

IN THE MATTER OF THE SECURITIES LEGISLATION
OF MANITOBA, QUÉBEC AND NEW BRUNSWICK

AND

IN THE MATTER OF THE
MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
SUN LIFE FINANCIAL SERVICES OF CANADA INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (collectively, the "Decision Makers") in each of Manitoba, Québec and New Brunswick (collectively, the "Jurisdictions") has received an application from Sun Life Financial Services of Canada Inc. ("Sun Life") for a decision under the securities legislation of the Jurisdictions (collectively, the "Legislation") that the requirements contained in the Legislation to be registered to trade in a security (the "Registration Requirement") shall not apply to trades in the common stock of Sun Life (the "Shares") by a trustee to the employees of Sun Life Assurance Company of Canada (the "Company") and its affiliates (the "Participants") under the Sun Life Employee Stock Plan (the "Plan");

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), The Manitoba Securities Commission is the principal regulator for this application;

AND WHEREAS Sun Life has represented to the Decision Makers that:

1. Sun Life is a company incorporated under the laws of Canada. The issued and outstanding share capital of Sun Life as at September 30, 2001 consisted of approximately 420,707,423 Shares.
2. The Shares are listed and posted for trading on the Toronto Stock Exchange, the New York Stock Exchange, The London Stock Exchange and the Philippine Stock Exchange. Sun Life is current in all filings required by each exchange.
3. Sun Life is a reporting issuer in each of the provinces of Canada and is not in default of its obligations as a reporting issuer.
4. The purpose of the Plan is to encourage eligible employees to invest in the Shares through employee savings and to allow the Company and its affiliates to provide Shares as an incentive to eligible employees through employer contributions.

5. As at October 5, 2001, certain employees of the Company and the following affiliates were eligible to participate in the Plan: Sun Life Financial Advisory Services Inc.; Sun Life Financial Trust Inc.; Sun Life Securities Inc.; Spectrum Investment Management Limited; Sun Life Financial Realty Advisors Inc.; Panorama Apartments Limited; Riverside Terrace Limited; and S & M Developments Limited.

6. The Plan has been amended and restated as an employee profit sharing plan from its initial form as the Sun Life Financial Employee Stock Fund (the "ESF").

7. Under the Plan, a Participant can elect to make contributions between 1% and 20% of their salary (exclusive of allowances, commissions, overtime, bonuses etc.) ("Base Pay") for each pay period through payroll deductions ("Personal Contributions"). A Participant may also make unlimited lump sum contributions ("Lump Sum Personal Contributions") at any time.

8. Under the Plan, and on a per pay period basis, the Company or its affiliates will make contributions under the Plan to the benefit of a Participant who has made a Personal Contribution ("Employer Contributions"). Lump Sum Personal Contributions will not be matched by Employer Contributions.

9. In addition to the Employer Contributions, the Company or its affiliates may make further contributions for the benefit of any Participant or group of Participants in such amounts and at such times as deemed appropriate.

10. The Company will use the services of a corporate trustee (the "Trustee"), currently Royal Trust Corporation of Canada, to establish a fund (the "Fund") in which the Participant Contributions and Employer Contributions will be held. The Trustee will allocate the Personal Contributions made by each Participant and Employer Contributions made on his or her behalf, plus the dividend income, capital gains and capital losses of the Fund and any other profits of the Fund to a personal account (the "Personal Account") for each Participant (generally in proportion to the interest of each Participant in the Fund). The Trustee will also allocate to the Personal Account the amount of any capital gains or losses realized or sustained, directly or indirectly, as a result of the withdrawal of all or any portion of a Participant's Personal Account.

11. The Company will use the services of an administrator (the "Administrator"), currently Sun Life Financial Services of Canada Inc., to establish the Personal Account for each Participant and such Administrator will record in each Personal Account the amount of all Personal Contributions made by each Participant and all Employer Contributions made on his or her behalf, plus income, capital gains and losses thereon less the amount of any expenses allocated to such Personal Account and any withdrawals therefrom.

12. The Trustee will purchase the Shares in the open market using the Personal Contributions and Employer Contributions and all cash dividends on the Shares received by it. The Shares are then allocated to the Personal Account of each Participant. The number of Shares allocated to each account is determined by dividing the Personal Contributions and Employer Contributions (in aggregate) by the average price of the Shares on the day such Shares are purchased by the Trustee. The Shares will be registered in the name of the Trustee or such other name as the

Trustee determines is necessary. The Personal Account will also show the total number of Shares purchased and allocated to the Participant's Personal Account and the value of such Shares.

13. The Trustee will sell all warrants, options or rights received by the Trustee on any Shares held pursuant to the Plan. The proceeds from the sale of any options, rights or warrants and any dividends received by the Trustee for Shares held pursuant to the Plan will be used to purchase additional Shares, which will be allocated to the respective Participant's Personal Account as a Personal Contribution, in proportion to the number of Shares held in those Personal Accounts prior to the payment of the dividend or the issue of the warrants, options or rights.

14. Shares (other than fractional Shares) that have been allocated to a Participant's Personal Account will be voted by the Trustee in accordance with the instructions of the Participant.

15. Shares allocated as a result of a Participant's matched Personal Contributions and Employer Contributions (not Shares allocated as a result of unmatched Personal Contributions or Lump Sum Personal Contributions, or earnings thereon) are currently subject to a three (3) year retention period from the date the Shares are allocated.

16. A Participant may elect to receive all or portion of the value of his or her Personal Account in the form of Shares or cash or both.

17. Each Participant will be responsible for paying all income and other taxes applicable to Employer Contributions and to transactions involving the allocation of Shares to his or her Personal Account. Brokerage fees and commissions and other expenses relating to the purchase and/or sale of Shares shall also be allocated as expenses to the Participant's Personal Account.

18. Participants have not been and will not be induced to participate in the Plan by expectation of employment or continued employment.

19. As of the date of this application, the Company and its affiliates had approximately 1400 employees resident in Manitoba and the other Jurisdictions eligible to become Participants under the Plan.

20. A Canadian registered broker will be used for the initial trade of Shares to the Trustee on behalf of the Participants.

21. The number of Shares to be acquired by Participants under the Plan is expected to be *de minimis* in relation to the number of issued and outstanding Shares.

22. Sun Life, the Trustee or the Participants cannot rely on the MRRS Decision Document granted to Sun Life dated June 27, 2000 for the Plan.

23. There is no applicable registration exemption available to the Participants, the Trustee, Sun Life or the Company in connection with the trade of Shares by the Trustee to the Participants.

24. A copy of the Plan will be made available to Participants resident in the Jurisdictions, and upon becoming a shareholder of Sun Life, Participants resident in the Jurisdictions will be concurrently provided with the disclosure material relating to Sun Life that is provided to holders of Shares resident in other provinces.

AND WHEREAS pursuant to the System this MRRS Decision Document evidences the decision of each of the Decision Makers (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that trades of Shares under the Plan by the Trustee to the Participants are not subject to the Registration Requirement.

DATED this "8th" day of March, 2002.

"C.P. Besko"

Deputy Director - Legal