Instructions for completion of International tax classification for a non-financial entity

The International tax classification for an entity (4545) form should only be completed if the Account Holder is an Entity.

Please note: For additional instructions please see the complex 4545-I form.

What is an Entity?

An Entity is a corporation, trust, partnership, association or other organization.

Before you begin filling out the International Tax Classification for an Entity form, you will need:

- ☐ Your application or contract number
- ☐ Your business or trust number in Canada (this is assigned by the Canada Revenue Agency)
- ☐ You may need your TIN (TIN means the Entity or individual's Taxpayer Identification Number)

Note: Nothing in these instructions should be taken as legal or tax advice.

General Instructions on Completing the Form

The information you provide in the International Tax Classification for an Entity form is used to determine whether your account must be reported to the Canada Revenue Agency (CRA).

If any information provided in the International Tax Classification for an Entity form changes, you must notify Sun Life within 30 days.

Before you begin, you must determine whether the Entity is a Financial or Non-Financial Entity.

Non-Financial Entities must complete sections 1, 2, 3 (if applicable), and 6.

Financial Institutions must complete sections 1, 3 (if applicable), 4, 5, and 6. Financial institutions should see the complex 4545-I form.

To complete the form follow the instructions below.

1 Declaration of Tax Residency

All entities must complete this section. Complete section 1 based on where the Entity is a Tax Resident.

Tax Residency/Tax Residence

A tax resident pays or should be paying tax in a jurisdiction. Tax Residency is determined based on several criteria, including, but not limited to:

- Country of domicile (home for legal purposes, registered or permanent address)
- Country of incorporation, organization or formation
- Country of business activity (place it conducts or carries on business)
- Country of Permanent Establishment (tax treaty PE)
- Country of effective management (principal office/place where key or central management decisions are made or control is exercised)
- Other criterion that applies under the laws of the applicable jurisdiction(s)

Note: This list is not exhaustive. Please seek independent tax advice for further clarification.

If the Entity is a tax resident in only one country or jurisdiction:

Please complete the table on your International Tax Classification for an Entity form under Declaration of Tax Residency indicating the name of the country or jurisdiction where the Entity is a tax resident.

If the Entity is a tax resident in two or more countries or jurisdictions:

The Account Entity is a tax resident in more jurisdictions and you must complete an additional 4545 form. In certain circumstances, an Entity may be able to apply the tiebreaker rules contained in a tax treaty applicable to the Entity in order to resolve questions of multiple tax residences.

If the Entity's profits and losses flow through to its owners:

Please complete the table on your International Tax Classification for an Entity form under Declaration of Tax Residency with the Entity's place of effective management or country where the Entity is primarily located as its jurisdiction of residency.

Note: A trust is generally treated as resident or where its central management and control is located (i.e. where the people who control the trust reside for tax purposes). This can be where the trustee or beneficiary resides, depending on who exercises control.

2 Certification of Non-financial foreign entity (NFFE) and Non-financial entity (NFE)

You must complete section 2 only if the Entity is Non-Financial. If the Entity is a Financial Entity, you may skip this section and go to section 4.

If the Entity is an NFFE or NFE complete all of section 2. For section 2.2 you will need to select one option for the Entity's FATCA (NFFE) classification and one option for the Entity's CRS (NFE) classification. You may need to refer to the definitions of the following terms in order to complete this section of the form: Passive Income, Active NFFE, Active NFE, Passive NFFE and Passive NFE.

What is a Non-Financial Foreign Entity (NFFE)?

Any Non-U.S. Entity that is not a Foreign Financial Institution as defined in relevant U.S. Treasury Regulations, or an Entity that meets all of the following requirements:

- ☐ It is established and operated in its jurisdiction of residence exclusively for religious, charitable, scientific, artistic, cultural, athletic, or educational purposes; or it is established and operated in its jurisdiction of residence and it is a professional organisation, business league, chamber of commerce, labour organisation, agricultural or horticultural organisation, civic league or an organisation operated exclusively for the promotion of social welfare
- ☐ It is exempt from income tax in its jurisdiction of residence
- ☐ It has no shareholders or members who have a proprietary or beneficial interest in its income or assets
- ☐ The applicable laws of the Entity's jurisdiction of residence or the Entity's formation documents do not permit any income or assets of the Entity to be distributed to, or applied for the benefit of, a private person or non-charitable Entity other than pursuant to the conduct of the Entity's charitable activities, or as payment of reasonable compensation for services rendered, or as payment representing the fair market value of property which the Entity has purchased

An "NFFE" also includes any Non-U.S. Entity that is resident in Canada or another Partner Jurisdiction, and that is not a Financial Institution.

The applicable laws of the Entity's jurisdiction of residence or the Entity's formation documents require that, upon the Entity's liquidation or dissolution, all of its assets be distributed to a Governmental Entity or other non-profit organization, or escheat to the government of the Entity's jurisdiction of residence or to any political subdivision thereof

There are two types of NFFEs: Active NFFEs and Passive NFFEs.

What is an Active Non-Financial Foreign Entity (Active NFFE)?

If you can check at least one of the boxes below, your Entity is an Active NFFE. An Active NFFE means:

- ☐ For the previous calendar year or reporting period, less than 50% of the NFE's gross income is Passive Income and less than 50% of the assets held by the NFE are assets that produce or are held for the production of Passive Income
- ☐ The NFFE's stock is regularly traded on an established securities market, or the NFFE is a Related Entity of an Entity that has stock that is traded on an established securities market
- ☐ The NFFE is organised in a US Territory, and all its owners are bona fide residents of that US Territory
- ☐ The NFFE is a government (other than the US government), a subdivision of such government (including a province, state, county, or municipality of such government), or a public body performing a function of such government or political subdivision of that government, a government of a US Territory, an international organisation, a non-US central bank of issue, or an Entity wholly owned by one or more of the foregoing
- ☐ All or substantially all of the activities of the NFFE consist of holding (in whole or in part) the outstanding stock of, and providing financing and services to, one or more subsidiaries that engage in trades or businesses other than the business of a Financial Institution, unless the NFFE functions (or holds itself out) as an investment fund, such as a private equity fund, venture capital fund, leveraged buyout fund or any investment vehicle whose purpose is to acquire or fund companies and then hold interests in those companies as capital assets for investment purposes
- ☐ The NFFE is not yet operating a business and has no prior operating history, but is investing capital into assets with the intent to operate a business other than that of a Financial Institution; provided, that the NFFE does not qualify for this exception after 24 months from the date of the initial organization of the NFFE
- ☐ The NFFE was not a Financial Institution in the past five years, and is in the process of liquidating its assets or is reorganising with the intent to continue or recommence operations in a business other than that of a Financial Institution
- ☐ The NFFE primarily engages in financing and hedging transactions with or for Related Entities that are not Financial Institutions, and does not provide financing or hedging services to any Entity that is not a Related Entity, provided that the group of any such Related Entities is primarily engaged in a business other than that of a Financial Institution

2 Certification of Non-financial foreign entity (NFFE) and Non-financial entity (NFE) (continued)

☐ The NFFE meets all of the following requirements:

- It is established and maintained in its country of residence exclusively for religious, charitable, scientific, artistic, cultural, or educational purposes
- It is exempt from income tax in its country of residence
- It has no shareholders or members who have a proprietary or beneficial interest in its income or assets
- The applicable laws of the Entity's country of residence or the Entity's formation documents do not permit any income or assets of the Entity to be distributed to, or applied for the benefit of, a private person or non-charitable Entity other than pursuant to the conduct of the Entity's charitable activities, or as payment of reasonable compensation for services rendered, or as payment representing the fair market value of property which the Entity has purchased
- The applicable laws of the Entity's country of residence or the Entity's formation documents require that, upon the Entity's liquidation or dissolution, all of its assets be distributed to a Governmental Entity or other non-profit organization, or escheat to the government of the Entity's country of residence or any political subdivision thereof

What is a Passive Non-Financial Foreign Entity (Passive NFFE)?

In order to determine whether your Entity is a Passive NFFE, you will need to refer to the definitions of a NFFE and an Active NFFE. If you can check either of the boxes below, your Entity is not a Passive NFFE. A Passive NFFE is a NFFE that is neither:

☐ An active NFFE, nor

☐ A withholding foreign partnership or withholding foreign trust, pursuant to relevant U.S. Treasury Regulations

What is a Non-Financial Entity (NFE)?

Non-Financial Entity (NFE) means any Entity that is not a Financial Institution.

There are two types of NFEs: Active NFEs and Passive NFEs.

What is an Active Non-Financial Entity (Active NFE)?

Your Entity is an Active Non-Financial Entity (Active NFE) if you can check at least one of the boxes below. An NFE is an Entity in which:

☐ For the previous calendar year or reporting period, less than 50% of the NFE's gross income is Passive Income and less than 50% of the assets held by the NFE are assets that produce or are held for the production of Passive Income

☐ The stock of the NFE is regularly traded on an established securities market or the NFE is a Related Entity of an Entity that has stock that is regularly traded on an established securities market

☐ The NFE is or is wholly owned by one of the following:

- A Governmental Entity
- An International Organization
- A Central Bank

☐ All or substantially all of the activities of the NFE consist of holding (in whole or in part) the outstanding stock of, or providing financing and services to, one or more subsidiaries that engage in trades or businesses other than the business of a Financial Institution, except that an NFE does not qualify for this status if the NFE functions (or holds itself out) as an investment fund, such as a private equity fund, venture capital fund, leveraged buyout fund, or any investment vehicle whose purpose is to acquire or fund companies and then hold interests in those companies as capital assets for investment purposes

☐ The NFE is not yet operating a business and has no prior operating history, but is investing capital into assets with the intent to operate a business other than that of a Financial Institution, provided that the NFE does not qualify for this exception after 24 months from the date of the initial organisation of the NFE

☐ The NFE primarily engages in financing and hedging transactions with, or for, Related Entities that are not Financial Institutions, and does not provide financing or hedging services to any Entity that is not a Related Entity, provided that the group of any such Related Entities is primarily engaged in a business other than that of a Financial Institution

2 Certification of Non-financial foreign entity (NFFE) and Non-financial entity (NFE) (continued)

☐ The NFE meets all of the following requirements:

- It is established and operated in its jurisdiction of residence exclusively for religious, charitable, scientific, artistic, cultural, athletic, or educational purposes; or it is established and operated in its jurisdiction of residence and it is a professional organisation, business league, chamber of commerce, labour organisation, agricultural or horticultural organisation, civic league or an organisation operated exclusively for the promotion of social welfare
- It is exempt from income tax in its jurisdiction of residence
- It has no shareholders or members who have a proprietary or beneficial interest in its income or assets
- The applicable laws of the NFE's jurisdiction of residence or the NFE's formation documents do not permit any income or assets of the NFE to be distributed to, or applied for the benefit of, a private person or non-charitable Entity other than pursuant to the conduct of the NFE's charitable activities, or as payment of reasonable compensation for services rendered, or as payment representing the fair market value of property which the NFE has purchased
- The applicable laws of the NFE's jurisdiction of residence or the NFE's formation documents require that, upon the NFE's liquidation or dissolution, all of its assets be distributed to a Governmental Entity or other non-profit organization, or escheat to the government of the NFE's jurisdiction of residence or to any political subdivision thereof

What is a Passive NFE?

Passive Non-Financial Entity (Passive NFE) means any Non-Financial Entity that is not an Active Non-Financial Entity. See definitions for Non-Financial Entity and Active Non-Financial Entity above.

3 Controlling Persons

If the Entity is a Passive NFFE/NFE or an Investment Entity located in a Non-Participating Jurisdiction and managed by another Financial Institution, please complete the Controlling Persons section.

If a Controlling Person owns 25% or more of the Entity, you must complete section 3.2. If there is no Controlling Person who owns 25% or more of the Entity, you can skip section 3.2 and complete section 3.3 instead.

What defines Control?

Control means direct or indirect ownership of a partnership or corporation in certain cases. If you can check either of the boxes below, you control your Entity:

☐ In the case of a corporation, the Entity directly or indirectly owns more than 50% of the vote and value of the Entity

☐ In the case of a partnership, the Entity owns more than 50% of the income or loss of the partnership, or of the assets (net of liabilities) if the partnership were to cease to exist

In the case of a trust:

The Entity has an interest as a beneficiary with a fair market value that is greater than 50% of the fair market value of all interests as a beneficiary under the trust.

In the case of a legal arrangement other than a trust:

A Controlling Person means a person or persons in equivalent or similar positions if there is a legal arrangement that is not a trust.

Who is a Controlling Person?

A Controlling Person is a natural person who exercises direct or indirect control over the Entity. Whether any such person exercises control over an Entity is determined based on the particular situation in a manner consistent with how beneficial owners are identified for the purposes of Canada's Proceeds of Crime (Money Laundering) and Terrorist Financing Act. A person is considered a Controlling Person of a corporation if they directly or indirectly own or control 25% or more of the corporation. Note: under FATCA, a Controlling Person must also be a U.S. Person.

If no natural person is identified as the Controlling Person of an Entity:

A director or senior official of the corporation is considered the Controlling Person of the corporation if no natural person is identified.

In the case of a trust:

A Controlling Person is the settlor(s), the trustee(s), the protector(s) (if any), the beneficiary(ies) or class(es) of beneficiaries, and any other natural person(s) exercising ultimate effective control over the trust. If any of those roles for a trust are filled by an Entity, you must look through the chain of ownership or control to the natural persons exercising ultimate effective control over the Entity.

In the case of a legal arrangement other than a trust:

A Controlling Person means a person or persons in equivalent or similar positions if there is a legal arrangement that is not a trust.

4 Financial institutions

You only have to complete this section if the Entity is a Financial Institution. For section 4.2, you may need to see the 4545-I complex form. For section 4.2 and 4.3, you will need to know what type of Financial Institution the Entity is.

5 Intermediaries

You only have to complete this section if the Entity is a Non-Financial Entity. Determine whether the Entity is holding a financial account for the benefit of another person. This may be as an agent, custodian, nominee, signatory or intermediary. To complete section 5, you may need to see the 4545-I complex form.

6 Declaration and signatures

All Entities must complete this section. Only the person or persons authorized as representatives may sign the declaration statement. Please refer to section 6 of the form (4545) for the declaration.

Useful Terms

Definitions in this document are provided for general information only. For terms not defined in this document, refer to the Income Tax Act (Canada) or CRA published guidance. For any questions about the "International tax classification for an entity form (4545-E)", the meaning and application of any terms and definitions or the consequences of not providing information, seek independent legal or tax advice.

Who is an Account Holder?

If the account is not maintained for the benefit of another person or Entity:

The Account Holder is the owner of the financial account currently or yet to be maintained by Sun Life.

If the account is maintained for the benefit of another person or Entity:

The person or Entity for whose benefit the financial account is owned is treated as the Account Holder.

In the case of a cash value insurance contract or an annuity contract:

The Account Holder is any person or Entity entitled to access the cash value or change the beneficiary of the contract. If no one can access the cash value or change the beneficiary, the Account Holder is any person or Entity named as the owner in the contract, and any person or Entity with a vested entitlement to payment under the terms of the contract (including a collateral assignee). Upon the maturity of a cash value insurance contract or an annuity contract, each person or Entity entitled to receive a payment under the contract is treated as an Account Holder.

If the account is jointly held:

Each joint holder or co-owner is an Account Holder.

Who is not an Account Holder?

A person or Entity, other than a Financial Institution, who owns a financial account for the benefit of another person or Entity as agent, custodian, nominee, signatory, investment advisor, or intermediary, is not treated as the Account Holder under Parts XVIII or XIX of the Income Tax Act (Canada).

What does CRS stand for?

Common Standard Reporting (CRS) is a new international standard for the automatic exchange of financial account information between tax administrations to use in fighting tax evasion and to promote voluntary compliance with tax laws. Canada and close to a hundred other jurisdictions are committed to its implementation.

What is a Custodial Institution?

A custodial institution is any Entity where a substantial part of its business is holding financial assets for the account of others. 'Substantial' means that at least 20% of the Entity's gross income comes from holding financial assets and providing related services over the three year period ending on December 31 (or the entity's year-end) in the year before the determination is made. If the entity has not been in business for that long, the time is measured from when the entity started in business. Entities that safe keep financial assets for the account of others, such as investment dealers, custodian banks, brokerages, trust companies, and central securities depositories, would generally be considered custodial institutions.

What is not a Custodial Institution?

Entities that do not hold financial assets for the account of others, such as insurance brokers, will not be custodial institutions.

What is a Depository Institution?

A Depository Institution is an Entity that accepts deposits in the ordinary course of a bank or a similar business. Entities that fall within this definition include entities regulated in Canada as a bank, a trust and loan company, a credit society, a savings and credit union, or a caisse populaire.

What is not a Depository Institution?

If you can check any of the boxes below, your Entity is not a Depository Institution. An Entity is not a Depository Institution if it:

- ☐ Solely provides asset-based financial services
- ☐ Accepts deposits from persons solely as collateral or security pursuant to a sale or lease of property, a loan secured by property, or a similar financing arrangement, between it and the person making the deposit

Please note, facilitating money transfers by instructing agents to transmit funds (without financing the transactions) is not seen as the acceptance of a deposit and an Entity will not be considered to be engaged in a banking or similar business or a depository institution because of this activity alone.

What does FATCA stand for?

FATCA stands for Foreign Account Tax Compliance Act.

What is an Investment Entity?

If you can check any of the boxes below, your Entity is an Investment Entity. An investment entity must primarily conduct, or be managed by an Entity that conducts, business for, or on behalf of, a customer:

- ☐ Trading in:
  - Money market instruments (such as cheques, bills, certificates of deposit, and derivatives)
  - Foreign exchange
  - Exchange, interest rate, and index instruments
  - Transferable securities
  - Commodity futures
- ☐ Individual and collective portfolio management
- ☐ Otherwise investing, administering or managing funds or money on behalf of other persons

What is a Direct Reporting NFFE?

If you can check all the boxes below your NFFE is a direct reporting NFFE. Your NFFE:

- ☐ Elects to report information about its direct or indirect substantial U.S. owners to the IRS
- ☐ Has a Global Intermediary Identification Number (GIIN)
- ☐ Meets certain requirements as defined in U.S. Treasury Regulation

What is a Non-U.S. Entity?

An Entity that is not a U.S. Person is a Non-U.S. Entity. (See the definition of an U.S Person for further clarification.)

What is Passive Income?

Passive Income is the portion of gross income that is made up of income earned from investments or from ownership of property. If you can check any of the boxes below, your Entity earns Passive Income. Passive Income includes:

- ☐ Dividends
- ☐ Interest
- ☐ Income equivalent to interest (for example, the difference between what you pay for a Treasury bill and the greater amount that the government pays you when the bill matures is treated as interest)
- ☐ Rents and royalties (other than those derived from the active conduct of a trade or business conducted, at least in part, by employees of an Active NFE)
- ☐ Annuities
- ☐ Net gains from the sale of property
- ☐ Net gains from certain transactions in financial assets (including commodities, futures and forward contracts, and options)
- ☐ Net foreign currency gains
- ☐ Net income from swaps
- ☐ Money received under cash value insurance contracts

What is a Related Entity?

An Entity is related to another entity if one Entity controls the other or the two Entities are under common control (the "related entity group"). (See definition of control for further clarification.)

What is a Reportable Jurisdiction?

Reportable Jurisdiction means a jurisdiction other than Canada and the United States of America that has an agreement in place to provide the financial account information required under the "International tax classification for an entity (4545-E)" form.

What is a Reportable Jurisdiction Person?

Reportable Jurisdiction Person means an Entity that is a tax resident in a Reportable Jurisdiction(s) under the tax laws of that jurisdiction.

What is a Reportable Person?

Reportable Person means a Reportable Jurisdiction Person with some exceptions. If you can check any of the boxes below, you are not a Reportable Person:

- ☐ A corporation whose stock is regularly traded on one or more established securities markets
- ☐ Any corporation that is a Related Entity of a corporation whose stock is regularly traded on one or more established securities markets
- ☐ A Governmental Entity
- ☐ An International Organization
- ☐ A Central Bank
- ☐ A Financial Institution (except for an Investment Entity that is a Passive NFE)

What defines a Tax Resident?

A tax resident pays or should be paying tax in a jurisdiction. See General Instructions section 1 for further clarification.

What is the 'U.S. Code'?

The term, 'U.S. Code' refers to the U.S. Internal Revenue Code.

What is a 'U.S. Person'?

If you can check any of the boxes below, you or your Entity are a U.S. Person. You are:

- ☐ A U.S. citizen
- ☐ A U.S. resident individual
- ☐ An estate, partnership or corporation organized in the United States or under the laws of the United States or any State thereof

In certain cases, a U.S. Person might include a trust:

A trust (including the estate of someone who was a U.S. person before death) will be a U.S. Person if you are able to check both of the boxes below:

- ☐ A court within the United States has the right under applicable law to make orders or judgments about almost all issues regarding the administration of the trust
- ☐ One or more U.S. persons have the right to control all substantial decisions of the trust

These terms should be interpreted in accordance with the U.S. Internal Revenue Code (U.S. Code) and applicable U.S. Treasury Regulations.

What is a 'specified U.S. Person'?

A specified U.S. Person is a U.S. Person, unless the U.S. Person is any one of the entities described below: If you can check any of the boxes below, you are not considered a U.S. Person. A U.S. Person is not:

- ☐ A corporation that regularly trades its stock on one or more established securities markets
- ☐ A corporation that is a member of the same expanded affiliated group, as defined in section 1471(e)(2) of the U.S. Code, as a corporation described in clause (1)
- ☐ The United States or any wholly owned agency or instrumentality thereof
- ☐ A State of the United States, a U.S. Territory, a political subdivision of any of the foregoing, or a wholly owned agency or instrumentality of any one or more of the foregoing
- ☐ A organisation exempt from taxation under section 501(a) of the U.S. Code or an individual retirement plan as defined in section 7701(a)(37) of the U.S. Code
- ☐ A bank as defined in section 581 of the U.S. Code
- ☐ A real estate investment trust as defined in section 856 of the U.S. Code
- ☐ A regulated investment company as defined in section 851 of the U.S. Code or any Entity registered with the U.S. Securities and Exchange Commission under the U.S. Investment Company Act of 1940
- ☐ A common trust fund as defined in section 584(a) of the U.S. Code
- ☐ A trust that is exempt from tax under section 664(c) of the U.S. Code or that is described in section 4947(a)(1) of the U.S. Code
- ☐ A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any State
- ☐ A broker as defined in section 6045(c) of the U.S. Code
- ☐ A tax-exempt trust under a plan that is described in section 403(b) or section 457(b) of the U.S. Code

What is U.S. Territory?

U.S Territory means American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, the Commonwealth of Puerto Rico, or the U.S. Virgin Islands.