

SunSpectrum Accumulation Annuity Retirement Savings Plan

We, Sun Life Assurance Company of Canada, agree with you, the *Policyholder*, to pay the benefits of this policy in accordance with its provisions.

The Accumulation Annuity is a deferred life annuity. It gives you a number of choices for accumulating amounts which are used to provide annuity payments at the *Maturity Date*.

This policy is submitted for registration as a Retirement Savings Plan for income tax purposes.

The following gives full details of your rights under this policy.

Definitions

Balance means the sum of all *Premiums* paid and transfers into the policy or investment and interest credited, less the sum of all transfers from the policy or investment, withdrawals, previous *Market Value Adjustments* and handling charges.

Cash Value of a Guaranteed Interest Investment is the *Balance* of that investment decreased by the amount of any *Market Value Adjustment*.

Cash Value of the Policy is the *Balance* of the Daily Interest Account plus the sum of the cash values of each Guaranteed Interest Investment.

End date is the date on which a guaranteed interest period ends.

Income Tax Act means any applicable provision of the Income Tax Act (Canada), as amended from time to time and any applicable provincial income tax legislation and any successor legislation.

Market Value Adjustment means a reduction, to the *Balance* of a Guaranteed Interest Investment upon early termination or withdrawal. We determine the amount of the reduction based on the time left until the guaranteed interest period ends, the guaranteed interest rate, the then current interest rates and our expenses for the investment.

Maturity Date is the latest date as permitted by the *Income Tax Act* for any registered retirement savings plan. You may request an earlier date in a form acceptable to us.

Policyholder means the annuitant in accordance with subsection 146(1) of the *Income Tax Act*.

Premium is any payment into your policy. It includes transfers from your *RRSP*, your *RRIF* or any other source permitted by the *Income Tax Act*. It does not include any interest credited by us in accordance with the provisions of this policy.

RRIF means a Registered Retirement Income Fund, as defined for the purposes of the *Income Tax Act*.

RRSP means a Registered Retirement Savings Plan, as defined for the purposes of the *Income Tax Act*.

Spouse means your spouse or common-law partner as recognized under the *Income Tax Act*.

Provisions Applicable before the *Maturity Date*

Premiums

You may pay *Premiums* at any time unless we notify you to the contrary. Any *Premium* is subject to minimum and maximum amounts determined by us.

Daily Interest Account

Premiums are applied to the Daily Interest Account, unless you direct otherwise. The rate of interest is determined by us each day and is never less than 0.25%. Interest rates for the Daily Interest Account are expressed as a rate per year compounded annually.

Guaranteed Interest Investment

Subject to a minimum determined by us, you may direct us to establish a Guaranteed Interest Investment using any amount from the Daily Interest Account or any portion of a *Premium*.

The guaranteed interest period starts when we receive your direction, or on any later date that you indicate. You select the *End Date* of the investment from those we then offer. We determine the interest rate for the investment when it is established.

On the *End Date*, the *Balance* of the investment is transferred to the Daily Interest Account. At your request, a Guaranteed Interest Investment may be terminated before its *End Date*. Its cash value at that time is transferred to the Daily Interest Account.

Interest

Interest rates for monthly interest Guaranteed Interest Investments are expressed as rates per year compounded monthly. All other interest rates for this accumulation annuity are expressed as a rate per year compounded annually.

At the end of each day interest is calculated on, and added to, the *Balance* of each investment, including the Daily Interest Account at the interest rate applicable for that investment. This interest is added to the investment the same day.

On a compound interest Guaranteed Interest Investment all interest is maintained within the Guaranteed Interest Investment.

On a monthly interest Guaranteed Interest Investment, each month all interest credited to the investment during the prior investment month is transferred to the Daily Interest Account unless otherwise directed by you in a form acceptable to us.

On an annual interest Guaranteed Interest Investment, each year on the investment anniversary, interest credited to the investment in the prior year is transferred to the Daily Interest Account unless otherwise directed by you in a form acceptable to us.

Withdrawals

At your request, we pay you from the Daily Interest Account a single amount which you determine.

A handling charge, determined by us, may be deducted from the Daily Interest Account for each withdrawal. No withdrawal may exceed the *Balance* of the Daily Interest Account less any handling charge, nor may the *Cash Value of the Policy* after the withdrawal be less than a minimum determined by us.

Termination

You may request payment of the *Cash Value of the Policy* in full settlement of the policy. This policy terminates when we receive a written request at our head office or on any later date indicated in the request.

Policy Changes

By notifying us in writing, you may change:

- the type of annuity from that described in the Annuity Income Benefit provision. The new type may be any permitted by the *Income Tax Act* and which we then offer.
- the policy so that it can be submitted for registration as a *RRIF*.

Death Benefit

If you die before the *Maturity Date*, the policy terminates on the date of death and the sum of the balances of the Guaranteed Interest Investments and the Daily Interest Account as of the date of death, (less any applicable withholding tax) becomes payable to your beneficiary(ies) or your estate if no beneficiary has been named.

Provisions Applicable on or after the Maturity Date

Annuity Income Benefit

The annuity income benefit is a monthly life annuity payable to you by us. Payments begin one month after the *Maturity Date* and continue as long as you live.

If you die before 120 payments are made, a death benefit shall be paid to your beneficiary(ies) or to your estate if no beneficiary designation has been made. If your sole beneficiary is your *Spouse*, the remainder of the 120 payments as they become due are made to your *Spouse*. If your *Spouse* is not your sole beneficiary, the commuted value, on the date of your death, of the remainder of the 120 payments is paid as a lump sum to your beneficiary(ies) or to your estate if no beneficiary designation has been made. (The commuted value is calculated with the interest rate being used by us on the date of death for a new term certain annuity with the number of payments equal to those remaining at death).

Amount of Annuity Payment

The *Cash Value of your Policy* at the *Maturity Date* is used to determine the amount of annuity payment by applying our regular annuity rates, which are the rates for immediate annuities being issued by us on the *Maturity Date* or the following rates, whichever is greater.

Age at <i>Maturity Date</i>	Monthly payment per \$1000 <i>Cash Value of the Policy</i>
0-24	\$0.50
25-39	\$0.75
40-59	\$1.00
60-69	\$1.50
70-71	\$2.00

If the annuity payment determined above would be less than a minimum determined by us, we reserve the right to commute your policy and pay the *Cash Value of the Policy* to you in one sum. After the *Maturity Date*, you may not exchange your right to receive the annuity payments for the payment of one sum.

Proof of Age and Survival

Proof of your date of birth is required before payments commence. If any payment depends on your survival, proof may be required that you are living

on the date of the payment. Similar proof is required for your *Spouse*, if applicable.

General Provisions

Claims

Any claim for a death benefit must be made in writing to our head office. The claimant must provide proof of the claim and the right to receive the benefit.

Currency of this Policy

Canadian dollars

Participation

This is not a participating policy. You are not eligible to receive policyholder dividends.

Complying with the Income Tax Act

In order to meet the requirements of the *Income Tax Act*, the following apply to your Policy.

1. No payment under this Policy may be assigned, either in whole or in part.
2. Any amendment of the Policy must comply with the requirements of the *Income Tax Act*.
3. No advantage that is conditional on the existence of this Policy may be extended to you or to a person with whom you are not dealing at arm's length, other than those permitted by the *Income Tax Act*.
4. If you have made an over-contribution which is subject to a penalty, you may withdraw any amount necessary, to reduce the penalty.
5. You may not pay any additional *Premiums* after the *Maturity Date*.
6. The Policy does not provide for periodic payments in a year under an annuity after the death of the first annuitant, the total of which exceeds the total of the payments under the annuity in a year before that death.

Contract

The contract consists of this policy, the application and any amendments agreed to in writing after the date of application. This contract may not be amended nor any provision waived except by an amendment signed by the officials of the company authorized to sign policies.

Signed at Waterloo, Ontario

Dean Connor
President and Chief Executive Officer

Dana Easthope
Vice-President, Associate General Counsel
and Corporate Secretary

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