrator this Agreement and all related information and communication shall be held strictly confidential by Plaintiff, Class Counsel and their agents until such time as the Parties file this Agreement with the Court.

9.16. The Parties and their counsel further agree that their discussions and the information exchanged in the course of negotiating this Settlement are confidential under the terms of the mediation agreement signed by the Parties in connection with the mediation session with the Mediator and any follow-up negotiations between the Parties' counsel. Such exchanged information was made available on the condition that neither the Parties nor their counsel may disclose it to third parties (other than experts or consultants retained by the Parties in connection with

the Action and subject to confidentiality restrictions), that it not be the subject of public comment, and that it not be publicly disclosed or used by the Parties or their counsel in any way in the Action should it not settle, or in any other proceeding; provided however, that nothing contained herein shall prohibit the Parties from seeking such information through formal discovery if not previously requested through formal discovery or from referring to the existence of such information in connection with the Settlement of the Action.

9.17. This Agreement shall be governed by and interpreted in accordance with the laws of the State of California, without reference to its choice-of-law or conflict-of-laws rules.

9.18. The Court shall retain jurisdiction with respect to implementation and enforcement of the terms of the Agreement and any discovery sought from or concerning objectors to this Agreement. All Parties hereto submit to the jurisdiction of the Court for purposes of implementing and enforcing the Settlement embodied in the Agreement.

9.19. Whenever this Agreement requires or contemplates that one Party shall or may give notice to the other, notice shall be provided by e-mail and/or next-day (excluding Saturday and Sunday) express delivery service as follows:

(a) If to Defendant, then to:

Alan B. Vickery
John F. LaSalle
BOIES SCHILLER FLEXNER LLP
575 Lexington Avenue
New York, NY 10022
Telephone: (212) 446-2300
avickery@bsflp.com
jlasalle@bsflp.com

-and-

Motty Shulman
BOIES SCHILLER FLEXNER LLP
33 Main Street

Armonk, NY 10504
Telephone: (914) 749-8200
mshulman@bsfllp.com

-and-

Sean P. Rodriguez
BOIES SCHILLER FLEXNER LLP
1999 Harrison Street, Suite 900
Oakland, CA 94612
Telephone: (510) 874-1000
srodriguez@bsfllp.com

(b) If to Plaintiff, then to:

Norman E. Siegel
Ethan M. Lange
STUEVE SIEGEL HANSON LLP
460 Nichols Road, Suite 200
Kansas City, MO 64112
Telephone: 816-714-7100
siegel@stuevesiegel.com
lange@stuevesiegel.com

-and-

John J. Schirger
Matthew W. Lytle
MILLER SCHIRGER LLC
4520 Main St., Ste. 1570
Kansas City, MO 64111
Telephone: 816-561-6500
JSchirger@millerschirger.com
MLytle@millerschirger.com

-and-

Daniel C. Girard
GIRARD GIBBS LLP
601 California Street, 14th Floor
San Francisco, CA 94108
Telephone: 415-981-4800
dcg@girardgibbs.com

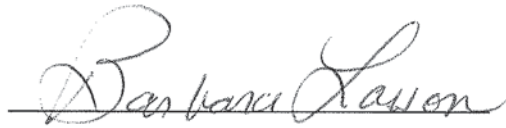
9.20. The Parties reserve the right to agree between themselves on any reasonable extensions of time that might be necessary to carry out any of the provisions of this Agreement.

9.21. All time periods set forth herein shall be computed in calendar days unless otherwise expressly provided. In computing any period of time prescribed or allowed by this Agreement or by order of any court, the day of the act, event, or default from which the designated period of time begins to run shall not be included. Each other day of the period to be computed shall be included, including the last day thereof, unless such last day is a Saturday, a Sunday, or a legal holiday, or, when the act to be done is the filing of a paper in court on a day in which the court is closed during regular business hours. In any event, the period runs until the end of the next day that is not a Saturday, a Sunday, a legal holiday, or a day on which the court is closed. When a time period is less than seven business days, intermediate Saturdays, Sundays, legal holidays, and days on which the court is closed shall be excluded from the computations. As used in this Paragraph, "legal holiday" includes New Year's Day, Martin Luther King, Jr. Day, Good Friday, Primary Election Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, General Election Day, Veterans Day, Thanksgiving Day, Lincoln's Birthday, Washington's Birthday, Christmas Day and any other day appointed as a holiday by federal law or California law.

[Remainder of this page intentionally left blank.]

Stipulated and agreed to by,

BARBARA LARSON

A handwritten signature in cursive script that reads "Barbara Larson". The signature is written in black ink and is positioned above a horizontal line.

Barbara Larson

Date: 2/1/18

Plaintiff

APPROVED ONLY AS TO FORM:

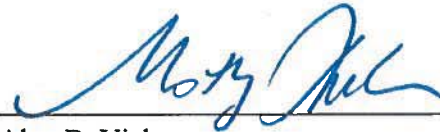


Daniel C. Girard
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601 California Street, 14th Floor
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Tel: 415-981-4800
Fax: 415-981-4846

John J. Schirger
Matthew W. Lytle
Miller Schirger LLC
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Kansas City, MO 64111
Tel: 816-561-6500
Fax: 816-561-6501

Norman E. Siegel
Patrick J. Stueve
Bradley T. Wilders
Ethan A. Lange
Stueve Siegel Hanson LLP
460 Nichols Road, Suite 200
Kansas City, MO 64112
Tel: 816-714-7100
Fax: 816-714-7101

Plaintiff's Counsel & Class Counsel



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John F. LaSalle
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575 Lexington Avenue
New York, NY 10022
Telephone: (212) 446-2300
avickery@bsfllp.com
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Armonk, NY 10504
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mshulman@bsfllp.com

Sean P. Rodriguez
BOIES SCHILLER FLEXNER LLP
1999 Harrison Street, Suite 900
Oakland, CA 94612
Telephone: (510) 874-1000
srodriguez@bsfllp.com

Defendant's Counsel

EXHIBIT LIST TO FIRST AMENDED JOINT STIPULATION AND SETTLEMENT AGREEMENT

- Exhibit A: Class Notice
- Exhibit B: Opt-Out Policies
- Exhibit C: Distribution Formulae
- Exhibit D: Preliminary Approval Order

EXHIBIT A

Larson v. John Hancock Life Insurance Company (U.S.A.)

NOTICE OF CLASS ACTION LAWSUIT

TO: <<Name>>
<<Address >>
<<City>><<State>><<Zip>>

Your ID Number is <<ID>>

Dear <<Name>>,

You have been sent this Notice of Class Action Settlement because you have been identified as a Settlement Class Member in the Settlement of the class action lawsuit, *Larson, et al. v. John Hancock Life Insurance Company (U.S.A.)*, pending in the Superior Court of the State of California for the County of Alameda, Case No. RG16813803. An earlier Notice summarized the litigation. This Notice summarizes a recent Settlement between the Parties that impacts your rights. A full description of the Settlement is contained in the First Amended Settlement Agreement, which includes the precise definitions of capitalized terms used in this Notice. The Agreement is available for you to read at www.flexvclassaction.com. Please read it and this enclosed Notice carefully to understand your rights and obligations under the Settlement.

Records provided by John Hancock Life Insurance Company (U.S.A.) indicate that you are currently the owner, or were the owner at the time of termination, of a Flex V Scheduled Premium Variable Whole Life Insurance Policy (“Flex V2”) issued or administered by John Hancock Life Insurance Company (U.S.A.) or one of its predecessors. Throughout this Notice, John Hancock Life Insurance Company (U.S.A.) and its predecessors shall be referred to as “John Hancock.”

There is a Settlement regarding the cost of insurance charges that John Hancock deducted from policyholders’ account values for these life insurance policies. The Settlement provides that John Hancock will fund a cash Settlement Fund in the amount of \$59,750,000.00, which will be used to pay (1) all payments to Settlement Class Members; (2) Class Counsel’s attorneys’ fees and expenses in an amount to be approved by the Court; (3) a service award to the class representative in an amount to be approved by the Court; and (4) the expenses incurred in administering the Settlement. John Hancock’s records show that you may be eligible to participate in the Settlement.

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ALAMEDA

If You Own or Owned a John Hancock Flex V Life Insurance Policy, a Class Action Settlement may Affect Your Rights.

A COURT AUTHORIZED THIS NOTICE.
THIS IS NOT A SOLICITATION FROM A LAWYER.
YOU ARE NOT BEING SUED.

- A Settlement has been reached with John Hancock in a class action lawsuit about the cost of insurance charges deducted from policyholders' account values.
- Generally, the Settlement includes all current and former Flex V2 policy owners (*see* Question 4 below).
- As part of the Settlement, Settlement Class Members will be eligible to receive a portion of a cash Settlement Fund funded by John Hancock in the amount of \$59,750,000.00 (*see* Question 6 below).

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT	
DO NOTHING	Automatically receive your share of the Settlement Fund.
OBJECT	Write to the Court if you don't like the Settlement.
GO TO A HEARING	Ask to speak in Court about the fairness of the Settlement.

- These rights and options—and the deadlines to exercise them—are explained in this Notice.
- The Court in charge of this case still has to decide whether to finally approve the Settlement. Settlement checks will be automatically issued to each Settlement Class Member if the Court approves the Settlement and after any appeals are resolved. **You do not need to take further action to receive payment if you are eligible under the Settlement.** Please be patient.

Questions? visit www.flexvclassaction.com, or call 888-740-7631

1. Why did I get this Notice?

John Hancock's records show that you own or owned a John Hancock Flex V Life Insurance Policy (Policy Form 94-85, sometimes referred to as the "Flex V2"). A Court authorized this Notice because you have a right to know about the proposed Settlement of this class action lawsuit and about all of your options before the Court decides whether to give final approval to the Settlement. This Notice explains the lawsuit, the Settlement, and your legal rights.

Judge Brad Seligman of the Superior Court of the State of California for the County of Alameda is overseeing this case. The case is known as *Larson, et al. v. John Hancock Life Insurance Company (U.S.A.)*, Case No. RG16813803. The person who sued, Barbara Larson, is called the "Plaintiff." John Hancock is called the "Defendant."

The following is only a summary of the Settlement. A full description of the Settlement is contained in the First Amended Settlement Agreement. Nothing in this notice alters the terms of the First Amended Settlement Agreement. A copy of the First Amended Settlement Agreement may be obtained by visiting www.flexvclassaction.com.

2. What is this lawsuit about?

The Flex V2 is a variable whole life policy which means it has an investment feature that allows an accumulation of value after deduction of charges. Plaintiff alleges that John Hancock violated the policy in three different ways. First, while the policy permits John Hancock to deduct an insurance charge calculated using an "Applied Monthly Rate" that is based on "expectations of future mortality experience," Plaintiff alleges that John Hancock impermissibly considers factors other than mortality expectations. Second, while the policy permits a separate "Maintenance Charge" of up to \$8 per month, Plaintiff alleges that John Hancock impermissibly includes amounts that should be in the "Maintenance Charge" in the "Applied Monthly Rate." Third, Plaintiff alleges that the policy requires that the "Applied Monthly Rate" be reviewed "at least once every 5 policy years," and adjusted to reflect changes in "expectations of future mortality," but has not been modified.

John Hancock denies these claims. John Hancock believes that all the rates and charges that it applied to the Flex V2 Life Insurance Policies are consistent with the terms of the policy. The policy includes guaranteed maximum rates, which have never been exceeded.

You can read Plaintiff's Class Action Complaint and Defendant's Answer at www.flexvclassaction.com.

3. Why is there a Settlement?

The Parties negotiated the Settlement with an understanding of the factual and legal issues that would affect the outcome of this lawsuit. During the course of the lawsuit, Plaintiff, through her attorneys, thoroughly examined and investigated the facts and law relating to the issues in this case.

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Plaintiff believes that the final outcome of the lawsuit, if it were to proceed through trial and appeals, is uncertain. A settlement avoids the costs and risks of further litigation and provides immediate relief to the Settlement Class Members. Based on their evaluation of the facts and law, Plaintiff and her attorneys have determined that this Settlement is fair, reasonable, and adequate. They have reached this conclusion based upon the substantial benefits the Settlement provides to Settlement Class Members, the risks, uncertainties, and costs inherent in this Action, and the desirability of continuing this protracted litigation.

There has been no trial and there has been no final determination on the merits of the claims or defenses in this lawsuit, and there will be no trial or final determination on the merits of the claims and defenses if the Court approves the Settlement. The Settlement does not suggest that John Hancock has or has not done anything wrong, or that Plaintiff and the Settlement Class Members would or would not win if the lawsuit were to go to trial.

4. Who is included in the Settlement Class?

On March 23, 2017, Judge Seligman certified a Class that includes all persons who own or owned a Flex V Scheduled Premium Variable Whole Life Insurance Policy (Policy Form 94-85, sometimes referred to as the “Flex V2”), that is an individual life insurance policy, the benefits, payments or values of which may increase or decrease in accordance with the investment experience of a “Separate Account,” issued or administered by Defendant or its predecessors in interest, the terms of which provide or provided for (1) an “Insurance Charge” calculated using an “Applied Monthly Rate” that is based on Defendant’s “expectations of future mortality experience”; (2) an additional but separate “Maintenance Charge”; (3) an investment, interest-bearing or savings component; and (4) a death benefit.

If someone who would otherwise be a Settlement Class Member is deceased, his or her estate is a Settlement Class Member.

The Settlement Class excludes: Plaintiff’s counsel and their employees; the assigned judge and his family; policies issued on a New Jersey policy form; and any person who previously opted-out of this case.

5. How can I confirm that I am in the Settlement Class?

If you are not sure whether you are included in the Settlement Class, you can get free help at www.flexvclassaction.com.

6. What does the Settlement provide?

John Hancock has agreed to fund a cash Settlement Fund in the amount of \$59,750,000.00, which will be used to pay (1) all payments to Settlement Class Members; (2) Class Counsel’s attorneys’ fees and expenses in an amount to be approved by the Court; (3) a service award to Barbara Larson in amount to be approved by the Court; and (4) the expenses incurred in administering the Settlement.

Questions? visit www.flexvclassaction.com, or call 888-740-7631

If the Court approves the Settlement, settlement checks will be mailed to Settlement Class Members in an amount according to the distribution plan that is designed to provide each Settlement Class Member an approximate pro rata portion of the Net Settlement Fund based on the amount of excessive Insurance Charges paid by each Settlement Class Member. The primary factors impacting the amount of the distribution are the face value of the Policy and the number of years the Policy has been in force. The distribution plan is attached to the First Amended Settlement Agreement as Exhibit D and is available on the settlement website.

For Settlement Class Members that purchased a Policy on or after January 1, 1997, the distribution will provide a minimum payment of \$50; the average payment will be approximately \$630; and the 99th percentile payment will be approximately \$5,350.

For Settlement Class Members that purchased a Policy on or before December 31, 1996, the distribution plan will reflect that a federal court in Boston determined that claims related to those policies were released as part of an earlier settlement known as *Dubaine v. John Hancock Mutual Insurance Co.* The Court's order enjoining prosecution of those claims is available on the settlement website. The distribution for these Settlement Class Members will provide a minimum payment of \$25; the average payment will be approximately \$120, and the 99th percentile payment will be approximately \$975.

You should consult your own tax advisors regarding the tax consequences of the proposed Settlement, including any benefits you may receive and any tax reporting obligations you may have as a result.

7. How do I participate in the Settlement? Do I need to make a claim?

Settlement Class Members do not have to do anything to participate in the Settlement. No claims need to be filed. Upon approval of the Settlement, a settlement check will issue to every Settlement Class Member in the amount determined by the Settlement Administrator using the method described in Question 6 above. If someone who would otherwise be a Settlement Class Member is deceased, his or her estate is a Settlement Class Member.

8. When will I receive my settlement check?

The settlement checks will be issued to Settlement Class Members within 30 days after the Final Settlement Date. Settlement checks will be automatically mailed without any proof of claim or further action on the part of the Settlement Class Members.

9. What happens if I do nothing?

If the Settlement is approved, you will receive a settlement check representing your share of the Settlement. You cannot sue John Hancock (or certain other released parties included as "Released Parties" in the First Amended Settlement Agreement) or be part of any other lawsuit against John Hancock concerning the claims in this case or claims that could have been brought in this case, which arise from the same facts as the claims here. You will be "releasing" John Hancock and all "Released Parties" as described in the First Amended Settlement

Questions? visit www.flexvclassaction.com, or call 888-740-7631

Agreement. However, you may sue John Hancock for any future increases John Hancock makes to its cost of insurance rates that occur after the Final Settlement Date.

The First Amended Settlement Agreement is available at www.flexvclassaction.com and describes the claims that you are giving up. If you have any questions, you can talk to the law firms listed in Question 11 for free, or you can hire your own lawyer.

10. How do I tell the Court if I do not like the Settlement?

You can object to the Settlement if you do not like some part of it. The Court will consider your views. To object to the Settlement, you must serve a written objection in the case, *Larson, et al. v. John Hancock Life Insurance Company (U.S.A.)*, Case No. RG16813803.

You are required to include:

- Your full name, address, telephone number, and email address if any;
- Policy number(s);
- A written statement of all grounds for your objection accompanied by any legal support for the objection (if any);
- Copies of any papers, briefs, or other documents upon which the objection is based;
- A list of all persons who will be called to testify in support of the objection (if any);
- A statement whether you intend to appear at the Fairness Hearing and the identity of all attorneys (if any) who will appear at the Settlement Hearing on your behalf; and
- The signature of you or your counsel.

You must serve your objection on the Settlement Administrator by mailing it to Epiq: PO BOX _____, _____, _____ no later than _____, 2018.

11. Do I have a lawyer in this case?

Yes. The Court appointed the following lawyers as “Class Counsel” to represent all the members of the Class:

Questions? visit www.flexvclassaction.com, or call 888-740-7631

Norman E. Siegel
Stueve Siegel Hanson LLP
460 Nichols Rd. Suite 200
Kansas City, MO 64112
larsonvhancock@stuevesiegel.com

John J. Schirger
Miller Schirger LLC
4520 Main Street, Suite 1570
Kansas City, MO 64111
larsonvhancock@millerschirger.com

Daniel C. Girard
Girard Gibbs LLP
601 California Street, 14th Floor
San Francisco, CA 94108

If you have questions, you may contact these lawyers. You will not be charged for contacting these lawyers. If you want to be represented by your own lawyer, however, you may hire one at your own expense.

12. How will the lawyers be paid?

Class Counsel have not been paid for their work in this case. In addition to thousands of hours of labor spent on this case, Class Counsel have expended up to \$650,000 in expenses prosecuting this case. The Court will determine how much Class Counsel will be paid for fees and expenses. Class Counsel will seek an award for attorneys' fees of up to 30% of the Settlement Fund, and reimbursement of Class Counsel's costs and expenses, also to be paid from the Settlement Fund. You will not be responsible for payment of Class Counsel's fees and expenses.

Class Counsel will also request a service award payment of \$25,000 for Plaintiff, Barbara Larson, for her service as representative on behalf of the Settlement Class. This payment will also be paid from the Settlement Fund. The Court must approve any amounts paid to Class Counsel and to Barbara Larson.

13. When and where will the Court decide whether to approve the Settlement?

The Court will hold a hearing, the Fairness Hearing, to decide whether to approve the Settlement and any requests for attorneys' fees and expenses, a service award to Barbara Larson, and the costs of settlement administration. You may attend and ask to speak, but you do not have to.

The Court will hold a Fairness Hearing at ___ on _____, at the Superior Court of California, County of Alameda, 1221 Oak Street, Oakland, CA 94612. The hearing may be moved to a different date or time without additional notice, so it is a good idea to check

Questions? visit www.flexvclassaction.com, or call 888-740-7631

www.flexvclassaction.com or call 888-740-7631 for any updates. At the hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate and in the best interests of Settlement Class Members. If there are objections, the Court will consider them and will listen to people who have asked to speak at the hearing. After the hearing, the Court will decide whether to approve the Settlement. We do not know how long the Court's decision will take.

14. Do I have to attend the hearing?

You or your own lawyer are welcome to attend the Fairness Hearing at your expense. If you send a timely objection but do not attend the Fairness Hearing, the Court will still consider your objection.

15. May I speak at the hearing?

You may speak at the Fairness Hearing by filing an objection that indicates your intention to speak at the hearing. If you wish to appear through counsel, your written objection must also state the identity of all attorneys representing you who will appear at the Fairness Hearing. Unless otherwise ordered by the Court, a Settlement Class Member who does not submit a timely objection with the proper notice will not be permitted to speak at the Fairness Hearing, and will not have the right to appeal the Court's approval of the Settlement.

16. How do I get more information?

This Notice summarizes the proposed Settlement. More details are in the First Amended Settlement Agreement. You can get a copy of the First Amended Settlement Agreement at www.flexvclassaction.com. You may also send your questions to the Settlement Administrator, in writing, at _____ or call the Settlement Administrator at 888-740-7631. You can review the Court's docket in this case at <https://publicrecords.alameda.courts.ca.gov/prs>.

If your address has changed or will change, please notify the Settlement Administrator by _____, _____.

DATE: _____, 2018

Questions? visit www.flexvclassaction.com, or call 888-740-7631

EXHIBIT B

POLICY NUMBER	OWNER1 NAME
---------------	-------------

3236083 ANGELA R JAMES
3311193 ANGELA R JAMES
3313601 BRIAN MCCARTHY
3377647 CESARIO C CHAN
3298936 DAVID S CAMPBELL
3248026 DIANE M HARDY
3389182 JUDY MURPHY
3347655 JACQUELINE L LAFRENIERE
3346954 MARK W LAFRENIERE
3329851 MARYANN L CRAWFORD
3336061 OTILIA GARCIA
3349613 CHRISTINE D MARTINEZ
3349610 ROBERT E MARTINEZ
3297724 ROD L JAMES
3326015 ROD L JAMES
3344976 ROLAN WATARI
3335590 RONNIE D STANLEY
3335594 RONNIE D STANLEY
3335597 RONNIE D STANLEY
3274474 SHIRLEY LOEW
3244372 STEVE R ORTEGA

EXHIBIT C

DISTRIBUTION PLAN

The Distribution Plan is designed to distribute to each Settlement Class Member a share of the Net Settlement Fund in an amount proportionate to the amount of alleged insurance overcharges paid by each Settlement Class Member. The distribution to Settlement Class Members who own Policies issued on or before December 31, 1996, will be discounted to reflect the fact claims related to those Policies are subject to the *Duhaime* injunction.

1. Each Settlement Class Member shall receive a check in an amount equal to: (a) a minimum settlement relief payment; PLUS (b) his/her proportionate share of the remaining Net Settlement Fund after deducting all minimum settlement relief payments (the "Remaining Net Settlement Fund").
2. The amount of Settlement Relief payable to each Settlement Class Member that owns or owned a Policy issued on or after January 1, 1997, shall be determined as follows:
 - a. Minimum settlement relief in the amount of Fifty Dollars (\$50.00); PLUS
 - b. A proportionate share of the Remaining Net Settlement Fund which shall be determined as follows:
 - i. Using Defendant's tables of current Applied Monthly Rates ("AMR") and expected mortality rates assumed at pricing ("PMR"), calculate the amount of alleged insurance overcharges by:
 1. Determining the percentage of the Applied Monthly Rate that represents alleged insurance overcharges using the appropriate AMR and PMR for each year the Policy was or has been In-Force.
 - a. $1.00 - (\text{PMR}/\text{AMR})$
 2. Calculating for each year the Policy was or has been In-Force the total Insurance Charges deducted for the year.
 - a. $\text{AMR} \times (\text{policy face amount}/1.03727 - (\text{Beginning Account Value} + \text{Ending Account Value})/2)$
 3. Calculating the total alleged insurance overcharges by multiplying the percentage of alleged insurance overcharges by the total Insurance Charges deducted, and multiplying the sum by:
 - a. 1.00 for Terminated Policies; and

2. Calculating for each year the Policy was or has been In-Force the total Insurance Charges deducted for the year.
 - a. $AMR \times (\text{policy face amount} / 1.03727 - (\text{Beginning Account Value} + \text{Ending Account Value}) / 2)$
3. Calculating the total alleged insurance overcharges by multiplying the percentage of alleged insurance overcharges by the total Insurance Charges deducted, and multiplying the sum by:
 - a. 1.00 for Terminated Policies; and
 - b. 1.05 for In-Force Policies, to include a proportionate share of estimated future alleged insurance overcharges, discounted to present value at 4%, to account for the fact that Defendant will continue to use its tables of current Applied Monthly Rates, including the alleged insurance overcharges, to calculate future Insurance Charges on In-Force Policies.
4. Accumulating the alleged insurance overcharges for all years the Policy was or has been In-Force at 4% interest to December 31, 2017.
 - ii. Add the accumulated alleged insurance overcharges for all Policies issued on or before December 31, 1996.
 - iii. Determine the percentage of the aggregate accumulated alleged insurance overcharges for all Policies attributable to each Settlement Class Member who owns or owned a Policy issued on or before December 31, 1996, by dividing each Settlement Class Member's total accumulated alleged insurance overcharges by the total accumulated alleged insurance overcharges for all Policies issued on or before December 31, 1996.
 - iv. Multiply the percentage of the aggregate alleged insurance overcharges for all Policies attributable to each Settlement Class Member by 12% of the Remaining Net Settlement Fund.

EXHIBIT D

1 **GIRARD GIBBS LLP**

2 DANIEL C. GIRARD (SBN 114826)
3 DCG@GIRARDGIBBS.COM
4 ANGELICA M. ORNELAS (SBN 285929)
5 AMO@GIRARDGIBBS.COM
6 601 CALIFORNIA STREET, SUITE 1400
7 SAN FRANCISCO, CALIFORNIA 94108
8 TEL: 415-981-4800
9 FAX: 415-981-4846

10 **STUEVE SIEGEL HANSON LLP**

11 PATRICK J. STUEVE (*pro hac vice*)
12 STUEVE@STUEVESIEGEL.COM
13 NORMAN E. SIEGEL (*pro hac vice*)
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15 BRADLEY T. WILDERS (*pro hac vice*)
16 WILDERS@STUEVESIEGEL.COM
17 ETHAN M. LANGE (*pro hac vice*)
18 LANGE@STUEVESIEGEL.COM
19 460 NICHOLS ROAD, SUITE 200
20 KANSAS CITY, MISSOURI 64112
21 TEL: 816-714-7100
22 FAX: 816-714-7101

23 **MILLER SCHIRGER, LLC**

24 JOHN J. SCHIRGER (*pro hac vice*)
25 JSCHIRGER@MILLERSCHIRGER.COM
26 MATTHEW W. LYTLER (*pro hac vice*)
27 MLYTLER@MILLERSCHIRGER.COM
28 JOSEPH M. FEIERABEND (*pro hac vice*)
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4520 MAIN STREET, SUITE 1570
KANSAS CITY, MISSOURI 64111
TEL: 816-561-6500
FAX: 816-561-6501

29 ATTORNEYS FOR PLAINTIFF

30 SUPERIOR COURT FOR THE STATE OF CALIFORNIA
31 COUNTY OF ALAMEDA

32 BARBARA LARSON, Individually and On)
33 Behalf Of All Others Similarly Situated,)

34 Plaintiff,)

35 vs.)

36 JOHN HANCOCK LIFE INSURANCE)
37 COMPANY (U.S.A.),)

38 Defendant.)

39 Case No.: RG16813803

40 **[PROPOSED] ORDER GRANTING**
41 **PRELIMINARY APPROVAL OF CLASS**
42 **ACTION SETTLEMENT**

43 Hearing date: February 13, 2018

44 Time: 3:00 pm

45 Reservation No: R-1923808

46 Dept: 23

47 Judge: Hon. Brad Seligman

48 Action filed: April 29, 2016

1 WHEREAS, on February 11, 2018, Plaintiff Barbara Larson (“Larson” or “Plaintiff”), on
2 behalf of the certified class of Flex V2 policy owners, and Defendant John Hancock Life
3 Insurance Company (U.S.A.) (“John Hancock”) entered into a First Amended Joint Stipulation
4 and Settlement Agreement (“Agreement”) intended to resolve this litigation.

5 WHEREAS, the Agreement, together with the exhibits attached thereto, sets forth the
6 terms and conditions for a proposed settlement of this Action against John Hancock, upon the
7 terms and conditions set forth therein;

8 WHEREAS, the Court has before it Larson’s Motion for Preliminary Approval of Class
9 Action Settlement, which John Hancock does not oppose, filed on February 6, 2018, together
10 with exhibits and supporting materials and Larson’s Supplement to the Motion, filed February
11 12, 2018;

12 WHEREAS, on February 13, 2018, the Court held a hearing with respect to the proposed
13 Settlement of this Action;

14 WHEREAS, having reviewed Larson’s Motion, memorandum in support of the Motion,
15 the Supplement to the Motion and the accompanying evidence, the Court is satisfied that the
16 Settlement set forth in the Agreement was the result of good faith, arm’s-length negotiations
17 among the competent and experienced counsel for both Larson and John Hancock; and

18 WHEREAS, the Court having considered the submissions of the Parties, and good cause
19 appearing therefor, now enters the following Order.

20 **Preliminary Approval of Settlement**

21 1. Terms used in this Order have the meanings assigned to them in the Agreement
22 and this Order.

23 2. The provisions of the Agreement are hereby preliminarily approved, subject to
24 further consideration thereof at the Fairness Hearing provided for below. The Court finds that the
25 Settlement is sufficiently within the range of reasonableness that notice of the proposed
26 Settlement should be given as provided in this Order.

27 **Notice to Settlement Class Members and Appointment of Settlement Administrator**

1 3. The Parties propose a form of Class Notice attached as Exhibit A hereto.

2 4. The Class Notice to be provided is hereby found to be the best means practicable
3 of providing notice under the circumstances and, when completed, shall constitute due and
4 sufficient notice of the proposed Settlement and the Fairness Hearing to all persons and entities
5 affected by and/or entitled to participate in the Settlement, in full compliance with due process
6 and the notice requirements of California Rules of Court, rule 3.769(f). The Court thus approves
7 the proposed Class Notice attached as Exhibit A hereto and the plan for dissemination described
8 in the Declaration of Cameron Azari of Epiq.

9 5. The Court appoints Epiq Systems, Inc., a competent firm, as the Settlement
10 Administrator.

11 6. The Court directs John Hancock to deliver the Notice List to the Settlement
12 Administrator within five (5) days. This Notice List shall be designated Confidential
13 Information.

14 7. The Court directs the Settlement Administrator to run an update of the last known
15 addresses provided by John Hancock through the National Change of Address database and run
16 the list through the LexisNexis Deceased Database before initially mailing the Class Notice. If a
17 Class Notice is returned to the Settlement Administrator as undeliverable, the Settlement
18 Administrator will endeavor to: (1) re-mail any Class Notice so returned with a forwarding
19 address and (2) make reasonable efforts to attempt to find an address for any returned Class
20 Notice that does not include a forwarding address. The Settlement Administrator will endeavor
21 to re-mail the Class Notice to every person and entity in the Notice List for which it obtains an
22 updated address. If any Settlement Class Member is known to be deceased, the Class Notice will
23 be addressed to the deceased Settlement Class Member's last known address and "To the Estate
24 of [the deceased Settlement Class Member]."

25 8. The Court directs that within thirty (30) days, the Settlement Administrator will
26 mail a Class Notice by first-class mail to the addresses on the Notice List. The mailing of a Class
27
28

1 Notice to a person or entity that is not in the Settlement Class shall not render such person or
2 entity a part of the Settlement Class or otherwise entitle such person to participate in this
3 Settlement.

4 9. The Court directs the Settlement Administrator to establish, maintain, and update
5 a Class Website to provide relevant information regarding the Settlement to Settlement Class
6 Members.

7 10. Settlement Class Members may object to this Settlement by serving a written
8 objection on the Settlement Administrator as identified in the Class Notice within forty-five (45)
9 days after the Notice Date. The objection must contain: (1) the full name, address, telephone
10 number, email address, if any, of the Settlement Class Member; (2) Policy number; (3) a written
11 statement of all grounds for the objection accompanied by any legal support for the objection (if
12 any); (4) copies of any papers, briefs, or other documents upon which the objection is based; (5)
13 a list of all persons who will be called to testify in support of the objection (if any); (6) a
14 statement of whether the Settlement Class Member intends to appear at the Fairness Hearing; and
15 (7) the signature of the Settlement Class Member or his/her counsel. If an objecting Settlement
16 Class Member intends to appear at the Fairness Hearing through counsel, the written objection
17 must also state the identity of all attorneys representing the objecting Settlement Class Member
18 who will appear at the Fairness Hearing. Unless otherwise ordered by the Court, Settlement
19 Class Members who do not timely make their objections in this manner will be deemed to have
20 waived all objections and shall not be heard or have the right to appeal approval of the
21 Settlement. The Class Notice shall advise Settlement Class Members of their right to object and
22 the manner required to do so. Class Counsel shall file with the Court all objections served on the
23 Settlement Administrator within five (5) days after the deadline for Settlement Class Members to
24 file objections.
25

26 **Fairness Hearing**
27
28

EXHIBIT A

Larson v. John Hancock Life Insurance Company (U.S.A.)

NOTICE OF CLASS ACTION LAWSUIT

TO: <<Name>>
<<Address >>
<<City>><<State>><<Zip>>

Your ID Number is <<ID>>

Dear <<Name>>,

You have been sent this Notice of Class Action Settlement because you have been identified as a Settlement Class Member in the Settlement of the class action lawsuit, *Larson, et al. v. John Hancock Life Insurance Company (U.S.A.)*, pending in the Superior Court of the State of California for the County of Alameda, Case No. RG16813803. An earlier Notice summarized the litigation. This Notice summarizes a recent Settlement between the Parties that impacts your rights. A full description of the Settlement is contained in the First Amended Settlement Agreement, which includes the precise definitions of capitalized terms used in this Notice. The Agreement is available for you to read at www.flexvclassaction.com. Please read it and this enclosed Notice carefully to understand your rights and obligations under the Settlement.

Records provided by John Hancock Life Insurance Company (U.S.A.) indicate that you are currently the owner, or were the owner at the time of termination, of a Flex V Scheduled Premium Variable Whole Life Insurance Policy (“Flex V2”) issued or administered by John Hancock Life Insurance Company (U.S.A.) or one of its predecessors. Throughout this Notice, John Hancock Life Insurance Company (U.S.A.) and its predecessors shall be referred to as “John Hancock.”

There is a Settlement regarding the cost of insurance charges that John Hancock deducted from policyholders’ account values for these life insurance policies. The Settlement provides that John Hancock will fund a cash Settlement Fund in the amount of \$59,750,000.00, which will be used to pay (1) all payments to Settlement Class Members; (2) Class Counsel’s attorneys’ fees and expenses in an amount to be approved by the Court; (3) a service award to the class representative in an amount to be approved by the Court; and (4) the expenses incurred in administering the Settlement. John Hancock’s records show that you may be eligible to participate in the Settlement.

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ALAMEDA

If You Own or Owned a John Hancock Flex V Life Insurance Policy, a Class Action Settlement may Affect Your Rights.

A COURT AUTHORIZED THIS NOTICE.
THIS IS NOT A SOLICITATION FROM A LAWYER.
YOU ARE NOT BEING SUED.

- A Settlement has been reached with John Hancock in a class action lawsuit about the cost of insurance charges deducted from policyholders' account values.
- Generally, the Settlement includes all current and former Flex V2 policy owners (*see* Question 4 below).
- As part of the Settlement, Settlement Class Members will be eligible to receive a portion of a cash Settlement Fund funded by John Hancock in the amount of \$59,750,000.00 (*see* Question 6 below).

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT	
DO NOTHING	Automatically receive your share of the Settlement Fund.
OBJECT	Write to the Court if you don't like the Settlement.
GO TO A HEARING	Ask to speak in Court about the fairness of the Settlement.

- These rights and options—and the deadlines to exercise them—are explained in this Notice.
- The Court in charge of this case still has to decide whether to finally approve the Settlement. Settlement checks will be automatically issued to each Settlement Class Member if the Court approves the Settlement and after any appeals are resolved. **You do not need to take further action to receive payment if you are eligible under the Settlement.** Please be patient.

Questions? visit www.flexvclassaction.com, or call 888-740-7631

1. Why did I get this Notice?

John Hancock's records show that you own or owned a John Hancock Flex V Life Insurance Policy (Policy Form 94-85, sometimes referred to as the "Flex V2"). A Court authorized this Notice because you have a right to know about the proposed Settlement of this class action lawsuit and about all of your options before the Court decides whether to give final approval to the Settlement. This Notice explains the lawsuit, the Settlement, and your legal rights.

Judge Brad Seligman of the Superior Court of the State of California for the County of Alameda is overseeing this case. The case is known as *Larson, et al. v. John Hancock Life Insurance Company (U.S.A.)*, Case No. RG16813803. The person who sued, Barbara Larson, is called the "Plaintiff." John Hancock is called the "Defendant."

The following is only a summary of the Settlement. A full description of the Settlement is contained in the First Amended Settlement Agreement. Nothing in this notice alters the terms of the First Amended Settlement Agreement. A copy of the First Amended Settlement Agreement may be obtained by visiting www.flexvclassaction.com.

2. What is this lawsuit about?

The Flex V2 is a variable whole life policy which means it has an investment feature that allows an accumulation of value after deduction of charges. Plaintiff alleges that John Hancock violated the policy in three different ways. First, while the policy permits John Hancock to deduct an insurance charge calculated using an "Applied Monthly Rate" that is based on "expectations of future mortality experience," Plaintiff alleges that John Hancock impermissibly considers factors other than mortality expectations. Second, while the policy permits a separate "Maintenance Charge" of up to \$8 per month, Plaintiff alleges that John Hancock impermissibly includes amounts that should be in the "Maintenance Charge" in the "Applied Monthly Rate." Third, Plaintiff alleges that the policy requires that the "Applied Monthly Rate" be reviewed "at least once every 5 policy years," and adjusted to reflect changes in "expectations of future mortality," but has not been modified.

John Hancock denies these claims. John Hancock believes that all the rates and charges that it applied to the Flex V2 Life Insurance Policies are consistent with the terms of the policy. The policy includes guaranteed maximum rates, which have never been exceeded.

You can read Plaintiff's Class Action Complaint and Defendant's Answer at www.flexvclassaction.com.

3. Why is there a Settlement?

The Parties negotiated the Settlement with an understanding of the factual and legal issues that would affect the outcome of this lawsuit. During the course of the lawsuit, Plaintiff, through her attorneys, thoroughly examined and investigated the facts and law relating to the issues in this case.

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Plaintiff believes that the final outcome of the lawsuit, if it were to proceed through trial and appeals, is uncertain. A settlement avoids the costs and risks of further litigation and provides immediate relief to the Settlement Class Members. Based on their evaluation of the facts and law, Plaintiff and her attorneys have determined that this Settlement is fair, reasonable, and adequate. They have reached this conclusion based upon the substantial benefits the Settlement provides to Settlement Class Members, the risks, uncertainties, and costs inherent in this Action, and the desirability of continuing this protracted litigation.

There has been no trial and there has been no final determination on the merits of the claims or defenses in this lawsuit, and there will be no trial or final determination on the merits of the claims and defenses if the Court approves the Settlement. The Settlement does not suggest that John Hancock has or has not done anything wrong, or that Plaintiff and the Settlement Class Members would or would not win if the lawsuit were to go to trial.

4. Who is included in the Settlement Class?

On March 23, 2017, Judge Seligman certified a Class that includes all persons who own or owned a Flex V Scheduled Premium Variable Whole Life Insurance Policy (Policy Form 94-85, sometimes referred to as the “Flex V2”), that is an individual life insurance policy, the benefits, payments or values of which may increase or decrease in accordance with the investment experience of a “Separate Account,” issued or administered by Defendant or its predecessors in interest, the terms of which provide or provided for (1) an “Insurance Charge” calculated using an “Applied Monthly Rate” that is based on Defendant’s “expectations of future mortality experience”; (2) an additional but separate “Maintenance Charge”; (3) an investment, interest-bearing or savings component; and (4) a death benefit.

If someone who would otherwise be a Settlement Class Member is deceased, his or her estate is a Settlement Class Member.

The Settlement Class excludes: Plaintiff’s counsel and their employees; the assigned judge and his family; policies issued on a New Jersey policy form; and any person who previously opted-out of this case.

5. How can I confirm that I am in the Settlement Class?

If you are not sure whether you are included in the Settlement Class, you can get free help at www.flexvclassaction.com.

6. What does the Settlement provide?

John Hancock has agreed to fund a cash Settlement Fund in the amount of \$59,750,000.00, which will be used to pay (1) all payments to Settlement Class Members; (2) Class Counsel’s attorneys’ fees and expenses in an amount to be approved by the Court; (3) a service award to Barbara Larson in amount to be approved by the Court; and (4) the expenses incurred in administering the Settlement.

Questions? visit www.flexvclassaction.com, or call 888-740-7631

If the Court approves the Settlement, settlement checks will be mailed to Settlement Class Members in an amount according to the distribution plan that is designed to provide each Settlement Class Member an approximate pro rata portion of the Net Settlement Fund based on the amount of excessive Insurance Charges paid by each Settlement Class Member. The primary factors impacting the amount of the distribution are the face value of the Policy and the number of years the Policy has been in force. The distribution plan is attached to the First Amended Settlement Agreement as Exhibit D and is available on the settlement website.

For Settlement Class Members that purchased a Policy on or after January 1, 1997, the distribution will provide a minimum payment of \$50; the average payment will be approximately \$630; and the 99th percentile payment will be approximately \$5,350.

For Settlement Class Members that purchased a Policy on or before December 31, 1996, the distribution plan will reflect that a federal court in Boston determined that claims related to those policies were released as part of an earlier settlement known as *Dubaine v. John Hancock Mutual Insurance Co.* The Court's order enjoining prosecution of those claims is available on the settlement website. The distribution for these Settlement Class Members will provide a minimum payment of \$25; the average payment will be approximately \$120, and the 99th percentile payment will be approximately \$975.

You should consult your own tax advisors regarding the tax consequences of the proposed Settlement, including any benefits you may receive and any tax reporting obligations you may have as a result.

7. How do I participate in the Settlement? Do I need to make a claim?

Settlement Class Members do not have to do anything to participate in the Settlement. No claims need to be filed. Upon approval of the Settlement, a settlement check will issue to every Settlement Class Member in the amount determined by the Settlement Administrator using the method described in Question 6 above. If someone who would otherwise be a Settlement Class Member is deceased, his or her estate is a Settlement Class Member.

8. When will I receive my settlement check?

The settlement checks will be issued to Settlement Class Members within 30 days after the Final Settlement Date. Settlement checks will be automatically mailed without any proof of claim or further action on the part of the Settlement Class Members.

9. What happens if I do nothing?

If the Settlement is approved, you will receive a settlement check representing your share of the Settlement. You cannot sue John Hancock (or certain other released parties included as "Released Parties" in the First Amended Settlement Agreement) or be part of any other lawsuit against John Hancock concerning the claims in this case or claims that could have been brought in this case, which arise from the same facts as the claims here. You will be "releasing" John Hancock and all "Released Parties" as described in the First Amended Settlement

Questions? visit www.flexvclassaction.com, or call 888-740-7631

Agreement. However, you may sue John Hancock for any future increases John Hancock makes to its cost of insurance rates that occur after the Final Settlement Date.

The First Amended Settlement Agreement is available at www.flexvclassaction.com and describes the claims that you are giving up. If you have any questions, you can talk to the law firms listed in Question 11 for free, or you can hire your own lawyer.

10. How do I tell the Court if I do not like the Settlement?

You can object to the Settlement if you do not like some part of it. The Court will consider your views. To object to the Settlement, you must serve a written objection in the case, *Larson, et al. v. John Hancock Life Insurance Company (U.S.A.)*, Case No. RG16813803.

You are required to include:

- Your full name, address, telephone number, and email address if any;
- Policy number(s);
- A written statement of all grounds for your objection accompanied by any legal support for the objection (if any);
- Copies of any papers, briefs, or other documents upon which the objection is based;
- A list of all persons who will be called to testify in support of the objection (if any);
- A statement whether you intend to appear at the Fairness Hearing and the identity of all attorneys (if any) who will appear at the Settlement Hearing on your behalf; and
- The signature of you or your counsel.

You must serve your objection on the Settlement Administrator by mailing it to Epiq: PO BOX _____, _____, _____ no later than _____, 2018.

11. Do I have a lawyer in this case?

Yes. The Court appointed the following lawyers as “Class Counsel” to represent all the members of the Class:

Questions? visit www.flexvclassaction.com, or call 888-740-7631

Norman E. Siegel
Stueve Siegel Hanson LLP
460 Nichols Rd. Suite 200
Kansas City, MO 64112
larsonvhancock@stuevesiegel.com

John J. Schirger
Miller Schirger LLC
4520 Main Street, Suite 1570
Kansas City, MO 64111
larsonvhancock@millerschirger.com

Daniel C. Girard
Girard Gibbs LLP
601 California Street, 14th Floor
San Francisco, CA 94108

If you have questions, you may contact these lawyers. You will not be charged for contacting these lawyers. If you want to be represented by your own lawyer, however, you may hire one at your own expense.

12. How will the lawyers be paid?

Class Counsel have not been paid for their work in this case. In addition to thousands of hours of labor spent on this case, Class Counsel have expended up to \$650,000 in expenses prosecuting this case. The Court will determine how much Class Counsel will be paid for fees and expenses. Class Counsel will seek an award for attorneys' fees of up to 30% of the Settlement Fund, and reimbursement of Class Counsel's costs and expenses, also to be paid from the Settlement Fund. You will not be responsible for payment of Class Counsel's fees and expenses.

Class Counsel will also request a service award payment of \$25,000 for Plaintiff, Barbara Larson, for her service as representative on behalf of the Settlement Class. This payment will also be paid from the Settlement Fund. The Court must approve any amounts paid to Class Counsel and to Barbara Larson.

13. When and where will the Court decide whether to approve the Settlement?

The Court will hold a hearing, the Fairness Hearing, to decide whether to approve the Settlement and any requests for attorneys' fees and expenses, a service award to Barbara Larson, and the costs of settlement administration. You may attend and ask to speak, but you do not have to.

The Court will hold a Fairness Hearing at ___ on _____, at the Superior Court of California, County of Alameda, 1221 Oak Street, Oakland, CA 94612. The hearing may be moved to a different date or time without additional notice, so it is a good idea to check

Questions? visit www.flexvclassaction.com, or call 888-740-7631

www.flexvclassaction.com or call 888-740-7631 for any updates. At the hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate and in the best interests of Settlement Class Members. If there are objections, the Court will consider them and will listen to people who have asked to speak at the hearing. After the hearing, the Court will decide whether to approve the Settlement. We do not know how long the Court's decision will take.

14. Do I have to attend the hearing?

You or your own lawyer are welcome to attend the Fairness Hearing at your expense. If you send a timely objection but do not attend the Fairness Hearing, the Court will still consider your objection.

15. May I speak at the hearing?

You may speak at the Fairness Hearing by filing an objection that indicates your intention to speak at the hearing. If you wish to appear through counsel, your written objection must also state the identity of all attorneys representing you who will appear at the Fairness Hearing. Unless otherwise ordered by the Court, a Settlement Class Member who does not submit a timely objection with the proper notice will not be permitted to speak at the Fairness Hearing, and will not have the right to appeal the Court's approval of the Settlement.

16. How do I get more information?

This Notice summarizes the proposed Settlement. More details are in the First Amended Settlement Agreement. You can get a copy of the First Amended Settlement Agreement at www.flexvclassaction.com. You may also send your questions to the Settlement Administrator, in writing, at _____ or call the Settlement Administrator at 888-740-7631. You can review the Court's docket in this case at <https://publicrecords.alameda.courts.ca.gov/prs>.

If your address has changed or will change, please notify the Settlement Administrator by _____, _____.

DATE: _____, 2018

Questions? visit www.flexvclassaction.com, or call 888-740-7631