

IN THE MATTER OF THE SECURITIES LEGISLATION
OF BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO,
QUEBEC, NEWFOUNDLAND AND LABRADOR, AND NOVA SCOTIA

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.

AND

SUN LIFE ASSURANCE COMPANY OF CANADA

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Newfoundland and Labrador, and Nova Scotia (collectively the "Jurisdictions") has received an application from Sun Life Financial Services of Canada Inc. ("SLF Inc.") and Sun Life Assurance Company of Canada ("SLACC" and, together with SLF Inc., "SLF" or the "SLF Applicants") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the requirement contained in the Legislation to file insider reports shall not apply to certain individuals who are insiders of the SLF Applicants by reason of having the title of Vice-President;

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

AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definitions or in Québec Commission Notice 14-101;

AND WHEREAS The SLF Applicants have represented to the Decision Makers that:

1. SLF Inc. is an insurance company governed by the *Insurance Companies Act* (Canada). SLACC is a wholly-owned subsidiary of SLF Inc. and is an insurance company governed by the *Insurance Companies Act* (Canada).
2. SLF Inc. is a reporting issuer (or equivalent) in each province and territory of Canada. SLF Inc. is not in default of any requirements under the Legislation. SLACC is a reporting issuer (or equivalent) in each province and territory of Canada. SLACC is not in default of any requirements under the Legislation.

3. All of the directors and officers of SLF Inc. are also directors and officers of SLACC. Currently, 304 individuals are insiders of the SLF Applicants by reason of being a senior officer or director of the SLF Applicants or a major subsidiary of the SLF Applicants and are not otherwise exempt from the insider reporting requirements of the Legislation by reason of existing orders and/or the exemptions contained in National Instrument 55-101 *Exemption from certain Insider Reporting Requirements* ("NI 55-101").

4. The SLF Applicants have made this application to seek the requested relief in respect of approximately 210 individuals, who, in the opinion of the SLF Law Department, satisfy the Exempt VP Criteria (as defined below).

5. SLF has trading restrictions in place for all directors and employees in the SLF group of companies to ensure that such persons are aware that: 1) they are not permitted to buy or sell securities of the SLF Applicants when they have material information about the SLF Applicants that has not been released to the general public; and 2) they are not permitted to disclose, inadvertently or intentionally, material information about the SLF Applicants that has not been released to the general public, except to other employees on a need-to-know basis.

6. SLF has additional trading restrictions in place for senior officers as well as certain other employees who may receive or have access to non-public material information about the SLF Applicants. SLF developed these additional restrictions to ensure that its directors, senior officers and other employees are aware of their responsibilities under the Legislation and to assist them in complying with the Legislation.

7. The additional restrictions require that trades in securities of the SLF Applicants may occur only during certain time frames, generally for approximately 20 business days after SLF's financial results are announced. These additional restrictions will continue to apply to any individual who is exempted from the insider reporting requirements by the Decision Makers.

8. Designated staff in the SLF Law Department oversee administration of SLF's trading restrictions for senior officers and other employees.

9. Designated staff in the SLF Law Department, in consultation with the chief financial officers of each of SLF's five principal business groups and certain officers within SLF's Corporate Office with a policy-making function, reviewed 1) the organizational structure of SLF and its major subsidiaries; 2) the function of each vice-president; and 3) the distribution of non-public material information about SLF through each of its business groups and assessed whether non-public

material information about SLF was provided to a particular vice-president function in the ordinary course based on criteria contained in Canadian Securities Administrators Staff Notice 55-306 *Applications for Relief from the Insider Reporting Requirements by Certain Vice-Presidents* (the "Staff Notice").

10. The SLF Applicants have made this application to seek relief from the insider reporting requirement for individuals who meet the following criteria set out in the Staff Notice (the "Exempt VP Criteria"):

(a) the individual is a vice-president;

(b) the individual is not in charge of a principal business unit, division or function of the SLF Applicants or a "major subsidiary" of the SLF Applicants (as that term is defined in NI 55-101);

(c) the individual does not in the ordinary course receive or have access to information regarding material facts or material changes concerning the SLF Applicants before the material facts or material changes are generally disclosed; and

(d) the individual is not an insider of the SLF Applicants in any capacity other than as a vice president;

11. The SLF Law Department applies the same analysis each time a new vice-president is appointed or an existing vice-president is promoted. The SLF Law Department will review and update SLF's Exempt VP analysis annually.

12. If an individual who is designated as an Exempt VP no longer satisfies the Exempt VP Criteria, designated staff of the SLF Law Department will ensure that the individual is informed about his or her renewed obligation to file an insider report on trades in securities of the SLF Applicants.

13. In connection with this application, the SLF Applicants have filed with the Decision Makers a copy of their internal policies and procedures relating to monitoring and restricting the trading activities of their insiders and other persons whose trading activities are restricted by SLF.

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (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 the requirement contained in the Legislation to file insider reports shall not apply to insiders of the SLF Applicants who satisfy the Exempt VP Criteria for so long as such insiders satisfy the Exempt VP Criteria provided that:

(a) the SLF Applicants agree to make available to the Decision Makers, upon request, to the extent permitted by law, a list of all individuals who are relying on the exemption granted by this Decision as at the time of the request; and

(b) the relief granted will cease to be effective on the date when NI 55-101 is amended.

DATED July 29th, 2003.

"Robert W. Korthals"

"H. Lorne Morphy"

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - relief granted to certain vice presidents of a reporting issuer from the insider reporting requirements subject to certain conditions.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 1(1), 107, 108, 121(2)(a)(ii)

Regulations Cited

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am., Part VIII

Rules Cited

National Instrument 55-101 - *Exemption From Certain Insider Reporting Requirements.*