

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

B. Equitable Treatment of Shareholders				
	SCORECARD ITEM		Y/N	Reference/Source Document
<b>B.1</b>	<b>Shares and voting rights</b>			
B.1.1	Do the company's ordinary or common shares have one vote for one share?	<p><b>OECD Principle III</b>  <b>(A) All shareholders of the same series of a class should be treated equally.</b>            (1) Within any series of a class, all shares should carry the same rights. All investors should be able to obtain information about the rights attached to all series and classes of shares before they purchase. Any changes in voting rights should be subject to approval by those classes of shares which are negatively affected.</p> <p><b>ICGN 8.3.1 Unequal voting rights</b>            Companies ordinary or common shares should feature one vote for one share. Divergence from a 'one-share, one-vote' standard which gives certain shareholders power which is disproportionate to their equity ownership should be both disclosed and justified.</p>	Y	<p>The Company's common shares have one vote for one share. Sun Life has only one class of shares, which is common, and has equal rights per share.</p> <p>The Manual on Corporate Governance contains a section on the rights of stockholders. The right of the stockholder as it relates to his shares in the Company is also subject to the requirements stated in said Manual on Corporate Governance.</p> <p><i>"Shareholders' Benefit</i>            A. xxx            B. <i>Investors' Rights and Protection</i>            1. <i>Right of Investors/Minority Interests. The Board shall be committed to respect the following rights of the Stockholders:</i>  <input type="checkbox"/> <i>Voting Right</i>                a. <i>Shareholders shall have the right to elect, remove and replace Directors and vote on certain corporate acts in accordance with the Corporation Code and the Corporation's by-laws.</i>                b. <i>Cumulative voting shall be used in the election of Directors.</i>                c. <i>A Director shall not be removed without cause if it will deny minority shareholders representation in the Board.</i>  <input type="checkbox"/> xxx  <input type="checkbox"/> <i>It shall be the duty of the Directors to promote shareholder rights, remove impediments to the exercise of the shareholders' rights and allow possibilities to seek redress for violations thereof.</i></p>

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				<p><i>They shall encourage the exercise of shareholders' voting rights and the resolution of collective action problems through appropriate mechanisms. They shall be instrumental in removing excessive costs and other administrative or practical impediments to shareholders participating in meetings and/or voting in person. The Directors shall pave the way for the electronic filing and distribution of shareholder information necessary to make informed decisions, subject to legal constraints.</i></p> <p>Article II of the By-Laws also covers the rights of the shareholders with regard to their voting shares.</p> <p><b>Source Document:</b></p> <p><b><u>MANUAL ON CORPORATE GOVERNANCE (Pages 19-21)</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>
B.1.2	Where the company has more than one class of shares, does the company publicise the voting rights attached to each class of shares (e.g. through the company website/reports/ the stock exchange/ the regulator's website)?		Y	<p>The Company has only one class of shares. This item is therefore not applicable to Sun Life.</p> <p><i>"SEVENTH: That the authorized capital stock of the corporation is ONE BILLION PESOS (Php1,000,000,000.00), Philippine Currency, and said capital is divided into TEN MILLION (10,000,000) <u>common shares</u> with a par value of ONE HUNDRED PESOS (Php100.00) per share."</i></p> <p><b>Source Document:</b></p> <p><b><u>Amended Articles of Incorporation/Seventh item (Page 6)</u></b>  <a href="https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/AAOI%20SLOCPI%20(10-18-2017).pdf">https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/AAOI%20SLOCPI%20(10-18-2017).pdf</a></p>
B.2	Notice of AGM			

<p>B.2.1</p>	<p>Does each resolution in the most recent AGM deal with only one item, i.e., there is no bundling of several items into the same resolution?</p>	<p><b>OECD Principle II</b> (C) Shareholders should have the opportunity to participate effectively and vote in general shareholder meetings and should be informed of the rules, including voting procedures, that govern shareholder meetings: (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.</p> <p><b>OECD Principle II</b> (A) All shareholders of the same series of a class should be treated equally. (4) Impediments to cross border voting should be eliminated.</p> <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</p>	<p>Y</p> <p>Each resolution in the most recent AGM deal with only one item. This is clearly shown both in the Notice containing the Agenda as well as in the Minutes of the meeting.</p> <p>Example:</p> <p><b>“RESOLVED</b>, that the following are elected as the directors of Sun Life of Canada (Philippines), Inc. to serve until the next regular annual meeting of the stockholders and until their successors shall have been duly elected and qualified:</p> <p>Jose Isidro N. Camacho (independent) Francisco S.A. Sandejas (independent) Leo Grepin Lucy C.L. Chou Alexander S. Narciso Benedicto C. Sison”</p> <p><b>“RESOLVED</b>, that the firm Navarro Amper &amp; Co./Deloitte Touche Tohmatsu be, as it is hereby, appointed as Sun Life of Canada (Philippines), Inc.’s (the “Corporation”) external auditor for the audit year 2019.</p> <p><b>“RESOLVED FURTHER</b>, that any two (2) of the following officers, acting jointly, namely the President and the Treasurer be, as they are hereby, appointed as the Corporation’s representatives to execute and sign, on behalf of the Corporation, such deeds and instruments as may be necessary to implement the foregoing.”</p> <p><b>Source Document:</b></p> <p><b><u>Draft Minutes of the 2019 Annual Stockholders’ Meeting (page 4 -5 )</u></b> <a href="https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/Item%203.%20Minutes%20ASM%20SLOCPI%2019-%20Draft.pdf">https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/Item%203.%20Minutes%20ASM%20SLOCPI%2019-%20Draft.pdf</a></p> <p><b>Notice of the 2019 Annual Stockholders’ Meeting</b></p>
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		right to appoint external auditor.		<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>
B.2.2	Are the company's 21 most recent AGM/circulars fully translated into English and published on the same date as the local-language version?	<p><b>ICGN 8.4.1 Shareholder ownership rights</b></p> <p>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>	Y	<p>The company's Notice of the Annual Stockholders' Meeting is written in English. All the Company's documents and records are written in English, since there are no other languages being used by the Company in communicating with its stockholders.</p> <p><b><i>"SUN LIFE OF CANADA (PHILIPPINES), INC.</i></b>  <i>Board Room, 6<sup>th</sup> Floor, Sun Life Centre</i>  <i>5<sup>th</sup> Avenue corner Rizal Drive, Bonifacio Global City, Taguig City</i></p> <p><i>To the Stockholders:</i></p> <p><i>Notice is hereby given that <b>Sun Life of Canada (Philippines), Inc.</b> will hold its Annual Stockholders' Meeting on 03 June 2019 (Monday) at 8:05 a.m. to 8:20 a.m. at the Board Room, 6<sup>th</sup> Floor, Sun Life Centre, 5<sup>th</sup> Avenue corner Rizal Drive, Bonifacio Global City, Taguig City. The meeting agenda shall be as follows:</i>  <i>XXX"</i></p> <p><b>Source Document:</b></p> <p><b><u>Notice of the 2019 Annual Stockholders' meeting (page 1)</u></b>  <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><i>Does the notice of AGM/circulars have the following details:</i></b>			

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B.2.3	Are the profiles of directors/commissioners (at least age, academic qualification, date of first appointment, experience, and directorships in other listed companies) in seeking election/re-election included?		Y	<p>The profiles of directors/commissioners (at least age, academic qualification, date of first appointment, experience, and directorships in other listed companies) in seeking election/re-election was attached to the Notice of the 2019 Annual Stockholders' Meeting.</p> <p><i>"The following items shall require a vote from the Stockholders. We recommend that a vote FOR the following items be cast:</i></p> <ul style="list-style-type: none"> <li>• <b>xxx</b></li> <li>• <b>xxx.</b></li> <li>• <b>Election of Directors.</b> <i>The Stockholders are requested to vote for the following nominees for director: Jose Isidro N. Camacho, Benedicto C. Sison, Francisco S.A.Sandejas, Alexander S. Narciso, Leo Grepin and Chia-Ling Chou aka Lucy Chou. Their respective bio-data are attached below</i></li> <li>• <b>xxx."</b></li> </ul> <p><b>Source Document:</b></p> <p><b><u>Notice of the 2019 Annual Stockholders' meeting</u></b>  <a href="https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/SLOCPI%20ASM%20Notice%202019%20with%20a%20attachments%20(003).pdf">https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/SLOCPI%20ASM%20Notice%202019%20with%20a%20attachments%20(003).pdf</a></p>
B.2.4	Are the auditors seeking appointment/re-appointment clearly identified?		Y	<p>The auditor is identified or named in the Notice of Meeting/Agenda of the 2018 Annual Stockholders' Meeting.</p> <p><i>"The following items shall require a vote from the Stockholders. We recommend that a vote FOR the following items be cast:</i></p> <ul style="list-style-type: none"> <li>• <b>xxx</b></li> <li>• <b>Appointment of External Auditor.</b> <i>The Stockholders are requested to vote for the appointment of Navarro Amper &amp; Co./Deloitte Touche Tohmatsu as the External Auditor for the audit year of 2019."</i></li> </ul> <p><b>Source Document:</b></p>

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				<p><b>Notice of the 2019 Annual Stockholders' meeting</b>  <a href="https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/SLOCPI%20ASM%20Notice%202019%20with%20a%20attachments%20(003).pdf">https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/SLOCPI%20ASM%20Notice%202019%20with%20a%20attachments%20(003).pdf</a></p>
B.2.5	Has an explanation of the dividend policy been provided?		N/A	<p>Not applicable for Class 1 as prescribed by the Guidelines on Compliance with ASEAN Corporate Governance Scorecard issued by the Insurance Commission.</p> <p>We noted though in ICD's Report on the 2015 ACGS for SLOCPI, this item is one of the recommended for improvement. Nevertheless, you may refer to the Annual Report of the company which contains a section on dividend policy.</p> <p><i>"Shareholders' Dividend Policy</i>  <i>Sun Life of Canada (Philippines), Inc. satisfies the requirements of local regulations and, when prudent and appropriate, the Company returns through dividends and other distributions, excess capital to its parent company.</i></p> <p><i>The Company declares its Dividend Policy in Section IV (B) (1) of the Manual on Corporate Governance (pp.20-21), as follows:</i></p> <p><i>a. Shareholders shall have the right to receive dividends subject to the discretion of the Board of Directors (the Board).</i>  <i>b. The Company shall be compelled to declare dividends when its retained earnings shall be in excess of 100% of its paid-in capital stock, except: (a) when justified by definite corporate expansion projects or programs approved by the Board, or (b) when the Company is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured; or (c) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the Company, such as when there is a need for special reserve for probable contingencies.</i></p>

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				<p>c. The cut-off date to determine the stockholders entitled to dividends shall be as approved by the Board.</p> <p>d. Once declared, dividends are payable within 28 days after all necessary regulatory approvals are secured; provided, that if such date of distribution does not fall on a business day in Amsterdam or Manila, the dividend will be distributed on the immediately preceding day that is a business day both in Amsterdam and Manila; provided further, that after the distribution the Company shall still have sufficient retained earnings.”</p> <p><b>Source Document:</b></p> <p><b><u>ANNUAL REPORT (Pages 36)</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> <p><b><u>MANUAL ON CORPORATE GOVERNANCE (Section VI.B, Pages 20-21)</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>
B.2.6	Is the amount payable for final dividends disclosed?		N/A	Not applicable for Class 1 as prescribed by the Guidelines on Compliance with ASEAN Corporate Governance Scorecard issued by the Insurance Commission.
B.2.7	Were the proxy documents made easily available?		N/A	Not applicable for Class 1 as prescribed by the Guidelines on Compliance with ASEAN Corporate Governance Scorecard issued by the Insurance Commission.
<b>B.3</b>	<b>Insider trading and abusive self-dealing should be prohibited.</b>			
B.3.1	Does the company have policies and/or rules prohibiting directors/commissioners and employees to benefit from knowledge which is not generally available to the market?	<b>OECD Principle III (B) Insider trading and abusive dealing should be prohibitedICGN 3.5 Employee share dealing</b> Companies should have clear rules regarding any trading	Y	<p>YES. The Company has policies and rules prohibiting directors and employees to benefit from knowledge which is not generally available to the market.</p> <p>Sun Life is highly visible in many major financial markets and is subject to complex laws and regulations in the countries where it</p>

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		<p>by directors and employees in the company's own securities. Among other issues, these must seek to ensure individuals do not benefit from knowledge which is not generally available to the market.<b>ICGN 8.5 Shareholder rights of action...</b> Minority shareholders should be afforded protection and remedies against abusive or oppressive conduct.</p>		<p>carries on business. When the employee, directors or commissioners invests in the stock market, its decision must not be based on material non-public information they learned through their employment or relationship with Sun Life. They must not trade in Sun Life securities, or in any securities of another company, no matter how small or large the trade, if this decision is based on material information that is not generally available to the public. They may not "tip" or pass this information on to others, or even share it with co-workers, other than those who have a need to know it to carry out their jobs at Sun Life.</p> <p><b>“TRADING in SECURITIES</b>  <i>We are highly visible in many major financial markets and are subject to complex laws and regulations in the countries we carry on business. When we invest in the stock market, our decisions must not be based on material non-public information we learn through our employment or relationship with Sun Life. You must not trade in Sun Life securities, or any securities of another company, no matter how small or large the trade, if this decision is based on material information that is not generally available to the public. You may also not “tip” or pass this information on to others, or even share it with co-workers, other than those who have a need to know it to carry out their jobs.”</i></p> <p><b>“Applying the Code</b>  <i>Each year, you are asked to complete the Code training and an Annual Code Acknowledgement by which you reaffirm your commitment to comply with the Code, and confirm your commitment with the Code over the last year. At that time you will also be asked to report any Code breaches of which you are aware.”</i></p> <p><b>Source Document:</b></p> <p><b><u>SLOCPI Website/About Us/Corporate Governance/ Company Policies/Trading in Securities</u></b></p>



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				<a href="https://www.sunlife.com.ph/PH/About+us/Corporate+governance/Company+policies?vgnLocale=en_CA">https://www.sunlife.com.ph/PH/About+us/Corporate+governance/Company+policies?vgnLocale=en_CA</a>  <b>Code of Business Conduct/Trading in securities (Page 12)</b> <a href="https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/Code%20of%20Business%20Conduct.pdf">https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/Code%20of%20Business%20Conduct.pdf</a>  <b>Code of Business Conduct/Applying the code (Page 3)</b> <a href="https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/Code%20of%20Business%20Conduct.pdf">https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/Code%20of%20Business%20Conduct.pdf</a>
B.3.2	Are the directors / commissioners required to report their dealings in company shares within 3 business days?		N/A	Not applicable for Class 1 as prescribed by the Guidelines on Compliance with ASEAN Corporate Governance Scorecard issued by the Insurance Commission.
<b>B.4</b>	<b>Related party transactions by directors and key executives.</b>			
B.4.1	Does the company have a policy requiring directors /commissioners to disclose their interest in transactions and any other conflicts of interest?	<p><b>OECD Principle III</b> (C) Members of the board and key executives should be required to disclose to the board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the corporation.</p> <p><b>ICGN 2.11.1 Related party transactions</b> Companies should have a process for reviewing and monitoring any related party transaction. A committee of independent directors should review significant related party</p>	Y	<p>The Company's Code of Business Conduct specifies the requirement to disclose interest in transactions and any other conflicts of interest. The same is shown in the Sun Life's Official Site under Company Policies.</p> <p><i>"AVOIDING CONFLICTS OF INTEREST</i>  <i>One important way we demonstrate our integrity is by ensuring we do not put our interest ahead of those of our clients or shareholders, and do not appear to do so.</i>  <i>Many situations could give rise to a potential conflict of interest. Actions we take on behalf of Sun Life must not be influenced by the possibility of gain for ourselves or for anyone personally associated with us. It is also important to avoid the appearance of a conflict.</i>  <i>We must avoid personal relationships that could improperly influence business decisions. You are not permitted to have a direct or indirect reporting responsibility over a family member.</i>  <i>You should also avoid engaging in business relationship with a</i></p>

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		<p>transactions to determine whether they are in the best interests of the company and if so to determine what terms are fair.</p> <p><b>ICGN 2.11.2 Director conflicts of interest</b> Companies should have a process for identifying and managing conflicts of interest directors may have. If a director has an interest in a matter under consideration by the board, then the director should not participate in those discussions and the board should follow any further appropriate processes. Individual directors should be conscious of shareholder and public perceptions and seek to avoid situations where there might be an appearance of a conflict of interest.</p>		<p><i>family member or a business in which a family member is significantly involved.</i> <i>You must also avoid conflict of interests involving our customers. For example, you should not act as a trustee, agent, power of attorney or executor for a customer unless he or she is a family member. “</i></p> <p>The Board also has a Review Committee on Related Party Transactions (“RPT Committee”) that defines who related parties are and reviews and approves material related party transactions (“RPT”).</p> <p><b>Source Document:</b></p> <p><b><u>SLOCPI Website/About Us/Corporate Governance/Company Policy/Avoiding Conflict of Interest</u></b> <a href="https://www.sunlife.com.ph/PH/About+us/Corporate+governance/Company+policies?vgnLocale=en_CA">https://www.sunlife.com.ph/PH/About+us/Corporate+governance/Company+policies?vgnLocale=en_CA</a></p> <p><b><u>Code of Business Conduct/Avoiding Conflicts of Interests (Page 11)</u></b> <a href="https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/Code%20of%20Business%20Conduct.pdf">https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/Code%20of%20Business%20Conduct.pdf</a></p> <p><b><u>Manual on Corporate Governance (Pages 4-5; 12-16)</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>

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B.4.2	Does the company have a policy requiring a committee of independent directors/commissioners to review material/significant RPTs to determine whether they are in the best interests of the company and shareholders?		Y	<p>YES. The Company has a Review Committee for Related Party Transactions (“RPT Committee”) that 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 who are appointed by the Board on an annual basis following each annual meeting. Each member shall have at least an adequate understanding of the Corporation’s ownership structure, i.e., parents, affiliates, and subsidiaries, and table of organization for employees, and the Related Party Transactions Operating Guideline – Enterprise (which will be read together with the Charter). The duties and responsibilities of the RPT Committee include:</p> <ul style="list-style-type: none"> <li>• Evaluate on an ongoing basis existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified, RPTs are monitored, and subsequent changes in relationships shall be reflected in the relevant reports to the board and regulators/supervisors.</li> <li>• Evaluate all material RPTs to ensure that these are not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances and that no corporate or business resources of the Corporation are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions. In evaluating RPTs, the Committee shall take into account, among others, the following: <ul style="list-style-type: none"> <li>o The related party's relationship to the Corporation and interest in the transactions;</li> <li>o The material facts of the proposed RPT, including the proposed aggregate value of such transaction;</li> <li>o The benefits to the Corporation of the proposed RPT;</li> </ul> </li> </ul>

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				<ul style="list-style-type: none"><li>o The availability of other sources of comparable products or services; and</li><li>o An assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances. The Corporation shall have in place an effective price discovery system and have exercised due diligence in determining a fair price for RPTs.</li><li>o All RPTs that are considered material based on Corporation's internal policies shall be endorsed by the RPT Committee to the Board of Directors for approval.</li></ul> <ul style="list-style-type: none"><li>• Ensure that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the Corporation's RPT exposures, and policies on conflicts of interest or potential conflicts of interest. The disclosure shall include information on the approach to managing material conflicts of interest that are inconsistent with such policies; and conflicts that could arise as a result of Corporation's affiliation or transactions with other related parties.</li><li>• Report to the Board of Directors on a regular basis, the status and aggregate exposures to each related party as well as the total amount of exposures to all related parties.</li><li>• Ensure that transactions with related parties, including write-off of exposures, are subject to periodic independent review or audit process.</li><li>• Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including the periodic review of RPT policies and procedures.</li></ul>

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				<ul style="list-style-type: none"> <li>Perform such other duties and exercise such powers as may from time to time be assigned to or vested in the Committee by the Board of Directors</li> </ul> <p><b>Source Document:</b></p> <p><b>Manual on Corporate Governance (Pages 4-5; 12-16)</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>
B.4.3	Does the company have a policy requiring board members (directors/commissioners) to abstain from participating in the board discussion on a particular agenda when they are conflicted?		Y	<p>Yes, in the Manual on Corporate Governance, a director is required to “[disclose] any personal interest or conflict of interest in relation to any matter to be considered by the Board” (p. 5, Manual on Corporate Governance).</p> <p>Furthermore, Sun Life’s Board of Directors, as a whole, is responsible for managing and supervising the business and affairs of the Corporation. Each Director participates in fulfilling the Board’s stewardship role by acting honestly and in good faith with a view to the best interests of the Corporation (fiduciary duty) and exercising the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances (duty of care). The principal duties and responsibilities of each Director include disclosure of any personal interest or conflict of interest in relation to any matter to be considered by the Board.</p> <p><b>1. Duties and Responsibilities of the Board</b></p> <p>xxx</p> <ul style="list-style-type: none"> <li><i>Have the overall responsibility in ensuring that transactions with related parties are handled in a sound and prudent manner, with integrity, and in compliance with applicable laws and regulations to protect the interest of policyholders, members, planholders, card holders, claimants, creditors and other stakeholders; including:</i></li> </ul>

## B. Equitable Treatment of Shareholders

	SCORECARD ITEM		Y/N	Reference/Source Document
				<ul style="list-style-type: none"> <li>○ <i>To observe good governance and approve an overarching policy on the handling of RPTs to ensure that there is effective compliance with existing laws, rules and regulations at all times, that these are conducted on an arm's length basis, and that no stakeholder is unduly disadvantaged. A group-wide RPT policy shall be adopted, encompassing all entries within the group, taking into account their size, structure, risk profile and complexity of operations;</i></li>   <li>○ <i>To approve all material RPTs, those that cross the materiality threshold, and write-off of material exposures to related parties, and submit the same for confirmation by majority vote of the stockholders in the annual stockholders' meeting. Any renewal or material changes in the terms and conditions of RPTs shall also be approved by the board of directors;</i></li>   <li>○ <i>To receive reports on breaches of internal limits or sub-limits for individual and aggregate exposures to a related party and for aggregate exposures to all related parties, and decide whether to accept the exposure or to take steps to address the breaches, as may be necessary, and to duly document the foregoing in the minutes of the meetings;</i></li>   <li>○ <i>To delegate to appropriate management committee the approval of RPTs that are below the materiality threshold, subject to confirmation by the board of directors;</i></li>   <li>○ <i>To establish an effective system to:</i> <ul style="list-style-type: none"> <li>– <i>Determine, identify and monitor related parties and RPTs;</i></li> </ul> </li> </ul>

## B. Equitable Treatment of Shareholders

	SCORECARD ITEM		Y/N	Reference/Source Document
				<ul style="list-style-type: none"><li>– <i>Continuously review and evaluate existing relationships between and among businesses and counterparties; and</i></li><li>– <i>Identify, measure, monitor and control risks arising from RPT; and.</i></li><li>– <i>Approve any changes in the policies and procedures regarding the foregoing;</i></li> <li>○ <i>To maintain adequate capital against risks associated with exposures to related parties. In this regard, material risks arising from RPTs shall be considered in the capital planning process;</i></li> <li>○ <i>To oversee the integrity, independence, and effectiveness of the policies and procedures for whistleblowing;</i></li> <li>○ <i>To ensure that senior management addresses legitimate issues on RPT that are raised;</i></li> <li>○ <i>To ensure that staff who raise concerns are protected from detrimental treatment or reprisals; and</i></li> <li>○ <i>To constitute an RPT Committee.</i></li> <li><b>2. Duties and Responsibilities of a Director</b></li> <li>• <u><i>Conduct fair business transactions with the Corporation and ensure that personal interest does not bias Board decisions;</i></u></li> <li>• <i>Devote time and attention necessary to properly discharge his duties and responsibilities;</i></li></ul>

**B. Equitable Treatment of Shareholders**

	SCORECARD ITEM		Y/N	Reference/Source Document
				<ul style="list-style-type: none"> <li>• <i>Act judiciously;</i></li> <li>• <i>Exercise independent judgment;</i></li> <li>• <i>Have a working knowledge of the statutory and regulatory requirements affecting the Corporation, including the contents of its Articles of Incorporation and By-Laws, the requirements of the Corporation’s Supervising Government Agencies, and where applicable, the requirements of other regulatory agencies;</i></li> <li>• <i>Observe confidentiality; and</i></li> <li>• <i>Ensure the continuing soundness, effectiveness and adequacy of the Corporation’s control environment.</i></li> </ul> <p style="text-align: center;">xxx</p> <p style="text-align: center;"><i>Annex “A” Board Charter</i></p> <p style="text-align: center;">xxx</p> <p><i>The principal duties and responsibilities of each Director include:</i></p> <ul style="list-style-type: none"> <li>• <i>Acting in the highest ethical manner and with integrity in all personal, business and professional dealings.</i></li> <li>• <i>Confirming compliance with the SLF Code of Business Conduct on an annual basis and maintaining the confidentiality of corporate information and Board deliberations.</i></li> </ul> <p>• xxx</p> <ul style="list-style-type: none"> <li>• <i>Understanding the Corporation’s current corporate governance policies and practices, the Charters of the Board and of each Committee on which he or she serves.</i></li> </ul> <p>• xxx</p>



## B. Equitable Treatment of Shareholders

	SCORECARD ITEM		Y/N	Reference/Source Document
				<ul style="list-style-type: none"> <li>Disclosing any personal interest or conflict of interest in relation to any matter to be considered by the Board.</li> </ul> <p>Source Document:</p> <p><b><u>Manual on Corporate Governance/Duties and Responsibilities of a Director (Pages 3-6)</u></b>  <a href="https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/Board%20Charter%20SLOCPI%20(05-07-2019).pdf">https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/Board%20Charter%20SLOCPI%20(05-07-2019).pdf</a></p> <p><b><u>SLOCPI “Board Charter” (Pages 2)</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>
B.4.4	Does the company have policies on loans to directors and commissioners either forbidding this practice or ensuring that they are being conducted at arm's length basis and at market rates?		Y	<p>Sun Life ensures that loans to directors are being conducted at arm's length basis and at market rates.</p> <p>Sun Life’s Board of Directors, as a whole, is responsible for managing and supervising the business and affairs of the Corporation. Each Director participates in fulfilling the Board’s stewardship role by acting honestly and in good faith with a view to the best interests of the Corporation (fiduciary duty) and exercising the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances (duty of care). The principal duties and responsibilities of each Director include disclosure of any personal interest or conflict of interest in relation to any matter to be considered by the Board.</p> <p><i>“The duties and responsibilities of each Director include:</i></p> <ul style="list-style-type: none"> <li><i>Conduct fair business transactions with the Corporation and ensure that personal interest does not bias the Board decisions. “</i></li> </ul> <p>Sun Life’s Review Committee for Related Party Transactions is required to assess all related party transactions including those involving directors, officers, stockholders, and related interests.</p>

## B. Equitable Treatment of Shareholders

	SCORECARD ITEM		Y/N	Reference/Source Document
				<p>The duties and responsibilities of the RPT Committee include:</p> <ul style="list-style-type: none"> <li>“• Evaluate on an ongoing basis existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified, RPTs are monitored, and subsequent changes in relationships shall be reflected in the relevant reports to the board and regulators/ supervisors.</li> <li>• Evaluate all material RPTs to ensure that these are not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances and that no corporate or business resources of the Corporation are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions. In evaluating RPTs, the Committee shall take into account, among others, the following: <ul style="list-style-type: none"> <li>o The related party's relationship to the Corporation and interest in the transactions;</li> <li>o The material facts of the proposed RPT, including the proposed aggregate value of such transaction;</li> <li>o The benefits to the Corporation of the proposed RPT;</li> <li>o The availability of other sources of comparable products or services; and</li> <li>o An assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances. The Corporation shall have in place an effective price discovery system and have exercised due diligence in determining a fair price for RPTs.</li> <li>o All RPTs that are considered material based on Corporation's internal policies shall be endorsed by the RPT Committee to the Board of Directors for approval.</li> </ul> </li> </ul>

## B. Equitable Treatment of Shareholders

	SCORECARD ITEM		Y/N	Reference/Source Document
				<ul style="list-style-type: none"> <li>• <i>Ensure that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the Corporation's RPT exposures, and policies on conflicts of interest or potential conflicts of interest. The disclosure shall include information on the approach to managing material conflicts of interest that are inconsistent with such policies; and conflicts that could arise as a result of Corporation's affiliation or transactions with other related parties.</i></li> <li>• <i>Report to the Board of Directors on a regular basis, the status and aggregate exposures to each related party as well as the total amount of exposures to all related parties.</i></li> <li>• <i>Ensure that transactions with related parties, including write-off of exposures, are subject to periodic independent review or audit process.</i></li> <li>• <i>Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including the periodic review of RPT policies and procedures.</i></li> <li>• <i>Perform such other duties and exercise such powers as may from time to time be assigned to or vested in the Committee by the Board of Directors"</i></li> </ul> <p><b>Source Document:</b></p> <p><b><u><a href="https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/MOCG%20SLOCPI%20(05-07-2019)-final.pdf">Manual on Corporate Governance (Pages 4-5; 12-16)</a></u></b>  <u><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></u></p>
B.5	Protecting minority shareholders from abusive actions			

## B. Equitable Treatment of Shareholders

	SCORECARD ITEM		Y/N	Reference/Source Document
B.5.1	Were there any RPTs that can be classified as financial assistance to entities other than wholly-owned subsidiary companies?	<p><b>OECD Principle III</b> <b>(A) All shareholders of the same series of a class should be treated equally.</b> (2) Minority shareholders should be protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly, and should have effective means of redress.</p> <p><b>ICGN 2.11.1 Related party transactions</b> Companies should have a process for reviewing and monitoring any related party transaction. A committee of independent directors should review significant related party transactions to determine whether they are in the best interests of the company and if so to determine what terms are</p>	N	<p>NO. There were no RPTs that can be classified as financial assistance to entities other than wholly-owned subsidiary companies. No transaction was entered into by the company that falls under this scenario.</p> <p><b>Source Document:</b></p> <p><b><u>Note 18 of the 2018 Audited Financial Statement Pages 41-46)</u></b> <a href="https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/SLOCPI_AFS_SEC_2018.pdf">https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/SLOCPI_AFS_SEC_2018.pdf</a></p>

## B. Equitable Treatment of Shareholders

	SCORECARD ITEM		Y/N	Reference/Source Document
B.5.2	Does the company disclose that RPTs are conducted in such a way to ensure that they are fair and at arms' length?	<p>fair.</p> <p><b>ICGN 2.11.2 Director conflicts of interest</b> Companies should have a process for identifying and managing conflicts of interest directors may have. If a director has an interest in a matter under consideration by the board, then the director should not participate in those discussions and the board should follow any further appropriate processes. Individual directors should be conscious of shareholder and public perceptions and seek to avoid situations where there might be an appearance of a conflict of interest.</p> <p><b>ICGN 8.5 Shareholder rights of action</b> Shareholders should be afforded rights of action and remedies which are readily accessible in order to redress conduct of company which treats them inequitably. Minority shareholders should be afforded protection and remedies against abusive or oppressive conduct.</p>	Y	<p>There is a requirement to disclose that RPTs are conducted in such a way to ensure that they are fair and at arms' length. Note though that <b><u>there has been NO occasion</u></b> that made this scenario applicable. Details of the RPT are provided in the Note 18 of the 2018 Audited Financial Statement.</p> <p>Company policy requires review of Related Party Transactions. The Company has a Review Committee for Related Party Transactions (“RPT Committee”) shall 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 who are appointed by the Board on an annual basis following each annual meeting. Each member shall have at least an adequate understanding of the Corporation’s ownership structure, i.e., parents, affiliates, and subsidiaries, and table of organization for employees.</p> <p><b><u>Source Document:</u></b></p> <p><b><u>Note 18 of the 2018 Audited Financial Statement Pages 41-46)</u></b> <a href="https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/SLOCPI_AFS_SEC_2018.pdf">https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/SLOCPI_AFS_SEC_2018.pdf</a></p>