

Results of the 2023 Board Effectiveness Questionnaire

Board of Directors' Meeting
Sun Life of Canada (Philippines), Inc.
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Corporate Governance

Board Effectiveness Questionnaire (BEQ)

Overall, Directors strongly agree that the Board:

- Clearly understands its mandate and responsibilities;
- Is effective and independent;
- Openly communicates with Management and that Management is sufficiently responsive to questions or issues;
- Is duly informed on key areas of the business; and
- Possesses the necessary skills, experience and expertise to effectively carry out its responsibilities.

Corporate Governance: Significant remarks from Directors

On Sun Life NXT / Strategic Initiatives

- SLOCPI distribution evolution - to a client centered and more integrated organization in the execution of the NXT strategy.
- Longer discussions on the progress of strategic initiatives and projects and review the rate of progress of these.
- Discussion on initiatives that we wish to accelerate because of competitors or market changes.
- In relation to strategic initiatives, is there anything that can be done differently to increase the pace of development?

Corporate Governance: Significant remarks from Directors

Management's Response:

- Our transformation initiatives scope this in, and pilots are ongoing under the Distribution team to test possible approaches for one priority segment. The learnings and future directions will be shared in the upcoming board retreat.
- We will focus the upcoming board retreat agenda on Key Strategic Initiatives and their progress, with emphasis on the journey, glidepath, and progress of each key initiative.
- The requirements for the success of the Key Initiatives will be covered in the discussion of each item.
- Risk management and options to accelerate will also be presented under each key initiative.

Corporate Governance: Significant remarks from Directors

As part of Strategic Planning, cover topics on:

- Potential trends and developments in the business of insurance, asset management and general personal financial services as personalized data and AI are developed further (*e.g. what happens when our DNA and behaviors are known and analyzed for more refined estimation of morbidity? Trends for micro-insurance or insurance for life events? How do these new services affect our life insurance business?*)

Corporate Governance: Significant remarks from Directors

Management's Response:

Suggested topics on strategic planning shall be discussed thoroughly during the Board Retreat. Management shall make the necessary preparations and come up with a more engaging and updated discussion, including:

- Providing an update on how AI and other new technologies are currently being explored in the global Sun Life ecosystem; and
- Inviting external expertise to provide a view of how these developments are being adopted within and outside the financial services industry.

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:

- We will continue further enhancing reports'/materials' conciseness, which has allowed more opportunities for questions, challenge, and exchanges in the past.
- We will keep more pointed and explicit in the discussions that need to happen, with bias on the journey and progress of the key initiatives. This will likely focus on Agency Recruitment and Re-engagement, Digital Leadership, Investment Management, and People and Culture.