SUN LIFE FINANCIAL INC.

Pricing Supplement 1
Dated November 16, 2021

(to the short form base shelf prospectus of Sun Life Financial Inc. (“SLF”) dated March 19, 2021 as supplemented by the prospectus supplement of SLF dated March 19, 2021 (collectively, the “Prospectus”)).

$500,000,000
SERIES 2021-1 SUBORDINATED UNSECURED 2.46% FIXED/FLOATING DEBENTURES DUE 2031

The $500,000,000 principal amount of Series 2021-1 Subordinated Unsecured 2.46% Fixed/Floating Debentures due 2031 (the “Debentures”) will be issued under a trust indenture dated as of November 23, 2005, as supplemented by a twentieth 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.

<table>
<thead>
<tr>
<th>Issuer:</th>
<th>Sun Life Financial Inc.</th>
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<tbody>
<tr>
<td>Designation:</td>
<td>Series 2021-1 Subordinated Unsecured 2.46% Fixed/Floating Debentures due 2031.</td>
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<tr>
<td>Principal Amount:</td>
<td>$500,000,000 aggregate principal amount of Debentures.</td>
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<tr>
<td>Issue Price:</td>
<td>$999.58 per $1,000 principal amount of Debentures.</td>
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<td>Issue Date:</td>
<td>November 18, 2021.</td>
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<tr>
<td>Delivery Date:</td>
<td>November 18, 2021.</td>
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<tr>
<td>Maturity Date:</td>
<td>The Debentures will mature on November 18, 2031.</td>
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Interest: Each Debenture will bear interest (i) during the period from the closing date of this offering to, but excluding, November 18, 2026, at a fixed annual rate of 2.46%, payable in equal semi-annual instalments on May 18 and November 18 in each year, with the first payment of interest due on May 18, 2022 and the last payment of interest due on November 18, 2026, and (ii) from and including November 18, 2026 to, but excluding, the Maturity Date of the Debentures, at a variable rate equal to 3-month CDOR plus 0.44%, payable quarterly on February 18, May 18, August 18 and November 18 in each year beginning on February 18, 2027. The Debentures will mature on the Maturity Date.

“3-month CDOR” means, for any quarterly floating rate interest period, the average bid rate of interest (expressed as an annual percentage rate) rounded to the nearest
one-hundred-thousandth of 1.00% (with .000005 per cent being rounded up) for Canadian dollar bankers’ acceptances with maturities of three months which appears on the “Reuters Screen CDOR Page” as of approximately 10:15 a.m., Toronto time, on the first business day of such quarterly interest period, as published by Refinitiv Benchmark Services (UK) Limited or any successor thereto, as administrator (the “Administrator”) in accordance with its CDOR Methodology, as amended from time to time. If such rate does not appear on the “Reuters Screen CDOR Page” and there has been no public statement or publication of information indicating that CDOR has ceased or will cease to be provided permanently or indefinitely (an “Index Cessation Event”), then the rate for such date will be the 3-month CDOR in respect of such date as provided by the Administrator and published by an authorized distributor or by the Administrator itself. If by noon, Toronto time, on such date, neither the Administrator nor an authorized distributor has provided or published 3-month CDOR in respect of such date and an Index Cessation Event has not occurred, then the rate will be a rate formally recommended for use by the Administrator during the period of non-publication of CDOR and for so long as an Index Cessation Event has not occurred. If no such rate is available, then SLF shall appoint a calculation agent of national standing in Canada with experience providing such services (which may be an affiliate of SLF) and such calculation agent shall, in consultation with SLF, determine a commercially reasonable alternative for CDOR, taking into account any rate implemented by central counterparties and/or future exchanges, in each case, with trading volumes in derivatives or futures referencing CDOR that the calculation agent considers sufficient for that rate to be a representative alternative rate.

Notwithstanding the foregoing, on the first date that CDOR is no longer published following an Index Cessation Event, certain fallback replacement rates (including the relevant replacement rate spreads) will be triggered in a specified order and, upon the occurrence of specified events, as contemplated in the ‘Canadian Alternative Reference Rate Working Group recommended fallback for FRNs referencing CDOR’ published on July 6, 2021, which alternative rates include term-adjusted CORRA compounded-in-arrears rate provided by Bloomberg (or otherwise calculated), plus the spread relating to CDOR; the rate set by a committee officially endorsed or convened by the Bank of Canada (with term adjustment if not part of the recommendation); and the Bank of Canada policy rate plus the CORRA to CDOR spread, adjusted to account for any differences between the term structures or tenors of such rates.

“Reuters Screen CDOR Page” means the display designated as page “CDOR” on the Reuters Monitor Money Rates Service (or such other page as may replace the CDOR page on that or any other service, by the Administrator) for purposes of publishing or displaying, among other things, Canadian dollar bankers’ acceptance rates.

Yield: The effective yield of the Debentures, if held to November 18, 2026, will be 2.469%. 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 November 18, 2026, at a redemption price equal to par, together with accrued and unpaid interest to, but excluding, the date fixed for the redemption. Any Debentures redeemed on or after November 18, 2026 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.

Defeasance: On or after November 18, 2026, 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: CA86682ZAP14 / 86682ZAP1.

Credit Ratings: The Debentures have been rated “A” by DBRS Limited (“DBRS”) and “A” by Standard & Poor’s, a division of The McGraw Hill Companies Inc. (“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’ Fee: $3.50 per $1,000 principal amount of Debentures for a total of $1,750,000.

Use of Proceeds: The total net proceeds from the offering of Debentures will amount to approximately $497,340,000 after deducting the Agents’ fee and estimated expenses of this offering. The net proceeds will be used for general corporate purposes of SLF, which may include funding a portion of the purchase price for the DentaQuest Acquisition (as defined below), investments in subsidiaries, repayment of indebtedness and other strategic investments.

Method of Distribution: Agency.

<table>
<thead>
<tr>
<th>Per $1,000 principal amount of the Debentures</th>
<th>Price to the Public</th>
<th>Agents’ Fee(1)</th>
<th>Net Proceeds to SLF(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$999.58</td>
<td>$3.50</td>
<td>$996.08</td>
<td></td>
</tr>
<tr>
<td>$499,790,000</td>
<td>$1,750,000</td>
<td>$498,040,000</td>
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</table>

(1) SLF has agreed to pay the Agents a fee equal to $3.50 for each $1,000 principal amount of the Debentures sold.

(2) Before deduction of expenses of the offering payable by SLF estimated to be $700,000, which together with the Agents’ fee will be paid from the proceeds of the offering.

RECENT DEVELOPMENTS

On October 3, 2021, SLF announced that it had entered into a definitive agreement to acquire all of the issued and outstanding shares of capital stock of DentaQuest Group, Inc. ("DentaQuest") for approximately US$2.475 billion (approximately C$3.1 billion) (the "DentaQuest Acquisition"). Headquartered in Boston, Massachusetts and founded in 2001, DentaQuest is the largest provider of Medicaid dental benefits in the U.S. with growing Medicare Advantage, commercial and U.S. Affordable Care Act exchange businesses. Currently, DentaQuest has more than 33 million members in 36 states and approximately 2,400 employees. The transaction is expected to close in the first half of 2022, subject to receipt of regulatory approvals and satisfaction of customary closing conditions. Upon closing, DentaQuest is expected to more than double the size of SLF’s U.S. employee benefits business by revenues and to position SLF as a leader in providing governmental dental benefits.
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 10, 2021;

(b) the audited consolidated statements of financial position as at December 31, 2020 and 2019 and the related consolidated statements of operations, comprehensive income (loss), changes in equity and cash flows for each of the years in the two-year period ended December 31, 2020, together with the notes thereto, the independent auditor’s report, the report of the Independent Registered Public Accounting Firm and management’s discussion and analysis thereon;

(c) unaudited interim consolidated statements of financial position as at September 30, 2021 and December 31, 2020 and the related unaudited interim consolidated statements of operations, comprehensive income (loss) and cash flows for the three and nine month periods ended September 30, 2021 and 2020 and the unaudited interim consolidated statements of changes in equity for the three and nine month periods ended September 30, 2021 and 2020, together with management’s discussion and analysis thereon;

(d) the management information circular dated March 12, 2021;

(e) the material change report dated March 3, 2021 in respect of the appointment of Manjit Singh as Executive Vice-President and Chief Financial Officer of SLF;

(f) the material change report dated October 13, 2021 in respect of the DentaQuest Acquisition;

(g) the indicative template version of the subordinated unsecured fixed/floating debentures term sheet dated as at November 16, 2021 (the “Indicative Marketing Materials”); and

(h) the final template version of the subordinated unsecured fixed/floating debentures term sheet dated as at November 16, 2021 (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”) 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, RDSP, RRSP, RRIF or RESP, the holder of the TFSA 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, RDSP, RRSP, RRIF or RESP, provided the holder of the TFSA 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, 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” (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 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.

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.

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 refundable tax on certain investment income, including amounts of interest and taxable capital gains earned or realized in respect of the Debentures.