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## **BROKER (MGA) COMMISSION SCHEDULE**

### **May 13, 2024**

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

**TABLE OF CONTENTS:**

**I. GENERAL DEFINITIONS.....3**

**II. COMMISSION RATES.....6**

- a) Traditional Life Insurance**
- b) Universal Life**
- c) Annuities and Guaranteed Investment Certificates**
- d) Sun Critical Illness Insurance**
- e) Personal Health Insurance**
- f) Long-Term Care Insurance**
- g) Segregated Funds**

## 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:** is the premium payable in respect of:

- (a) the first policy year of a policy/coverage,
- (b) the first year of an increase in the amount of insurance to the extent of the increase (excluding insurance amount increases resulting from any of the Level plus death benefit options or from tax-exempt status maintenance for SunUniversalLife II), and
- (c) 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 UniversalLife 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 FYC 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 or the Managing General Agent's (MGA) earnings account, whichever is applicable.

c) If a policy (other than a Sun Par Accumulator II or Sun Par Accelerator, either owned directly or indirectly by a Broker or a related party to the Broker (as defined below) or under which the Broker or a related party to the Broker was a life insured) or coverage lapses due to unpaid premiums during the first two policy or coverage years, or a policy or coverage 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. Should the aforementioned activities be effective within the first 6 policy months or coverage months, the chargeback rate will be equal to 100%. Beginning the 7<sup>th</sup> policy coverage month, the fraction will be 24 minus the number of months for which premiums have been paid, divided by 18. 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.

d) If a Sun Par Accumulator II or Sun Par Accelerator policy, either owned directly or indirectly by a Broker or a related party to the Broker (as defined below) or under which the Broker or a related party to the Broker was a life insured, lapses or is surrendered during the first five policy years, a fraction of the FYC paid as outlined in the chart below will be debited to the Broker's earnings account. 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.

A related party to the Broker includes, without limitation:

- Immediate family members such as a spouse, child, parent, sibling, grandchild or in-law. The Company's determination of immediate family status will be binding.
- A corporation where the Broker or an immediate family member, individually or together, own(s) 50% or more of any class of shares of the corporation.
- Where the Broker is incorporated, any director, officer, employee or agent of the Broker, and any parent, subsidiary or affiliated corporation of the Broker, and such company's directors, officers, employees or agents.
- A trust arrangement where the Broker has a relationship to the trust, the trustee or a trust beneficiary, or the Broker is a settlor, trustee or trust beneficiary of the trust.

Policy terminates during month	Percentage of FYC Charged back to Broker's account
1 to 36	100%
37 to 48	75%
49 to 60	50%
61+	0%

(e) If a policy loan or automatic premium loan is taken on a Sun Par Accumulator II or Sun Par Accelerator policy within the first 5 policy years, Sun Life reserves the right to apply a chargeback against the FYC paid as outlined in the chart below. The chargeback against the FYC paid will be equal to the proportion of the amount of the loan and will be debited to the Broker's earnings account.

Policy loan or automatic premium loan taken during month	Percentage of FYC Charged back to Broker's account
1 to 36	100%
37 to 48	75%
49 to 60	50%
61+	0%

**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 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.

**CONDITIONS OF PAYMENT:** Unless otherwise provided in the broker agreement and subject to the conditions outlined under the broker agreement, commissions shall be paid to the Broker only while the broker agreement is in force and the Broker maintains an active licence and the required professional liability insurance covering errors and omissions. For policies that are part of a block of business that was assigned to the Broker through acquisition or otherwise, the Broker shall not have more rights than the former service broker of record.

**CROSS CHANNEL CONVERSIONS:** Sun Life will only pay 90% of the FYC if:

- the conversion application(s) is/are made within 6 months of a change of advisor
- the previous advisor was an advisor under contract with Sun Life Financial Distributors (Canada) inc.,
- the benefit(s) converted was/were part of a Sun Spectrum, Metlife, Clarica or Prudential policy, and
- the total first year premiums for the new policy/policies issued following of the conversion is \$50,000 or more.

Regular commission rates apply to cross-channel conversions of benefits that are part of a Sun branded policy.

## II. COMMISSION RATES

### a) TRADITIONAL LIFE INSURANCE

PRODUCT	Year 1 % of premium	Years 2-10 % of premium	Years 11+ % of premium
<b>Sun Life Evolve Term</b>			
Sun Life Evolve Term- T5	30	3	2
Sun Life Evolve Term- T6	32	3	2
Sun Life Evolve Term- T7	34	3	2
Sun Life Evolve Term- T8	36	3	2
Sun Life Evolve Term- T9	38	3	2
Sun Life Evolve Term- T10	40	3	2
Sun Life Evolve Term- T11	40.5	3	2
Sun Life Evolve Term- T12	41	3	2
Sun Life Evolve Term- T13	41.5	3	2
Sun Life Evolve Term- T14	42	3	2
Sun Life Evolve Term- T15	42.5	3	2
Sun Life Evolve Term- T16	44	3	2
Sun Life Evolve Term- T17	45.5	3	2
Sun Life Evolve Term- T18	47	3	2
Sun Life Evolve Term- T19	48.5	3	2
Sun Life Evolve Term- T20	50	3	2
Sun Life Evolve Term- T21 to T29	50	3	2
Sun Life Evolve Term- T30	50	3	2
Sun Life Evolve Term- T31 to T40	50	3	2
Term to Term Conversions	25	3	2
Optional Benefits	50	3	2

PRODUCT	Year 1 % of premium	Years 2-10 % of premium	Years 11+ % of premium
<b>Sun Life Essential Term</b>			
Term- T5	30	3	-
Term- T6	32	3	-
Term- T7	34	3	-
Term- T8	36	3	-
Term- T9	38	3	-

Term- T10	40	3	-
Term- T11	40.5	3	2
Term- T12	41	3	2
Term- T13	41.5	3	2
Term- T14	42	3	2
Term- T15	42.5	3	2
Term- T16	44	3	2
Term- T17	45.5	3	2
Term- T18	47	3	2
Term- T19	48.5	3	2
Term- T20	50	3	2
<b>Sun Life Achievers Term</b>			
Term- T5	30	3	-
Term- T6	32	3	-
Term- T7	34	3	-
Term- T8	36	3	-
Term- T9	38	3	-
Term- T10	40	3	-
Term- T11	40.5	3	2
Term- T12	41	3	2
Term- T13	41.5	3	2
Term- T14	42	3	2
Term- T15	42.5	3	2
Term- T16	44	3	2
Term- T17	45.5	3	2
Term- T18	47	3	2
Term- T19	48.5	3	2
Term- T20	50	3	2
<b>Sun Life 1-Year BridgeTerm</b>			
Term – T1	8	-	-

PRODUCT	Year 1 % of premium	Year 2 % of premium	Year 3 % of premium	Years 4+ % of premium
<b>Sun Par Accumulator II/ Sun Par Protector II</b>				
Life pay	50	5	5	2



<b>Limited pay – 10</b>	35	5	5	2
<b>Limited pay – 20</b>	50	5	5	2
<b>Plus premium</b>	4	4	4	4
<b>Sun Par Accelerator</b>				
<b>Limited pay – 8</b>	32	5	5	2
<b>Sun Permanent Life</b>				
<b>Life pay</b>	<b>60</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>Limited pay – 10</b>	<b>32</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>Limited pay – 15</b>	<b>37.5</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>Limited pay – 20</b>	<b>45</b>	<b>3</b>	<b>3</b>	<b>3</b>

<b>Sun Par Accumulator II/ Sun Par Protector II/ Sun Par Accelerator/Sun Permanent Life</b>				
	<b>Year 1 % of premium</b>	<b>Years 2-10 % of premium</b>	<b>Years 11+ % of premium</b>	
<b>Term rider- T10</b>	40	3	2	
<b>Term rider- T15</b>	42.5	3	2	
<b>Term rider- T20</b>	50	3	2	
<b>Term rider- T30</b>	50	3	2	
<b>Optional benefits</b>	50	3	2	
<b>Guaranteed Return of Premium on Death (ROPD) – available on Sun Permanent Life only</b>	50	3	2	
<b>Conversion from T10/T15 to T20 or T30</b>	25	3	2	
<b>Partial Term policy conversion to Term rider T10, T15, T20, or T30</b>	25	3	2	
<b>Note: Premiums used for calculating commissions will be capped at issue age 80</b>				

PRODUCT	Year 1 % of premium	Year 2 % of premium	Year 3 % of premium	Year 4 % of premium	Year 5 % of premium
<b>Sun Lifetime Alternative</b>					
<b>Group Conversions to Sun Lifetime Alternative</b> <b>Conversions from:</b> <ul style="list-style-type: none"> <li>• Sun Term to 65 to Sun Lifetime Alternative</li> <li>• Sun One Year Term to Sun Lifetime Alternative</li> </ul>	30	3	3	3	3
<b>Other Non-Participating Plans</b>					
<b>Group Conversions to Sun Term to 65</b>	20	3	3	3	3
<b>Group Conversions to Sun One Year Term</b>	15	-	-	-	-
<b>Optional Benefit – Group Conversions</b>					
<b>Accidental Death</b>	For Sun Lifetime Alternative, SunTerm to 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 and other non-participating plans (excluding Sun Permanent Life)
  - 32% in year 1 and 5% in years 2 and 3 and 2% for years 4 onwards for Sun Par Protector II, Sun Par Accumulator II, Sun Par Accelerator and Sun Permanent Life, should the duration be 6 years or greater. If the duration is less than 6 years, no commission is payable on the Flat extra.
- ◆ Mortality multiple 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 multiple extra premium is equal to the rate payable on the standard premium of the coverage/benefit.

b) **UNIVERSAL LIFE**

PRODUCT	Year 1 %	Years 2-5 %	Years 6-10 %	Years 11+ %
<b>SunUniversalLife II</b>				
<b>Basic UL Coverage</b> (Payable on payments up to the Target Payment including non-standard percentage extras and excluding flat extras)				
<b>Level/YRT70/YRT85</b>	60	3	3	3
<b>Limited pay - 10 year</b>	32	3	3	3
<b>Limited pay - 15 year</b>	37.5	3	3	3
<b>Limited pay - 20 year</b>	45	3	3	3
<b>Payments, including flat extras</b> in excess of the sum of the Target Payment and the total cost of term riders and other benefits (Up to the Maximum Exempt Payment)	5	3	3	-
<b>Optional Benefits</b> (excluding flat extras)	50	3	3	2
<b>10-Year Term Rider</b> (excluding flat extras)	40	3	3	2
<b>20 / 30 -Year Term Rider</b> (excluding flat extras)	50	3	3	2
<b>Conversion from T10/T15 to T20 or T30</b> (excluding flat extras)	25	3	3	2
<b>Partial Term policy conversion to 10 / 15 / 20 / 30 -Year Term rider</b> (excluding flat extras)	25	3	3	2
<b>Note:</b> Target payments used for calculating commissions will be capped: <ul style="list-style-type: none"> <li>• at issue age 80 for SunUniversalLife II</li> </ul>				

**COVERAGE:** A benefit component of a SunUniversalLife II 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 (including insurance amount increases resulting from any of the Level plus death benefit options and excluding insurance amount increases from tax-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.

**COST OF INSURANCE (COI):** Is the risk charge for the amount of protection provided by the policy.

**INCREASED COVERAGE:** The commission on the target payment 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 and limited pay, 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.

**TARGET PAYMENT FOR SUN UNIVERSAL LIFE II:** For the Level, YRT to 70 and YRT to 85 cost of insurance options, the Target payment is equal to 100% of the basic coverage times the Level cost of insurance which is based on the issue age of the initial basic insurance amount for the coverage. For the Limited pay cost of insurance options, the Target payment is 100% of the basic coverage times the cost of insurance for the payment period selected. The Target payment includes charges for any non-standard percentage extras. It excludes charges for flat extras.

The Target Payment used to calculate commission is capped at the issue age of 80.

**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 FYC 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 10 inclusive. The withdrawal penalty rates for SunUniversalLife II are 5% in the first policy year and 3% in policy years 2 to 10.

**REVERSAL OF COMMISSION:** If payments received in year two of a SunUniversalLife II policy issued on a Yearly Renewable Term basis are less than payments received in Year one, an adjustment to FYC 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. the sum of the Target payment of Year one and Year two\*

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

\*In cases where the Target payment changed throughout the year, the Adjusted Target payment will be used for each of the policy year.

**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 *
<b>Life, joint life or long term certain annuities*</b> (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
<b>Short term certain annuities</b> (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
<b>Impaired life and impaired joint life annuities</b> (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

On a transfer from a SunFlex Retirement Income (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.

**COMMISSIONS ON PAYOUT ANNUITIES:** A Commission is payable for each premium paid under a single premium annuity policy. The commission is a percentage of the Broker (MGA) Commission Schedule (May 2024)

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.

**ADDITIONAL CONDITIONS OF PAYMENT:** Commission shall be paid to the Broker only while the Broker is servicing the policy. Subject to administrative policies in effect, Sun Life will change both the service and commissionable broker of record upon request from the policy owner to appoint a new service broker of record. Commissions are not vested.

**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% FYC on the balance of the Daily Interest Investment is payable each month on the monthly anniversary.

**GUARANTEED INVESTMENT CERTIFICATES (GICs) SOLD THROUGH SUN LIFE FINANCIAL 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.

**ADDITIONAL CONDITIONS OF PAYMENT:** Commission shall be paid to the Broker only while the Broker is servicing the certificate. Subject to administrative policies in effect, Sun Life Financial Trust Inc. will change both the service and commissionable broker of record upon request from the certificate owner to appoint a new service broker of record. Commissions are not vested.

**GIC and Sun GIC MAX**

*Commission rates based on Enhancement Level selected*

<b>*Guaranteed Interest Period (Term)</b>	<b>Enhancement Level 1 **</b>	<b>Enhancement Level 2 **</b>	<b>Enhancement Level 3</b>	<b>Enhancement Level 4</b>	<b>Enhancement Level 5</b>
1 Year	0.30%	0.25%	0.20%	0.15%	0.10%
2 Years	0.60%	0.50%	0.40%	0.30%	0.20%
3 Years	0.90%	0.75%	0.60%	0.45%	0.30%
4 Years	1.20%	1.00%	0.80%	0.60%	0.40%
5 Years	1.50%	1.25%	1.00%	0.75%	0.50%
6 Years ***	1.80%	1.50%	1.20%	0.90%	0.60%
7 Years ***	2.10%	1.75%	1.40%	1.05%	0.70%
8 Years ***	2.40%	2.00%	1.60%	1.20%	0.80%
9 Years ***	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% FYC on the balance of the Daily Interest Investment is payable each month on the monthly anniversary.

**d) SUN CRITICAL ILLNESS INSURANCE**

PRODUCT	Year 1	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 rider- Term 100 (10 pay plan)	25	2			
Optional benefits – Other (Owner Waiver, Total Disability Waiver)	50	3	2	2	2
Other benefits (Return of Premium on Death (ROPD), LTC Conversion Option)	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 multiple 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 multiple extra premium is equal to the rate payable on the standard premium of the coverage/benefit.

e) **PERSONAL HEALTH INSURANCE**

<b>PRODUCT</b>	<b>Year 1 As a % of premiums</b>	<b>Years 2 onward As a % of premiums</b>
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

**ADDITIONAL CONDITIONS OF PAYMENT:** Commissions shall be paid to the Broker only while the Broker is servicing the policy contract. Subject to administrative policies in effect, Sun Life will change both the service and commissionable broker of record upon request from the policyholder to appoint a new service broker 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 Broker of record is changed, unearned renewal commissions will be reversed.

f) **LONG-TERM CARE INSURANCE**

<b>PRODUCT</b>	<b>Year 1 As a % of premiums</b>	<b>Years 2 onward As a % of premiums</b>
Sun Retirement Health Assist	40	2
Benefits	Same as base plan	

g) **SEGREGATED FUNDS**

**Gross Sales 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 sales commission is indicated in the tables below. The Broker receives a percentage of the gross sales 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 MGA and can be changed at any time.

**Reversal of Gross Commissions:** gross sales and gross trail commission will be reversed if a deposit is reversed. An amount equal to the reversed commission will be debited to the MGA's earnings account.

**Additional 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 shall be paid to the MGA, or to the Broker if directed by the MGA, only while both the managing general agent agreement and the broker agreement 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 broker of record upon request from the policyholder to appoint a new service broker of record. Commissions are not vested.

**SunWise Essential Series 2 Gross Commission Rates**  
**(product no longer available for new sales as of June 12, 2015)**

<b>Compensation Option</b>	<b>Money Market</b>	<b>All Fixed Income Funds &amp; SunWise Essential Series Income Fund</b>	<b>Equity/Balanced/Asset Allocation</b>
Deferred Sales Charge (DSC) –Sales Commission	5.0%	5.0%	5.0%
DSC Trail Commissions	0.0%	0.25%	0.5%
Initial Sales Charge (ISC) Sales– 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) - Sales Commission	0.0%		
PIM Trail Commissions	Negotiable 0.0% - 1.25%		

## Sun Life Guaranteed Investment Funds (GIFs) Gross Commission Rates

A clawback of commission will apply at Sun Life's discretion if the annuitant dies within 90 days of the contract start date.

<b>Class and Load Option</b>	<b>Compensation Type</b>	<b>Money Market</b>	<b>Income Funds</b>	<b>Balanced and Equity Funds<sup>3</sup></b>
Class A Deferred Sales Charge (DSC)	Sales Commission	0.0% <sup>5</sup>	5.0%	5.0%
Class A DSC	Trail Commission	0.00%	0.25%	0.50%
Class A Front End Load (FEL)	Sales Commission	Negotiable 0.0% - 5.0%		
Class A FEL	Trail Commission	0.10%	0.50%	1.0%
Class A Low Load (LL)	Sales Commission	0.0% <sup>5</sup>	2.5%	2.5%
Class A LL	Trail Commission	0.00% <sup>1</sup>	0.25% <sup>1</sup>	0.50% <sup>1</sup>
Class A Advisor <sup>4</sup> chargeback (CB)	Sales Commission	0.0% <sup>5</sup>	3.0%	3.0%
Class A CB <sup>4</sup>	Trail Commission (Yr 3+ - no trail paid in the first 2 yrs)	0.10%	0.50%	1.0%
Class F	Sales Commission	0.0%		
Class F	Trail Commission	0.0%		
Private Client Class O	Sales Commission	Negotiable 0.0% - 5.0%		
Private Client Class O	Service Fee <sup>2</sup>	Negotiable 0.0% - 1.0%		

<sup>1</sup> Trail commission rates increase to .10% (Money Market), .50% (Income Funds) and 1.0% (Balanced and Equity Funds) at LL maturity.

<sup>2</sup> Service fees are negotiated and agreed to by the MGA and the client by way of a signed agreement and are subject to applicable taxes. If Sun Life does not receive an agreement evidencing a negotiated class O service fee, the service fee will be set to 0%.

<sup>3</sup> Rates also apply to funds invested in the Sun Dollar Cost Average Daily Interest Fund.

<sup>4</sup> Advisor chargeback option is available in Investment Series, Estate Series and Income Series within Sun GIF Solutions.

<sup>5</sup> No sales commission is paid for deposits to these funds. Commission is paid when switched to other funds.

The Class A advisor chargeback sales charge option (CB) is subject to a chargeback of commissions on a full or partial withdrawal of the original investment in the first 2 years. Chargeback on partial withdrawals will be proportionate to the original investment.

- 100% of Sales Commission if withdrawal happens in months 1 – 12
- 66.6% of Sales Commission if withdrawal happens in months 13 – 18
- 33.3% of Sales Commission if withdrawal happens in month 19 - 24