

COMPANY NAME : SUN LIFE OF CANADA (PHILIPPINES), INC.  
 COMPANY STRUCTURE : CLASS 1  
 FINANCIAL YEAR END : 2018  
 SECTOR : INSURANCE (Life)

**BONUS PART**

<b>A. The Rights of Shareholders</b>			
	<b>SCORECARD ITEM</b>	<b>Y/ N</b>	<b>Reference/ Source document</b>
<b>A.1</b>	<b><i>Right to participate effectively in and vote in general shareholders meeting and should be informed of the rules, including voting procedures, that govern general shareholders meeting.</i></b>		
A.1.1(B)	Does the company allow the use of secure electronic voting in <i>absentia</i> at the general meetings of shareholders?	<b>OECD Principle II (C) (4) Shareholders should be able to vote in person or in absentia, and equal effect should be given to votes whether cast in person or in absentia.</b>	N/A  <b><i>Not applicable to Class 1 company as prescribed by the Guidelines on Compliance with ASEAN Corporate Governance Scorecard issued by the Insurance Commission.</i></b>
<b>B.</b>	<b>Equitable treatment of shareholders</b>		
<b>B.1</b>	<b>Notice of AGM</b>		
B.1.1(B)	Does the company release its notice of AGM (with detailed agendas and explanatory circulars), as announced to the Exchange, at least 28 days before the date of the meeting?	<b>OECD Principle II (C)</b> (1) Shareholders should be furnished with sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be decided at the meeting. (3) Effective shareholder participation in key corporate governance decisions, such as the nomination and election of board members, should be facilitated.  <b>OECD Principle III (A)</b>	N/A  <b><i>Not applicable to Class 1 company as prescribed by the Guidelines on Compliance with ASEAN Corporate Governance Scorecard issued by the Insurance Commission.</i></b>  The Notice to the 2019 Annual stockholder’s meeting was released the month before the meeting.  <a href="https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/SLOCPI%20ASM%20Notice%202019%20with%20attachments%20(003).pdf">https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/SLOCPI%20ASM%20Notice%202019%20with%20attachments%20(003).pdf</a>

		<p><b>ICGN 8.3.2 Shareholder participation in governance</b> Shareholders should have the right to participate in key corporate governance decisions, such as the right to nominate, appoint and remove directors on an individual basis and also the right to appoint external auditors.</p> <p><b>ICGN 8.4.1 Shareholder ownership rights</b> The exercise of ownership rights by all shareholders should be facilitated, including giving shareholders timely and adequate notice of all matters proposed for shareholder vote.</p> <p><b>CLSA-ACGA (2010) CG Watch 2010 - Appendix 2.</b> (I) CG rules and practices (25) Do company release their AGM notices (with detailed agendas and explanatory circulars) at least 28 days before the date of the meeting?</p>		
<b>C.</b>	<b>Roles of Stakeholders</b>			
<b>C.1</b>	<b>The rights of stakeholders that are established by law or through mutual agreements are to be respected</b>			
<b>C.1.1 (B)</b>	Does the company practice integrated report on its annual reports?	<p>International &lt;IR&gt; Framework - DRAFT ,IIRC Council Item 3b Meeting of 5 December 2013</p> <p>“Integrated Reporting &lt;IR&gt; promotes a more cohesive and efficient approach to corporate reporting and aims to improve the quality of information available to providers of financial capital to enable a more efficient and productive allocation of</p>	YES	<p>The company practices integrated report on its Annual Report. The important information that may be found in different reports may already be found in the Annual Report.</p> <p><b>Source Document:</b></p> <p><b>2018 Annual Report</b> <a href="https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/SunLife_AR_2019.pdf">https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/SunLife_AR_2019.pdf</a></p>

		capital. The IIRC’s vision is a world in which integrated thinking is embedded within mainstream business practice in the public and private sectors, facilitated by <IR> as the corporate reporting norm.”		
<b>D.</b>	<b>Disclosure and transparency</b>			
<b>D.1</b>	<b>Quality of Annual Report</b>			
<b>D.1.1 (B)</b>	Are the audited annual financial report /statement released within 60 days from the financial year end?	<b>OECD Principle V (C)</b> <b>OECD Principle V (E)</b> <b>ICGN 7.2</b> Timely disclosure <b>ICGN 7.3</b> Affirmation of financial statements The board of directors and the corporate officers of the company should affirm at least annually the accuracy of the company's financial statements or financial accounts.	NO	The Audited Financial Report was not released within 60 days from end of the financial year.
<b>D.1.2 (B)</b>	Does the company disclose details of remuneration of the CEO?		NO	The Company does not disclose details of the remuneration of the CEO to avoid exposing the CEO to security risks and also to preserve the CEO’s privacy, which is protected under the Data Privacy Act.
<b>E.</b>	<b>Responsibilities of the Board</b>			
<b>E.1</b>	<b>Board Competencies and Diversity</b>			
<b>E.1.1(B)</b>	Does the company have at least one female independent director/commissioner?	<b>ICGN 2.4.1</b> Skills and experience The board should consist of directors with the requisite range of skills, competence, knowledge, experience and approach, as well as a diversity of perspectives, to set the context for appropriate board behaviours and to enable it to discharge its duties and responsibilities effectively.	NO	The Company has 2 female directors, Ms. Rizalina G. Mantaring and Ms. Lucy CL Chou. The Independent Directors however are males. We believe that consideration for this item should not be limited to independent directors as diversity is also expressed through the presence of female non-independent directors.  The Company promotes diversity and inclusion in the workplace and in the Board.  <i>“Diversity and Inclusion</i>

			<p><i>Our commitment to diversity and inclusion is at the center of our company values and is critically important to the board and executive management. We believe that highly qualified directors and executive leaders who reflect the clients we serve, our employees, and the communities where we operate bring broader perspectives and experience to deepen our insight, enhance innovation and accelerate growth. We also create an inclusive, high performing culture where all employees, regardless of gender, race, religion, age, country of origin, physical ability, sexual orientation or other diversity attributes, can contribute to their full potential.</i></p> <p><b>Women on the Board</b>  <i>The board believes a diverse group of directors produces better corporate governance and decision-making. The board has adopted a diversity policy that includes provisions relating to the identification and nomination of female directors. The objective of the board’s diversity policy is to ensure that the board as a whole possesses diverse characteristics, including a diversity of qualifications, skills, experience and expertise relevant to the company’s business, in order to appropriately fulfil its mandate.”</i></p> <p><b>Source Document:</b></p> <p><b><u>2018 Annual Report (Pages 49)</u></b>  <a href="https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/SunLife_AR_2019.pdf">https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/SunLife_AR_2019.pdf</a></p>
E.2	Nominating Committee		

<p><b>E.2.1(B)</b></p>	<p>Does the Nominating Committee comprise entirely of independent directors/commissioners?</p>	<p>ICGN 2.4.4 Composition of board committees  The members of these key board committees should be solely non-executive directors, and in the case of the audit and remuneration committees, solely independent directors. All members of the nominations committee should be independent from management and at least a majority should be independent from dominant owners.</p>	<p>NO</p> <p>The Manual on Corporate Governance requires the Nomination and Remuneration Committee to be composed of at least three (3) members of the Board, at least two (2) of whom are Independent Directors, including a Committee Chair, and in the absence of another Independent Director, the third member shall be a non-Executive Director. The members are appointed by the Board on an annual basis following each annual meeting.</p> <p><i>“Nomination and Remuneration Committee Members for 2018-2019  The Nomination and Remuneration Committee is composed of at least three (3) members of the Board, at least two (2) of whom are Independent Directors, including a Committee Chair, and in the absence of another Independent Director, the third member shall be a non-Executive Director. The members are appointed by the Board on an annual basis following each annual meeting.</i></p> <p><i>The Nomination and Remuneration Committee had 4 meetings in 2018, and all the Committee members had perfect attendance.”</i></p> <p><b>Source Documents:</b></p> <p><b><u>Manual on Corporate Governance (Page 11)</u></b>  <a href="https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/MOCG%20SLOCPI%20(05-07-2019)-final.pdf">https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/MOCG%20SLOCPI%20(05-07-2019)-final.pdf</a></p> <p><b><u>2018 Annual Report (Page 47)</u></b>  <a href="https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/SunLife_AR_2019.pdf">https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/SunLife_AR_2019.pdf</a></p>
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E.2.2(B)	Does the Nominating Committee undertake the process of identifying the quality of directors aligned with the company's strategic directions?		YES	<p>Please see the Board of Director's <a href="#">Skills Matrix</a>.</p> <p>Under the Manual on Corporate Governance, the Nomination and Remuneration Committee-</p> <p><i>"b. Duties and Responsibilities</i></p> <ul style="list-style-type: none"> <li>• <i>Recommend persons to fill any vacancy on the Board, which the Board may fill pursuant to the Corporation's By-Laws and subject to such internal rules and regulations of Sun Life Financial, Inc. on the same, directors to be appointed to committees of the Board, and nominees for election or re-election as directors;</i></li> <li>• <i>Consider potential director candidates from a list of nominees submitted to the Nomination and Remuneration Committee;"</i></li> <li>• <i>Consider and if thought fit after consulting the Chief Executive Officer, approve requests from directors or committees of the Board for engagement of special advisors at the expense of the Corporation, in respect of any matter or issue for which independent advice is required. In this regard, the Corporation should retain the services of a search firm to assist in the selection of suitable candidates to fill any vacancy in the Board;</i></li> <li>• <i>Review and assess the following matters and make recommendations annually to the Board with regard thereto;</i></li> </ul> <p><i>I. the process related to meetings of the Board, including timing and frequency of meetings,</i></p>
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				<p><i>content of agendas and informational requirements of the Directors;</i></p> <p><i>II. the mandates of the committees of the Board;</i></p> <p><i>III. the adequacy of Directors and officers' liability insurance coverage;</i></p> <p><i>iv. the process for the assessment of the contributions of individual Directors; and</i></p> <p><i>v. the effectiveness of the Board as a whole and of each committee of the Board;"</i></p> <p><b>Source Document:</b></p> <p><b>Manual of Corporate Governance (Page 11-12)</b>  <a href="https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/MOCG%20SLOCPI%20(05-07-2019)-final.pdf">https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/MOCG%20SLOCPI%20(05-07-2019)-final.pdf</a></p> <p><b>Skills Matrix</b>  <a href="https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/Board%20Skills%20Matrix%20-%20SLOCPI.pdf">https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/Board%20Skills%20Matrix%20-%20SLOCPI.pdf</a></p>
<b>E.4</b>	<b>Board Structure &amp; Composition</b>			
E.4x.1(B)	Do independent non-executive directors/commissioners make up more than 50% of the board of directors/commissioners?		YES	<p>There are two (2) Independent Directors and 2 non-executive directors out of the six (6) directors elected.</p> <p><b>Source Document:</b></p> <p><b>2018 Annual Report (Page 44)</b>  <a href="https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/SunLife_AR_2019.pdf">https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/SunLife_AR_2019.pdf</a></p>

E.5.1(B)	Does the company have a separate level Risk Committee?	<p>International Financial Corporation’s Global Corporate Governance Forum Publication: When Do Companies Need a Board-level Risk Management Committee?(Volume 31, pp.11, March 2013)</p> <p>Benefits of a Board Level Risk Committee:</p> <ol style="list-style-type: none"> <li>1. elevate risk oversight to the highest level in the company;</li> <li>2. strengthen the quality of risk management;</li> <li>3. inculcate a risk culture and risk-management environment to mitigate and manage risks effectively across the organization;</li> <li>4. establish a platform for continuous assessment of risks in light of the changing internal and external environments;</li> <li>5. improve communication among the board, management, and other stakeholders about risk management; and</li> <li>6. demonstrate to internal and external stakeholders the company’s commitment to risk management</li> </ol>	YES	<p>Company has a separate level Risk Committee. The Manual of Corporate Governance states-</p> <p><b>“2. Risk Management Committee.</b> <i>The Risk Management Committee shall be composed of at least three (3) members of the Board, at least one (1) of whom is an Independent Director, including a Committee Chair, and who are appointed by the Board on an annual basis following each annual meeting. Each member shall have at least an adequate understanding of, or competence in, most of the Corporation’s risk management systems and regulatory environment.</i></p> <p><i>a. Structure and Operations</i>  <i>A meeting of the Risk Management Committee may be called at any time by the Chairman of the Board, the Committee Chair or by two (2) members of the Committee. The Risk Management Committee meets as frequently as necessary, but not less than four (4) times a year. A quorum at any meeting of the Committee shall be a majority of its members.</i></p> <p><i>On an annual basis, the Committee will review its Charter and the Forward Agenda for the Committee, where necessary, recommend changes to the Board for approval.</i></p> <p><i>b. Duties and Responsibilities</i></p> <ul style="list-style-type: none"> <li>• <i>Provide oversight over senior management’s activities in managing credit, market, liquidity, operational, legal and other risks of the Corporation. This includes receiving from senior management periodic information on risk exposures and risk management activities;</i></li> </ul>
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			<ul style="list-style-type: none"> <li>• <i>At least annually, identify and review the major areas of risk in respect of the business activities of the Corporation, leveraging the Risk Identification Process and implementing policies or procedures to mitigate any material risks;</i></li> <li>• <i>Where necessary, invite specific functional unit representatives to make presentations at the meetings in the event that any particular material risks are identified in or by such functional units;</i></li> <li>• <i>Review the Top Ten Risks Report and/or Key Risks Assessment Report presented by the Risk Management Officer – Philippines;</i></li> <li>• <i>Review and assess current business practices to identify any material exposure and ways to mitigate the risk/exposure, if any;</i></li> <li>• <i>Review at least annually the effectiveness of and compliance with the policies implemented for the management and control of risks pursuant to the Risk Reporting Questionnaire to ensure adherence to risk policies and the relevant operating guidelines;</i></li> <li>• <i>Discuss any material regulatory and compliance risks and any emerging risks;</i></li> <li>• <i>Review any material legal risks or emerging risks; and</i></li> <li>• <i>Perform such other duties and exercise such powers as may from time to time be assigned</i></li> </ul>
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				<p><i>to or vested in the Committee by the Board of Directors.”</i></p> <p><b>Source Document:</b></p> <p><b><u>Manual of Corporate Governance (Page 9-10)</u></b> <a href="https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/MOCG%20SLOCPI%20(05-07-2019)-final.pdf">https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/MOCG%20SLOCPI%20(05-07-2019)-final.pdf</a></p> <p><b><u>2018 Annual Report (Pages 46)</u></b> <a href="https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/SunLife_AR_2019.pdf">https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/SunLife_AR_2019.pdf</a></p>
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