

This pricing supplement, together with the prospectus supplement dated March 24, 2023 and the short form base shelf prospectus dated March 24, 2023 to which it relates, as amended or supplemented, and each document incorporated by reference into the short form base shelf prospectus and the prospectus supplement, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

The securities to be issued hereunder have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and, subject to certain exceptions, may not be offered, sold or delivered, directly or indirectly, in the United States of America or for the account or benefit of U.S. persons (as defined in Regulation S under the U.S. Securities Act)



SUN LIFE FINANCIAL INC.

Pricing Supplement 2 Dated May 13, 2024

(to the short form base shelf prospectus of Sun Life Financial Inc. ("SLF") dated March 24, 2023 as supplemented by the prospectus supplement of SLF dated March 24, 2023 (collectively, the "Prospectus")).

\$750,000,000

SERIES 2024-1 SUBORDINATED UNSECURED 5.12% FIXED/FLOATING DEBENTURES DUE 2036

The \$750,000,000 principal amount of Series 2024-1 Subordinated Unsecured 5.12% Fixed/Floating Debentures due 2036 (the "**Debentures**") will be issued under a trust indenture dated as of November 23, 2005, as supplemented by a twenty-fifth supplemental indenture to be dated as of the closing date (together, the "**Trust Indenture**"), between SLF and BNY Trust Company of Canada, as successor indenture trustee (the "**Trustee**").

The following is a summary of certain of the material attributes and characteristics of the Debentures offered hereby, which does not purport to be complete and is qualified in its entirety by reference to the Trust Indenture. Reference is made to the Prospectus for a summary of the other material attributes and characteristics applicable to the Debentures and reference is made to the Trust Indenture for the full text of such attributes and characteristics.

Issuer:	Sun Life Financial Inc.
Designation:	Series 2024-1 Subordinated Unsecured 5.12% Fixed/Floating Debentures due 2036.
Principal Amount:	\$750,000,000 aggregate principal amount of Debentures.
Issue Price:	\$1,000 per \$1,000 principal amount of Debentures.
Issue Date:	May 15, 2024.
Delivery Date:	May 15, 2024.
Interest Reset Date:	May 15, 2031.
Maturity Date:	The Debentures will mature on May 15, 2036.
Interest Payment Dates ¹ :	Each Debenture will bear interest (i) during the period from the closing date of this offering to, but excluding, May 15, 2031, at a fixed annual rate of 5.12%, payable in arrears in equal semi-annual instalments on May 15 and November 15 in each year, with the first payment of interest due on November 15, 2024 and the last payment of interest due on May 15, 2031, and (ii) from and including May 15, 2031 to, but excluding, the Maturity Date of the Debentures, at a variable rate equal to Daily Compounded CORRA determined for the Observation Period in respect of such Floating Interest Period plus 1.46%, payable quarterly in arrears on February 15, May 15, August 15 and November 15 in each year, with the first such payment to be made

on August 15, 2031. The Debentures will mature on the Maturity Date.

Daily Compounded CORRA: For an Observation Period, the rate will be calculated as follows, with the resulting percentage rounded if necessary to the fifth decimal place, with 0.000005% being rounded upwards and (-) 0.000005% being rounded downwards:

$$\text{Daily Compounded CORRA} = \left(\frac{\text{CORRA Compounded Index}_{\text{end}}}{\text{CORRA Compounded Index}_{\text{start}}} - 1 \right) \times \left(\frac{365}{d} \right)$$

Where:

- “CORRA Compounded Index_{start}” is equal to the CORRA Compounded Index value on the date that is two Bank of Canada Business Days preceding the first date of the relevant Floating Interest Period;
- “CORRA Compounded Index_{end}” is equal to the CORRA Compounded Index value on the date that is two Bank of Canada Business Days preceding the Interest Payment Date relating to such Floating Interest Period (or, in the case of the final Interest Payment Date, the Maturity Date or, if the Debentures are redeemed prior to the Maturity Date, the date of redemption of such Debentures, as applicable); and
- “d” is the number of calendar days in the relevant Observation Period.

Floating Interest Period: The period from and including each Interest Payment Date commencing on the Interest Reset Date to, but excluding, the next succeeding Interest Payment Date or, in the case of the final Interest Payment Date, the Maturity Date or, if Debentures are redeemed prior to the Maturity Date, the date of redemption of such Debentures, as applicable.

Observation Period: In respect of each Floating Interest Period, the period from, and including, the date two Bank of Canada Business Days preceding the first date in such Floating Interest Period to, but excluding, the date two Bank of Canada Business Days preceding the Interest Payment Date or, in the case of the final Interest Payment Date, the Maturity Date or, if Debentures are redeemed prior to the Maturity Date, the date of redemption of such Debentures, as applicable.

Business Day Convention: If any Interest Payment Date on or before May 15, 2031 falls on a day that is not a Business Day, it shall be postponed until the next succeeding Business Day (without any additional interest or other payment in respect of any such delay).

If any Interest Payment Date after May 15, 2031 falls on a day that is not a Bank of Canada Business Day, it shall be postponed until the next succeeding Bank of Canada Business Day, unless that day falls in the next calendar month, in which case the Interest Payment Date will be the immediately preceding day that is a Bank of Canada Business Day.

If the Maturity Date falls on a day that is not a Bank of Canada Business Day, the required payment of principal and interest shall be made on the next succeeding Bank of Canada Business Day.

Yield: **The effective yield of the Debentures, if held to May 15, 2031, will be 5.12%. Thereafter the effective yield will fluctuate with the interest rate.**

Denominations: Debentures will be available in denominations of \$1,000 and integral multiples thereof.

Redemption:

At its option, and subject to prior approval of the Superintendent, SLF may redeem the Debentures, in whole or in part, on or after May 15, 2029, to, but excluding May 15, 2031, at a redemption price equal to the greater of (i) the Canada Yield Price and (ii) par, and on or after May 15, 2031, at a redemption price equal to par, together in each case with accrued and unpaid interest to, but excluding, the date fixed for the redemption. Any Debentures redeemed on or after May 15, 2031 must be redeemed on an Interest Payment Date. SLF will give notice of redemption at least 10 days but not more than 60 days before the date fixed for redemption. Where less than all of the Debentures are to be redeemed, the Debentures to be redeemed will be selected by lot by the Trustee or redeemed on a proportionate basis according to the principal amount of Debentures registered in the respective name of each holder of Debentures or in such other manner as the Trustee may consider equitable.

“**Canada Yield Price**” means a price per \$1,000 principal amount of Debentures, calculated by SLF at approximately 10:00 am (Toronto time) on the third Business Day preceding the date fixed for redemption of Debentures, which would provide a yield thereon from the date fixed for redemption to, but excluding, May 15, 2031 equal to the Government of Canada Yield (as defined below), compounded semi-annually in arrears, plus 0.355%.

“**Government of Canada Yield**” means, on any date that is three (3) Business Days prior to a date fixed for redemption, the bid yield to maturity on such date, compounded semi-annually, which a non-callable Government of Canada nominal bond would be expected to carry if issued, in Canadian dollars in Canada, at 100% of its principal amount on such date with a term to maturity equal to the period between the date fixed for redemption and May 15, 2031 (the “**Applicable Term**”), as determined by two independent Canadian investment dealers (each of which is a member of the Canadian Investment Regulatory Organization (or any successor thereto)) selected by SLF, and based on a linear interpolation of the yields represented by the arithmetic average of bids observed in the market at or about 10:00 am (Toronto time) on the relevant date for each of the two outstanding non-callable Government of Canada nominal bonds which have the terms to maturity which most closely span the Applicable Term on such date, where such arithmetic average is based in each case on the bids quoted by such independent investment dealers.

Defeasance:

On or after May 15, 2029, subject to the prior approval of the Superintendent, SLF may exercise its option under the Trust Indenture to have the Trustee release it from its obligations under the Trust Indenture with respect to all outstanding Debentures, including its obligation to make payments, provided that: (i) the Trustee is satisfied that SLF has deposited with it funds or governmental securities sufficient for payment of all amounts due or to become due in respect of the Debentures; (ii) no Event of Default under the Trust Indenture has occurred and is continuing; and (iii) the other conditions specified in the Trust Indenture have been met.

Rank:

The Debentures will be direct, unsecured subordinated obligations of SLF constituting subordinated indebtedness for the purpose of the *Insurance Companies Act* (Canada), ranking equally and rateably with all other subordinated unsecured indebtedness of SLF from time to time issued and outstanding, other than subordinated indebtedness of SLF that, by its terms, ranks subordinate to the Debentures. The Debentures will rank among themselves equally and rateably without preference or priority. The Trust Indenture will provide that in the event of the insolvency or winding-up of SLF, the indebtedness evidenced by the Debentures will be subordinate in right of payment to all other liabilities of SLF (including senior indebtedness and policy holder liabilities of SLF, if any), except those other liabilities that, by their terms, rank equally with or are subordinate to the Debentures.

Upon any distribution of assets of SLF resulting from any dissolution, winding-up, liquidation or reorganization, payments on the Debentures will be subordinated to the extent provided in the Trust Indenture in right of payment to the prior payment in full of all senior indebtedness of SLF, but the obligation of SLF to make payments on the Debentures will not otherwise be affected except as described below. SLF may not make any payment on the Debentures at any time when there is a default in respect of or under the terms of its senior indebtedness. Because the Debentures are subordinated in right of payment to any senior indebtedness of SLF, in the event of a distribution of assets upon insolvency of SLF, some creditors of SLF may recover more, rateably, than holders of Debentures. Holders of Debentures will be subrogated to the rights of holders of senior indebtedness of SLF, to the extent of payments made on senior indebtedness of SLF, upon any distribution of assets in any proceedings in respect of Debentures.

Form of Debentures: The Debentures will be issued in the form of a global certificate registered in the name of “CDS & Co.”

ISIN/CUSIP: CA86682ZAU09 / 86682ZAU0.

Credit Ratings: The Debentures have been rated “A” by DBRS Limited (“**DBRS**”) and “A” by S&P Global Ratings, acting through S&P Global Ratings Canada, a business unit of S&P Global Canada Corp. (“**S&P**”). A credit rating generally provides an indication of the creditworthiness of the borrower or the risk that the borrower will not fulfill its obligations in a timely manner to pay both interest and principal on the indebtedness that is the subject of the rating. Rating categories range from highest credit quality (generally “AAA”) to very highly speculative (generally “C”).

For DBRS, a credit rating of “A” is an indication of good credit quality and is the third highest of the rating categories used by DBRS for long-term debt obligations. DBRS uses a “(high)” or “(low)” modifier to indicate relative strength within a rating category, with the absence of such a modifier indicating a rating in the middle of a category. For S&P, a rating of “A” is an indication that the borrower’s capacity to meet its financial commitments on its obligations is strong and is the third highest of the rating categories used by S&P for long-term debt obligations, with the addition of a plus “+” or minus “-” sign showing relative standing within a particular rating category.

Credit ratings are intended to provide investors with an independent assessment of the credit quality of an issue or issuer of securities and do not speak to the suitability of any particular securities for any particular investor. The credit rating assigned to the Debentures is not a recommendation to purchase, hold or sell the Debentures. Prospective investors should consult the relevant rating organization with respect to the interpretation and implications of the ratings and any recent actions concerning the ratings. Ratings may be revised or withdrawn at any time by the respective rating organization.

SLF has paid customary rating fees to DBRS and S&P in connection with the above-mentioned ratings and will pay customary rating fees to DBRS and S&P in connection with the confirmation of such rating for purposes of this offering. In addition, SLF has made customary payments in respect of certain other services provided to SLF by each of DBRS and S&P during the last two years.

Agents: RBC Dominion Securities Inc., BMO Nesbitt Burns Inc. and Scotia Capital Inc. (as Joint Bookrunners)

CIBC World Markets Inc., TD Securities Inc., Merrill Lynch Canada Inc. and National Bank Financial Inc. (as Co-Managers)

Agents' Fee: \$3.70 per \$1,000 principal amount of Debentures for a total of \$2,775,000.

Use of Proceeds: SLF intends to use an amount equal to the net proceeds of the sale of the Debentures to finance or refinance, in whole or in part, new and/or existing Eligible Assets (as defined in SLF's Sustainability Bond Framework dated April 2024 (the "SLF Sustainability Bond Framework")). See "SLF Sustainability Bond Framework" below.

Method of Distribution: Agency.

¹ If, on or after the Interest Reset Date (i) the CORRA Compounded Index_{start} or the CORRA Compounded Index_{end} is not published or displayed by the Reference Rate Administrator or an authorized distributor by 11:30 a.m. Toronto time (or an amended publication time, if any, as specified in the Reference Rate Administrator's methodology for calculating the CORRA Compounded Index) on the Interest Determination Date for such Floating Interest Period, but an Index Cessation Effective Date with respect to the CORRA Compounded Index has not occurred, or (ii) an Index Cessation Effective Date with respect to the CORRA Compounded Index has occurred, then Daily Compounded CORRA will be calculated by the Calculation Agent as follows, with the resulting percentage being rounded, if necessary, to the fifth decimal place, with 0.000005% being rounded upwards and (-) 0.000005% being rounded downwards:

$$\text{Daily Compounded CORRA} = \left(\prod_{i=1}^{d_0} \left(1 + \frac{\text{CORRA}_i \times n_i}{365} \right) - 1 \right) \times \frac{365}{d}$$

where:

- "d₀" for any Observation Period is the number of Bank of Canada Business Days in the relevant Observation Period;
- "i" is a series of whole numbers from one to d₀, each representing the relevant Bank of Canada Business Day in chronological order from, and including, the first Bank of Canada Business Day in the relevant Observation Period;
- "CORRA_i" means, in respect of any Bank of Canada Business Day "i" in the relevant Observation Period, a reference rate equal to the daily CORRA rate for that day, as published or displayed by the Reference Rate Administrator or an authorized distributor at 11:00 a.m. Toronto time (or an amended publication time, if any, as specified in the Reference Rate Administrator's methodology for calculating CORRA) on the immediately following Bank of Canada Business Day, which is Bank of Canada Business Day "i" + 1;
- "n_i" means, for any Bank of Canada Business Day "i" in the relevant Observation Period, the number of calendar days from, and including, such Bank of Canada Business Day "i" to, but excluding, the following Bank of Canada Business Day, which is Bank of Canada Business Day "i" + 1; and
- "d" is the number of calendar days in the relevant Observation Period.

If neither the Reference Rate Administrator nor authorized distributors provide or publish CORRA and an Index Cessation Effective Date with respect to CORRA has not occurred, then, in respect of any day for which CORRA is required, references to CORRA will be deemed to be references to the last provided or published CORRA.

If an Index Cessation Effective Date occurs with respect to CORRA, the Trust Indenture will provide that the interest rate for an Interest Determination Date which occurs on or after such Index Cessation Effective Date will be the CAD Recommended Rate, to which the Calculation Agent will apply the most recently published spread and make such adjustments as are necessary to account for any difference in the term, structure or tenor of the CAD Recommended Rate in comparison to CORRA.

If there is a CAD Recommended Rate before the end of the first Bank of Canada Business Day following the Index Cessation Effective Date with respect to CORRA, but neither the Reference Rate Administrator nor authorized distributors provide or publish the CAD Recommended Rate and an Index Cessation Effective Date with respect to the CAD Recommended Rate has not occurred, then, in respect of any day for which the CAD Recommended Rate is

required, references to the CAD Recommended Rate will be deemed to be references to the last provided or published CAD Recommended Rate.

If: (a) there is no CAD Recommended Rate before the end of the first Bank of Canada Business Day following the Index Cessation Effective Date with respect to CORRA; or (b) there is a CAD Recommended Rate and an Index Cessation Effective Date subsequently occurs with respect to the CAD Recommended Rate, the Trust Indenture will provide that the interest rate for an Interest Determination Date which occurs on or after such applicable Index Cessation Effective Date will be the BOC Target Rate, to which the Calculation Agent will apply the most recently published spread and make such adjustments as are necessary to account for any difference in the term, structure or tenor of the BOC Target Rate in comparison to CORRA.

In respect of any day for which the BOC Target Rate is required, references to the BOC Target Rate will be deemed to be references to the last provided or published BOC Target Rate as of the close of business in Toronto on that day.

In connection with the implementation of an Applicable Rate, the Calculation Agent may, in consultation with SLF, make such adjustments to the Applicable Rate or the spread thereon, if any, as well as the business day convention (including the Business Day Convention), the calendar day count convention, Interest Determination Dates, and related provisions and definitions (including observation dates for reference rates), in each case as are consistent with accepted market practice for the use of the Applicable Rate for debt obligations such as the Debentures in such circumstances.

Any determination, decision or election that may be made by SLF or the Calculation Agent, as applicable, in relation to the Applicable Rate, including any determination with respect to an adjustment or the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection: (i) will be conclusive and binding, absent manifest error; (ii) if made by SLF, will be made in the sole discretion of SLF, or, as applicable, if made by the Calculation Agent will be made after consultation with SLF and the Calculation Agent will not make any such determination, decision or election to which SLF objects and will have no liability for not making any such determination, decision or election; and (iii) shall become effective without consent from the holders of the Debentures or any other party.

“**Applicable Rate**” means one of CORRA Compounded Index, CORRA, the CAD Recommended Rate or the BOC Target Rate, as applicable.

“**Bank of Canada Business Day**” means a day that Schedule I banks under the *Bank Act* (Canada) are open for business in Toronto, Ontario, Canada, other than a Saturday or a Sunday or a public holiday in Toronto (or such revised regular publication calendar for an Applicable Rate as may be adopted by the Reference Rate Administrator from time to time).

“**BOC Target Rate**” means the Bank of Canada’s target for the overnight rate as set by the Bank of Canada and published on the Bank of Canada’s website.

“**Business Day**” means any day on which Canadian chartered banks are open for business in Toronto and which is not a Saturday or Sunday.

“**CAD Recommended Rate**” means the rate (inclusive of any spreads or adjustments) recommended as the replacement for CORRA by a committee officially endorsed or convened by the Bank of Canada for the purpose of recommending a replacement for CORRA (which rate may be produced by the Bank of Canada or another administrator) and as provided by the administrator of that rate or, if that rate is not provided by the administrator thereof (or a successor administrator), published by an authorized distributor.

“**Calculation Agent**” means a third party trustee or financial institution of national standing with experience providing such services, which has been selected by SLF.

“**CORRA**” means the Canadian Overnight Repo Rate Average, as published by the Bank of Canada, as the administrator of CORRA (or any successor Reference Rate Administrator), on the website of the Bank of Canada or any successor website.

“**CORRA Compounded Index**” means the measure of the cumulative impact of CORRA compounding over time administered and published by the Bank of Canada (or any successor Reference Rate Administrator).

“Index Cessation Effective Date” means, in respect of an Index Cessation Event, the first date on which the Applicable Rate is no longer provided. If the Applicable Rate ceases to be provided on the same day that it is required to determine the rate for an Interest Determination Date, but it was provided at the time at which it is to be observed (or, if no such time is specified, at the time at which it is ordinarily published), then the Index Cessation Effective Date will be the next day on which the rate would ordinarily have been published.

“Index Cessation Event” means:

- (A) a public statement or publication of information by or on behalf of the Reference Rate Administrator or provider of the Applicable Rate announcing that it has ceased or will cease to provide the Applicable Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor Reference Rate Administrator or provider of the Applicable Rate that will continue to provide the Applicable Rate; or
- (B) a public statement or publication of information by the regulatory supervisor for the Reference Rate Administrator or provider of the Applicable Rate, the Bank of Canada, an insolvency official with jurisdiction over the Reference Rate Administrator or provider of the Applicable Rate, a resolution authority with jurisdiction over the Reference Rate Administrator or provider of the Applicable Rate or a court or an entity with similar insolvency or resolution authority over the Reference Rate Administrator or provider of the Applicable Rate, which states that the Reference Rate Administrator or provider of the Applicable Rate has ceased or will cease to provide the Applicable Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor Reference Rate Administrator or provider of the Applicable Rate that will continue to provide the Applicable Rate.

“Interest Determination Date” means the date that is two Bank of Canada Business Days preceding each Interest Payment Date, or, in the case of the final Floating Interest Period, preceding the Maturity Date, or, if applicable, preceding the date of redemption of any Debentures.

“Reference Rate Administrator” means the Bank of Canada or any successor administrator for CORRA and/or the CORRA Compounded Index or the administrator (or its successor) of another Applicable Rate, as applicable.

	<u>Price to the Public</u>	<u>Agents’ Fee⁽¹⁾</u>	<u>Net Proceeds to SLF⁽²⁾</u>
Per \$1,000 principal amount of the Debentures.....	\$1,000	\$3.70	\$996.30
Total	\$750,000,000	\$2,775,000	\$747,225,000

⁽¹⁾ SLF has agreed to pay the Agents a fee equal to \$3.70 for each \$1,000 principal amount of the Debentures sold.

⁽²⁾ Before deduction of expenses of the offering payable by SLF estimated to be \$1,100,000, which together with the Agents’ fee will be paid from the proceeds of the offering.

SLF SUSTAINABILITY BOND FRAMEWORK

Overview

SLF, its subsidiaries and, where applicable, its joint ventures and associates (collectively, “**Sun Life**”) are committed to the principle of sustainability in conducting its business. Sun Life defines sustainability as taking accountability for its social, environmental, economic and governance impacts, risks and opportunities, in ways that help to ensure Sun Life’s long-term ability to deliver value to its clients, employees, shareholders and communities.

The Debentures are being issued as “sustainability bonds” under the SLF Sustainability Bond Framework (“**Sustainability Bonds**”) that SLF published in April 2024. By issuing Sustainability Bonds, SLF is demonstrating its commitment to embed sustainability into its business while contributing positively to society and supporting the transition to a low-carbon economy.

For the purpose of issuing Sustainability Bonds on or after April 22, 2024, SLF has developed the following SLF Sustainability Bond Framework, which addresses the four core components of the International Capital Markets Association (“**ICMA**”) Green Bond Principles (the “**Green Bond Principles**”), the ICMA Social Bond Principles (the “**Social Bond Principles**”) and the ICMA Sustainability Bond Guidelines (the “**Sustainability Bond Guidelines**”)¹ and their recommendations on the use of external reviews and impact reporting:

1. Use of proceeds;
2. Project selection and evaluation process;
3. Management of proceeds;
4. Reporting; and
5. External review.

Eligible Assets (as defined below) financed or re-financed by Sustainability Bonds are also intended to align with the United Nations Sustainable Development Goals.

Use of Proceeds

An amount equal to the net proceeds of each Sustainability Bond will be used to finance or re-finance, in part or in full, new and/or existing green and social assets within SLF’s general account that meet the eligibility criteria outlined below (the “**Eligible Assets**”).

Eligible Assets include green and social assets funded up to 24 months prior to the Sustainability Bond issuance date and green and social assets acquired post issuance. It is SLF’s intention to fully allocate the net proceeds of a Sustainability Bond to Eligible Assets within 18 months of its issuance.

Eligibility Criteria

Eligible Category per the Green Bond Principles and the Social Bond Principles

Eligibility Criteria

Renewable Energy

Investments in facilities and equipment dedicated to generation, transmission and distribution of energy from renewable sources, including:

- i. wind;

¹ The Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines were created by the ICMA. The Sustainability Bond Guidelines were updated in June 2018 and June 2021. According to the ICMA’s website, (i) the Green Bond Principles are “voluntary process guidelines that recommend transparency and disclosure and promote integrity in the development of the Green Bond market by clarifying the approach for issuance of a Green Bond” and (ii) the Social Bond Principles are “voluntary process guidelines that recommend transparency and disclosure and promote integrity in the development of the Social Bond market by clarifying the approach for issuance of a Social Bond”.

- ii. solar;
- iii. geothermal (direct emissions intensity <100gCO₂e/kWh);
- iv. hydro²;
- v. biomass (waste or other non-food feedstock that does not deplete existing terrestrial carbon pools, compete with food production, or have links to deforestation or other ecosystem conversion and associated biodiversity loss) with direct emissions intensity <100gCO₂e/kWh and municipal waste to energy projects;
- vi. hydrogen generation facilities using renewable energy; and
- vii. renewables deployment and servicing enablement, distributed energy projects (e.g., microgrids, solar, and storage) and energy storage (technology agnostic).

Energy Efficiency

Investments in facilities and equipment that reduce energy consumption or improve the efficiency of resources, including:

- i. installation of energy efficient heating, ventilation, air conditioning, refrigeration, lighting and building envelope improvements;
- ii. systems for capture and recycling of waste heat, such as district heating and heat recovery;
- iii. projects that improve efficiency in the delivery of bulk energy services such as energy storage and smart grids; and
- iv. projects that enable monitoring and optimization of the amount and timing of energy consumption, such as smart meters, load control systems, demand response, sensors or building information systems.

Green Buildings

Investments in new or existing commercial or residential buildings that have received, or expect to receive based on its design, construction and operational plans, certification according to third party verified green building standards, or energy ratings such as:

- i. LEED (Platinum or Gold);
- ii. CaGBC Zero Carbon Building Certification (Design and Performance);
- iii. BOMA BEST (Platinum or Gold);
- iv. ENERGY STAR (85 and above);
- v. Passive House Institute – EnerPHit;
- vi. Toronto Green Standard Tier 2 or higher;
- vii. BC Step Code (Step 3 or above); and
- viii. new or existing buildings belonging to top 15% low carbon buildings based on emission intensity in the region, as determined by a third-party assessment.

Clean Transportation

Investments in sustainable and efficient transport and supporting infrastructure, including:

² Hydro projects will meet any of the following: (1) lifecycle GHG emissions below 100gCO₂e/kWh for hydropower plants in operation before 2020 and below 50gCO₂e/kWh for hydropower plants in operation in 2020 or after, (2) power density greater than 5W/m² for hydropower plants in operation before 2020 and 10W/m² for hydropower plants in operation in 2020 or after or (3) electricity generation facility is a run of river plant.

	<ul style="list-style-type: none"> i. infrastructure dedicated to mass public transportation; and ii. electric vehicles.
Sustainable Water and Wastewater Management	<p>Investments in facilities and equipment that reduce water consumption or improve the efficiency of resources, including:</p> <ul style="list-style-type: none"> i. installation of water efficient products or technologies or xeriscaping/drought-tolerant landscaping; ii. projects for collection, treatment, recycling or reuse of water, rainwater or wastewater; and iii. infrastructure for flood prevention, flood defense or storm-water management.
Environmentally Sustainable Management of Living Natural Resources and Land Use	<p>Investments in holdings and activities that contribute to the sustainable management of living natural resources and land use, including:</p> <ul style="list-style-type: none"> i. certified sustainable timber and agricultural holdings and/or production activities that have received or are expected to receive certification from credible third-party certification systems such as Forest Stewardship Council (FSC); Programme for the Endorsement of Forest Certification (PEFC); Sustainable Forestry Initiative (SFI); Sustainable Agriculture Initiative (SAI) Platform; Canada Organic, USDA Organic; FAIRTRADE; UTZ; Rainforest Alliance; and ii. nature-based climate solutions promoting conservation, restoration, and/or management of forests, grasslands and wetlands.
Circular Economy Adapted Products, Production Technologies and Processes and/or Certified Eco-efficient Products	<p>Investments in solutions that extend product-life, reduce waste and/or improve resource use, including:</p> <ul style="list-style-type: none"> i. products designed to be fully recyclable or composted; and ii. technologies that enable the substitution of virgin raw materials with entirely or nearly entirely recycled content.
Terrestrial and Aquatic Biodiversity	<p>Investments in activities that contribute to protection, restoration, and management of coastal, marine and watershed environments.</p>
Access to Essential Services	<p>Investments in facilities and services that enhance access to public, not-for-profit, free or subsidized essential services targeted at populations such as low-income or marginalized communities and vulnerable groups as well as the general public including:</p> <ul style="list-style-type: none"> i. infrastructure for hospitals, laboratories, clinics, healthcare, childcare and elder care centers; ii. infrastructure for the provision of child, youth or adult education and vocational training services; and iii. emergency or temporary shelters.
Affordable Housing	<p>Investments aimed at maintaining or improving access to suitable, sustainable and affordable housing, including acquisition, repair, expansion, and/or improvement of social housing including:</p> <ul style="list-style-type: none"> i. projects that target households with income less than 80% of area median income, or equivalent threshold, and/or meet national/regional

affordable housing definitions in the applicable jurisdiction.

Affordable Basic Infrastructure	Investments aimed at maintaining or improving access to basic infrastructure for underserved communities, including construction, development, operation, acquisition, refurbishment and maintenance of: <ul style="list-style-type: none">i. drinking water sources;ii. sanitation and plumbing; andiii. electricity and communication networks.
Socioeconomic Advancement and Empowerment	Investments that support the provision of equitable access to and control over assets, services, resources and opportunities including: <ul style="list-style-type: none">i. capital to support equity ownership by Indigenous communities.

Project Selection and Evaluation Process

SLF has established a sustainability bond council (the “**Sustainability Bond Council**”), comprising members of senior management, which is responsible for the ultimate review and selection of assets that will qualify as Eligible Assets, to which the net proceeds of each Sustainability Bond issuance will be allocated.

SLC Management³ will identify existing and future green or social assets and propose them to the Sustainability Bond Council for review and confirmation in accordance with the Eligibility Criteria described above.

To evaluate the eligibility of social assets, the Sustainability Bond Council will consider the assets’ potential positive social outcomes for target populations (such as low-income or marginalized communities and vulnerable groups) as well as the general public.

In the unlikely event that SLF identifies allocations to projects that no longer constitute Eligible Assets in accordance with the SLF Sustainability Bond Framework, SLF will allocate the corresponding amounts to different assets that comply with the SLF Sustainability Bond Framework.

Management of Proceeds

SLF has established a sustainability bond register (the “**Sustainability Bond Register**”) in relation to Sustainability Bonds issued by SLF for the purpose of recording the Eligible Assets and the allocation of an amount equal to the net proceeds from Sustainability Bonds to Eligible Assets. The Sustainability Bond Register contains relevant information to identify each Sustainability Bond and the Eligible Assets relating to it and forms the basis of SLF’s Sustainability Bond use of proceeds report.

SLC Management maintains and updates the Sustainability Bond Register, which is reviewed semi-annually by the Sustainability Bond Council.

It is SLF’s intention to maintain an aggregate amount of Eligible Assets that is at least equal to the aggregate net proceeds of all Sustainability Bonds that are concurrently outstanding. However, there may be periods when a sufficient aggregate amount of Eligible Assets have not yet been allocated to fully cover the net proceeds of all outstanding Sustainability Bonds, either as the result of changes in the composition of SLF’s green or social assets or the issue of additional Sustainability Bonds. Any portion of the net proceeds of Sustainability Bonds that have not been allocated to

³ “SLC Management” is the brand name for the institutional asset management business of SLF under which the entities Sun Life Capital Management (U.S.) LLC in the United States, and Sun Life Capital Management (Canada) Inc. in Canada operate. These entities are also referred to as “SLC Fixed Income” and represent the investment grade public and private fixed income strategies of SLC Management. BentallGreenOak, InfraRed Capital Partners, Crescent Capital Group and Advisors Asset Management Inc. are also part of SLC Management.

Eligible Assets in the Sustainability Bond Register will be managed in accordance with SLF's normal liquidity activities.

Payment of principal and interest on any Sustainability Bond issuance will be made from SLF's general account and will not be directly linked to the performance of any Eligible Asset.

Reporting

Within one year of the issuance of a Sustainability Bond and as long as there are outstanding Sustainability Bonds issued under the SLF Sustainability Bond Framework, SLF will publish a report on its website. The Sustainability Bond use of proceeds report will be updated every year until allocation of the net proceeds of each outstanding Sustainability Bond to Eligible Assets is complete, and thereafter, as necessary, in case of new developments.

Where possible, SLF will provide further information and examples of eligible businesses and projects financed by a Sustainability Bond. Where feasible, this may include qualitative and (if reasonably practicable) quantitative environmental and social performance indicators. In all cases, information with respect to borrowers and their businesses and projects will be subject to permitted disclosure in accordance with relevant confidentiality agreements and competition issues.

External Review

SLF has obtained an independent second party opinion dated April 2024 (the "**Second Party Opinion**") from an outside independent consultant ("**Morningstar Sustainalytics**") on the SLF Sustainability Bond Framework's alignment with the Sustainability Bond Guidelines, Green Bond Principles and Social Bond Principles. The Second Party Opinion is published on SLF's website.

Prior to the first anniversary of the issuance of a Sustainability Bond, SLF will request a qualified independent external reviewer to review the green and social assets linked to the Sustainability Bond proceeds, in order to assess compliance with the SLF Sustainability Bond Framework. This review will be carried out annually until the full allocation of an amount equal to the net proceeds from the Sustainability Bond. SLF will post the external review report on its website.

RISK FACTORS

There are risks associated with an investment in the Debentures. In addition to the risk described below, reference is made to the section entitled “Risk Factors” in the prospectus supplement of SLF dated March 24, 2023.

The Debentures may not be a suitable investment for all investors seeking exposure to green and social assets.

No assurance is given by SLF that the Eligible Assets will meet investor criteria and expectations regarding environmental impact and sustainability performance. In particular, no assurance is given by SLF that any such Eligible Assets will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by their own by-laws or other governing rules or investment portfolio mandates (in particular with regard to any direct or indirect environmental, sustainability or social impact of the Eligible Assets). None of the Agents is responsible for any assessment of Eligible Assets nor the management of the proceeds from the offering of the Debentures. Adverse environmental or social impacts may occur during the design, construction and operation of the assets or the assets may become controversial or criticized by activist groups or other stakeholders.

Morningstar Sustainalytics, a globally-recognized provider of ESG research, ratings and data, evaluated the SLF Sustainability Bond Framework and the alignment thereof with relevant industry standards and provided views on the robustness and credibility of the SLF Sustainability Bond Framework. The Second Party Opinion, whether in whole or in part shall not be construed as part of the offering, and shall not be considered as an offer or advertisement to buy a security, solicitation of votes or proxies, investment advice, expert opinion or negative assurance letter as defined by the applicable legislation. The Second Party Opinion is not incorporated into, and does not form part of, this Pricing Supplement. Neither SLF nor the Agents make any representation as to the suitability of the Second Party Opinion. The Second Party Opinion is not a recommendation to buy, sell or hold securities and is for information purposes only.

SLF has agreed to certain use of proceeds and reporting obligations as described under the sections “Use of Proceeds” and “SLF Sustainability Bond Framework”, respectively; however, it will not be an event of default under the Debentures if SLF fails to comply with such obligations. A withdrawal of the Second Party Opinion may affect the value of the Debentures and/or may have consequences for certain investors with portfolio mandates to invest in sustainable assets.

The Debentures include a floating interest component.

Investments in the Debentures, given their floating interest component, entail significant risks not associated with investments in fixed rate debentures. The resetting of the applicable rate on a floating rate Debenture may result in lower interest compared to a fixed rate debenture issued at the same time. The applicable rate on a floating rate Debenture will fluctuate in accordance with fluctuations in the instrument or obligation on which the applicable rate is based, which in turn may fluctuate and be affected by a number of interrelated factors, including economic, financial and political events over which SLF has no control.

If CORRA is no longer published following an Index Cessation Event with respect to CORRA, the Trust Indenture will require that SLF use another Applicable Rate, as described above. In so acting, SLF would not assume any obligations or relationship of agency or trust, including, but not limited to, any fiduciary duties or obligations, for or with any of the holders of the Debentures. There is no assurance that the characteristics and behaviour of any other Applicable Rate will be similar to CORRA and such rates may result in interest payments that are lower than or that do not otherwise correlate over time with the payments that would have been made on the Debentures if CORRA was available in its current form. In addition, such rates may not always operate as intended (including, without limitation, as a result of limited history and changes and developments in respect of such rates, the availability of rates information and the determination of the applicable adjustment spread (if any) at the relevant time). Uncertainty with respect to market conventions related to the calculation of another Applicable Rate and whether such alternative reference rate is a suitable replacement or successor for Daily Compounded CORRA may adversely affect the liquidity, return on, value and trading market for the Debentures. Further, SLF may in the future issue notes referencing CORRA that differ materially in terms of interest determination when compared with the Debentures or any other previous CORRA-referenced securities issued by it, which could result in increased volatility or could adversely affect the liquidity, return on, value and trading market for the Debentures. Any of the outcomes noted above may result in different than expected distributions and could materially affect the value of the Debentures.

Upon the occurrence of an Index Cessation Event with respect to CORRA and a related Index Cessation Effective Date, the Calculation Agent will make changes and adjustments as set forth above that may adversely affect the liquidity, return on, value and trading market for the Debentures.

As CORRA is published by the Bank of Canada, SLF has no control over its determination, calculation or publication. There can be no guarantee that CORRA will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in securities that reference CORRA, including the Debentures. If the manner in which CORRA is calculated is changed, then that change might result in a reduction of the amount of interest payable on the relevant securities and the market prices of such securities, including the Debentures.

Investors should be aware that the market continues to develop in relation to risk free rates, such as CORRA, as reference rates in capital markets. Further, limited market precedent exists for securities that use a compounded daily reference rate (such as Daily Compounded CORRA) as the reference rate, and the method for calculating a rate of interest based upon a compounded daily reference rate in those precedents varies. In addition, market participants and relevant working groups are exploring alternative reference rates based on different applications of CORRA. As such, the formula and related documentation conventions used for the Debentures issued pursuant to this prospectus supplement may not be widely adopted by other market participants, if at all. Adoption by the market (including by SLF) of a different calculation method from the formula and related documentation conventions used for the Debentures issued pursuant to this prospectus supplement likely would adversely affect the liquidity, return on, value and trading market for the Debentures.

Investors should also be aware that the floating rate in respect of the Debentures will only be capable of being determined on the Interest Determination Date near the end of the relevant Floating Interest Period and immediately or shortly prior to the relevant Interest Payment Date relating to such Floating Interest Period. It may be difficult for investors to reliably estimate the amount of interest which will be payable on the Debentures in advance of the Interest Determination Date, and some investors may be unable or unwilling to trade the Debentures without changes to their information technology systems, both of which factors could adversely affect the liquidity, return on, value and trading market for the Debentures.

In addition, the manner of adoption or application of CORRA reference rates in the debt securities markets may differ materially compared with the application and adoption of CORRA in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of CORRA reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of securities that reference CORRA, including the Debentures.

DOCUMENTS INCORPORATED BY REFERENCE

This Pricing Supplement is deemed to be incorporated by reference, as of the date hereof, into the accompanying Prospectus solely for the purpose of the offering of the Debentures.

The following documents, filed by SLF with the securities commissions or similar authorities in each province and territory of Canada, are incorporated by reference into the Prospectus:

- (a) the annual information form dated February 7, 2024;
- (b) the audited consolidated statements of financial position as of December 31, 2023 and 2022, the related consolidated statements of operations, comprehensive income (loss), changes in equity, and cash flows, for each of the two years in the period ended December 31, 2023, and the related notes, the reports of the Independent Registered Public Accounting Firm thereon (collectively, the “**Annual Financial Statements**”), and management’s discussion and analysis thereon (the “**Annual MD&A**”);
- (c) unaudited interim consolidated statements of financial position as at March 31, 2024 and December 31, 2023 and the related unaudited interim consolidated statements of operations, comprehensive income (loss) and cash flows for the three month periods ended March 31, 2024 and 2023 and the unaudited interim consolidated statements of changes in equity for the three-month periods ended March 31, 2024 and 2023, together with management’s discussion and analysis thereon;
- (d) the management information circular dated March 15, 2024;

- (e) the material change report dated March 25, 2024 in respect of the appointment of Timothy (Tim) Deacon as Executive Vice-President and Chief Financial Officer;
- (f) the indicative template version of the subordinated unsecured fixed/floating debentures term sheet dated as at May 13, 2024 (the “**Indicative Marketing Materials**”); and
- (g) the final template version of the subordinated unsecured fixed/floating debentures term sheet dated as at May 13, 2024 (together with the Indicative Marketing Materials, the “**Marketing Materials**”).

The Marketing Materials are not part of this Pricing Supplement to the extent that the contents of the Marketing Materials have been modified or superseded by a statement contained in this Pricing Supplement.

Any documents of the type described in Section 11.1 of Form 44-101F1 — *Short Form Prospectus* filed by SLF and any template version of “marketing materials” (as defined in National Instrument 41-101 — *General Prospectus Requirements*) filed by SLF with Canadian securities regulatory authorities after the date of this Pricing Supplement and before the termination of the distribution under this offering (including any amendments to, or an amended version of, the Marketing Materials) is deemed to be incorporated by reference into the Prospectus.

Any statement contained in this Pricing Supplement, the Prospectus or in a document incorporated or deemed to be incorporated by reference in the Prospectus shall be deemed to be modified or superseded, for the purposes of this Pricing Supplement, to the extent that a statement contained herein, or in the Prospectus or in any other subsequently filed document that also is or is deemed to be incorporated by reference in the Prospectus, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or includes any other information set forth in the document that it modifies or supersedes. The making of a modified or superseded statement will not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of the Prospectus.

ELIGIBILITY FOR INVESTMENT

In the opinion of Torys LLP, counsel to SLF, and McCarthy Tétrault LLP, counsel to the Agents, the Debentures offered hereby, if issued on the date of this Pricing Supplement, would be, on such date, qualified investments under the *Income Tax Act* (Canada) (the “**Tax Act**”) for a trust governed by a registered retirement savings plan (“**RRSP**”), a registered retirement income fund (“**RRIF**”), a registered education savings plan (“**RESP**”), a registered disability savings plan (“**RDSP**”), a tax-free savings account (“**TFSA**”), a first home savings account (“**FHSA**”) or a deferred profit sharing plan, other than a deferred profit sharing plan to which contributions are made by SLF, or by an employer with which SLF does not deal at arm’s length within the meaning of the Tax Act.

Notwithstanding that the Debentures may be qualified investments for a trust governed by a TFSA, FHSA, RDSP, RRSP, RRIF or RESP, the holder of the TFSA, FHSA or RDSP, the annuitant of the RRSP or RRIF or the subscriber of the RESP, as the case may be, that holds Debentures will be subject to a penalty tax if the Debentures constitute a “prohibited investment” (as defined in section 207.01 of the Tax Act) for the trust. The Debentures, if issued on the date of this Pricing Supplement, would not be, on such date, a “prohibited investment” for a trust governed by a TFSA, FHSA, RDSP, RRSP, RRIF or RESP, provided the holder of the TFSA, FHSA or RDSP, the annuitant of the RRSP or RRIF or the subscriber of the RESP, as the case may be, deals at arm’s length with SLF for purposes of the Tax Act and does not have a “significant interest” (within the meaning of subsection 207.01(4) of the Tax Act) in SLF.

Prospective purchasers who intend to hold Debentures in a trust governed by a RRSP, RRIF, TFSA, FHSA, RESP or RDSP should consult and rely on their own tax advisors with regard to the foregoing “prohibited investment” rules in their particular circumstances.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Torys LLP, counsel to SLF, and McCarthy Tétrault LLP, counsel to the Agents, the following is, at the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to a holder of Debentures who acquires as beneficial owner Debentures pursuant to this offering and who, at all relevant times, for

purposes of the Tax Act and the regulations thereunder (the “Regulations”), is or is deemed to be resident in Canada, holds the Debentures as capital property, deals with SLF at arm’s length and is not affiliated with SLF (a “Holder”). Generally, the Debentures will be considered capital property to a Holder provided that the Holder does not hold the Debentures in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Holders whose Debentures might not otherwise qualify as capital property may be entitled to have such Debentures and every other “Canadian security” owned by the Holder treated as capital property by making an irrevocable election permitted by subsection 39(4) of the Tax Act.

This summary is not applicable to a Holder: (i) that is a “financial institution” (as defined in the Tax Act for purposes of the mark-to-market rules), (ii) an interest in which is a “tax shelter investment” (as defined in the Tax Act), (iii) that reports its “Canadian tax results” within the meaning of section 261 of the Tax Act in a currency other than Canadian currency, or (iv) that has entered into, or will enter into, a “derivative forward agreement” or a “synthetic disposition arrangement” (as defined in the Tax Act) in respect of the Debentures. Such Holders should consult their own tax advisors having regard to their particular circumstances. This summary does not address the deductibility of interest on money borrowed to purchase Debentures.

This summary is based upon the facts set out in the Prospectus and this Pricing Supplement, the current provisions of the Tax Act and the Regulations in force at the date of this Pricing Supplement, all specific proposals to amend the Tax Act and Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “Proposed Amendments”) and counsel’s understanding of the current administrative policies and assessment practices of the Canada Revenue Agency (the “CRA”) published in writing by it prior to the date hereof. This summary assumes that the Proposed Amendments will be enacted currently as proposed; however there can be no assurance that the Proposed Amendments will be implemented in their current form or at all. This summary does not otherwise take into account or anticipate any changes of law or practice, whether by judicial, governmental or legislative decision or action or changes in the administrative policies or assessment practices of the CRA, nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdiction. The provisions of provincial income tax legislation vary from province to province in Canada and in some cases differ from federal income tax legislation.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder, and no representations with respect to the income tax consequences to any particular Holder are made. Accordingly, prospective purchasers should consult their own tax advisors for advice with respect to the tax consequences to them of acquiring, holding and disposing of Debentures, including the application and effect of the income and other tax laws of any country, province, territory, state or local tax authority.

A Holder that is a corporation, partnership, unit trust or trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year any interest, or amount that is considered for the purposes of the Tax Act to be interest on a Debenture, that accrues (or is deemed to accrue) to the Holder to the end of that taxation year or that becomes receivable or is received by the Holder before the end of that taxation year, except to the extent that such interest (or amount considered to be interest) was otherwise included in the Holder’s income for a preceding taxation year.

Any other Holder, including an individual and a trust (other than a unit trust) of which neither a corporation nor a partnership is a beneficiary, will be required to include in income for a taxation year any amount received or receivable (depending upon the method regularly followed by the Holder in computing income) by such Holder as interest (or amount considered to be interest) in that year on a Debenture, except to the extent that the interest (or amount considered to be interest) was included in the Holder’s income for a preceding taxation year.

In the event the Debentures are issued at a discount from their face value, a Holder may be required to include an additional amount in computing income, either in accordance with the deemed interest accrual rules contained in the Tax Act and the Regulations or in the taxation year in which an amount in respect of the discount is received or receivable by the Holder. Holders should consult their own tax advisors in these circumstances, as the treatment of the discount may vary with the facts and circumstances giving rise to the discount.

Any premium paid by SLF to a Holder because of the redemption or purchase for cancellation by it of a Debenture before maturity generally will be deemed to be interest received at that time by the Holder to the extent that such premium can reasonably be considered to relate to, and does not exceed the value at the time of the redemption or

purchase for cancellation of, the interest that would have been paid or payable by SLF on the Debenture for a taxation year ending after the redemption or purchase for cancellation.

On a disposition or deemed disposition of a Debenture, whether on maturity, redemption, purchase for cancellation or otherwise, a Holder will generally be required to include in its income in the taxation year in which the disposition occurs the amount of interest (including amounts considered to be interest) accrued on the Debenture from the date of the last interest payment to the date of disposition and that is not payable until after that time to the extent that such amount has not otherwise been included in the Holder's income for the taxation year or a previous taxation year. A Holder may also be required to include in computing its income the amount of any discount received or receivable by such Holder. In general, a disposition or deemed disposition of a Debenture will give rise to a capital gain (or capital loss) to the extent that the proceeds of disposition, net of any accrued interest (or any amount deemed to be interest) and any other amount included in computing income and any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Debenture to the Holder immediately before the disposition.

A Holder's adjusted cost base of a Debenture will generally include any amount paid to acquire the Debenture plus the amount of any discount included in income by such Holder. A Holder that receives repayment in full of the outstanding principal amount of a Debenture upon maturity will be considered to have disposed of the Debenture for proceeds of disposition equal to such outstanding principal amount.

Subject to certain Proposed Amendments contained in the Canadian federal budget released on April 16, 2024 (the "2024 Canadian Federal Budget") regarding the taxation of capital gains (the "Capital Gains Amendments") discussed below, one-half of the amount of any capital gain (a "taxable capital gain") realized by a Holder in a taxation year generally must be included in the Holder's income for that year, and one-half of the amount of any capital loss (an "allowable capital loss") realized by a Holder in a taxation year must be deducted from taxable capital gains realized by the Holder in that year. Allowable capital losses in excess of taxable capital gains may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years to the extent and under the circumstances described in the Tax Act. Capital gains realized by an individual or a trust (other than certain specified trusts) may give rise to a liability for alternative minimum tax under the Tax Act.

If enacted as proposed, the Capital Gains Amendments would increase the capital gains inclusion rate for capital gains realized on or after June 25, 2024, from one-half to two-thirds for: (i) corporations and trusts; and (ii) individuals on the portion of capital gains realized in a year that exceeds \$250,000. The Capital Gains Amendments also provide for corresponding adjustments to the inclusion rate of capital losses and capital losses carried forward from prior years (such that a capital loss realized prior to the rate change would fully offset an equivalent capital gain realized after the rate change), as well as for transitional rules and other consequential amendments. Legislation to implement the Capital Gains Amendments has not yet been released. Holders should consult their own tax advisors regarding the tax consequences of the Capital Gains Amendments based on their particular circumstances.

Interest received by, or a capital gain realized by, a Holder who is an individual (other than certain trusts) may give rise to liability for alternative minimum tax under the Tax Act. Proposed Amendments released on August 4, 2023, if enacted as proposed, contain provisions that modify the existing rules for computing the alternative minimum tax under the Tax Act for taxation years that begin after December 31, 2023. The 2024 Canadian Federal Budget included additional proposals to amend the alternative minimum tax rules in the Tax Act, though legislation to implement these Proposed Amendments has not yet been released. Holders who are individuals should consult their own tax advisors regarding the applicability of the alternative minimum tax based on their particular circumstances.

A Holder that is a "Canadian controlled private corporation" (as defined in the Tax Act) throughout a taxation year may be liable to pay an additional tax (refundable in certain circumstances) on its "aggregate investment income" (as defined in the Tax Act) for the year, which is defined to include amounts of interest and net taxable capital gains. This additional tax and refund mechanism in respect of "aggregate investment income" may also apply to a Holder that is a "substantive CCPCs", as defined in Proposed Amendments, at any time in a taxation year.