

# Results of the 2023 Board Effectiveness Questionnaire

Board of Directors' Meeting  
Sun Life Grepa Financial, Inc.  
05 March 2024

**Samuel V. Torres**  
Corporate Secretary

# Corporate Governance

## Board Effectiveness Questionnaire (BEQ)

- Overall, Directors strongly agree that the Board
  - Clearly understands its mandate and responsibilities;
  - Is effective and independent;
  - Possesses the necessary skills and experience to effectively carry out its responsibilities; and
  - Is satisfied with the level of awareness of the business risks and the effectiveness of the policies and processes that the Company has in place.
- Members of the Board, especially the Independent Directors, are given ample time and attention for their comments, insights, and suggestions, including challenging the Management on specific strategic direction and actions.

## Corporate Governance - Significant remarks from Directors

### Key Strategic issues which need increased attention:

- Sustainability issues / impact of new sustainability reporting regulations / creation of a Sustainability Committee (or a part of an existing committee)

### Management's Response:

- Sustainability reporting requirements are in the list of items for discussion between PLIA and IC as there are still no defined standard requirements on this. Once IC provides the guidelines, Management will include this in the Board report as well.
- As for the creation of a Sustainability Committee, this is still for discussion between PLIA and IC on the sustainability reporting and any committee requirements. Report on sustainability shall be included in the Board report once we get more definite guidelines and set of requirements from the IC.

# Corporate Governance - Significant remarks from Directors

## Key Strategic issues which need increased attention:

- Local and regional geopolitical discussion in terms of risk evaluation

## Management's Response

- In terms of discussion on local and regional geopolitics, the same are currently covered by the report of the Chief Risk officer. Management will endeavor to provide a more thorough discussion of this topic in the upcoming Risk report.

## Corporate Governance - Significant remarks from Directors

- Include a discussion on succession of key staff during an executive session

### Management's Response

- This will continue to be included in the annual board retreat agenda. Management will also provide updates on key staff successions and changes during the period if any.

## Corporate Governance - Significant remarks from Directors

### To improve on the Quality of Board Discussion:

- Move towards less presentation time and more space for discussion on topical issues, which is essential for the Board to operate effectively.
- Management ideally needs to be more explicit on the issues it wishes the Board to focus on.

### Management's Response:

- Management continues to provide more concise reports and materials which resulted in more time for the Board to raise questions, make effective challenge, and engage in healthy exchange of ideas.
- Executive sessions / private meetings with the reporters are available, if needed.