



# Corporate governance

At Sun Life Financial, we are very aware of our responsibilities in guiding our customers' financial futures. This is why we have developed, and follow, guidelines that ensure consistent governance throughout our organization.

## Board governance

The mission of the Board of Directors is to be a strategic asset of the organization, measured by the effective execution of the Board of Directors' overall stewardship role and the contribution the directors make – individually and collectively – to the long-term success of the enterprise. The Board strives for continual improvement in its corporate governance processes and practices in order to better execute its mandate.

The Board of Directors currently has 13 members; 12, including the Chairman of the Board, are independent. The Board delegates certain responsibilities to standing Board Committees to allow in-depth review of topics. The four standing Board Committees are the Audit Committee, Governance and Conduct Review Committee, Management Resources Committee and Risk Review Committee. All members of Board Committees are independent directors. Each Committee Chair reports to the full Board following each Committee meeting.

The Board regularly reviews its corporate governance processes and practices to ensure consistency with evolving best practices, the Company's governing statute, the Insurance Companies Act (Canada), the Canadian Securities Administrators' Corporate Governance Guidelines, the New York Stock Exchange Corporate Governance Rules, and the Guidelines issued by the Office of the Superintendent of Financial Institutions for Effective Corporate Governance in Federally Regulated Financial Institutions. Further information on the

Board's governance practices can be found at [www.sunlife.com](http://www.sunlife.com) in the 2009 Management Information Circular.

## Risk management and compliance

Sun Life Financial's enterprise-wide risk management framework sets out lines of responsibility and authority for risk taking, governance and control. We are committed to compliance with the applicable statutory and regulatory requirements in all jurisdictions in which we do business.

The Board of Directors is ultimately responsible for ensuring that risk management policies and practices are in place. Through approval of appropriate policies and ongoing oversight, the Board of Directors ensures that the Company's principal risks are appropriately identified and managed. The Board of Directors delegates this function to its Risk Review Committee. This is a standing Board Committee comprising independent directors whose primary functions are to assist the Board of Directors with its oversight role in ensuring that major risks facing the Company are identified. The Committee also assists the Board with the development of strategies to manage those risks, reviewing compliance with risk management policies implemented by the Company and reviewing reports on compliance with legal and regulatory matters.

Primary accountability for risk management is delegated to management in the person of the Chief Executive Officer (CEO). The risk management structure enables the CEO to further delegate responsibilities throughout Sun Life Financial. The CEO delegates line accountability for the various classes of risk management to the

Executive Team, whose members are accountable for day-to-day risk management. Business leaders have front-line accountability for managing risks in their specific operations, and are supported by a network of business segment compliance and risk officers.

The Chief Risk Officer (CRO) is responsible for developing and communicating the enterprise risk management framework, and for overseeing development and implementation of enterprise-wide risk management strategies aimed at optimizing the Company's global risk/return profile. In addition, the CRO provides independent functional oversight of the Company's enterprise-wide risk management programs by ensuring that effective processes are in place to identify, measure and assess risk, develop responses to risks, and to monitor, control, report and communicate any risks inherent in the Company's activities.

The Chief Compliance Officer (CCO) is responsible for promoting, facilitating, monitoring and assessing compliance with regulatory and market conduct requirements, and facilitating the identification and management of compliance risks relevant to the activities of Sun Life Financial in those jurisdictions in which it operates. To do so, the CCO maintains an enterprise-wide network of compliance officers to identify, escalate and resolve material compliance matters, and leverage regulatory and market conduct best practices across Sun Life Financial. The CCO is also responsible for maintaining and distributing the Sun Life Financial Code of Business Conduct and managing Code-related programs.

Sun Life Financial's risk management activities are supported by the Company's Internal Audit function through its ongoing assessments of the effectiveness of, and adherence to, internal controls.



## Sun Life Financial Code of Business Conduct

At Sun Life Financial, we understand that our corporate integrity is a reflection of the personal integrity of each and every employee of the Company. The solid core values on which our Company was founded more than 140 years ago remain the template for the way we do business today. Our approach to business conduct is based on ethical behaviour, integrity, respect and working to the highest standards of business ethics and good governance. This approach is captured in the Sun Life Financial Code of Business Conduct.

The Sun Life Financial Code of Business Conduct applies to all employees (including contract employees), officers and directors of Sun Life Financial Inc., its subsidiaries and joint venture companies other than those Sun Life Financial companies or joint ventures whose own codes of conduct are consistent with the spirit of ours. To support our employees' adherence to the Code in their day-to-day business dealings, Sun Life Financial has a network of contacts to answer questions or inquiries about the Code. The Company has also established a 24-hour hotline (telephone and web-based) where employees may report concerns – anonymously if they wish – about violations of the Code.

The Sun Life Financial Code of Business Conduct can be found at [www.sunlife.com](http://www.sunlife.com).

## Privacy

At Sun Life Financial, we are in the business of maintaining long-term relationships with our customers, who entrust us with comprehensive knowledge of themselves and their needs. This is why we are committed to protecting the confidentiality of their personal information.

Our Worldwide Privacy Commitment outlines a set of principles followed by the Sun Life Financial group of companies, which helps to ensure that our customers' information remains private and confidential.