

Results of the 2023 Board Effectiveness Questionnaire

Board of Directors' Meeting
Sun Life Prosperity Funds
25 March 2024

Anna Katrina K. Ibero
Corporate Secretary



Life's brighter under the sun

Corporate Governance

Board Effectiveness Questionnaire (BEQ)

Directors strongly agree that the Board:

- Clearly understands its mandate and responsibilities;
- Is effective and independent;
- 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;
- Although varying in the degrees of knowledge and areas of expertise, there is cohesive interaction and mutual respect among the members of the Board;

Corporate Governance

Continuation....

- Opinions of individual Directors are openly shared, duly acknowledged and given necessary importance;
- Openly communicates with Management and that Management is sufficiently responsive to questions or issues; and
- Possesses the necessary skills and experience to effectively carry out its responsibilities.

Corporate Governance: Significant remarks from Directors

To improve the Board's effectiveness to perform their functions:

- Hold an "annual strategic update" wherein the Board spends time to discuss in details strategic issues in the business and analyzes medium to long terms strategic concerns of the company

Management's Response:

- Hold a SLP Funds' Board Retreat (to be scheduled in Q3 2024)

Corporate Governance: Significant remarks from Directors

Recommended topics that need increased Board attention:

- How to keep the company protected from cybersecurity risks and threats
- Dominance of one bank (BDO) as channel especially for investments in starter funds, and scope for wider diversification
- Changing circumstances and attitudes of the young generation on investments

Management's Response:

- As for the matter on cybersecurity, we will request that a presentation be done by the Chief Information Security Officer of Sun Life during the Q3 2024 Board Meeting.
- Management will look into how these topics shall be discussed during the SLP Funds' Board Retreat.

Corporate Governance: Significant remarks from Directors

The Board would like to attend sessions pertaining to:

- Request top brokers to present annually to senior management and the Board about their latest views on various asset classes – for a more informed view about investments and their respective prospects.
- Artificial intelligence - opportunities and threats to the business
- Latest international trends in mutual funds (i.e. Understand younger generation's perception on investing)

Management's Response:

- Management will look for sessions / training programs which will cover the suggested topics **and /or** to include any of the topics as an item in the Board Retreat this year.