

COMPANY NAME : SUN LIFE GREPA FINANCIAL, INC.  
 COMPANY STRUCTURE : CLASS 2  
 FINANCIAL YEAR END : 2017  
 SECTOR : INSURANCE (Life)

**BONUS PART**

A. The Rights of Shareholders			
	SCORECARD ITEM	Y/ N	Reference/ Source document
<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?	OECD Principle II (C) <b>(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 2 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?	OECD Principle II (C) (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.  OECD Principle III (A)	N/A <b><i>Not applicable to Class 2 company as prescribed by the Guidelines on Compliance with ASEAN Corporate Governance Scorecard issued by the Insurance Commission.</i></b>

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	<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?	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>
	International <IR> Framework - DRAFT ,IIRC Council Item 3b Meeting of 5 December 2013		
	“Integrated Reporting <IR> promotes a more cohesive and efficient approach to corporate reporting and aims to improve		

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			<p>the quality of information available to providers of financial capital to enable a more efficient and productive allocation of 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 &lt;IR&gt; as the corporate reporting norm."</p>
<b>D.</b>	<b>Disclosure and transparency</b>		<p><b>2017 Annual Report</b>  <a href="https://www.sunlifegrepa.com/upload/files/SL_GFI%202017%20Corporate%20Annual%20Report.pdf">https://www.sunlifegrepa.com/upload/files/SL_GFI%202017%20Corporate%20Annual%20Report.pdf</a></p>
<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?	NO	The Audited Financial Report was not released within 60 days from end of financial year.
			<p><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.</p>
<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
<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?	NO	<p>The Company has three (3) female directors, including the Chairman of the Board. 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.</p> <p><b>Source Document:</b></p>
			<p>ICGN 2.4.1 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.</p>

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				<b>2017 Annual Report</b> <a href="https://www.sunlifegrepa.com/upload/files/SLGFI%202017%20Corporate%20Annual%20Report.pdf">https://www.sunlifegrepa.com/upload/files/SLGFI%202017%20Corporate%20Annual%20Report.pdf</a>
<b>E.2</b>	<b>Nominating Committee</b>			
<b>E.2.1(B)</b>	Does the Nominating Committee comprise entirely of independent directors/commissioners?	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.	NO	The functions of a Nomination Committee are carried out by the Company's Risk Management Committee. The Risk Management Committee is composed of at least three (3) members of the Board, including a Committee Chair, who is an Independent Director.  <b>Source Documents:</b>  <b>Manual on Corporate Governance (Pages 9-11)</b> <a href="https://www.sunlifegrepa.com/upload/files/SLGFI%20Corporate%20Governance%20Manual.pdf">https://www.sunlifegrepa.com/upload/files/SLGFI%20Corporate%20Governance%20Manual.pdf</a>  <b>2017 Annual Report</b> <a href="https://www.sunlifegrepa.com/upload/files/SLGFI%202017%20Corporate%20Annual%20Report.pdf">https://www.sunlifegrepa.com/upload/files/SLGFI%202017%20Corporate%20Annual%20Report.pdf</a>
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	Yes, SLGFI identifies the quality of directors aligned with the Company's strategic directions. The Risk Management Committee, who also performs the functions of the Nomination Committee, is carrying this out.  <i>2.2.2.3.2 Duties and Responsibilities</i>

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			<p>x x x</p> <ul style="list-style-type: none"> <li>○ Recommend persons to fill any vacancy on the Board, which the Board may fill pursuant to the Corporation’s By-Laws, directors to be appointed to committees of the Board and nominees for election or re-election as directors;</li> <li>○ Consider potential director candidates as directed by the Board of Directors;</li> <li>○ Consider and if thought fit after consulting the President, approve requests from directors or committees of the Board for engagement of special advisors at the expense of the Corporation, in respect of any manner or issue for which independent advice is required. In this regard, the Corporation may retain the services of a search firm to assist in the selection of suitable candidates to fill any vacancy in the Board;</li> </ul> <p>x x x”</p> <p><b>Source Document:</b></p> <p><b>Manual of Corporate Governance (Pages 9-11)</b>  <a href="https://www.sunlifegrepa.com/upload/files/SLGFI%20Corporate%20Governance%20Manual.pdf">https://www.sunlifegrepa.com/upload/files/SLGFI%20Corporate%20Governance%20Manual.pdf</a></p>
<b>E.4</b>	<b>Board Structure &amp; Composition</b>		
E.4.1(B)	Do independent non-executive directors/commissioners make up more	NO	Of the nine (9) directors, only the President is an executive director. All the 8 directors are non-

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	than 50% of the board of directors/commissioners?			<p>executive directors. Of the nine (9), three (3) are Independent Directors.</p> <p><b>Source Document:</b></p> <p><b>2017 Annual Report</b>  <a href="https://www.sunlifegrepa.com/upload/files/SLGFI%202017%20Corporate%20Annual%20Report.pdf">https://www.sunlifegrepa.com/upload/files/SLGFI%202017%20Corporate%20Annual%20Report.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> </ol>	YES	<p>Company has a separate level Risk Committee. The Manual of Corporate Governance states-</p> <p><b>“2. Risk Management Committee. The Risk Management Committee shall be composed of at least three (3) members of the Board, including a Committee Chair, who are all nominated and appointed thereto pursuant to the By-Laws of the Corporation. Each member shall have at least an adequate understanding of, or competence in, most of the Corporation’s risk management systems and regulatory environment.</b></p> <p><b>2.2.2.3.2 Duties and Responsibilities</b></p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• At least annually, identify and review the major areas of risk in respect of the business activities of the Corporation, leveraging the</li> </ul>

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	<p>6. demonstrate to internal and external stakeholders the company's commitment to risk management</p>		<p><i>Risk Identification Process and implementing policies or procedures to mitigate any material risks;</i></p> <ul style="list-style-type: none"> <li>• <i>Where necessary, invite specific business unit representatives to make presentations at the meeting in the event that any particular material risks are identified in or by such business units;</i></li> <li>• <i>Review the Top Ten Risks Report and/or Key Risks Assessment Report presented by the Risk Officer or his designee;</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 reports on outstanding litigation and any material legal risks or emerging risks.</i></li> <li>• <i>Develop the approach of the Corporation to corporate governance matters:</i></li> </ul>

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			<p><i>a. Monitoring, on a continuing basis, the effectiveness of the corporate governance process within the Corporation; and</i></p> <p><i>b. Making recommendations to the Board as to all such matters.</i></p> <p><i>Xxx”</i></p> <p><b>Source Document:</b></p> <p><b><u>Manual of Corporate Governance (Pages 9-11)</u></b>  <a href="https://www.sunlifegrepa.com/upload/files/SLGFI%20Corporate%20Governance%20Manual.pdf">https://www.sunlifegrepa.com/upload/files/SLGFI%20Corporate%20Governance%20Manual.pdf</a></p>