

COMPANY NAME : SUN LIFE OF CANADA (PHILIPPINES), INC.
 COMPANY STRUCTURE : CLASS 1
 FINANCIAL YEAR END : 2019
 SECTOR : INSURANCE (Life)

PENALTIES

	SCORECARD ITEM		Y/ N	Reference/ Source document
A. The Rights of Shareholders				
A.1	Basic shareholder rights			
A.1.1(P)	Did the company fail or neglect to offer equal treatment for share repurchases to all shareholders?	OECD Principle II (A)	N/A	Not applicable to Class 1 company as prescribed by the Guidelines on Compliance with ASEAN Corporate Governance Scorecard issued by the Insurance Commission.
A.2	Shareholders, including institutional shareholders, should be allowed to consult with each other on issues concerning their basic shareholder rights as defined in the Principles, subject to exceptions to prevent abuse.			
A.2.1(P)	Is there evidence of barriers that prevent shareholders from communicating or consulting with other shareholders?	OECD Principle II (G) Shareholders, including institutional shareholders, should be allowed to consult with each other on issues concerning their basic shareholder rights as defined in the Principles, subject to exceptions to prevent abuse.	N	None. Please note that the Company has only 1 shareholder, i.e., Sun Life of Canada (Netherlands) BV, which owns 100%, and its 6 appointees to the Board of Directors.
A.3	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.			
A.3.1(P)	Did the company include any additional and unannounced agenda item into the notice of AGM/EGM?	OECD Principle II (C) 2	N	None. All items taken up and discussed during the AGM were appropriately announced and included in the notice sent in advance.

				<p>Source Documents:</p> <p>Notice of 2020 Annual Stockholder’s Meeting https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/2020%20SLOCPI%20Notice%20of%20ASM_Proxy%20Form_Board%20Member%20Profiles.pdf</p> <p>Draft Minutes of the 2020 Annual Stockholder’s Meeting https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/Item%203.%20Minutes%20ASM%20SLOCPI%206.2.2020.SO.pdf</p>
A.4	Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed.			
	Did the company fail to disclose the existence of:			
A.4.1(P)	Shareholders agreement?	OECD Principle II (D)	N	NO. There is no Shareholders Agreement in the case of Sun Life. Please note that it has only 1 shareholder, i.e., Sun Life of Canada (Netherlands) BV
A.4.2(P)	Voting cap?		N	NO. There is no voting cap.
A.4.3(P)	Multiple voting rights?		N	No. There are no multiple voting rights. SLOCPI is a wholly-owned subsidiary of Sun Life Assurance Company of Canada. Source Document: Articles of Incorporation https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/AAOI%20SLOCPI%20(10-18-2017).pdf
A.5	Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed.			

A.5.1(P)	Is a pyramid ownership structure and/ or cross holding structure apparent?	<p>OECD Principle II (D): Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed.</p> <p>Some capital structures allow a shareholder to exercise a degree of control over the corporation disproportionate to the shareholders' equity ownership in the company. Pyramid structures, cross shareholdings and shares with limited or multiple voting rights can be used to diminish the capability of noncontrolling shareholders to influence corporate policy.</p>	N/A	Not applicable to Class 1 company as prescribed by the Guidelines on Compliance with ASEAN Corporate Governance Scorecard issued by the Insurance Commission.
B. Equitable treatment of shareholders				
B.1	Insider trading and abusive self-dealing should be prohibited.			
B.1.1(P)	Has there been any conviction of insider trading involving directors/commissioners, management and employees in the past three years?	<p>OECD Principle III: The Equitable Treatment of Shareholders (B) Insider trading and abusive dealing should be prohibited.</p> <p>ICGN 3.5 Employee share dealing Companies should have clear rules regarding any trading 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.</p> <p>ICGN 8.5 Shareholder rights of action</p>	N	<p>None. The Company's Code of Business Conduct prohibits insider trading and abusive self-dealing.</p> <p><i>"Trading in Securities</i></p> <p><i>We are highly visible in many major financial markets and we are subject to complex laws and regulations in the countries where 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 in any securities of another company, no matter how small or large, if this decision is based on material information that is not generally available to the public. You also may not</i></p>

		... Minority shareholders should be afforded protection and remedies against abusive or oppressive conduct.		<p><i>“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.”</i></p> <p>Source Document:</p> <p>Code of Business Conduct https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/Code_of_Business_Conduct.pdf</p>
B.2	Protecting minority shareholders from abusive action			
B.2.1(P)	Has there been any cases of non compliance with the laws, rules and regulations pertaining to significant or material related party transactions in the past three years?	<p>OECD Principle III (B) Insider trading and abusive dealing should be prohibited</p> <p>ICGN 2.11.1 Related party transactions 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 fair.</p> <p>ICGN 2.11.2 Director conflicts of interest Companies should have a process for identifying and managing any 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</p>	N	<p>None. Please refer to Note 17 of the Audited Financial Statements for the details of related party transactions.</p> <p>Audited Financial Statements, Note 17 https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/Sun%20Life%20of%20Canada%20(Philippine)%20Inc.2019%20Audited%20FS_11May2020.pdf</p>

		<p>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>ICGN 8.5 Shareholder rights of action 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>		
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C. Role of stakeholders

C.1	The rights of stakeholders that are established by law or through mutual agreements are to be respected.			
C.1.1(P)	Have there been any violations of any laws pertaining to labour/employment/ consumer/insolvency/ commercial/competition or environmental issues?	OECD Principle IV (A) The rights of stakeholders that are established by law or through mutual agreements are to be respected.	N	None
C.2	Where stakeholders participate in the corporate governance process, they should have access to relevant, sufficient and reliable information on a timely and regular basis.			
C.2.1(P)	Has the company faced any sanctions by regulators for failure to make announcements within the requisite time period for material events?	OECD Principle IV (B) Where stakeholders participate in the corporate governance process, they should have access to relevant, sufficient and reliable information on a timely and regular basis.	N	NO.

D. Disclosure and transparency

D.1	Sanctions from regulator on financial reports			
D.1.1(P)	Did the company receive a "qualified opinion" in its external audit report?	<p>OECD Principle V: Disclosure and Transparency</p> <p>(B) Information should be prepared and disclosed in accordance with high quality standards of accounting and financial and non-financial disclosures.</p> <p>(C) An annual audit should be conducted by an independent, competent and qualified, auditor in order to provide an external and objective assurance to the board and shareholders that the financial statements fairly represent the financial position and performance of the company in all material respects.</p> <p>(D) External auditors should be accountable to the shareholders and owe a duty to the company to exercise due professional care in the conduct of the audit.</p>	N	<p>NO. Please refer to the unqualified opinion of the external auditor in the Annual Report and Audited Financial Statements.</p> <p>Source Documents:</p> <p>Annual Report (Pages 26) https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/2019_SLFinance_AR.pdf</p> <p>Audited Financial Statements https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/Sun%20Life%20of%20Canada%20(Philippine)%20Inc._2019%20Audited%20FS_11May2020.pdf</p>
D.1.2(P)	Did the company receive an "adverse opinion" in its external audit report?		N	<p>NO. Please refer to the unqualified opinion of the external auditor in the Annual Report and Audited Financial Statements.</p> <p>Source Documents:</p> <p>Annual Report (Pages 26) https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/2019_SLFinance_AR.pdf</p> <p>Audited Financial Statements https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/Sun%20Life%20of%20Canada%20(Philippine)%20Inc._2019%20Audited%20FS_11May2020.pdf</p>

D.1.3(P)	Did the company receive a "disclaimer opinion" in its external audit report?		N	NO. Please refer to the unqualified opinion of the external auditor in the Annual Report and Audited Financial Statements. Source Documents: Annual Report (Pages 26) https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/2019_SLFinance_AR.pdf Audited Financial Statements https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/Sun%20Life%20of%20Canada%20(Philippine)%20Inc._2019%20Audited%20FS_11May2020.pdf
D.1.4(P)	Has the company in the past year revised its financial statements for reasons other than changes in accounting policies?		N	NO
E. Responsibilities of the Board				
E.1	Compliance with listing rules, regulations and applicable laws			
E.1.1(P)	Is there any evidence that the company has not complied with any listing rules and regulations over the past year apart from disclosure rules?	OECD Principle VI (D) (7) Ensuring the integrity of the corporation's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards. Companies are also well advised to set up internal programmes and	N/A	<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>

		<p>procedures to promote compliance with applicable laws, regulations and standards, including statutes to criminalise bribery of foreign officials that are required to be enacted by the OECD Anti-bribery Convention and measures designed to control other forms of bribery and corruption. Moreover, compliance must also relate to other laws and regulations such as those covering securities, competition and work and safety conditions. Such compliance programmes will also underpin the company's ethical code.</p>		
E.2	Board Appraisal			
E.2.1(P)	<p>Does the Company have any independent directors/commissioners who have served for more than nine years or two terms (which ever is higher) in the same capacity?</p>	<p>OECD Principle V (C) An annual audit should be conducted by an independent, competent and qualified, auditor in order to provide an external and objective assurance to the board and shareholders that the financial statements fairly represent the financial position and performance of the company in all material respects.</p> <p>Examples of other provisions to underpin auditor independence include, a total ban or severe limitation on the nature of non-audit work which can be undertaken by an auditor for their audit client, mandatory rotation of auditors (either partners or in some cases the audit partnership), a temporary ban on the employment of an ex-auditor by the</p>	N	<p>NO. The two (2) independent directors of SLOCPI have not served more than nine (9) years in the Board.</p> <p>Source Document:</p> <p>Annual Report (Pages 12, 15) https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/2019_SLFinance_AR.pdf</p>

		audited company and prohibiting auditors or their dependents from having a financial stake or management role in the companies they audit.		
E.2.2(P)	Did the company fail to identify who are the independent director(s) / commissioner(s)?	ICGN 2.4 Composition and structure of the board ICGN 2.4.1 Skills and experience ICGN 2.4.3 Independence	N	NO. Independent Directors are appropriately identified. The names and profiles of the two (2) independent directors are disclosed in the Annual Report. They are Mr. Jose Isidro N. Camacho and Dr. Francisco S.A. Sandejas. Source Document: Annual Report (Pages 12, 15) https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/2019_SLFinance_AR.pdf
E.3	External Audit			
E.3.1(P)	Is any of the directors or senior management a former employee or partner of the current external auditor (in the past 2 years)?	OECD Principle V (C) An annual audit should be conducted by an independent, competent and qualified, auditor in order to provide an external and objective assurance to the board and shareholders that the financial statements fairly represent the financial position and performance of the company in all material respects. Examples of other provisions to underpin auditor independence include, a total ban or severe limitation on the nature of non-audit	N	NO. Please refer to the profiles of Directors and the Board appointed officers in the Annual Report. Source Document: 2019 Annual Report (Pages 12-24) https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/2019_SLFinance_AR.pdf

		work which can be undertaken by an auditor for their audit client, mandatory rotation of auditors (either partners or in some cases the audit partnership), a temporary ban on the employment of an ex-auditor by the audited company and prohibiting auditors or their dependents from having a financial stake or management role in the companies they audit.		
E.4	Board structure and composition			
E.4.1 (P)	Is any of the directors a former CEO of the company in the past 2 years?		N	<p>NO. When Ms. Rizalina Mantaring retired as CEO of the company, she also ended her term as Director.</p> <p>Director (July 2009 to June 2018) CEO and Country Head (July 2017 to June 2018)</p> <p>Source Document:</p> <p><u>2019 Annual Report (Page 12-18)</u> https://cdn.sunlife.com/static/ph/About%20us/Corporate%20Governance/2019_SLFinance_AR.pdf</p>