

**SUN LIFE FINANCIAL
VOLUNTARY RETIREMENT SAVINGS PLAN
POLICY**

SUN LIFE ASSURANCE COMPANY OF CANADA ("Sun Life Financial") issued this policy number 96026-G (the "policy") to **SUN LIFE FINANCIAL TRUST INC.** (the "policyholder"), effective the 16th day of July, 2014, to fund the Sun Life Financial Voluntary Retirement Savings Plan (the "VRSP") established under registration number 39704 for the benefit of employers, employees and self-employed persons.

A copy of the provisions of the policy is issued to the applicant named in the VRSP application. The provisions describe how Sun Life Financial will accept contributions and pay benefits under the VRSP starting on the applicant's effective date as defined in this policy. In the case of an employer applicant, an administrative contract number will be issued to be used as a reference number for administration purposes.

This policy is not eligible to receive any distribution of Sun Life Financial's surplus.



Dean A. Connor
President and Chief Executive Officer



Troy Krushel
Corporate Secretary

On behalf of the policyholder, Sun Life Financial Trust Inc.:



Paul K. Fryer
President and Chief Executive Officer



Shirley J. Farr
Corporate Secretary

Date: March 31, 2016

THE VALUE OF ANY CONTRIBUTIONS UNDER THIS POLICY THAT ARE INVESTED IN SEGREGATED FUNDS OFFERED BY SUN LIFE FINANCIAL, WILL NOT BE GUARANTEED BUT WILL FLUCTUATE WITH THE MARKET VALUE OF THE ASSETS OF THE SEGREGATED FUND.

By completing and agreeing to the VRSP application, the applicant agrees to the terms of this policy.

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PART 1 - DEFINITIONS

Unless otherwise stated, all male terms used in this policy include the female equivalent and all singular terms include the plural. In addition, the following definitions apply unless a different meaning is clearly required by the context.

“account” means the record kept by Sun Life Financial of the contributions, funds selected, investment returns, withdrawals, refunds, charges, fees and deductions for each member.

“applicable legislation” means the Voluntary Retirement Savings Plans Act, the Income Tax Act (Canada), the Quebec Taxation Act, any other provincial or territorial income tax, insurance or other legislation affecting the VRSP, and all related regulations, rules, guidelines or directives prescribed by the relevant regulatory authorities.

“application” means the Sun Life Financial Voluntary Retirement Savings Plan application form completed and submitted to Sun Life Financial to apply for participation in the VRSP, and which forms part of the contract with Sun Life Financial.

“business day” means any day that Sun Life Financial is open for business except for a day on which the purchase or sale of securities or the determination of the net asset value of any investment option under the policy is not reasonably practicable.

“contribution” means either a payment of money or an allowable cash transfer from another registered plan or arrangement as permitted under the VRSP plan text.

“default fund” is as specified in the VRSP plan text.

“description of fund operations” means the generic description of the administrative procedures, which are incorporated by reference to this policy, that Sun Life Financial uses with regard to the various types of funds available under the policy, and **which is available on the website at www.sunlife.ca/VRSP or, on request, by mail.**

“effective date” means the date specified in the employer’s application, or the date that the first contribution was submitted to Sun Life Financial in the case of self-employed/individual saver members.

“employer” means the business which completed an application for participation of its employees in the VRSP.

“fund” means any of the guaranteed funds or segregated funds made available by Sun Life Financial for the investment of contributions under this policy.

“guaranteed fund” means a deposit fund maintained by Sun Life Financial, in dollars, as a liability of its general funds.

“latest retirement date” means the date prescribed by applicable legislation on which payment of retirement benefits to a member, or to a spouse due to the death of the member, must start.

“life annuity” means an annuity prescribed under applicable legislation which meets the definition of “qualifying annuity” in subsection 147.5(1) of the Income Tax Act (Canada) and is payable for the life of the member, the lives of the member and his/her spouse, or the life of the member’s spouse in the event of the member’s death.

“member” means an individual who has been enrolled in, and holds an account under, the VRSP.

“periodic payments” means periodic payments of a fixed or variable amount for the life of the insured or for such shorter period as may be agreed, with or without a guarantee period, paid by Sun Life Financial pursuant to the policy.

“segregated fund” means a fund established by Sun Life Financial in accordance with the *Insurance Companies Act* (Canada) in which contributions are invested and the assets of which are owned by Sun Life Financial and kept separate and distinct from the company’s general assets.

“self-employed/individual saver member” means a person who is self-employed, or an employee whose employer is not participating in the VRSP, and who has submitted an application for participation in the VRSP. A self-employed/individual saver member is referred to as a “member” throughout this policy unless the context requires otherwise.

“services” means the services described in **Part 3 - Services**.

“spouse” is as defined in the VRSP plan text.

“valuation date” means a business day on which Sun Life Financial determines the market value of the assets of each fund as set out in the description of fund operations.

“we”, “us”, “our”, “Sun Life” and “Sun Life Financial” mean Sun Life Assurance Company of Canada.

PART 2 - POLICY RULES

2.1 Enrolment

After we receive a member's enrolment information, we will notify the member of his/her enrolment in the VRSP and provide any information required by applicable legislation.

2.2 Contributions

(a) Member Contributions

Member contributions are made in accordance with the terms of the VRSP plan text, in the form and manner required by Sun Life Financial.

(b) Employer Contributions

Employer contributions, if any, will be as specified by the employer in the application.

(c) Contribution frequency

The employer must remit contributions to Sun Life Financial at the frequency specified in the application, and no later than as described in the VRSP plan text.

(d) Catch-up contributions

If the employer finds that an error was made in calculating contributions and, as a result, member and/or employer contributions that should have been made were not made, then additional contributions may be made by the employer and/or the member in the manner determined by the employer, until such time the error has been corrected. Any employer contributions made in order to correct the error will be subject to the limit under paragraph 147.5(3)(c) of the Income Tax Act (Canada).

(e) Contributions made in error

The employer or a member may request a refund of a contribution made in error. Sun Life Financial will refund the contribution subject to applicable legislation.

2.3 Investments

(a) Investment options

The investment options available under the VRSP are set out in the VRSP plan text. The terms of the funds are described in the description of fund operations.

(b) Investment returns

Investment returns on contributions will include interest, gains and losses related to the funds to which contributions have been directed, less any fees or expenses related to the operation of those funds as outlined in the VRSP plan text.

For the purposes of determining the benefit entitlement, investment returns will be credited to a member's account up to and including the day before the day on which any such benefit is paid or commences to be paid.

(c) Determination of account value

The value of a member's account for the purposes of inter-fund transfers or payment of benefits on termination, retirement, death, termination of the employer's participation in the VRSP, or as otherwise permitted by applicable legislation, will be based on the unit values on the last valuation date of the segregated funds or, in the case of guaranteed funds, the withdrawal value of the guaranteed funds on the date of calculation, as described in the description of fund operations.

(d) Amendment or withdrawal of a fund

Sun Life Financial reserves the right to change the default fund, amend the terms of a fund that is available to members or stop offering a fund. We will notify members in accordance with the terms of the VRSP plan text or applicable legislation.

(e) Description of fund operations

Information about fund terms, fund valuation and other aspects regarding fund operations is contained in Sun Life Financial's description of fund operations available on the website at www.sunlife.ca/VRSP.

Sun Life Financial's liability for any payments under the VRSP with respect to the assets of segregated funds varies depending on the market value of the assets in which the segregated funds are invested, provided that Sun Life Financial shall be liable to make payments only to the extent assets are available to Sun Life Financial. ***Additional details regarding the extent of Sun Life Financial's responsibility for funds - including with respect to funds managed or guaranteed by entities other than Sun Life Financial (external unitized funds), if such funds are offered under the VRSP - are contained in the description of fund operations.***

2.4 Termination of Employment

When an employer notifies us that a member's employment has terminated we will update the member's account to reflect that he/she is an individual member under the VRSP. We will provide the member with a statement outlining his/her option to either continue his/her membership in the VRSP or transfer the amount in his/her account as described in the VRSP plan text. If the member does not transfer from the VRSP, he/she will be deemed to have applied for an individual saver account and the terms of the policy applicable to a self-employed/individual saver member will apply to the member.

2.5 Retirement

(a) Retirement income

A member may elect to receive a retirement income or transfer the amount in his/her VRSP account as permitted under the VRSP plan text. A member also has the right to postpone election of a retirement income until the latest retirement date, at which time contributions must cease.

If the member has not made a retirement income election before the latest retirement date, Sun Life Financial will start making periodic payments for life to the member, and for a guaranteed minimum of 10 years. The monthly periodic payment amount will be determined in accordance with (b) below.

(b) Sun Life Financial's annuity

On request of a member, Sun Life Financial will provide the member with periodic payments in the form chosen by the member, provided that such form is available from us at that time and meets the requirements for a life annuity.

Periodic payments will be calculated using the greater of (a) our then current payout annuity rates, and (b) rates based on the 1994 group annuity mortality table published by the Society of Actuaries with mortality projected to improve at 2% per year since 1994, interest at the rate of 2.5% per annum, and an expense loading of 2%.

The monthly amount of the periodic payments will be the product of the rate basis described above and the portion of the member's VRSP account transferred out of the VRSP in order to provide such periodic payments.

Proof(s) of age and all other required information must be provided before periodic payments can begin.

Once periodic payments begin, the benefit will be non-commutable. If the periodic payments determined above are less than Sun Life Financial's minimum at the time of calculation, we reserve the right to pay the member the applicable portion of his/her account in a lump sum, subject to any applicable legislation and any withholding tax requirements.

2.6 Other Administration Provisions

(a) Currency

Any amount payable or receivable under this policy must be made in Canadian dollars.

(b) Limitations

Sun Life Financial shall in no circumstances be required to make a benefit payment which is greater than the value of the member's account at the time such payment is made, as determined in accordance with the terms of this policy.

Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the insurance act or the provincial or territorial legislation that applies to this policy.

(c) Notice

Any notice or statement to be provided by Sun Life Financial to the members or to the employer may be provided electronically, if we have received a proper consent. If consent for electronic delivery has not been provided, or has been revoked, the information will be provided to the member via mail, and to the employer via mail or fax.

A notice or other required or permitted communication will be deemed to be given if it is:

- (i) in the case of notice to the employer, addressed to the then current contact person and mailing address, e-mail address or fax number in Sun Life Financial's files.
- (ii) in the case of notice to a member, addressed to the then current mailing address or e-mail address in Sun Life Financial's files.
- (iii) in the case of notice to Sun Life Financial, addressed as follows:

Sun Life Assurance Company of Canada
660 – 1155 rue Metcalfe
P.O. Box 11001, Stn Centre-Ville
Montreal, QC
H3C 3P3

Attention: Group Retirement Services – Unit 8
Phone: 1-800-387-2636
Fax: 1-514-954-2077

If notice is given electronically it will be deemed to be received when it is made available. If sent by fax, notice will be deemed to be received the next business day, and if mailed, by the third business day after the date the notice was mailed.

Communications of a purely administrative nature should be directed to the relevant administrative unit of Sun Life Financial at the address we provide to the employer and members from time to time.

(d) Governing laws

The policy shall be governed by the laws of the province of Quebec or, in the case of a self-employed member, the laws of the province where the self-employed member's place of business is located and the laws of Canada applicable therein.

(e) Severability

If any of the provisions of this policy are held invalid, illegal or unenforceable in any respect under any law or by any court of competent jurisdiction, the validity, legality and enforceability of the remaining provisions shall not be affected.

(f) Unavoidable Risk

Sun Life Financial shall not be considered in default in the performance of its obligations, or be liable in damages or otherwise for any failure or delay in performance which happens because of, or is attributable to, any circumstances which are beyond our reasonable control and are not avoidable by the exercise of reasonable effort by Sun Life Financial. Without limiting the generality of the foregoing, such circumstances shall include natural catastrophe, labour, industrial or civil disturbances, armed conflict, government regulations (whether or not valid), Acts of God, market conditions, and delays caused by other parties.

2.7 Policy Amendment and Termination

(a) Amendment

In addition to what is provided elsewhere in this policy or in the VRSP plan text, Sun Life Financial may modify, alter or amend any provision of this policy after providing the employer or the self-employed/individual saver member with prior written notice unless such changes are required by applicable legislation. However, acting reasonably, Sun Life Financial may make enhancements or non-material changes to the services provided under this policy without prior notification to the self-employed/individual saver member or the employer.

(b) Termination

Subject to applicable legislation, Sun Life Financial can divide, merge, totally or partially terminate the VRSP and the policy or terminate the employer's participation in the VRSP by providing no less than 90 days' prior written notice to the employer and the affected members.

The employer may terminate their participation in the policy by providing Sun Life Financial with 90 days' prior written notice.

Upon termination of the employer's participation, we will not accept any additional members from the employer, and no further contributions will be accepted after we have received all contributions payable under the terms of the policy and applicable legislation up to the termination date.

If contributions and benefits for the employer's members will continue under a successor voluntary retirement savings plan, the employer's notice to Sun Life Financial will indicate (a) the date the employer's participation in the policy is to be terminated, (b) that no further contributions will be made under this policy after such date, (c) that the employer's members' account balances are to be transferred to another voluntary retirement savings plan provider, and (d) the name of the new voluntary retirement savings plan provider.

If any of the employer's members will not be transferring to a successor voluntary retirement savings plan we will update such member's account to reflect that he/she is an individual saver member under the VRSP.

This policy will continue to apply to the employer until all members' account balances have been transferred.

2.8 Assignment of Policy

Upon providing notice to Sun Life Financial, the employer may assign this policy to any employer provided that such employer assumes all of the employer's obligations under the policy.

Sun Life Financial may assign this policy to any third party provided that such successor to Sun Life Financial is authorized to act as a voluntary retirement savings plan administrator under applicable legislation.

Except as provided above, neither party may assign this policy without the prior written consent of the other party. The policy shall operate to the benefit of, and be binding upon, the parties, those who will succeed the parties and those to whom this contract may be assigned.

2.9 Entire Contract

The application, this policy, the plan text, and any amendments thereto, as well as any materials posted on websites referred to in this policy, constitute the entire contract between Sun Life Financial and the employer or self-employed/individual saver member, as the case may be.

Unless otherwise specified, the terms of the contract supersede all written and oral agreements, communications or negotiations with Sun Life Financial. No waiver by any party of any failure or refusal to comply with an obligation hereunder shall be deemed a waiver of any other subsequent failure or refusal to so comply.

Sun Life Financial has final authority for all interpretations of the policy provisions and operation of the VRSP.

PART 3 - SERVICES

3.1 Communication

Sun Life Financial will:

- (a) make a sample notification available to the employer on Sun Life Financial's website at www.sunlife.ca/VRSP to use to communicate with the employer's employees at least 30 days before the employer subscribes to the VRSP (required the first time the employer offer a voluntary retirement savings plan);
- (b) make investment decision-making tools such as asset allocation models, investor profile questionnaires, calculators and projection tools available to members on Sun Life Financial's plan member services website at www.mysunlife.ca;
- (c) make advisor services available to the employer and the members. If the employer does not already have an advisor associated with the employer's participation in the VRSP, Sun Life Financial will refer the employer to an advisor. The Sun Life Financial advisor may contact the employer to offer assistance to the employer and the members in obtaining the most benefit from the VRSP, as well as general retirement planning advice and other financial information which may be of interest. Sun Life Financial will only share contact information with the advisor (no personal or financial information) and there is no obligation for the employer to work with such advisor;
- (d) send tax receipts to the members identifying member contributions and contributions made by the employer, if any;
- (e) respond to, or acknowledge receipt of, voice-mails or e-mails from the employer or a member by the end of the following business day.

3.2 Administration

Sun Life Financial, on any business day, will:

- (a) for contributions remitted by the employer, process contributions on the same business day if received via Sun Life Financial's plan sponsor services website at www.sunlife.ca/sponsor by 4:00 p.m. (Eastern Time). Contribution remittances received after 4:00 p.m. will be processed the next business day;

Each contribution remittance made by an employer must be accompanied by a notice containing (i) the member's name, (ii) the member's social insurance number, and (iii) the amount of contributions for each member, identified as a member contribution or an employer contribution;

- (b) for a self-employed/individual saver member, process contributions by automated cheque plan in accordance with the member's instructions. Members can also make lump sum contributions using the form provided on Sun Life Financial's plan member services website at www.mysunlife.ca;
- (c) if there is a group transfer from another VRSP, process a bulk transfer-in of assets of all or some of the members being transferred in within 5 business days of receiving all the necessary information from the employer or the transferring VRSP provider;

- (d) process inter-fund transfers on the same business day if received by the cut-off time indicated below (Eastern Time). Requests received after the cut-off time will be processed the next business day. Inter-fund transfer requests must be in good order containing all the necessary information to be provided by the member. Sun Life Financial will transfer the requested amount, or if the requested amount is greater than the member's then current balance in that fund, the total balance in that fund to another available fund selected by the member.

Inter-fund transfers via:	Cut-off time (ET)
Customer Care Centre	3:00 p.m.
Sun Life Financial's automated telephone system or website	4:00 p.m.

- (e) when we receive instructions from a member, or as required by applicable legislation, provide information about a member's relationship breakdown to the member and to third parties, and process any required settlement;
- (f) when we receive instructions from a member, or as required by applicable legislation, provide information related to a member's garnishment and personal bankruptcy to third parties, and process any required settlement in accordance with applicable legislation. Information provided by us will be directly from our system and will require no further analysis or re-work;
- (g) if we receive a request to withdraw or transfer benefits due to a member's termination of employment, or as otherwise permitted by applicable legislation, liquidate the member's investments within 3 business days and, when we receive all the necessary information to be provided by the member or the employer, as the case may be, process member withdrawals/transfers in a timely manner;
- (h) adjudicate death claims and make settlement payments in accordance with our determination. When we receive due proof of the death of a member, we will liquidate the member's account and pay the death benefit to, or in respect of, the person(s) entitled to the benefit as soon as is practicable after the death; and
- (i) if the employer ends their participation in the policy, liquidate investments upon receipt of all required information. When the employer, the member or, where applicable, a third party provides all the necessary information we will begin paying member benefits or processing the group transfer to another VRSP within seven (7) business days of investment liquidation.

Transfers of any amounts held in segregated funds will be made within seven (7) days after we receive the proceeds of the disposition of the assets held in the segregated funds.

3.3 Interest Rate Adjustment

Sun Life Financial will enhance its group retirement savings base interest rate for guaranteed funds by 0.25% for each deposit or reinvestment to the guaranteed funds. The enhancement will apply until the maturity of each deposit.

3.4 Records Retention

Sun Life Financial shall retain records during the member's and the employer's participation in the policy and thereafter for the period(s) stated in its retention policy, or as is required by applicable legislation, whichever is longer. This obligation shall survive the termination of the employer's participation in the policy unless Sun Life Financial makes arrangements with the employer, at the employer's cost and subject to our privacy policy, for the transfer of mutually agreed records to the employer in electronic form, or to a successor voluntary retirement savings plan provider appointed by the employer.