



# Corporate governance

At Sun Life Financial, we are very aware of our responsibilities in guiding our customers' financial futures. This is why we have developed, and follow, guidelines that ensure consistent governance throughout our organization.

## BOARD GOVERNANCE

The mission of the Board of Directors is to be a strategic asset to our organization, as measured by the effective execution of its overall stewardship role and the contribution the directors make – individually and collectively – to the long-term success of the enterprise. To better execute its mandate, the Board strives for continual improvement in its corporate governance processes and practices.

The Board of Directors currently has 13 members; 12, including the Chairman of the Board, are independent. The Board delegates certain responsibilities to standing Board Committees to allow for the in-depth review of topics.

The five standing Board Committees are the Audit Committee, Governance and Conduct Review Committee,

Investment Oversight Committee, Management Resources Committee and Risk Review Committee. All members of Board Committees are independent directors. Each Committee Chair reports to the full Board following each Committee meeting.

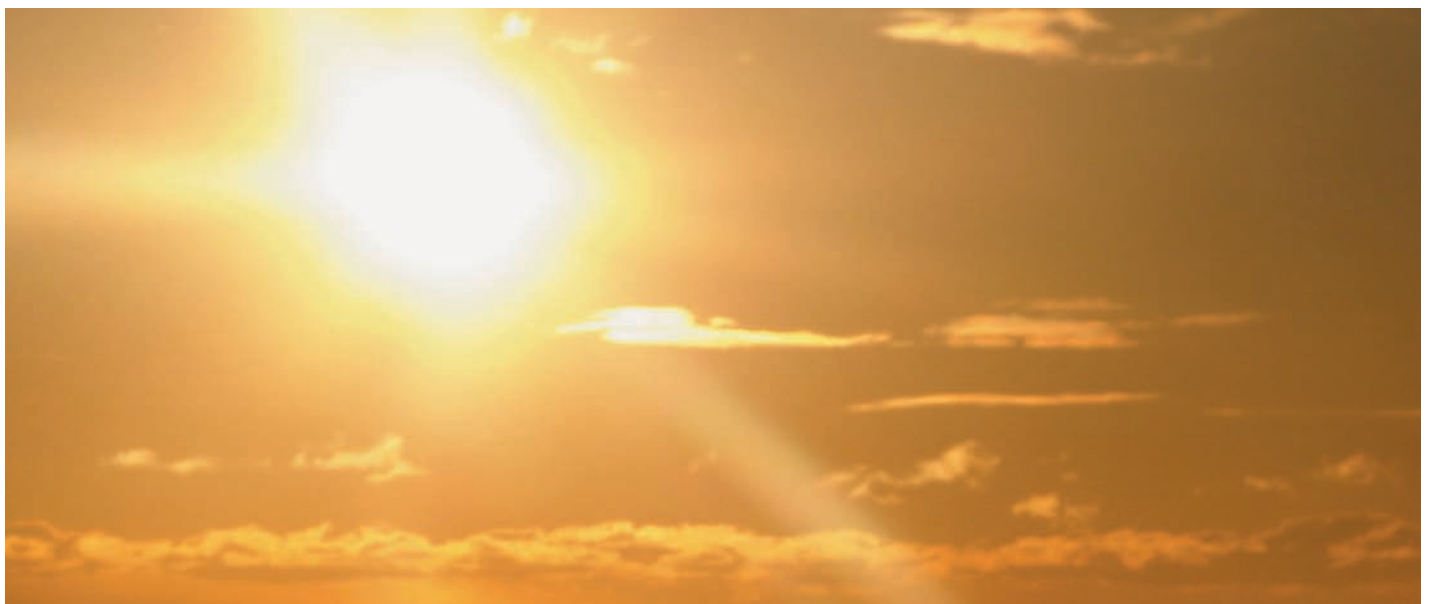
The Board regularly reviews its corporate governance processes and practices to ensure consistency with evolving best practices, the Company's governing statute, the *Insurance Companies Act* (Canada), the Canadian Securities Administrators' Corporate Governance Guidelines, the New York Stock Exchange Corporate Governance Rules, and the Guidelines issued by the Office of the Superintendent of Financial Institutions for Effective Corporate Governance in Federally Regulated Financial Institutions.

Further information on the Board's governance practices can be found at [www.sunlife.com](http://www.sunlife.com) in the 2011 Management Information Circular.

## RISK MANAGEMENT AND COMPLIANCE

Sun Life Financial's enterprise-wide risk management framework sets out lines of responsibility and authority for risk taking, governance and control. We are committed to compliance with applicable statutory and regulatory requirements in all jurisdictions in which we do business.

The Board of Directors is ultimately responsible for ensuring that risk management policies and practices are in place. Through approval of appropriate policies and ongoing



oversight, the Board of Directors ensures that the Company's principal risks are appropriately identified and managed. The Board of Directors delegates this function to the Risk Review Committee, Investment Oversight Committee and Governance and Conduct Review Committee. These are standing Board Committees composed of independent directors whose primary function is to assist the Board of Directors with its oversight role in ensuring that major risks facing the Company are identified. The Committees also assist the Board in ensuring that strategies are developed to manage those risks and reviewing compliance with certain risk management policies implemented by the Company.

Primary accountability for risk management is delegated to management in the person of the CEO. The risk management structure enables the CEO to further delegate responsibilities throughout Sun Life Financial. The CEO delegates line accountability for the various classes of risk management to the Executive Team whose members are accountable for day-to-day risk management. Business leaders have front line accountability for managing risks in their specific operations and are supported by a network of business segment compliance and risk officers.

The Chief Risk Officer (CRO) is responsible for developing and communicating the enterprise risk management framework and for overseeing development and implementation of enterprise-wide risk management strategies aimed at optimizing the Company's global risk/return profile. In addition, the CRO provides independent functional oversight of the Company's enterprise-wide risk management programs by ensuring that effective processes are in place to identify, measure and

assess risk, develop responses to risks, and to monitor, control, report and communicate any risks inherent in the Company's activities.

The Chief Compliance Officer (CCO) is responsible for promoting, facilitating, monitoring and assessing compliance with regulatory and market conduct requirements and facilitating the identification and management of compliance risks relevant to Sun Life Financial's activities. To do so, the CCO maintains an enterprise-wide network of compliance officers to identify, escalate and resolve material compliance matters, and leverage regulatory and market conduct best practices across Sun Life Financial. The CCO is also responsible for maintaining and distributing the Sun Life Financial Code of Business Conduct and managing Code-related programs.

*We strive for  
continual improvement  
in our corporate  
governance processes  
and practices.*

– Board of Directors,  
Sun Life Financial

Sun Life Financial's risk management activities are supported by the Company's Internal Audit function through its ongoing assessments of the effectiveness of, and adherence to, internal controls.

## **SUN LIFE FINANCIAL CODE OF BUSINESS CONDUCT**

At Sun Life Financial, we understand that our corporate integrity is a reflection of the personal integrity of each and every employee of the Company. Our approach to business conduct is based on ethical behaviour,

integrity, respect and working to the highest standards of business ethics and good governance. This approach is captured in the Sun Life Financial Code of Business Conduct.

The Sun Life Financial Code of Business Conduct applies to all Sun Life Financial employees, and all directors of Sun Life Financial Inc. and its subsidiaries and joint venture companies, other than those companies that have adopted a code of conduct consistent with the spirit of ours. To support our employees' adherence to the Code in their day-to-day business dealings, Sun Life Financial has a network of contacts to answer questions or inquiries about the Code. The Company has also established a 24-hour hotline (telephone and web-based) where employees may report concerns – anonymously if they wish – about violations of the Code.

The Sun Life Financial Code of Business Conduct can be found at [www.sunlife.com](http://www.sunlife.com).

## **PRIVACY**

At Sun Life Financial, we are in the business of maintaining long-term relationships with our customers, who entrust us with comprehensive knowledge about them and their needs. This is why we are committed to protecting the confidentiality of their personal information.

Our Global Privacy Commitment outlines a set of principles followed by our wholly owned subsidiaries and branch operations worldwide, which helps to ensure that our customers' personal information remains private and confidential. In certain countries in which we do business, the Privacy Commitment is supplemented by more detailed privacy policies or codes that reflect the particular legislative requirements of those countries.