



BROKER (MGA) COMMISSION SCHEDULE October 20, 2014

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Sun Life Assurance Company of Canada is a member of the Sun Life Financial group of companies.

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I. GENERAL DEFINITIONS AND PROVISIONS

The following definitions and rules are common to several lines of business. When different, they are described under the appropriate section of this schedule.

POLICY YEAR: is a complete year beginning on the due date of the first premium of a policy and subsequent policy years will be from the anniversary of the due date.

FIRST YEAR PREMIUM: The Premium payable in respect of (a) the first Policy Year of a policy, (b) of the first year of an increase in the amount of insurance to the extent of the increase and, (c) of the first year of an addition of a rider added to the policy after issue to the extent of the additional Premium payable in respect of the rider.

RENEWAL PREMIUM: The Premium payable in respect of the second and subsequent policy years not considered First year premium.

FIRST YEAR COMMISSION (FYC): is commission on first year premium. For Universal Life policies, FYC means first year coverage commission.

GENERATION OF FIRST YEAR COMMISSION: FYC is annualized and credited to the broker's earnings account when the policy is settled provided all premiums due, including the extra premium resulting from any rating and all delivery requirements are received by Sun Life. This also applies to term conversions. Sun Life may, in its absolute discretion, pay first year commissions as premiums are paid by the policyholder, rather than pay in advance on an annualized basis.

REVERSAL OF COMMISSIONS:

a) If a coverage lapses or a policy is surrendered before the first anniversary of the policy or coverage, or before the first anniversary of either an increase in premium or a face amount increase on which FYC was payable, or FYC was annualized in the expectation of premiums that were not received by Sun Life before the first policy or coverage anniversary, commissions advanced on unpaid premiums will be reversed and debited to the broker's earnings account.

b) If a premium is refunded by Sun Life, all commission on that premium will be reversed and debited to the broker's earnings account.

c) If a policy or coverage lapses due to unpaid premiums during the first two policy or coverage years, or a policy is surrendered before the second policy or coverage anniversary or within two years of an increase in a coverage or premium upon which FYC was payable, a fraction of the FYC paid will be debited to the broker's earnings account. The fraction will be 24 minus the number of months for which premiums have been paid, divided by 24. In the event of a reduction in the premium of a policy, a Chargeback against the FYC paid equal to the proportion that the amount of the reduction is of the unreduced premium will be debited to the broker's earnings account.

LIMITATIONS: Sun Life reserves the right to:

1. Defer payment of any FYC in excess of \$30,000 on a policy. Deferred FYC, with applicable bonus plus interest will be credited to the broker's earnings account after the renewal premium or payment for the second policy year has been paid in full.
2. Determine whether any, and if so, what commissions will be paid on policies:
 - a) Not named, or which have premium paying periods not covered in this schedule;
 - b) Reinsured by Sun Life;
 - c) Which, in Sun Life's opinion, were applied for to modify, replace, supersede, or convert any Sun Life insurance or annuity policy;
 - d) Which have been issued and for which all premiums due have been paid and which are subsequently changed.

VESTING RIGHTS: Commissions shall be paid to the broker after termination of the broker agreement, subject to the conditions outlined under the broker agreement and the broker maintaining an active licence.

II. COMMISSION RATES

a) TRADITIONAL LIFE INSURANCE

PRODUCT	1 st year % of premium	Yrs 2-10 % of premium	Yrs 11+ % of premium
Sun Term			
SunTerm- T10	40	3	2
SunTerm- T20	50	3	2
SunTerm 10 conversion to SunTerm 20	25	3	2
Supplementary Benefits	35	2	2

PRODUCT	1 st year % of premium	Yrs 2-3 % of premium	Yrs 4-5 % of premium	Yrs 6+ % of premium
Sun Par				
Sun Par Protector/ Sun Par Accumulator, Life-Pay	50	5	2	2
Sun Par Protector/ Sun Par Accumulator, 20- Pay	45	5	2	2
Sun Par Protector, Pay to 65	47.5	5	2	2
Plus premium	4	4	4	4
Supplementary Benefits	50	5	5	0
Term rider- T5	35	5	5	0
Term rider- T10	40	5	5	0
Term rider- T20	45	5	5	0

PRODUCT	1 st year % of premium	2 nd year % of premium	3 rd year % of premium	4 th year % of premium	5 th year % of premium
Sun Lifetime Alternative					
Term Conversions <ul style="list-style-type: none"> Plan / Benefits Sun UniversalLife 	60	5	5	5	5
Group Conversions to Sun <i>Lifetime Alternative</i> Conversions from: <ul style="list-style-type: none"> Sun Term-to-65 to Sun <i>Lifetime Alternative</i> Sun One Year Term to Sun <i>Lifetime Alternative</i> 	30	3	3	3	3
Other Non-Participating Plans					
Group Conversions to Sun Term to 65	20	3	3	3	3
Group Conversions to Sun One Year Term	15	-	-	-	-
Supplementary Benefits – Term Conversions					
Disability Waiver, Accidental Death	50	5	5	5	5
Supplementary Benefit – Group Conversions					
Accidental Death	For Sun <i>Lifetime Alternative</i> , SunTerm 65 and Sun One Year Term - the rate is equal to the commission rate of the base plan premium. No separate commission is paid on the benefits.				

INCREASED AMOUNT: The commission on the incremental amount of any premium resulting from an increase in the amount of insurance under any policy shall be at the rates applicable on the effective date of the increase.

RATED PREMIUM:

- ◆ Flat extra premium is a substandard extra premium, expressed as a fixed dollar amount per thousand of insurance. The commission rate on flat extra premiums, designated by Sun Life as extra premiums is:
 - 5% in policy years 1 to 5 for Sun Term, Sun Life Alternative and other non-participating plans
 - 7.5% in year 1 and 4% in years 2 to 5 for Sun Par Protector and Sun Par Accumulator
- ◆ Mortality extra premium, also known as multiple extra premium, is a substandard extra premium expressed as a percentage of the basic standard premium. The commission rate on mortality extra premium is equal to the rate payable on the standard premium of the coverage/benefit.

b) UNIVERSAL LIFE

PRODUCT	1st Year %	2nd Year %	3rd Year %	4th Year %	5th Year %
SunUniversalLife and SunUniversalLife Max					
Basic UL Coverage (Payable on payments up to the Insurance Factor including non-standard percentage extras and excluding flat extras)	60	3.25	3.25	3.25	3.25
Payments, including flat extras, in excess of the sum of the Insurance Factors and the total cost of term riders and other benefits (Up to the Maximum Exempt Payment)	5.5	3.25	3.25	3.25	3.25
Supplementary Benefits (excluding flat extras)	50	5	5	5	5
5-Year Term Rider (excluding flat extra)	35	5	5	5	5
10-Year Term Rider (excluding flat extra)	40	5	5	5	5
20-Year Term Rider (excluding flat extra)	45	5	5	5	5
Sun Limited Pay Life					
Base Plan Coverage (Payable on payments up to the insurance factor: includes supplementary benefits and non-standard percentage extras and excludes flat extras):					
10 year pay	32	3.25	3.25	3.25	3.25
15 year pay	37.5	3.25	3.25	3.25	3.25
20 year pay	45	3.25	3.25	3.25	3.25
Age 65 plan	50	3.25	3.25	3.25	3.25
Payments, including flat extras, in excess of the sum of the Insurance Factors, the total cost of other benefits, non-standard percentage extras (Up to the Maximum Exempt Payment)	5.5	3.25	3.25	3.25	3.25

COVERAGE: A benefit component of a Universal Life policy, including:

- ◆ Single life basic face amount;
- ◆ Joint-life basic face amount;
- ◆ Each additional benefit;
- ◆ Each increase in an amount relating to an additional benefit or to a basic benefit (excluding face amount increases resulting from an indexed face amount death benefit or from exempt status maintenance)

COVERAGE YEAR: A complete year beginning on the date of issue of the coverage and subsequent coverage years will be from the anniversary of that date.

LEVEL TERM COST OF INSURANCE (COI): For commission purposes, is the level term cost, excluding charges for any non-standard rating, of the basic face amount of a Coverage, for the first year of the coverage, notwithstanding that the yearly renewable term cost of insurance option may be selected for that coverage.

INCREASED COVERAGE: The commission on the insurance factor in respect of the new Coverage, resulting from an increase in the amount of insurance under any policy, shall be at the rates applicable on the effective date of the increase.

NON-STANDARD PERCENTAGE EXTRA: The additional cost, either yearly renewable term or level term, of the basic face amount coverage, in respect of a non-standard rating expressed as a percentage of the standard cost of insurance for that coverage.

FLAT EXTRA: is the additional cost of a non-standard rating expressed as a fixed dollar amount per 1,000 of insurance coverage.

INSURANCE FACTOR: for Sun Universal life, is 100% of a basic coverage times the level term COI plus any non-standard percentage extra and excluding charges for flat extras; for Sun Limited pay is equal to the Cost of Insurance for the payment period selected which includes charges for the base coverage, supplemental benefits and any non-standard percentage extra and excludes charges for flat extras.

SERVICE ACCOUNT: An account for amounts paid which are non-exempt for taxation purposes.

MAXIMUM EXEMPT PAYMENT: Projected maximum payment which would allow the policy to remain exempt at the end of each policy year as determined by Sun Life.

GENERATION OF FIRST YEAR COMMISSION: FYC is credited to the broker's earnings account when the policy is settled, provided the minimum payment requirement is met. The minimum payment requirement is:

Monthly frequency: 1/12 of the annualized cost of insurance

Other frequency: 1/4 of the annualized cost of insurance

For policies issued on an annual frequency basis, FYC will be paid on payments (up to the maximum exempt payment) received when the policy is settled. Additional FYC will be paid as additional payments (not exceeding the maximum exempt payment) are received.

For policies issued on a monthly basis, FYC will be annualized based on twelve times the monthly payment amount up to the maximum exempt payment. Additional FYC will be paid when total payments received (not exceeding the maximum exempt payment) exceed twelve times the monthly payment amount. If monthly payments are increased or decreased in the first policy year, annualized FYC will be adjusted at time of payment change. Sun Life may, in its absolute discretion, pay first year commissions as premiums are paid by the policyholder, rather than pay in advance on an annualized basis.

WITHDRAWAL PENALTY: Cash withdrawals requested by the client or withdrawals caused by the exempt test will generate a withdrawal penalty to the broker if the withdrawal effective date is within policy years 1 through 5 inclusive. The withdrawal penalty rates are 5.5% in the first policy year and 3.25% in policy years 2 to 5.

REVERSAL OF COMMISSION: If payments received in year two of a Sun*Universal*Life policy issued on a Yearly Renewable Term basis are less than payments received in Year one, an adjustment to First Year Commission will be triggered if the cumulative payments during the first two years of the policy contract are less than the lesser of:

1. total year one payments multiplied by two; or
2. Insurance Factor multiplied by two

A portion of the First Year Commission will be reversed so that the net First Year Commission will be equal to the First Year Commission calculated using the applicable commission rate on the average annual payments made in year one and year two.

SUN UNIVERSAL LIFE ASSET COMMISSION: From the beginning of the sixth policy year, an Asset Commission of $1/12^{\text{th}}$ of 0.25% of the cash surrender value at the end of the preceding policy month will be credited monthly.

SUN LIMITED PAY LIFE ASSET COMMISSION: From the beginning of the sixth Policy Year, an Asset Commission of $1/12^{\text{th}}$ of 0.25% of the cash surrender value less guaranteed cash surrender value at the end of the preceding policy month will be credited monthly.

COMMISSION ON SERVICE ACCOUNT: For single payments made during the first five policy years to the Service Account, which equal or exceed \$100,000, a 0.25% commission is paid at the time the payment is made. On December 31, a special commission of 0.25% of the balance of the Service Account is paid in respect of policies in their first policy year. The Service Account commission calculated at December 31 is reduced by the accelerated commissions paid in respect of the payments which equal or exceed \$100,000.

c) ANNUITIES AND GUARANTEED INVESTMENT CERTIFICATES (GICs)

PAYOUT ANNUITIES:

PRODUCT	RATE/SCALE	Rate of commission as a % of premium	Rate of commission as a % of premium
		External funds	Internal funds *
Life, joint life or long term certain* annuities *(total of deferred period and certain period is greater than or equal to 16 years)	On first \$100,000 of premium	3%	2%
	On Next \$100,000 of premium	2%	1%
	On Next 1,800,000 of premium	1.5%	1%
	On balance of Premium	as determined by the Company	as determined by the Company
Short term certain (total of deferred period and certain period is less than 16 years)	On first \$100,000 of premium	2%	1%
	On next 1,900,000 of premium	1%	1%
	On balance of premium	as determined by the Company	as determined by the Company
Impaired life and impaired joint life annuities (not available for term certain annuities)	On first \$100,000 of premium	4%	3%
	On next \$100,000 of premium	3%	2%
	On next \$1,800,000 of premium	2.5%	2%
	On balance of premium	as determined by the Company	as determined by the Company

* Internal Funds are funds from:

- Superflex and Income Master RRIF issued between December 6, 1982 to November 14, 1990
- Sun Fund
- Life insurance policies issued by Sun Life before February 12, 1996
- Pre- Superflex

COMMISSIONS ON PAYOUT ANNUITIES: A Commission is payable for each premium paid under a single premium annuity policy. The commission is a Broker (MGA) Commission Schedule (October 2014)

percentage of the amount applied to provide the periodic annuity benefit. In all cases, the percentage (or commission rate) is determined from the table above. For any type of annuity policy not specified in the table above, the commission rate shall be determined by Sun Life.

REVERSAL OF COMMISSIONS ON PAYOUT ANNUITIES: Will occur if a premium in respect of a policy is refunded for whatever reason. An amount equal to the commission paid in respect of that premium will be debited to the broker's earnings account.

ACCUMULATION ANNUITIES:

RATE ENHANCEMENT: The rate enhancement process incorporates different enhancement levels with defined investment rate enhancements and associated reductions in commission rates.

REVERSAL OF COMMISSIONS ON ACCUMULATION ANNUITIES: Will occur if a premium in respect of a policy is refunded for whatever reason. An amount equal to the commission paid in respect of that premium will be debited to the Broker's earnings account.

VESTING RIGHTS: Commission shall be paid to the Broker only while he/she is the commissionable Broker. At any time, upon request from the policy owner, Sun Life will change both the service and commissionable Broker

Superflex, IncomeMaster RIF and LIF

Commission rates based on Enhancement Level selected

*Guaranteed Interest Period (Term)	Enhancement Level 1	Enhancement Level 2	Enhancement Level 3	Enhancement Level 4	Enhancement Level 5
1 Year	0.40%	0.35%	0.30%	0.25%	0.20%
2 Years	0.80%	0.70%	0.60%	0.50%	0.40%
3 Years	1.20%	1.05%	0.90%	0.75%	0.60%
4 Years	1.60%	1.40%	1.20%	1.00%	0.80%
5 Years	2.00%	1.75%	1.50%	1.25%	1.00%
6 Years	2.40%	2.10%	1.80%	1.50%	1.20%
7 Years	2.80%	2.45%	2.10%	1.75%	1.40%
8 Years	3.20%	2.80%	2.40%	2.00%	1.60%
9 Years	3.60%	3.15%	2.70%	2.25%	1.80%
10 Years+	4.00%	3.50%	3.00%	2.50%	2.00%

* The Rate of Commission for a Guaranteed Interest Period not in complete years will be determined by using the following formula:

Term less than 1 year: $x/365$ times 1 year rate

Term more than 1 year: $p + y/365 (n - p)$

- x represents the Guaranteed Interest Period in days

- p represents the Rate of Commission for the previous complete year
- n represents the Rate of Commission for the next complete year
- y represents the portion of the Guaranteed Interest Period (in days) beyond the last complete year

MAXIMUM TERMS:

- Superflex: 10 years
- Income Master RIF and LIF: 25 years

COMMISSION ON DAILY INTEREST INVESTMENT BALANCES: a .02% First Year Commission on the balance of the Daily Interest Investment is payable each month on the monthly anniversary.

SUNFLEX RETIREMENT INCOME (SRI):

VESTING RIGHTS: Commission shall be paid to the MGA Broker only while he/she is the commissionable advisor. At any time, upon request from the policy owner, Sun Life will change both the service and commissionable advisor.

PRODUCT	Rate of First Year Commission based on a % of premium	Annual Rate of Trail Commission as a % of the Implied Account Value *
SunFlex Retirement Income (SRI)	3.50	0.35%

*Implied Account Value: SunFlex Retirement Income policyholders will not have an account value and will not own units of any funds in relation to their SRI policy. In order to determine the basis from which to pay trail commissions, Sun Life will calculate an implied account value. This value is approximately equivalent to the fair market value of the policy, held by Sun Life to support the Performance Income associated with that particular policy liability, as defined by the policyholder's contract.

The implied account value behaviour is similar to a mutual fund account value's behaviour in that strong fund performance will increase the value of the implied account value, while poor fund performance will decrease the value of the implied account value. Policyholder payments, income advances, transfers to Sun Life Payout Annuities, and the death of a joint annuitant will all decrease the value of the implied account value. The implied account value will be a decreasing value over time as payments are made to the policyholder, but will always be a positive value as long as the contract is in force.

On a transfer from an SRI to a Sun Life Payout Annuity, an upfront 1% commission will be paid on the amount transferred. Any remaining trail commission on the SRI policy will be proportionately reduced.

GUARANTEED INVESTMENT CERTIFICATES (GICs) SOLD THROUGH SUN LIFE TRUST INC:

RATE ENHANCEMENT: The rate enhancement process incorporates different enhancement levels with defined investment rate enhancements and associated reductions in commission rates.

REVERSAL OF COMMISSIONS ON GICs: Will occur if a deposit in respect of a contract is refunded for whatever reason. An amount equal to the commission paid in respect of that deposit will be debited to the Broker’s earnings account.

VESTING RIGHTS: Commission shall be paid to the Broker only while he/she is the commissionable Broker. At any time, upon request from the policy owner, Sun Life Trust Inc. will change both the service and commissionable Broker.

GIC and Sun GIC MAX

Commission rates based on Enhancement Level selected

*Guaranteed Interest Period (Term)	Enhancement Level 1 **	Enhancement Level 2 **	Enhancement Level 3	Enhancement Level 4	Enhancement Level 5
1 Year	0.30%	0.25%	0.20%	0.15%	0.10%
2 Year	0.60%	0.50%	0.40%	0.30%	0.20%
3 Year	0.90%	0.75%	0.60%	0.45%	0.30%
4 Year	1.20%	1.00%	0.80%	0.60%	0.40%
5 Year	1.50%	1.25%	1.00%	0.75%	0.50%
6 Year ***	1.80%	1.50%	1.20%	0.90%	0.60%
7 Year ***	2.10%	1.75%	1.40%	1.05%	0.70%
8 Year ***	2.40%	2.00%	1.60%	1.20%	0.80%
9 Year ***	2.70%	2.25%	1.80%	1.35%	0.90%
10-25 Years ***	3.00%	2.50%	2.00%	1.50%	1.00%

* The Rate of Commission for a Guaranteed Interest Period not in complete years will be determined by using the following formula:

Term less than 1 year: $x/365$ times 1 year rate
(Terms less than 1 year are not available on GIC RIF and Sun GIC Max RIF)

Term more than 1 year: $p + y/365 (n - p)$

- x represents the Guaranteed Interest Period in days
- p represents the Rate of Commission for the previous complete year
- n represents the Rate of Commission for the next complete year
- y represents the portion of the Guaranteed Interest Period (in days) beyond the last complete year

** Enhancement Levels 1 and 2 are not available for Sun GIC Max

***Terms between 6-25 years are only available for GIC RIF and Sun GIC Max RIF

COMMISSION ON DAILY INTEREST INVESTMENT BALANCES: A 0.02%
 First Year Commission on the balance of the Daily Interest Investment is payable each month on the monthly anniversary.

d) SUN CRITICAL ILLNESS INSURANCE

PRODUCT	1 st Year	Years 2-10	Year 11	Years 12+	Renewal Years 21,31, etc.
	As a % of premium				
Sun Critical Illness Insurance, base plan - Term 10	45	2	15	2	15
Return of Premium on Cancellation or Expiry rider- Term 10	30	2	15	2	15
Sun Critical Illness Insurance, base plan – Term 75 and Term 100 (including 15 pay plan)	50	2	2	2	2
Return of Premium on Cancellation or Expiry rider- Term 75 and Term 100 (including 15 pay plan)	30	2	2	2	2
Sun Critical Illness Insurance, base plan – Term 100 (10 pay plan)	40	2			
Return of Premium on Cancellation or Expiry rider- Term 100 (10 pay plan)	25	2			
All other benefits	Same as base plan				

INCREASED AMOUNT: The commission on the incremental amount of any premium resulting from an increase in the amount of insurance under any policy shall be at the rates applicable on the effective date of the increase.

RATED PREMIUM:

- ◆ Flat extra premium is a substandard extra premium, expressed as a fixed dollar amount per thousand of insurance. The commission rate on flat extra premiums is 5% in years 1 to 5.
- ◆ Mortality extra premium, also known as multiple extra premium, is a substandard extra premium expressed as a percentage of the basic standard premium. The commission rate on mortality extra premium is equal to the rate payable on the standard premium of the coverage/benefit.

e) **PERSONAL HEALTH INSURANCE**

PRODUCT	1 ST Year As a % of premiums	Years 2 onward As a % of premiums
Personal Health Insurance- paper application	22.5	5
Personal Health Insurance- web application	24.5	5
Health Coverage Choice- paper application	16	5
Health Coverage Choice- web application	18	5

CONDITIONS OF PAYMENT: Commissions are considered earned and shall be paid to the broker while the MGA broker agreement with Sun Life is in force and the broker is servicing the policy contract. At any time, upon request from the Policyholder to appoint a new service advisor of record, Sun Life will change both the service and commissionable advisor of record. Commissions are not vested.

GENERATION OF RENEWAL COMMISSIONS: Renewal commissions are annualized and credited to the broker's earnings account at the annual policy anniversary. If the policy terminates or the service advisor of record is changed, unearned renewal commissions will be reversed.

f) **LONG TERM CARE INSURANCE**

PRODUCT	1 ST Year As a % of premiums	Years 2 onward As a % of premiums
Sun Long Term Care	50%	2%
Sun Retirement Health Assist	40%	2%
Benefits	Same as base plan	

g) **SEGREGATED FUNDS**

SunWise Essential Series 2 Individual Variable Annuities

Gross First Year Commission: paid by Sun Life to the Managing General Agent (MGA) in respect of a deposit in a new or existing policy contract. The rate used to establish gross first year commission is indicated in the tables below. The broker receives a percentage of the gross first year commission. The percentage is established by the MGA and can be changed at any time.

Gross Trail Commission: paid by Sun Life to the MGA with respect to assets under management as long as the broker services the policy contract. The rate used to establish gross trail commission is indicated in the tables below. The

broker receives a percentage of the gross trail commission. The percentage is established by the MMGA and can be changed at any time.

Reversal of Gross Commissions: gross first year commission and gross trail commission will be reversed if a deposit is reversed.

Conditions of Payment:

- The rates of commission may change from time to time. The changed rate will be applicable to all commissions payable after notification of the change.
- Commissions are considered earned and shall be paid to the MGA, or to the broker if directed by the MGA, while the MGA and MGA broker agreements with Sun Life are in force and the broker is servicing the policy contract. Subject to administrative policies in effect, Sun Life will change both the service and commissionable advisor of record upon request from the policyholder to appoint a new service advisor of record. Commissions are not vested.

SunWise Essential Series 2 Gross Commission Rates

Compensation Option	Money Market	All Fixed Income Funds & SunWise Essential Series Income Fund	Equity/Balanced/Asset Allocation
Deferred Sales Charge (DSC) –First Year Commission	5.0%	5.0%	5.0%
DSC Trail Commissions	0.0%	0.25%	0.5%
Initial Sales Charge (ISC) First Year Commission – Commission rates negotiable up to:	5.0%	5.0%	5.0%
ISC Trail Commissions	0.00 to 0.25%	0.50%	1.0%
Private Investment Management (PIM) - First year Commission	0.0%		
PIMTrail Commissions	Negotiable 0.0% - 1.25%		