



SUN LIFE FINANCIAL INC.

AND

SUN LIFE ASSURANCE COMPANY OF CANADA ("THE CORPORATION")

CHARTER OF THE GOVERNANCE, INVESTMENT & CONDUCT REVIEW COMMITTEE

Purpose

The Governance, Investment & Conduct Review Committee (the "Committee") is a standing committee of the Board of Directors (the "Board") whose primary functions are to assist the Board with its oversight role by:

Governance

1. Developing effective corporate governance guidelines and processes;
2. Developing processes to assess the effectiveness of the Board and its Committees, and the contributions of individual Directors, including the Chair of the Board (the "Board Chair");

Nomination

3. Overseeing the Director Recruitment Guidelines;
4. Identifying individuals with the competencies, skills and qualities determined by the Board to be required or best suited to complement the current Board composition, while considering the level of diversity on the Board, and recommending the nominees for election as Directors at each annual meeting;

Investment

5. Overseeing investment practices, procedures and controls related to the management of the general fund investment portfolio;
6. Reviewing and monitoring the annual Investment Plan;
7. Reviewing and approving transactions, either separately or jointly with the Risk Committee, where the acquisition of individual investments for the General Account would, on their own, exceed certain limits or ranges in the Investment and Credit Risk Management Policy, as outlined therein;

Compliance and Ethics

8. Overseeing compliance with legal and regulatory requirements and the identification and management of compliance risk;
9. Meeting with the senior business and functional leaders who have first-line responsibility for compliance and compliance management programs, overseeing the effectiveness of the second-line compliance function and obtaining reports from Internal Audit and other independent review functions on the effectiveness of the compliance function, as needed; and
10. Overseeing policies and procedures to sustain ethical behaviour.

Membership

The Committee is composed of not less than three Directors, including a Committee Chair, appointed by the Board on an annual basis following each annual meeting.

Each member of the Committee shall be independent as defined in the Director Independence Policy. Committee membership is reviewed annually to ensure the Committee as a whole includes members with the experience and expertise required to fulfill the Committee's mandate. The Committee will include members who are literate in corporate governance and investment matters.

Any member of the Committee may be removed or replaced at any time by the Board and the Board shall fill vacancies on the Committee.

Structure and Operations

A meeting of the Committee may be called at any time by the Board Chair, by the Committee Chair or by two members of the Committee. The Committee meets as frequently as is necessary, but not less than four times a year. A quorum at any meeting of the Committee shall be three members.

The Chair of the Committee is consulted in advance in connection with the appointment, reassignment, replacement or dismissal of the Chief Investment Officer and the Chief Compliance Officer, and annually on the performance assessment and compensation awarded to those individuals.

The Committee holds a private session at each regularly scheduled meeting with the Chief Investment Officer and Chief Compliance Officer and those individuals have unrestricted access to Committee members between meetings. The Committee holds a private session at each meeting of the Committee for members only. The Committee has full access to the Corporation's records and information and, in consultation with the Board Chair, may engage any special advisors it deems necessary to provide independent advice or assist in the review of Director compensation or the identification of Director candidates at the expense of the Corporation.

The Committee will review its Forward Agenda, as required, and on an annual basis, the Committee will review this Charter and, where necessary, recommend changes to the Board for approval. This Charter will be posted on the Corporation's website and the Committee will prepare a report on its activities for inclusion in the annual meeting material. The Committee shall undertake and review with the Board an annual performance evaluation of the Committee.

Duties and Responsibilities of the Committee

Corporate Governance Guidelines and Processes

1. Develops and makes recommendations to the Board on the Corporation's approach to corporate governance matters, including:
 - (a) monitoring, on a continuing basis, corporate governance and regulatory developments and the effectiveness of the Corporation's corporate governance processes, guidelines and disclosure;
 - (b) reviewing corporate governance disclosure in annual meeting materials;
 - (c) reviewing the Annual Information Form;
 - (d) reviewing non-routine items of business for consideration at the annual meeting;
 - (e) assessing proposals submitted for inclusion in the annual meeting materials; and

- (f) monitoring the administration of the Proxy Access Policy and making recommendations to the Board in accordance with the terms of such policy or as deemed necessary or advisable.
- 2. Reviews and, when appropriate, approves policies regarding public disclosure, confidentiality of information, securities trading and assessment of responsible persons.
- 3. Reviews governance-related aspects of material transactions that are being proposed by the Corporation.
- 4. Reviews and approves the Responsible Person Assessments and Subsidiary Board Governance Policy and receives periodic reports from management on matters related to that policy.

Board Administration and Assessment

- 5. Reviews and ensures management is responsive to the information requirements of the Directors.
- 6. Reviews and makes recommendations to the Board related to:
 - (a) the Director Independence Policy;
 - (b) the Board Diversity Policy;
 - (c) the Charter of the Board (including position descriptions for the Board Chair, Committee Chairs and individual Directors);
 - (d) Charters of the Committees of the Board;
 - (e) the remuneration of Directors and Director share ownership guidelines;
 - (f) the process for assessing the contributions of individual Directors, the Board as a whole and its Committees; and
 - (g) the process for selecting and evaluating the performance of the Board Chair and the Chair of each Committee.
- 7. Assesses the independence of Directors and makes recommendations to the Board relating to Committee membership after each annual meeting.
- 8. Ensures that independent reviews of the Board and its Committees are conducted as needed.

Nomination of Directors and Education

- 9. Consistent with the Director skills, experience and expertise determined by the Board to be required or best suited to complement the current Board composition, and after considering the level of diversity on the Board and independence requirements, maintains a list of prospective Director candidates, recommends persons to fill vacancies on the Board and nominees for election as Directors, and reviews disclosure related to the election of Directors for inclusion in the annual meeting materials.
- 10. Reviews the effectiveness of the Board's diversity policy, including achievement of the Board's internal target for the proportion of female Directors.
- 11. Considers any resignation letter submitted to the Committee Chair by a Director and recommends acceptance or rejection by the Board.
- 12. In consultation with the Board Chair, oversees orientation programs for new Directors and education programs for current Directors.

Investments

13. Reviews and recommends to the Board the approval of the Corporation's investment strategy, including the annual Investment Plan.
14. Monitors performance against the Investment Plan.
15. Requires management to identify and review with the Committee current market trends and investment management strategies to manage those trends.
16. Receives quarterly reports from the Chief Credit Risk Officer on credit risks.
17. Reviews quarterly investment performance of the general fund investments and annually reviews the total holdings of securities, mortgages and real estate assets of the general funds.
18. On an annual basis, reviews the allocation policies and practices governing the allocation of investment opportunities between the Sun Life general account and third-party accounts.
19. Reviews new asset classes which are recommended for investment by management.
20. Reviews quarterly reports on significant investment transactions.
21. Considers investment-related regulatory issues and the possible impact on the Corporation.
22. Reviews investment-related aspects of material transactions that are being proposed by the Corporation in accordance with investment-related policies.
23. Receives reports on breaches of investment-related policies.

Oversight of Compliance and Ethics

24. Reviews at least annually changes to policies or programs that provide for the monitoring of compliance with legal and regulatory requirements, including the regulatory compliance management system.
25. Reviews at least annually and approves the Compliance Plan.
26. Reviews at least annually the adequacy of and compliance with enterprise-wide policies for the management and mitigation of compliance risk, including risks associated with money laundering, terrorist financing, market conduct, bribery and corruption.
27. Reviews quarterly compliance reports with respect to, among other things, compliance trends and themes on an enterprise-wide basis, regulatory reviews and the Corporation's compliance risks and programs.
28. Reviews the effectiveness of procedures for complying with anti-money laundering and suppression of terrorism laws and regulations worldwide, including the annual Internal Audit Report on Anti-Money Laundering and Anti-Terrorist Financing Programs.
29. Reviews processes for disclosure of information to clients about the Corporation's procedures and the effectiveness of and compliance with those disclosure procedures, as set out in the Annual Report of the Ombudsman on the Canadian Complaint Handling Procedures.
30. Reviews and makes recommendations to the Board on amendments to the Code of Conduct.

31. Approves procedures established to administer the Code of Conduct, including the handling of anonymous employee submissions with respect to concerns regarding the Code of Conduct and other matters.
32. Reviews, at least annually, compliance with the Code of Conduct.

Conduct Review

33. Requires management to establish procedures for complying with the self-dealing provisions contained in the Insurance Companies Act (Canada) (the "Act").
34. Reviews the procedures established by management and their effectiveness in ensuring compliance with the self-dealing provisions.
35. Reviews any related party transactions for which approval of the Board is required under the Act.
36. Reviews the practices of the Corporation to ensure that any transactions with related parties of the Corporation that may have a material effect on the stability or solvency of the Corporation are identified.
37. Reports to the Superintendent of Financial Institutions on its mandate and responsibilities respecting conduct review and the procedures referred to above.

Resourcing and Talent

38. Reviews and approves the organizational structure of the Compliance and Investment functions on an annual basis.
39. Reviews, at least annually, and approves changes to the statements of mandate, responsibility and authority of the Chief Compliance Officer and Chief Investment Officer.
40. Reviews, at least annually, the adequacy of the authority and resources of the Chief Compliance Officer and Chief Investment Officer and the independence of the Chief Compliance Officer.
41. Ensures that independent reviews of the Compliance and Investment functions are conducted as needed.
42. At least annually, approve the objectives of the Chief Compliance Officer and Chief Investment Officer and review the effectiveness of the Compliance and Investment functions.
43. Reviews succession plans for the roles of Chief Compliance Officer and Chief Investment Officer.
44. Requires the Chief Compliance Officer and Chief Investment Officer to report on any material disagreements with other members of senior management relating to the business, and reviews how such matters are being addressed.

Sustainability

45. Reviews and approves the Enterprise Sustainability Policy.
46. Receives a report, at least annually, on the Corporation's sustainability program and initiatives and reviews the annual Sustainability Report.

Other

47. Reviews and approves the Enterprise Philanthropic Policy.
48. Receives a report, at least annually, on the Corporation's philanthropic program.
49. Reviews the adequacy of directors' and officers' liability insurance coverage.
50. Reviews matters within its mandate that are addressed in the regular examination and similar reports received from regulatory agencies, including management's responses and recommendations.
51. Performs such other duties and exercises such other powers as may from time to time be assigned to or vested in the Committee by the Board.