

May 28, 2015

Sumitomo Life Insurance Company

## **Sumitomo Life to Adopt New Governance Structure**

Sumitomo Life Insurance Company (President: Masahiro Hashimoto) has decided on the transition to Company with Committees, subject to the approval at the Board of Policyholder Representatives Meeting scheduled to be held on July 2, 2015.

The Company introduced Outside Audit & Supervisory Board Member system in 1974 and Outside Director system in 1975, in an effort to ensure adequacy of its management with reference to external points of view. Furthermore in 2008, the Company established Corporate Governance Committee chaired by an Outside Director, with majority of members also represented by Outside Directors, for the purpose of deliberating important management matters such as those concerning nomination of, and compensation for Directors, as well as those concerning internal control systems, thereby developing a framework for enhancing management transparency as well as objectivity of decision-making.

In line with the aforementioned initiatives, the Company has decided on the transition to Company with Committees, with a view to further strengthening its corporate governance framework.

### **1. Purpose of the transition**

#### **a. Further enhancement of corporate governance**

In Company with Committees, Board of Directors can delegate decision-making on business execution to Executive Officers, where separation between oversight and business execution achieved through such delegation will enable the Board of Directors to perform its function to supervise management yet more effectively.

Besides, in Company with Committees, a Director serving concurrently as Audit Committee Member shall have voting right at the Board of Directors meeting, which also is expected to further enhance its function to supervise management.

Through the enhancement of such supervising function, the Company shall be committed to further strengthening its corporate governance.

#### **b. Further enhancement of management transparency as well as objectivity of decision-making**

As Company with Committees, the Company shall establish three committees namely Nominating Committee, Audit Committee and Compensation Committee, each with majority of members represented by Outside Directors.

As important management matters such as nomination of candidates for Directors, compensation for Directors and Executive Officers and matters relating to audit shall be decided by the respective Committee, the Company shall, through such committee framework, be committed to further enhancement of management transparency and objectivity of decision-making.

**c. Acceleration of decision-making**

While important decisions concerning business execution have hitherto been required to be made by the Board of Directors, the Company, by this transition, shall strive to further speed up the pace of management through delegating business execution decisions to Executive Officers, for the purpose of prompt and resolute decision-making, to ensure continuous corporate growth and enhancement of corporate value over the medium to long term.

**2. Establishment of Outside Directors Council**

In parallel with the transition to Company with Committees, Outside Directors Council shall be established comprising all Outside Directors.

The Council shall be established to facilitate exchange of opinions, as well as to achieve consensus among Outside Directors or between Outside Directors and top management, regarding important management matters such as those concerning medium to long term management strategies and corporate governance.

More external points of view than ever shall be reflected on the management of the Company through the exchange of opinions at the Outside Directors Council.

[Reference] Organization chart

