

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

## PENALTIES

SCORECARD ITEM		Y/ N	Reference/ Source document
<b>A. The Rights of Shareholders</b>			
<b>A.1</b>	<b>Basic shareholder rights</b>		
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
			<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>A.2</b>	<b>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.</b>		
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. The Company has only 2 shareholders, i.e., GPL Holdings, Inc. (51% majority) and Sun Life Financial Philippine Holding Company, Inc. (49% minority), and their nominees to the Board. The shareholders are in constant communication with each other.
<b>A.3</b>	<b>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.</b>		
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.

SCORECARD ITEM		Y/ N	Reference/ Source document
<b>A. The Rights of Shareholders</b>			
			<p><b>Source Documents:</b></p> <p><b>Notice of 2018 Annual Stockholder’s Meeting</b>  <a href="https://www.sunlifegrepa.com/upload/files/Notice%20ASHM%20SLOCPI%202018.pdf">https://www.sunlifegrepa.com/upload/files/Notice%20ASHM%20SLOCPI%202018.pdf</a></p> <p><b>Minutes of 2018 Stockholder’s meeting</b>  <a href="https://www.sunlifegrepa.com/upload/files/Minutes_ASM_2018_SLGFI.pdf">https://www.sunlifegrepa.com/upload/files/Minutes_ASM_2018_SLGFI.pdf</a></p>
<b>A.4</b>	<b>Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed.</b>		
	<b>Did the company fail to disclose the existence of:</b>		
A.4.1(P)	Shareholders agreement?	<b>OECD Principle II (D)</b>	N The shareholders agreement between GPL Holdings, Inc. (51% majority owner) and Sun Life Financial Philippine Holding Company, Inc. (49% minority owner) has been disclosed to the Insurance Commission, in the Annual Report, and in the financial statements.
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. The Company’s common shares have one vote for one share. SLGFI has only one class of shares, which is common, and has equal rights per share.  The Manual on Corporate Governance contains a section on the rights of stockholders (investors or minority interests). The rights of a stockholder as it relates to his shares in the Company are also subject to the requirements stated in said Manual on Corporate Governance.

SCORECARD ITEM	Y/ N	Reference/ Source document
<b>A. The Rights of Shareholders</b>		
		<p><i>“Investor’s Rights and Protection</i></p> <p><i>6.1.1.1 Voting right</i></p> <p><i>6.1.1.1.1 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></p> <p><i>6.1.1.1.2 Cumulative voting shall be used in the election of directors.</i></p> <p><i>6.1.1.1.3 A director shall not be removed without cause if it will deny majority shareholders representation in the Board.”</i></p> <p><i>6.1.1.1.4 Pursuant to the B -Laws of the Corporation, the majority shareholder, GPL Holdings, Inc. ("GPLH"), has the right to nominate from time to time, four (4) directors, one of whom will be an independent director. The minority shareholder, Sun Life Financial Philippine Holding Company, Inc. ("Sun Life" , has the right to nominate from time to time, four 4 directors, one of whom will be an independent director. The majority shareholder, GPLH shall have the right to nominate candidates for the third independent director, and Sun Life will approve one of GPLH's nominees, which approval Sun Life will not unreasonably withhold.”</i></p> <p>Article 3 paragraph 3 of the By-Laws also covers the rights of the shareholders with regard to voting.</p> <p><i>“Vote – At each meeting of the Stockholders, every stockholder shall be entitled to vote in person or by proxy, and he shall have one vote for each share of</i></p>

SCORECARD ITEM		Y/ N	Reference/ Source document
<b>A. The Rights of Shareholders</b>			
			<p><i>stock standing in his name on the books of the corporation at the time of the closing of the transfer books for each meeting. The vote for directors, and upon demand of any stockholder, the votes upon any question before the meeting, shall be by ballot.”</i></p> <p><b>Source Documents:</b></p> <p><b><u>Section 6.1.1.1 Manual of Corporate Governance (pages 18-19)</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> <p><b><u>Article III Paragraph 3 By-Laws/ Stockholders/ Vote (Page 3)</u></b>  <a href="https://www.sunlifegrepa.com/upload/files/SLGFI%20Amended%20AOI%20and%20By-Laws.pdf">https://www.sunlifegrepa.com/upload/files/SLGFI%20Amended%20AOI%20and%20By-Laws.pdf</a></p>
<b>A.5</b>	<b>Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed.</b>		
A.5.1(P)	Is a pyramid ownership structure and/ or cross holding structure apparent?	<p><b>OECD Principle II (D):</b>  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.</p>	<p>N/A</p> <p><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></p>

	SCORECARD ITEM	Y/ N	Reference/ Source document
<b>A. The Rights of Shareholders</b>			
			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.

<b>B. Equitable treatment of shareholders</b>			
<b>B.1</b>	<b>Insider trading and abusive self-dealing should be prohibited.</b>		
B.1.1(P)	Has there been any conviction of insider trading involving directors/commissioners, management and employees in the past three years?	<p><b>OECD Principle III: The Equitable Treatment of Shareholders</b> (B) Insider trading and abusive dealing should be prohibited.</p> <p><b>ICGN 3.5</b> 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><b>ICGN 8.5</b> Shareholder rights of action ... Minority shareholders should be afforded protection and remedies against abusive or oppressive conduct.</p>	<p>N</p> <p>None</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 “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><b>Annual Report (Page 12)</b></p>

## B. Equitable treatment of shareholders

				<a href="https://www.sunlifegrepa.com/upload/files/Code%20of%20Business%20Conduct.pdf">https://www.sunlifegrepa.com/upload/files/Code%20of%20Business%20Conduct.pdf</a>
B.2	<b>Protecting minority shareholders from abusive action</b>			
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><b>OECD Principle III</b> (B) Insider trading and abusive dealing should be prohibited</p> <p><b>ICGN 2.11.1</b> 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><b>ICGN 2.11.2</b> 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 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</b> Shareholder rights of action Shareholders should be afforded rights of action and remedies which are readily</p>	N	<p>None. Please refer to Note 31 of the Audited Financial Statements for the details of related party transactions.</p> <p><b>Source Documents:</b></p> <p><b>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> <p><b>Audited Financial Statements</b> <a href="https://www.sunlifegrepa.com/upload/files/2015%20SLOCPi%20Audited%20Financial%20Statement%20with%20notes_SEC_160614.pdf">https://www.sunlifegrepa.com/upload/files/2015%20SLOCPi%20Audited%20Financial%20Statement%20with%20notes_SEC_160614.pdf</a></p>

## B. Equitable treatment of shareholders

		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.		
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## C. Role of stakeholders

<b>C.1</b>	<b>The rights of stakeholders that are established by law or through mutual agreements are to be respected.</b>			
C.1.1(P)	Have there been any violations of any laws pertaining to labour/employment/ consumer/insolvency/ commercial/competition or environmental issues?	<b>OECD Principle IV</b> (A) The rights of stakeholders that are established by law or through mutual agreements are to be respected.	N	None
<b>C.2</b>	<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.</b>			
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?	<b>OECD Principle IV</b> (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

<b>D.1</b>	<b>Sanctions from regulator on financial reports</b>			
D.1.1(P)	Did the company receive a "qualified opinion" in its external audit report?	<b>OECD Principle V: Disclosure and Transparency</b> (B) Information should be prepared and disclosed in accordance with high quality standards of accounting and financial and non-financial disclosures.	N	NO. Please refer to the unqualified opinion of the external auditor in the Annual Report and Audited Financial Statements.  <b>Source Documents:</b>

**D. Disclosure and transparency**

		<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>	<p><b>Annual Report (Pages 32-34)</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> <p><b>Audited Financial Statements</b>  <a href="https://www.sunlifegrepa.com/upload/files/2015%20SLOCPI%20Audited%20Financial%20Statement%20with%20notes_SEC_160614.pdf">https://www.sunlifegrepa.com/upload/files/2015%20SLOCPI%20Audited%20Financial%20Statement%20with%20notes_SEC_160614.pdf</a></p>
D.1.2(P)	Did the company receive an "adverse opinion" in its external audit report?		<p>N</p> <p>NO. Please refer to the unqualified opinion of the external auditor in the Annual Report and Audited Financial Statements.</p> <p><b>Source Documents:</b></p> <p><b>Annual Report (Pages 32-34)</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> <p><b>Audited Financial Statements</b>  <a href="https://www.sunlifegrepa.com/upload/files/2015%20SLOCPI%20Audited%20Financial%20Statement%20with%20notes_SEC_160614.pdf">https://www.sunlifegrepa.com/upload/files/2015%20SLOCPI%20Audited%20Financial%20Statement%20with%20notes_SEC_160614.pdf</a></p>



## D. Disclosure and transparency

D.1.3(P)	Did the company receive a "disclaimer 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><b>Source Documents:</b></p> <p><b><u>Annual Report (Pages 32-34)</u></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> <p><b>Audited Financial Statements</b>  <a href="https://www.sunlifegrepa.com/upload/files/2015%20SLOCPI%20Audited%20Financial%20Statement%20with%20notes_SEC_160614.pdf">https://www.sunlifegrepa.com/upload/files/2015%20SLOCPI%20Audited%20Financial%20Statement%20with%20notes_SEC_160614.pdf</a></p>
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

<b>E.1</b>	<b>Compliance with listing rules, regulations and applicable laws</b>			
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?	<p><b>OECD Principle VI (D)</b>            (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.</p>	N/A	<p><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></p>

## E. Responsibilities of the Board

		Companies are also well advised to set up internal programmes and 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.	
<b>E.2</b>	<b>Board Appraisal</b>		
E.2.1(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><b>OECD Principle V</b> (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</p>	<p><i>“Under the By-Laws of the Corporation, Directors will be elected during each regular meeting of stockholders and shall hold office for one (1) year and until their successors are elected or qualified; provided that, Independent Directors shall have a term limit of nine (9) years, subject to such maximum term limits that may be imposed by law or by the Insurance Commission.”</i></p> <p><b>Source Documents:</b></p> <p><b><u>Manual of Corporate Governance (Pages 6)</u></b>  <a href="https://www.sunlifegrepa.com/upload/files/Code%20of%20Business%20Conduct.pdf">https://www.sunlifegrepa.com/upload/files/Code%20of%20Business%20Conduct.pdf</a></p>

## E. Responsibilities of the Board

		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.		<b>Annual Report (Page 21)</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(P)	Did the company fail to identify who are the independent director(s) / commissioner(s)?	<b>ICGN 2.4 Composition and structure of the board</b> <b>ICGN 2.4.1 Skills and experience</b> <b>ICGN 2.4.3 Independence</b>	N	NO. Independent Directors are appropriately identified in the Annual Report. They are Jose Isidro N. Camacho, Juan B. Santos, and Francisco C. Eizmendi, Jr.  <b>Source Document:</b>  <b>2017 Annual Report (Pages 10-13)</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.3</b>	<b>External Audit</b>			
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)?	<b>OECD Principle V</b> (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 work which can be undertaken by an auditor for their audit client, mandatory rotation of auditors (either partners or in	N	NO. Please refer to the profiles of Directors and the Senior Leadership Team in the Annual Report.  <b>Source Document:</b>  <b>2017 Annual Report (Pages 10-19)</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. Responsibilities of the Board

		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.		
<b>E.4</b>	<b>Board structure and composition</b>			
E.4.1 (P)	Is any of the directors a former CEO of the company in the past 2 years?		N	NO. The current President of SLGFI for more than three (3) years now is Mr. Richard Lim.