

COVER SHEET

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S.E.C. Registration Number

[illegible]

(Company's Full Name)

[illegible]

(Business Address: No. Street City/Town/Province)

Atty. Sharon T. Lim

Contact Person

8636-54-11

Company Telephone Number

1	2
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Month

3	1
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Day

Fiscal Year

I-ACGR

FORM TYPE

0	3
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Month

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Day

Annual Meeting

Secondary License Type, If Applicable

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Dept. Requiring this Doc.

Amended Articles Number/Section

Total Number of Stockholders

Total Amount of Borrowings

	Total Area

Domestic

none

none

Foreign

To be accomplished by SEC Personnel concerned

[illegible]

File Number

LCU

[illegible]

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SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended **2019**
2. SEC Identification Number **A199910065** 3. BIR Tax Identification No. **203523208**
4. Exact name of issuer as specified in its charter **COL Financial Group, Inc.**
5.  6. (SEC Use Only)
- Province, Country or other jurisdiction of
incorporation or organization Industry Classification Code:
7. **Unit 24/F East Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City 1605**
Address of principal office Postal Code
8. **(02) 8636-5411**
Issuer's telephone number, including area code
9.
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<i>The Board's Governance Responsibilities</i>			
Principle 1: The company should be headed by a competent, working board to foster the long-term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long-term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	The academic qualifications, industry knowledge, professional experience, and expertise of the Company's directors may be found in Part III, Item 10 of the Company's Annual Report (Annual Report). Annual Report: https://www.colfinancial.com/ape/Final2/home/disclosures/COL_17A_Dec2019.pdf The above reference also shows that the Company's Board of Directors has an appropriate mix of competence and expertise necessary to run an online brokerage business and prove the continuing qualifications of the Company's directors that enable them to fulfill their roles and responsibilities to COL and respond to the Company's needs.	
2. Board has an appropriate mix of competence and expertise.	Compliant		
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	Compliant		

		<p>The qualifications and disqualifications of directors may be found in Art III, Sec 3.01 and 3.02 of the Company's Corporate Governance Manual (CG Manual).</p> <p>CG Manual: https://www.colfinancial.com/ape/Final2/home/governance/Corporate%20Governance%20Manual.pdf </p>	
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	Compliant	<p>Only 2 out of the Company's 11 directors (Mr. Bate and Ms. Ong) are executive directors. The rest are non-executive directors. Kindly also refer to Art II Sec 1 of the Board Charter.</p> <p>General Information Sheet: https://www.colfinancial.com/ape/Final2/home/governance/GIS_2019.pdf </p> <p>Board Charter: https://www.colfinancial.com/ape/Final2/home/governance/Board%20Charter.pdf </p>	
Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	Kindly refer to Art VIII of the Board Charter and Art IX of the CG Manual.	
2. Company has an orientation program for first time directors.	Compliant	<p>Board Charter: https://www.colfinancial.com/ape/Final2/home/governance/Board%20Charter.pdf </p>	

		CG Manual: https://www.colfinancial.com/ape/Final2/home/governance/Corporate%20Governance%20Manual.pdf	
3. Company has relevant annual continuing training for all directors.	Compliant	<p>Please see Art IX of the Company's Corporate Governance Manual (CG Manual).</p> <p>CG Manual: https://www.colfinancial.com/ape/Final2/home/governance/Corporate%20Governance%20Manual.pdf</p> <p>The certificates of attendance of the directors of COL for the year 2019 are attached as Annex "A".</p>	
Recommendation 1.4			
1. Board has a policy on board diversity.	Compliant	<p>Art II, Sec 2.01 of the CG Manual states that as much as practicable, the Board of Directors of the Company shall be composed of a mix of competent directors from diverse backgrounds, which will enable each member to have a unique perspective and provide valuable and independent judgment and insight in the formulation of sound corporate strategies and policies.</p> <p>CG Manual: https://www.colfinancial.com/ape/Final2/home/governance/Corporate%20Governance%20Manual.pdf</p>	

		<p>The same policy is reiterated in Art II, Sec 3 of the Board Charter.</p> <p>Board Charter: https://www.colfinancial.com/ape/Final2/home/governance/Board%20Charter.pdf</p> <p>With respect to gender diversity, we note that Ms. Ong is the only female member of the Board.</p>	
Optional: Recommendation 1.4			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.			
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	Compliant	<p>Atty. Sharon T. Lim is the Corporate Secretary of the Company. Her qualifications may be found in Annex A of the Company's 2019 Amended Definitive Information Statement (Information Statement).</p> <p>Information Statement: https://www.colfinancial.com/ape/Final2/Disclosures/Data/2019%20AMENDED%20INFORMATION%20STATEMENT.pdf</p>	
2. Corporate Secretary is a separate individual from the Compliance Officer.	Non-Compliant		<p>Taking into consideration the nature of the functions of the Corporate Secretary and the Compliance Officer, the Board deems it fit that these positions be held by one person with legal background.</p>
3. Corporate Secretary is not a member of the Board of Directors.	Compliant		

		<p>Investor Relations Page: https://www.colfinancial.com/ape/Final2/home/investor_relations.asp#management</p> <p>Annual Report: https://www.colfinancial.com/ape/Final2/home/disclosures/COL_17A_Dec2019.pdf</p> <p>The duties and functions of the Corporate Secretary are in Art VII, Sec 6 of the Board Charter.</p> <p>Board Charter: https://www.colfinancial.com/ape/Final2/home/governance/Board%20Charter.pdf</p> <p>Atty. Lim was not a member of the Board of Directors in 2019.</p>	
4. Corporate Secretary attends training/s on corporate governance.	Compliant	Please see the certificate of attendance of Atty. Lim attached as Annex "A."	
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.			
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	Compliant	Atty. Lim has been appointed by the Board as its Compliance Officer. Her qualifications may be found in the Company's investor relations page	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position	Compliant		

with adequate stature and authority in the corporation.		under the heading “Board of Directors, Management & Executive Officers” and Part III, Item 10 of the Annual Report.	
3. Compliance Officer is not a member of the board.	Compliant	<p>Investor Relations Page: https://www.colfinancial.com/ape/Final2/home/investor_relations.asp#management</p> <p>Annual Report: https://www.colfinancial.com/ape/Final2/home/disclosures/COL_17A_Dec2019.pdf</p> <p>Her duties and functions are in Art, V Sec. 5.07 of the CG Manual and Art VII, Sec 8 of the Board Charter.</p> <p>CG Manual: https://www.colfinancial.com/ape/Final2/home/governance/Corporate%20Governance%20Manual.pdf</p> <p>Board Charter: https://www.colfinancial.com/ape/Final2/home/governance/Board%20Charter.pdf</p> <p>She has the rank of Asst. Vice President in the organization, and in 2019 was the Head of its Human Resources, Legal & Compliance Department. She is also one of the Company’s Associated Persons. All of these roles provide her</p>	

		with adequate stature and authority to supervise the Company's compliance with applicable rules and regulations.	
		She is not a member of the Board of Directors.	
4. Compliance Officer attends training/s on corporate governance.	Compliant	Please see Atty. Lim's certificate of attendance attached as Annex "A".	
Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.			
Recommendation 2.1			
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	Compliant	<p>The Directors review all board materials and actively take part in the discussions of the Board. A copy of all resolutions passed by the Board of Directors for 2019 may be found in Annex F of the Company's 2020 Amended Definitive Information Statement (Information Statement).</p> <p>Information Statement: https://www.colfinancial.com/ape/Final2/Disclosures/Data/2020%20Amended%20Information%20Statement.pdf</p>	
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	At least on an annual basis, the Board reviews the Company's business objectives and strategy. On a quarterly basis, the President submits the	

2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant	Company's performance report for the review of the Board of Directors. In addition, the Board oversees all new initiatives of the Company and frequently requests for progress reports on existing Company projects.	
Supplement to Recommendation 2.2			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	<p>The vision of COL Financial is to be the best and most trusted financial service provider for Filipino investors. It has a three-fold mission, namely: (i) to provide the ultimate investing customer experience that will result in sustainable wealth creation; (ii) to provide the most conducive and rewarding work environment for its employees; and (iii) to provide its shareholders a sustainable return on capital. The Board has identified the values of passion, integrity, commitment, excellence, and teamwork as critical to ensure that the vision and mission of the Company are realized.</p> <p>A copy of the vision, mission, and core values may be found in the Company's investor relations page, under the heading "Company Profile".</p> <p>Investor Relations Page: https://www.colfinancial.com/ape/Final2/home/investor_relations.asp#management</p> <p>The mission, vision, and core values are reviewed at least once every two years.</p>	

2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	Compliant	On an annual basis, under the direction and supervision of the Board, the Company crafts its strategic objectives which must be consistent with the Company's mission, vision, and core values. Upon review and approval of the strategic objectives, each department then crafts its business plans, annual budgets including other resources needed, performance objectives, and key performance indicators to support the overall strategic objectives of the Company.	
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant	<p>The information and qualifications of the Company's Chairman, Mr. Edward K. Lee, are in the Company's investor relations page under the heading "Board of Directors, Management & Executive Officers" and Part III, Item 10 of the Annual Report.</p> <p>Investor Relations Page: https://www.colfinancial.com/ape/Final2/home/investor_relations.asp#management</p> <p>Annual Report: https://www.colfinancial.com/ape/Final2/home/disclosures/COL_17A_Dec2019.pdf</p>	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers, and management.	Compliant	The Board ensures that it appoints competent and qualified individuals to key positions in the organization. The Board, with the help of the	

2. Board adopts a policy on the retirement for directors and key officers.	Compliant	<p>Company's Human Resources Department, maps out the duties and functions of each position together with the key knowledge, skills, and experience required. A professional development plan is created for high potential candidates to ensure that they receive continuous training to further develop their skills and equip them with the right knowhow and expertise to ensure that they are able to do their jobs well. The Board likewise assesses the training needs of each incumbent and provides the opportunity for them to further enhance their skills through internal or external trainings and seminars. The above likewise applies to the executives who may be elected as Board directors, including the Company's Chief Executive Officer, Chief Operating Officer, Chief Finance Officer, and the President.</p> <p>Under the Company's HR Manual, employees who reach the age of 60 shall be retired and entitled to a retirement benefit. The Company also allows early retirement at age 50 with 10 years of service. Employees who resign after a minimum of 5 years of service are also provided with separation pay.</p>	
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	As disclosed in Part III, Item 11 of the Annual Report, each director is entitled to a reasonable per diem, which amount shall, according to Article II, Section 8 of the Company's By-laws, not	

2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant	exceed ten percent (10%) of the net income before income tax of the Company during the previous year.	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant	<p>Annual Report: https://www.colfinancial.com/ape/Final2/home/disclosures/COL_17A_Dec2019.pdf</p> <p>Aside from this, there are no other arrangements for compensation for directors.</p> <p>The Board reviews and bases the compensation of all employees, including its key officers, on several factors, including among others, the Company's overall performance, individual performance, the functions and responsibilities of the position, the qualifications and years of experience of the officer concerned, as well as market studies (as revealed in salary surveys).</p>	
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.			
2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.			
Recommendation 2.6			

1. Board has a formal and transparent board nomination and election policy.	Compliant	The board nomination and election policy may be found in Art III, Sec 2(a) of the Company’s Amended By-Laws (By-Laws), Sec 5 of the Charter of the Nomination Committee, and Art IV of the CG Manual. By Laws: https://www.colfinancial.com/ape/Final2/home/governance/Amended%20By-Laws%20(2012).pdf Nomination Committee Charter: https://www.colfinancial.com/ape/Final2/home/governance/Nomination%20Committee%20Charter.pdf CG Manual: https://www.colfinancial.com/ape/Final2/home/governance/Corporate%20Governance%20Manual.pdf	
2. Board nomination and election policy is disclosed in the company’s Manual on Corporate Governance.	Compliant		
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant		
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant		
5. Board nomination and election policy includes an assessment of the effectiveness of the Board’s processes in the nomination, election or replacement of a director.	Compliant		
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant		
Optional: Recommendation to 2.6			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.			
Recommendation 2.7			

1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	Please refer to the Company’s Related Party Transaction Policy, which superseded the policy indicated in the Company’s Code of Business Conduct and Ethics.	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	Related Party Transactions Policy: https://www.colfinancial.com/ape/Final2/home/governance/Related%20Party%20Transactions%20Policy.pdf	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant		
Supplement to Recommendations 2.7			
1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.	Compliant	Under the Company’s RPT Policy, Material RPTs are those which do not fall under the exceptions provided in the Company’s RPT policy and which meet the threshold value of 10% of the total consolidated assets of the Company. All Material RPTs must be approved by at least 2/3 vote of the Board of Directors, with at least a majority of the independent directors voting to approve the same. If majority of the independent directors do not approve the Material RPT, the transaction needs to be ratified by the stockholders representing at least 2/3 of the outstanding capital stock of the Corporation.	
2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of	Compliant	Related Party Transactions Policy:	

related party transactions during shareholders' meetings.		https://www.colfinancial.com/ape/Final2/home/governance/Related%20Party%20Transactions%20Policy.pdf	
Recommendation 2.8			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	<p>Please refer to Art VII, Sec 2(a) of the Board Charter on the Board's responsibility to appoint management officers.</p> <p>Board Charter: https://www.colfinancial.com/ape/Final2/home/governance/Board%20Charter.pdf</p> <p>For 2019, the Company's Management Team appointed by the Board was composed of:</p> <ul style="list-style-type: none"> - Conrado F. Bate (President & CEO) - Catherine L. Ong (SVP/ CFO) - Juan G. Barredo (VP / Head of Sales & Customer Support) - Nikos J. Bautista (VP / Chief Technology Officer) - Lorena E. Velarde (VP / Financial Controller) - April Lynn L. Tan (VP / Head of Research) - Melissa O. Ng (AVP / Head of Operations) - Sharon T. Lim (AVP / Head of HR, Legal & Compliance Departments/Corporate Secretary) - Edmund Daniel P. Martinez (AVP/ Head of Premium Business Group) 	

		<ul style="list-style-type: none"> - Gabriel Jose E. Mendiola (AVP/Software Development) - Joyce C. Chan (AVP/Customer Support) 	
2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	The Board assesses the performance of management on at least an annual basis. In evaluating its key officers, the Board considers, at the minimum, the following criteria: (i) Company performance; (ii) individual performance; (iii) roles and responsibilities of the persons; and (iv) alignment with Company's mission, vision, and values.	
Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	Compliant	The Board assesses the performance of management on at least an annual basis. The Board considers the following criteria in its evaluation: (i) Company performance; (ii) individual performance; (iii) roles and responsibilities of the persons; and (iv) alignment with Company's mission, vision, and values.	
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	Compliant	<p>Company personnel are likewise assessed during their probationary period and during the annual evaluation at the end of the year. Their performance is rated based, among others, on their job knowledge, quality, and quantity of work.</p> <p>On an annual basis, the Board likewise reviews the performance management system to ensure</p>	

		that the same is in line with the Board's mission, vision, values, and strategic objectives.	
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	Compliant	<p>Please refer to Art V, Sec 5.04 of the CG Manual.</p> <p>CG Manual: https://www.colfinancial.com/ape/Final2/home/governance/Corporate%20Governance%20Manual.pdf </p>	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant	<p>Please refer to Part C of the Code of Business Conduct and Ethics and the Company's RPT Policy.</p> <p>Code of Business Conduct and Ethics: https://www.colfinancial.com/ape/Final2/home/governance/Code%20of%20Business%20Conduct%20and%20Ethics.pdf </p> <p>Related Party Transactions Policy: https://www.colfinancial.com/ape/Final2/home/governance/Related%20Party%20Transactions%20Policy.pdf </p>	
3. Board approves the Internal Audit Charter.	Non-Compliant		The Company is still considering the internal audit structure that would best suit the Company. The Internal Audit Charter will be crafted based on the results and recommendations of the discussions and a review of the Company's internal control processes.

Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Compliant	The responsibility of the Board to oversee the establishment of a sound risk management framework may be found in Art VII, Sec 2(h) of the Board Charter.	
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	Compliant	<p>Board Charter: https://www.colfinancial.com/ape/Final2/home/governance/Board%20Charter.pdf</p> <p>A discussion on how the Company, through the leadership of the Board, manages its risks may be found in pages 15-21 of the Annual Report.</p> <p>Annual Report: https://www.colfinancial.com/ape/Final2/home/disclosures/COL_17A_Dec2019.pdf</p>	
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Compliant	The Board of Director of the Company has a Board Charter. The Charter includes, among others, the duties and responsibilities of the Board as a whole and of each Director.	
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant	Board Charter: https://www.colfinancial.com/ape/Final2/home/governance/Board%20Charter.pdf	
3. Board Charter is publicly available and posted on the company's website.	Compliant		
Additional Recommendation to Principle 2			

1. Board has a clear insider trading policy.	Compliant	Kindly refer to Item E of the Code of Business Conduct and Ethics. Code of Business Conduct and Ethics: https://www.colfinancial.com/ape/Final2/home/governance/Code%20of%20Business%20Conduct%20and%20Ethics.pdf	
Optional: Principle 2			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.			
2. Company discloses the types of decision requiring board of directors' approval.			
Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.			
Recommendation 3.1			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	The Board established the following committees to aid in the performance of its roles and responsibilities: Audit Committee, Nomination Committee, and Remuneration Committee.	
Recommendation 3.2			
1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal	Compliant	Please refer to Art VII, Sec 8.01 of the CG Manual on the discussion of the Audit Committee,	

<p>control system, internal and external audit processes, and compliance with applicable laws and regulations.</p>		<p>including its functions as well as the Audit Committee Charter.</p> <p>It should be noted that under Art VIII, Sec 8.01(d)(v) of the CG Manual and Sec 3.4(e) of the Audit Committee Charter, the Audit Committee is responsible for, among others, recommending to the Board the appointment, reappointment, removal, and fees of the external auditor.</p> <p>CG Manual: https://www.colfinancial.com/ape/Final2/home/governance/Corporate%20Governance%20Manual.pdf</p> <p>Audit Committee Charter: https://www.colfinancial.com/ape/Final2/home/governance/Audit%20Committee%20Charter.pdf</p>	
<p>2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.</p>	<p>Non-Compliant</p>	<p>The members of the Audit Committee are Mr. Khoo Boo Boon, Mr. Wellington C. Yu, Mr. Raymond C. Yu, and Mr. Hernan G. Lim, all of whom are non-executive directors. Mr. Khoo Boo Boon, an independent director, chairs the committee. The qualifications of said directors may be found in Part III, Item 10 of the Company's Annual Report (Annual Report).</p> <p>Annual Report: https://www.colfinancial.com/ape/Final2/home/disclosures/COL_17A_Dec2019.pdf</p>	<p>Given the workload of the Audit and Nomination Committees, the Board believes that it will be in the Company's best interest that each committee would have different members. Thus, with its current Board composition, it is physically impossible to make the Audit Committee be comprised of a majority of independent directors.</p> <p>The Company believes that with its current composition, the Committee is</p>

			able to effectively perform its duties and functions.
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	Please refer to Part III, Item 10 of the Company's Annual Report (Annual Report). Annual Report: https://www.colfinancial.com/ape/Final2/home/disclosures/COL_17A_Dec2019.pdf	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	Mr. Khoo Boo Boon, the Audit Committee Chairman, is neither the Chairman of the Board nor of any other committee.	
Supplement to Recommendation 3.2			
1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	As stated in the Audit Committee Charter of the Company, the Audit Committee shall approve the non-audit work, if any, of the external auditor. Audit Committee Charter: https://www.colfinancial.com/ape/final2/home/governance/Audit%20Committee%20Charter.pdf	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Compliant	The external audit team directly coordinates with the Audit Committee for their meetings to discuss the Company's financial statements. Members of management are not informed of nor are they allowed to join these meetings.	
Optional: Recommendation 3.2			
1. Audit Committee meets at least four times during the year.			

2. Audit Committee approves the appointment and removal of the internal auditor.			
Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Compliant	<p>The Nomination Committee is in charge of assisting the Board in the performance of its corporate governance functions. Please refer to Sec 4.1 of the Nomination Committee Charter.</p> <p>Prior to the election of directors, it is the responsibility of the Nomination Committee to review the credentials of all nominees to ensure their alignment with the strategic direction, mission, vision, and values of the Board.</p> <p>Nomination Committee Charter: https://www.colfinancial.com/ape/Final2/home/governance/Nomination%20Committee%20Charter.pdf</p>	
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Non-Compliant	For 2019, the members of the Nomination Committee were Mr. Arthur Gindap, Mr. Alexander C. Yu, and Atty. Sharon T. Lim.	Given the workload of both the Audit and Nomination Committees, the Board believes that it will be in the Company's best interest that each committee would have different members. Thus, with its current Board composition, it is physically impossible to make all members of the Nomination Committee be independent directors.

			The Company believes that with its current composition, the Committee is able to effectively perform its duties and functions.
3. Chairman of the Corporate Governance Committee is an independent director.	Compliant	Mr. Arthur Gindap, an independent director, is the Chairman of the Nomination Committee.	
Optional: Recommendation 3.3			
1. Corporate Governance Committee meets at least twice during the year.			
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Compliant	<p>Given the relative small size of the Company, the Board deemed it best that the Audit Committee takes on the task of overseeing the Company's risk management framework. Kindly refer to Sec 3.2 (a) of the Audit Committee Charter.</p> <p>Audit Committee Charter: https://www.colfinancial.com/ape/Final2/home/governance/Audit%20Committee%20Charter.pdf</p>	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Non-Compliant	<p>The members of the Audit Committee are Mr. Khoo Boo Boon, Mr. Wellington Yu, Mr. Raymond C. Yu, and Mr. Hernan G. Lim, all of whom are non-executive directors. Mr. Khoo Boo Boon chairs the committee. The qualifications of said directors may be found in Part III, Item 10 of the Company's Annual Report (Annual Report).</p> <p>Annual Report:</p>	Given the workload of the Nomination and Audit Committees, the Board believes that it will be in the Company's best interest that each committee would have different members. Thus, with its current Board composition, it is physically impossible to make the Audit Committee be composed of a majority of independent directors.

		https://www.colfinancial.com/ape/Final2/home/disclosures/COL_17A_Dec2019.pdf	The Company believes that with its current composition, the Committee is able to effectively perform its duties and functions.
3. The Chairman of the BROCC is not the Chairman of the Board or of any other committee.	Compliant	Mr. Khoo Boo Boon, the Audit Committee Chairman, is neither the Chairman of the Board nor of any other committee.	
4. At least one member of the BROCC has relevant thorough knowledge and experience on risk and risk management.	Compliant	The members of the Audit Committee have more than 100 years combined experience in the business sector, and as such they have more than sufficient knowledge and experience in the management of risks that are inherent in every business.	
Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Compliant	Given the limited RPTs, if any, entered into by the Company, the Audit Committee is able to review all material RPTs.	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Non-Compliant	<p>The members of the Audit Committee are Khoo Boo Boon, Mr. Wellington C. Yu, Mr. Raymond C. Yu, and Mr. Hernan G. Lim, all of whom are non-executive directors. Mr. Khoo Boo Boon chairs the committee. The qualifications of said directors may be found in Part III, Item 10 of the Company's Annual Report (Annual Report).</p> <p>Annual Report: https://www.colfinancial.com/ape/Final2/home/disclosures/COL_17A_Dec2019.pdf</p>	<p>Given the workload of the Nomination and Audit Committees, the Board believes that it will be in the Company's best interest that each committee would have different members. Thus, with its current Board composition, it is physically impossible to make the Audit Committee be composed of a majority of independent directors.</p> <p>The Company believes that with its current composition, the Committee is</p>

			able to effectively perform its duties and functions.
Recommendation 3.6			
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Compliant	The committee charters of each Board committee may be found in the following links: Audit Committee: https://www.colfinancial.com/ape/Final2/home/governance/Audit%20Committee%20Charter.pdf	
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant	Nomination Committee: https://www.colfinancial.com/ape/Final2/home/governance/Nomination%20Committee%20Charter.pdf	
3. Committee Charters were fully disclosed on the company's website.	Compliant	Remuneration Committee: https://www.colfinancial.com/ape/Final2/home/governance/Remuneration%20Committee%20Charter.pdf Said charters contain, among others, the standards for evaluating the performance of each of the Committees.	
Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.			
Recommendation 4.1			

1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	<p>The certification on the attendance of the Board for 2019 is disclosed in the Company website. In case a director attends the meeting by tele-/videoconferencing, the Company complies with the rules and regulations of the Commission, in particular SEC Memo Circular No. 15 Series of 2001.</p> <p>Certification on Attendance: https://www.colfinancial.com/ape/Final2/home/governance/2019%20Attendance%20of%20the%20Board%20of%20Directors.pdf</p>	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant	The Board members are provided with copies of all materials which they review in order to actively participate in the Board meetings.	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	During the meetings, the Board members are actively engaged by asking intelligent questions that are pertinent to the topic at hand.	
Recommendation 4.2			
1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.	Compliant	<p>Art II Sec 2.02 of the CG Manual and Art III, Sec 1 of the Board Charter require non-executive directors to limit their directorships to a maximum of 5 listed companies.</p> <p>We note that none of the directors concurrently sit in any other publicly-listed company.</p> <p>CG Manual: https://www.colfinancial.com/ape/Final2/home/</p>	

		<u>governance/Corporate%20Governance%20Manual.pdf</u> Board Charter: <u>https://www.colfinancial.com/ape/Final2/home/governance/Board%20Charter.pdf</u>	
Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	Compliant	As required by the Board Charter of the Company, all directors should notify the Board regarding their directorships in other companies. Board Charter: <u>https://www.colfinancial.com/ape/final2/home/governance/Board%20Charter.pdf</u>	
Optional: Principle 4			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.			
2. Company schedules board of directors' meetings before the start of the financial year.			
3. Board of directors meets at least six times during the year.			
4. Company requires as minimum quorum of at least 2/3 for board decisions.			

Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs			
Recommendation 5.1			
1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	Non-Compliant		The Company believes that with its current composition, the Board is able to effectively perform its duties and functions and the independent directors are provided with sufficient avenues and opportunities to raise their concerns, if any.
Recommendation 5.2			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	<p>Kindly refer to the certificates of the independent directors attached as Annex "C" of the 2019 Amended Information Statement.</p> <p>Information Statement: https://www.colfinancial.com/ape/Final2/Disclosures/Data/2019%20AMENDED%20INFORMATION%20STATEMENT.pdf </p>	
Supplement to Recommendation 5.2			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	Compliant	<p>There are no existing shareholder agreements, by law provisions, or other arrangements that constrain the director's ability to vote independently.</p> <p>By-laws: https://www.colfinancial.com/ape/Final2/home/governance/Amended%20By-Laws%20(2012).pdf </p>	
Recommendation 5.3			

1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	Please refer to Art II, Sec 2.04 of the CG Manual on the term requirements of independent directors. We note that the 9 year period reckoned from 2012 is the year 2021 and thus, the justification requirement does not apply. CG Manual: https://www.colfinancial.com/ape/Final2/home/governance/Corporate%20Governance%20Manual.pdf	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.			
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders’ approval during the annual shareholders’ meeting.			
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	The Chairman of the Board is Mr. Edward K. Lee while Mr. Conrado F. Bate is the Company’s Chief Executive Officer.	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	Please refer to Art II, Sec 2.03 of the CG Manual for the relationship between the Company’s Chairman and Chief Executive Officer. Their roles and responsibilities may be found in Art 5, Sec 5.01 and 5.05 of the same Manual and Art 7, Sec 3 and 5 of the Board Charter. CG Manual: https://www.colfinancial.com/ape/Final2/home/governance/Corporate%20Governance%20Manual.pdf	

		Board Charter: https://www.colfinancial.com/ape/Final2/home/governance/Board%20Charter.pdf	
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	Compliant	As the Chairman is not an independent director, for 2019, the Board appointed Mr. Khoo Boo Boon as the lead independent director.	
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Compliant	For 2019, no director entered into a material related party transaction with the Company.	
Recommendation 5.7			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	Compliant	The non-executive officers have delegated this task to the Audit Committee. The Audit Committee conducts regular meetings with the external audit team without any members of the executive present.	
2. The meetings are chaired by the lead independent director.	Compliant	The meetings are chaired by the lead independent director.	
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.			
Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			

Recommendation 6.1			
1. Board conducts an annual self-assessment of its performance as a whole.	Non-Compliant		The Board understands and appreciates the importance of the assessment process. It is still reviewing possible self-assessment tools that would fit the requirements of the Company, together with the criteria and process that best suits the needs of the organization.
2. The Chairman conducts a self-assessment of his performance.			
3. The individual members conduct a self-assessment of their performance.			
4. Each committee conducts a self-assessment of its performance.			
5. Every three years, the assessments are supported by an external facilitator.			
Recommendation 6.2			
1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Non-Compliant		The Board is still reviewing possible self-assessment tools that would fit the requirements of the Company, together with the criteria and process that best suits the needs of the organization.
2. The system allows for a feedback mechanism from the shareholders.	Compliant	The shareholders are given ample opportunities to provide their feedback. They are able to raise their concerns, if any, during the annual meetings and in direct interactions with the Chairman or executive directors during company events. They may also easily get in touch with the corporate secretary and the investor relations office of the Company.	

Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			
Recommendation 7.1			
1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	Compliant	<p>The Board has adopted a Code of Business Conduct and Ethics.</p> <p>Code of Business Conduct and Ethics: https://www.colfinancial.com/ape/Final2/home/governance/Code%20of%20Business%20Conduct%20and%20Ethics.pdf </p>	
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	The Code of Business Conduct and Ethics was reviewed by the Board and Senior Management prior to its implementation. Its salient provisions are integrated in the Company's Employee Manual and Office Handbook which are discussed with all personnel upon joining the Company and annually during the HR Roadshow.	
3. The Code is disclosed and made available to the public through the company website.	Compliant	The Code of Business Conduct and Ethics is disclosed through the Company website at https://www.colfinancial.com/ape/Final2/home/governance/Code%20of%20Business%20Conduct%20and%20Ethics.pdf	
Supplement to Recommendation 7.1			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	Compliant	<p>The Company's Anti-Bribery and Anti-Corruption Policy may be found in Part F of the Code of Business Conduct and Ethics.</p> <p>Code of Business Conduct and Ethics: https://www.colfinancial.com/ape/Final2/home/ </p>	

		<u>governance/Code%20of%20Business%20Conduct%20and%20Ethics.pdf</u>	
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	All directors, officers, employees, and agents are required to comply with the Code of Business Conduct & Ethics. The Company's HR Department is responsible for monitoring compliant and resolving violations of the same, if any. For 2019, there were no findings of non-compliance.	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant		
Disclosure and Transparency			
Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
Recommendation 8.1			
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	Compliant	<p>Kindly refer to Part J of the Code of Business Conduct and Ethics for the Company's Disclosure Policy.</p> <p>Code of Business Conduct and Ethics: <u>https://www.colfinancial.com/ape/Final2/home/governance/Code%20of%20Business%20Conduct%20and%20Ethics.pdf</u></p> <p>All company reports / disclosures to shareholders may be found in the Company's website.</p>	

		Disclosures: https://www.colfinancional.com/ape/Final2/Disclosures/COL_Disclosures2.asp	
Supplement to Recommendations 8.1			
1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.	Compliant	<p>The Company files its annual and quarterly reports within the period allowed under the pertinent SEC laws, rules, and regulations. The interim reports were submitted on 20 May 2019, 19 August 2019, and 19 November 2018.</p> <p>The Company filed its Annual Report on 26 June 2020, in compliance with SEC Memorandum Circular No. 5, series of 2020 and the SEC notice dated 18 March 2020 which extended the deadline for the Annual Reports for the year ending 31 December 2019 to 30 June 2020.</p>	
2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.	Compliant	<p>The identity of the Company's controlling shareholders and their respective degrees of ownership concentration are indicated in page 39 of the Annual Report.</p> <p>Annual Report: https://www.colfinancional.com/ape/Final2/home/disclosures/COL_17A_Dec2019.pdf</p> <p>We note that the Company has no material cross holdings, if any, and there are no imbalances between the voting power of the controlling shareholders and their overall equity position in the Company.</p>	

		The Company believes that the above discussions in the Annual Report, together with other disclosures in the Information Statement on the absence of a voting trust or similar agreement, provide the shareholders with sufficient information regarding the principal risks associated with shareholder ownership.	
Recommendation 8.2			
1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	Kindly refer to Part J of the Code of Business Conduct and Ethics.	
2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	<p>Code of Business Conduct and Ethics: https://www.colfinancial.com/ape/Final2/home/governance/Code%20of%20Business%20Conduct%20and%20Ethics.pdf</p> <p>All disclosures on changes in Company shareholdings are disclosed to the PSE and uploaded in the PSE Edge website with the template name "Change in Shareholdings of Directors and Principal Officers."</p> <p>PSE Edge: http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=601</p>	
Supplement to Recommendation 8.2			
1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This	Compliant	The Company discloses the trading of the Corporation's directors and officers to the PSE and uploaded in the PSE Edge website under the	

includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).		<p>template name "Change in Shareholdings of Directors and Principal Officers".</p> <p>The Company likewise discloses in the same site its public ownership report which can be found in the same site with the template name "Public Ownership Report."</p> <p>PSE Edge: http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=601</p>	
Recommendation 8.3			
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	The relevant and material information on directors and key officers are disclosed in the Company's Investor Relations page under the heading "Board of Directors, Management & Executive Officers."	
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	<p>Their shareholdings, on the other hand, are disclosed to the PSE and uploaded in the PSE Edge website may be found in under the template name "Public Ownership Report."</p> <p>Investor Relations Page: https://www.colfinancial.com/ape/Final2/home/investor_relations.asp</p> <p>PSE Edge:</p>	

		http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=601	
Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	Compliant	<p>The remuneration of the directors may be found in Part III, Item 11 of the Annual Report.</p> <p>Annual Report: https://www.colfinancial.com/ape/Final2/home/disclosures/COL_17A_Dec2019.pdf</p>	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	Compliant	Executive remuneration is approved by the Board based on industry practice, as revealed by compensation surveys, the qualifications and responsibilities of said executive, as well as his/her past performance.	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Non-Compliant		<p>The Company provides a clear disclosure of its policies and procedure for Board and Executive remuneration, in accordance with industry standards.</p> <p>It is the position of the Company that the disclosure of the remuneration of the Executives and Officers in an aggregated basis substantially complies with Principle 8 in a manner that balances both the interest of the public and that of the Company. There are several practical benefits to the aggregate nature of the compensation disclosures concerning top executives, such as allowing the Company a degree</p>

			<p>of flexibility with regard to the same, ensuring the security and safety of our Executives and Officers, as well as discouraging the poaching of top executives, which would be easier if competitors had access to individual remuneration.</p> <p>Disclosing the remuneration of top executives in an aggregate manner still allows interested parties to draw a linear correlation between such remuneration and the Company's performance, particularly because the Company encourages a culture of shared responsibility, where its top executives operate and are held accountable as a team, rather than as individuals.</p>
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	Compliant	<p>Please refer to Art XV of the CG Manual.</p> <p>CG Manual: https://www.colfinancial.com/ape/Final2/home/governance/Corporate%20Governance%20Manual.pdf</p>	
2. Company discloses material or significant RPTs reviewed and approved during the year.	Compliant	The Company's material RPTs for 2019 are disclosed under Part III, Item 13 of the Annual Report and Note 20 of the Audited Financial Statements attached to the same.	

		<p>We note that these RPTs mostly consist of related parties who availed of the Company's brokerage services and advances to Company employees.</p> <p>Annual Report: https://www.colfinancial.com/ape/Final2/home/disclosures/COL_17A_Dec2019.pdf</p>	
Supplement to Recommendation 8.5			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	<p>Kindly refer to the Company's RPT Policy.</p> <p>Related Party Transactions Policy: https://www.colfinancial.com/ape/Final2/home/governance/Related%20Party%20Transactions%20Policy.pdf</p>	
Optional : Recommendation 8.5			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.			
Recommendation 8.6			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	Compliant	<p>All Company disclosures of material facts / events are disclosed to the PSE and uploaded in the PSE Edge website under the template name "Material Information/ Transactions."</p> <p>PSE Edge: http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=601</p>	

2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Compliant	The Company did not acquire or dispose substantial assets in 2019.	
Supplement to Recommendation 8.6			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	Compliant	The Company is not aware of any shareholder agreements, voting trust agreements, confidentiality agreements, or such other agreements that may impact the control, ownership, or strategic direction of the Company.	
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	The CG Manual may be found at https://www.colfinancial.com/ape/Final2/home/governance/Corporate%20Governance%20Manual.pdf	
2. Company's MCG is submitted to the SEC and PSE.	Compliant		
3. Company's MCG is posted on its company website.	Compliant		
Supplement to Recommendation 8.7			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	Compliant	The Company submitted its latest updated CG Manual to the SEC on 28 May 2018. The same was likewise disclosed to the PSE. CG Manual: https://www.colfinancial.com/ape/Final2/home/	

		<u>governance/Corporate%20Governance%20Manual.pdf</u>	
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:			
a. Corporate Objectives			
b. Financial performance indicators			
c. Non-financial performance indicators			
d. Dividend Policy			
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors			
f. Attendance details of each director in all directors meetings held during the year			
g. Total remuneration of each member of the board of directors			
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.			
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational,			

financial and compliance controls) and risk management systems.			
4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.			
5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).			
Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.			
Recommendation 9.1			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Compliant	The Audit Committee annually reviews the work and remuneration of the external auditors against best practices and industry standards. Upon finding the work satisfactory and the fees reasonable given, the Audit Committee recommends the reappointment of the external auditor to the Board. If the Board agrees with the recommendations of the Audit Committee, it will present the resolution for approval of the shareholders during the annual meeting.	
2. The appointment, reappointment, removal, and fees of the external auditor	Compliant	The reappointment of the external auditor was recommended by the Audit Committee,	

is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.		approved by the Board, and ratified by at least a majority of the shareholders present during the 2019 Annual Stockholders Meeting.	
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	Compliant	The external auditor was reappointed.	
Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	Compliant	<p>The Company's policy on rotating the lead partner every 5 years may be found in Sec 3.4I(vi) of the Audit Committee Charter.</p> <p>Audit Committee Charter: https://www.colfinancial.com/ape/Final2/home/governance/Audit%20Committee%20Charter.pdf </p>	
Recommendation 9.2			
<p>1. Audit Committee Charter includes the Audit Committee's responsibility on:</p> <ul style="list-style-type: none"> i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into 	Compliant	<p>The Audit Committee Charter indicates the Audit Committee's responsibility in various areas, including among others, oversight over the external auditors, the audit process, and the external auditors' integrity, independence, objectivity, suitability, and effectiveness.</p> <p>Audit Committee Charter: https://www.colfinancial.com/ape/Final2/home/governance/Audit%20Committee%20Charter.pdf </p>	

consideration relevant Philippine professional and regulatory requirements.			
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	Compliant		
Supplement to Recommendations 9.2			
1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	Compliant	The Audit Committee is responsible for ensuring that the external auditor is able to dispense his responsibilities well by, among others, reviewing his qualifications and audit procedures.	
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Compliant	Audit Committee Charter: https://www.colfinancial.com/ape/Final2/home/governance/Audit%20Committee%20Charter.pdf	
Recommendation 9.3			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	Compliant	Sec 3.4 (e)(v) of the Audit Committee Charter provides guidelines on non-audit services.	
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as	Compliant	Audit Committee Charter: https://www.colfinancial.com/ape/Final2/home/governance/Audit%20Committee%20Charter.pdf For 2019, the Company's external auditor conducted trainings and seminars for the	

impairing the external auditor's objectivity.		Company to enhance a culture of Corporate Governance.	
Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Compliant	<p>Sec 3.4 (e)(v) of the Audit Committee Charter provides guidelines on non-audit services.</p> <p>Audit Committee Charter: https://www.colfinancial.com/ape/Final2/home/governance/Audit%20Committee%20Charter.pdf </p>	
Additional Recommendation to Principle 9			
1. Company's external auditor is duly accredited by the SEC under Group A category.	Compliant	<p>The audit partner assigned to handle the Company's account is Ms. Janeth T. Nuñez-Javier with SEC Accreditation No. 1328-AR-2, valid until 8 July 2022. SGV's head office is located at 6760 Ayala Avenue, Makati City. Other details may be found on page 4 of the Audited Financial Statements, attached to the Annual Report.</p> <p>Annual Report: https://www.colfinancial.com/ape/Final2/home/disclosures/COL_17A_Dec2019.pdf </p>	
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	Compliant	To date, the Company's external auditor, SGV, has not been subjected to the SOAR inspection.	

Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.1			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	Compliant	<p>Kindly refer to Part J of the Code of Business Conduct and Ethics.</p> <p>Code of Business Conduct and Ethics: https://www.colfinancial.com/ape/Final2/home/governance/Code%20of%20Business%20Conduct%20and%20Ethics.pdf </p>	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant	<p>The Company's Sustainability Report for 2019 is attached to its 2019 Annual Report.</p> <p>Annual Report: https://www.colfinancial.com/ape/Final2/home/disclosures/COL_17A_Dec2019.pdf </p>	
Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.			
Recommendation 11.1			
1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	Compliant	<p>The Company regularly prepares and upon request, disseminates investor briefing materials to interested parties. Copies of investor presentations may be found in the Company's investor relations page under the heading "Disclosures and Presentations."</p>	

		Investor Relations Page: https://www.colfinancial.com/ape/Final2/home/investor_relations.asp#corporate_governance	
Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:	Compliant	All materials may be found in the Company's Investor Relations page under the heading "Disclosures and Presentations." Investor Relations Page: https://www.colfinancial.com/ape/Final2/home/investor_relations.asp#corporate_governance	
a. Financial statements/reports (latest quarterly)			
b. Materials provided in briefings to analysts and media			
c. Downloadable annual report			
d. Notice of ASM and/or SSM			
e. Minutes of ASM and/or SSM			
f. Company's Articles of Incorporation and By-Laws			
Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	Compliant	Kindly refer to the Company's website: www.colfinancial.com	
Internal Control System and Risk Management Framework			
Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
Recommendation 12.1			
1. Company has an adequate and effective internal control system in the conduct of its business.	Non-Compliant		The Company is still looking for a third-party audit firm that can competently assess its internal controls. This is

			complemented by an in-house team with extensive audit experience.
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	<p>Kindly refer to pages 15-21 of the Annual Report for a discussion of its enterprise risk management framework.</p> <p>Annual Report: https://www.colfinancial.com/ape/Final2/home/disclosures/COL_17A_Dec2019.pdf</p>	
Supplement to Recommendations 12.1			
1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	Compliant	The Company, on at least an annual basis, reviews its compliance with existing and new laws and regulations. Upon notice of a new law or regulation that is relevant to the Company's business and operations, the Legal and Compliance Department (LCD) informs the Department Heads of the same. It is the duty of the Department Heads to assess whether the new law or regulation will affect their processes and procedures and if so, coordinate with LCD on the implementation of the necessary changes to ensure compliance. Said review is conducted on at least an annual basis. Further, in coordination with the HR Department, the LCD conducts annual training sessions with the employees and agents on compliance issues.	
Optional: Recommendation 12.1			
1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure			

that all key risks are identified, managed and reported to the board.			
Recommendation 12.2			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	Non-Compliant		<p>The Company is looking for a third-party audit firm that can competently assess its internal control mechanisms. It is also reviewing the internal audit structure that best fits the organization. This is complemented by an in-house team with extensive audit experience.</p> <p>The completion of the business review process is critical as it would properly guide the Company on creating an internal audit function that is best suited to the needs of the organization.</p>
Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	<p>Ms. Catherine L. Ong has been appointed by the Board as the Company's Chief Audit Executive. Her duties and functions may be found in Art VII, Sec 9 of the Board Charter.</p> <p>PSE Edge: https://edge.pse.com.ph/openDiscViewer.do?edge_no=3641947d2303c18cefdcf15ec263a54d</p>	
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.			
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility			

for managing the fully outsourced internal audit activity.		Board Charter: https://www.colfinancial.com/ape/Final2/home/governance/Board%20Charter.pdf	
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Non-Compliant		<p>Given the Company's relative small size, risk profile, and the nature of its operations, the Company currently does not have a separate risk management function. Risk management is handled by the concerned department facing the risk. A discussion on the Company's risk factors and risk management may be found in pages 15-21 of the Annual Report.</p> <p>Annual Report: https://www.colfinancial.com/ape/Final2/home/disclosures/COL_17A_Dec2019.pdf</p>
Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally	Compliant	<p>The Company remains primarily responsible in ensuring that its risks are properly managed. However, to help address the risks enumerated in pages 15-21 of the Annual Report and depending on the kind and nature of the risk, the Company has engaged the services of various vendors.</p> <p>Annual Report:</p>	

		https://www.colfinancial.com/ape/Final2/home/disclosures/COL_17A_Dec2019.pdf	
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Compliant	<p>Ms. Catherine L. Ong has been appointed by the Board as the Company's Chief Risk Officer. Her duties and responsibilities are indicated in Art VII, Sec 10 of the Board Charter.</p> <p>PSE Edge: https://edge.pse.com.ph/openDiscViewer.do?edge_no=3641947d2303c18cefdcf15ec263a54d</p> <p>Board Charter: https://www.colfinancial.com/ape/Final2/home/governance/Board%20Charter.pdf</p>	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant	Ms. Ong is an Executive Director of the Company. She currently serves as its Senior Vice President, Chief Financial Officer, and Treasurer. Her positions in the Company give her more than adequate authority, stature, and resources to support her in the fulfillment of her role.	
Additional Recommendation to Principle 12			
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	Non-Compliant		The Company is undertaking a business review process to assess the effectivity of its internal controls and determine what internal audit structure best fits the organization. The search for a third-party audit firm that can competently handle the project are still on going.

			The execution of such an attestation will be implemented after an internal audit, control and compliance is in place.
Cultivating a Synergic Relationship with Shareholders			
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	<p>Shareholder rights are disclosed in Sec XI of the CG Manual.</p> <p>CG Manual: https://www.colfinancial.com/ape/Final2/home/governance/Corporate%20Governance%20Manual.pdf</p>	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	<p>A list of the rights of shareholders are disclosed in the Company's website.</p> <p>Shareholder Rights: https://www.colfinancial.com/ape/Final2/home/governance/Shareholder%20Rights.pdf</p>	
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	Compliant	<p>Each share is entitled to one vote as stated in Item 4 of the 2019 Amended Information Statement.</p> <p>Information Statement: https://www.colfinancial.com/ape/Final2/Disclos</p>	

		<u>ures/Data/2019%20AMENDED%20INFORMATION%20STATEMENT.pdf</u>	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	The Company only issues common shares. The same rules govern the voting, subscription, and transfer of all common shares.	
3. Board has an effective, secure, and efficient voting system.	Compliant	The voting procedure is included in Item 4 of the Information Statement. Information Statement: <u>https://www.colfinancial.com/ape/Final2/Disclosures/Data/2019%20AMENDED%20INFORMATION%20STATEMENT.pdf</u>	
4. Board has an effective shareholder voting mechanisms such as supermajority or “majority of minority” requirements to protect minority shareholders against actions of controlling shareholders.	Non-Compliant		The Board believes that given the relative size of the Company and the ease by which its shareholders are able to interact with the Board members, the rights of all shareholders, minority or otherwise, are adequately protected and as such, the implementation of shareholder voting mechanisms such as supermajority or majority of minority may not be necessary.
5. Board allows shareholders to call a special shareholders’ meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	Compliant	Under Art II Sec 2 of the By-laws, shareholders representing a majority of the Company’s outstanding capital stock may call for a special meeting. In 2019, shareholders did not exercise this right.	

		By-laws: https://www.colfinancial.com/ape/Final2/home/governance/Amended%20By-Laws%20(2012).pdf	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	Please refer to Art XII of the CG Manual. CG Manual: https://www.colfinancial.com/ape/Final2/home/governance/Corporate%20Governance%20Manual.pdf	
7. Company has a transparent and specific dividend policy.	Compliant	The Board approved a policy of declaring annual regular cash dividends of 20% of its net income. Under Art VI, Sec 3 of the By-laws, the payment of dividends shall be taken out of unappropriated retained earnings. For 2019, the Company declared regular and special cash dividends of PhP0.21 and PhP0.64 per share, respectively. The declaration was made during the annual stockholders meeting on 1 April 2019 and was paid on 3 May 2019, or 33 days after. By-laws: https://www.colfinancial.com/ape/Final2/home/governance/Amended%20By-Laws%20(2012).pdf	
Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.			

Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	Compliant	<p>The notice of shareholders meeting was disclosed on 21 February 2019, or 37 days before the annual stockholders meeting on 29 March 2019. The agenda contains, among others, the approval of the 2018 Audited Financial Statements which contains information regarding remuneration.</p> <p>Information Statement: https://www.colfinancial.com/ape/Final2/Disclosures/Data/2019%20AMENDED%20INFORMATION%20STATEMENT.pdf </p>	
Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:			
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Compliant	<p>The profiles of the Company's directors are included as Annex "A" of the Information Statement.</p> <p>Information Statement: https://www.colfinancial.com/ape/Final2/Disclosures/Data/2019%20AMENDED%20INFORMATION%20STATEMENT.pdf </p>	
b. Auditors seeking appointment/re-appointment	Compliant	The identity of the external auditor seeking re-appointment is disclosed in Item 7 of the Information Statement.	

		Information Statement: https://www.colfinancial.com/ape/Final2/Disclosures/Data/2019%20AMENDED%20INFORMATION%20STATEMENT.pdf	
c. Proxy documents	Compliant	The Company does not require shareholders to send proxy documents.	
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting			
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	Compliant	The minutes of the 2019 annual stockholders meeting, containing the votes taken by poll, and questions asked and answers thereto, if any, are disclosed in the Company website.	
2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	Compliant	Minutes of Annual Stockholders Meeting: https://www.colfinancial.com/ape/Final2/home/governance/Minutes%20of%20Annual%20Stockholders'%20Meeting%202019.pdf	
Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	Compliant	The external auditor, as well as other relevant individuals, was present during the annual stockholders meeting.	
Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute	Compliant	The alternative dispute mechanism instituted by the Company for the amicable and effective	

mechanism to resolve intra-corporate disputes in an amicable and effective manner.		resolution of intra-corporate disputes may be found in Art XVI of the CG Manual.	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	CG Manual: https://www.colfinancial.com/ape/Final2/home/governance/Corporate%20Governance%20Manual.pdf	
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Compliant	The Company's investor relations office may be reached by email through iro@colfinancial.com .	
2. IRO is present at every shareholder's meeting.	Compliant	It is the Company's policy that representatives of the IRO are present every shareholders' meeting.	
Supplemental Recommendations to Principle 13			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group.	Compliant	There were no anti-takeover measures or similar devices attempted in 2019.	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Non-Compliant		<p>The Company complies with the required Minimum Public Ownership.</p> <p>As of 31 December 2019, the Company's public float is 24.55%. Regardless of the public float, the Board treats all shareholders fairly and equitably and ensures the protection of their rights.</p> <p>PSE Edge:</p>

			https://edge.pse.com.ph/openDiscViewer.do?edqe_no=8d5baede578661f80de8473cebbd6407
Public ownership Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting			
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.			
Duties to Stakeholders			
Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.			
Recommendation 14.1			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	The Company recognizes its various stakeholders, including, among others, its clients, employees, suppliers, and shareholders. The Company has various investor education programs which it offers to its clients. The Company touches base with its shareholders during the annual meetings as well as during its regular disclosures. The Company, through its HR Department, creates various programs for the benefit and continued training of its employees. Lastly, the Company has also instituted certain policies in order to	

		protect its suppliers, including the whistleblower policy.	
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	Kindly refer to the additional information provided under Recommendation 14.1.	
Recommendation 14.3			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	Compliant	<p>A copy of the Company's Whistleblower policy may be found in Part I of the Code of Business Conduct and Ethics. Reports should be submitted to the HR Department (hr@colfinancial.com) or Legal & Compliance Department (compliance@colfinancial.com) and may be addressed to the Compliance Officer.</p> <p>Code of Business Conduct and Ethics: https://www.colfinancial.com/ape/Final2/home/governance/Code%20of%20Business%20Conduct%20and%20Ethics.pdf</p>	
Supplement to Recommendation 14.3			
1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	Compliant	<p>The Company's alternative dispute resolution system may be found in Part XVI of the CG Manual.</p> <p>CG Manual: https://www.colfinancial.com/ape/Final2/home/governance/Corporate%20Governance%20Manual.pdf</p>	

Additional Recommendations to Principle 14			
1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.	Compliant	The Company did not seek any exemption from any law, rule, or regulation related to a corporate governance issue.	
2. Company respects intellectual property rights.	Compliant	The Company respects IP rights. It is noted that it did not encounter any intellectual property related claims or demands in 2019.	
Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare			
2. Company discloses its policies and practices that address supplier/contractor selection procedures			
Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			
Recommendation 15.1			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	Compliant	Departments conduct planning meetings to discuss strategic plans and objectives for the ensuing year. During said meetings, Company employees are given the opportunity to make	

		proposals on how Company goals can be achieved.	
Supplement to Recommendation 15.1			
1. Company has a reward/ compensation policy that accounts for the performance of the company beyond short-term financial measures.	Compliant	The Company adopts a compensation policy that ensures that personnel costs do not exceed an identified portion of the Company's resources. In addition, the Company has a retirement plan for its employees which they may enjoy upon separation from the Company.	
2. Company has policies and practices on health, safety and welfare of its employees.	Compliant	<p>The Company's policies on the health, safety, and welfare of its personnel may be found in Part M of the Code of Business Conduct and Ethics.</p> <p>The Company is further compliant with labor laws that require the appointment and certification of a safety officer and first aider. The Company also offers health insurance for all regular employees and, in coordination with its external provider, conducts an annual physical exam.</p> <p>Code of Business Conduct and Ethics: https://www.colfinancial.com/ape/Final2/home/governance/Code%20of%20Business%20Conduct%20and%20Ethics.pdf </p>	
3. Company has policies and practices on training and development of its employees.	Compliant	The Company's HR Department regularly coordinates with the different department heads to determine the training needs of its employees and addresses the same to the best of its abilities. The list of trainings attended for 2019 is attached herein as Annex "B".	

Recommendation 15.2			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	Compliant	<p>The Company's Anti-Bribery and Anti-Corruption Policy is included as Part F of the Code of Business Conduct and Ethics.</p> <p>Code of Business Conduct and Ethics: https://www.colfinancial.com/ape/Final2/home/governance/Code%20of%20Business%20Conduct%20and%20Ethics.pdf </p>	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	The Anti-Bribery and Anti-Corruption Policy is likewise integrated in the Company's Office Manual, which is disseminated to all Company personnel.	
Supplement to Recommendation 15.2			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	Compliant	<p>Please refer to the Anti-Bribery and Anti-Corruption policy located in Part F of the Code of Business Conduct and Ethics.</p> <p>For 2019, there were no findings of violations of this policy.</p> <p>Code of Business Conduct and Ethics: https://www.colfinancial.com/ape/Final2/home/governance/Code%20of%20Business%20Conduct%20and%20Ethics.pdf </p>	
Recommendation 15.3			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns	Compliant	The Company's Whistleblower policy is included as Part I of the Code of Business Conduct and Ethics. Reports should be submitted to the HR	

about illegal or unethical practices, without fear of retaliation		Department (hr@colfinancial.com) or Legal & Compliance Department (compliance@colfinancial.com) and may be addressed to the Compliance Officer.	
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	Compliant	Code of Business Conduct and Ethics: https://www.colfinancial.com/ape/Final2/home/governance/Code%20of%20Business%20Conduct%20and%20Ethics.pdf	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	The Board approved the Whistleblowing policy and framework prior to its implementation. It regularly reviews the framework and its enforcement to ensure that it remains relevant and accessible to all concerned persons.	
Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.			
Recommendation 16.1			
1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	Compliant	The Company's focus is to tap the underserved retail investors, with the goal of becoming the champion of the Filipino investor. It is the aim of the Company to make investing more accessible to the retail market through its online platform. The Company empowers the everyday Filipino investor through its various educational campaigns which are available to both clients and non-clients. Aside from the above, as part of its commitment to protect the environment, the Company	


		regularly partners with environmental organizations. In 2019, the Company continued its partnership with Haribon Foundation, an organization focused on biodiversity conservation, as an affiliate/ member.	
Optional: Principle 16			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development			
2. Company exerts effort to interact positively with the communities in which it operates			

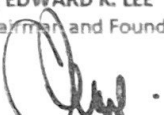


2019 Integrated Annual Corporate Governance Report
1 September 2020

Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized in the City of Pasig on 26 August 2020.

SIGNATURES


EDWARD K. LEE
Chairman and Founder


ARTHUR GERRARD GINDAP
Independent Director


SHARON T. LIM
Compliance Officer/ Corporate Secretary



CONRADO F. BATE
President and Chief Executive Officer


KHOO BOO BOON
Independent Director

SUBSCRIBED AND SWORN to before me this 26th day of August 2020, affiants personally appeared and exhibited to me their competent evidence of identification as follows:

<u>Name</u>	<u>Type of Identification</u>	<u>Number</u>	<u>Date of Issue</u>	<u>Place of Issue</u>
Edward K. Lee	Driver's License	N07-80-002531		
Conrado F. Bate	Passport	P8211336A	03 AUG 2018	DFA MANILA
Khoo Boo Boon	Driver's License	X01-98-041523		
Arthur Gindap	Driver's License	N03-94-174273		
Sharon T. Lim	Passport	P1784587A	27 JAN 2017	DFA NCR EAST

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Page No. 49
Book No. 11
Series of 2020


ATTY. STEPHANIE FAYE B. REYES
For the Cities of Pasig, San Juan
and the Municipality of Pateros
Expiring on 31 December 2020
Appointment No. 61 (2019-2020) Pasig City
Roll No. 64239
PTR No. 5241980 /01.02.20/Pasig City
IBP LRN 13768/RSM
MCLE Compliance No. VI-0014740/11.13.18
2703C East Tower PSE Centre, Exchange Road,
Ortigas Center, Pasig City

ANNEX “A”

CERTIFICATION OF ATTENDANCE



This

Certificate of Attendance

is presented to

Edward K. Lee

for having completed the seminar on

Corporate Governance

28 March 2019

2:00 p.m. to 6:00 p.m.

2302B East Tower, Philippines Stock Exchange Center

Exchange Road, Ortigas Center, Pasig City



Leonardo J. Matignas, Jr.
Partner, SGV & Co.



This

Certificate of Attendance

is presented to

Alexander C. Yu

for having completed the seminar on

Corporate Governance

28 March 2019

2:00 p.m. to 6:00 p.m.

2302B East Tower, Philippines Stock Exchange Center
Exchange Road, Ortigas Center, Pasig City



Leonardo J. Matignas, Jr.
Partner, SGV & Co.



This

Certificate of Attendance

Is presented to

Conrado F. Bate

for having completed the seminar on

Corporate Governance

28 March 2019

2:00 p.m. to 6:00 p.m.

2302B East Tower, Philippines Stock Exchange Center
Exchange Road, Ortigas Center, Pasig City



Leonardo J. Matignas, Jr.
Partner, SGV & Co.



This

Certificate of Attendance

is presented to

Paulwell Han

for having completed the seminar on

Corporate Governance

28 March 2019

2:00 p.m. to 6:00 p.m.

2302B East Tower, Philippines Stock Exchange Center
Exchange Road, Ortigas Center, Pasig City



Leonardo J. Matignas, Jr.
Partner, SGV & Co.



This

Certificate of Attendance

is presented to

Hernan G. Lim

for having completed the seminar on

Corporate Governance

28 March 2019

2:00 p.m. to 6:00 p.m.

2302B East Tower, Philippines Stock Exchange Center
Exchange Road, Ortigas Center, Pasig City



Leonardo J. Matignas, Jr.
Partner, SGV & Co.



This

Certificate of Attendance

is presented to

Raymond C. Yu

for having completed the seminar on

Corporate Governance

28 March 2019

2:00 p.m. to 6:00 p.m.

2302B East Tower, Philippines Stock Exchange Center

Exchange Road, Ortigas Center, Pasig City



Leonardo J. Matignas, Jr.
Partner, SGV & Co.



This

Certificate of Attendance

is presented to

Wellington C. Yu

for having completed the seminar on

Corporate Governance

28 March 2019

2:00 p.m. to 6:00 p.m.

2302B East Tower, Philippines Stock Exchange Center
Exchange Road, Ortigas Center, Pasig City



Leonardo J. Matignas, Jr.
Partner, SGV & Co.



Building a better
working world

This

Certificate of Attendance

is presented to

Hokushin Kido

for having completed the seminar on

Corporate Governance

28 March 2019

2:00 p.m. to 6:00 p.m.

2302B East Tower, Philippines Stock Exchange Center

Exchange Road, Ortigas Center, Pasig City



Leonardo J. Maignas, Jr.
Partner, SGV & Co.



This

Certificate of Attendance

is presented to

Catherine L. Ong

for having completed the seminar on

Corporate Governance

28 March 2019

2:00 p.m. to 6:00 p.m.

2302B East Tower, Philippines Stock Exchange Center

Exchange Road, Ortigas Center, Pasig City



Leonardo J. Matignas, Jr.
Partner, SGV & Co.



This

Certificate of Attendance

is presented to

Khoo Boo Boon

for having completed the seminar on

Corporate Governance

28 March 2019

2:00 p.m. to 6:00 p.m.

2302B East Tower, Philippines Stock Exchange Center

Exchange Road, Ortigas Center, Pasig City



Leonardo J. Matignas, Jr.
Partner, SGV & Co.



This

Certificate of Attendance

is presented to

Juan G. Barredo

for having completed the seminar on

Corporate Governance

28 March 2019

2:00 p.m. to 6:00 p.m.

2302B East Tower, Philippines Stock Exchange Center

Exchange Road, Ortigas Center, Pasig City



Leonardo J. Matigas, Jr.
Partner, SGV & Co.



This

Certificate of Attendance

is presented to

Stephanie Faye B. Reyes

for having completed the seminar on

Corporate Governance

28 March 2019

2:00 p.m. to 6:00 p.m.

2302B East Tower, Philippines Stock Exchange Center
Exchange Road, Ortigas Center, Pasig City



Leonardo J. Matignas, Jr.
Partner, SGV & Co.



This

Certificate of Attendance

is presented to

Sharon T. Lim

for having completed the seminar on

Corporate Governance

28 March 2019

2:00 p.m. to 6:00 p.m.

2302B East Tower, Philippines Stock Exchange Center

Exchange Road, Ortigas Center, Pasig City



Leonardo J. Mafignas, Jr.
Partner, SGV & Co.

ANNEX “B”

2019 INTERNAL TRAINING PROGRAM

Training	In-house / External Trainer	Department Concerned
January		
<i>Seminar for Corporate Secretaries and New Requirements in the GIS</i>	<i>External</i>	<i>Legal & Compliance</i>
<i>Beat the Market: As Real as It Gets</i>	<i>External</i>	<i>Research</i>
<i>Market Outlook</i>	<i>In-house</i>	<i>Advisory Group, Marketing, Research, Sales & Customer Support</i>
<i>Content Marketing Masterclass</i>	<i>External</i>	<i>Marketing</i>
February		
<i>Beat the Market: As Real as It Gets</i>	<i>External</i>	<i>Research</i>
<i>PDTC EQ Depository System</i>	<i>External</i>	<i>Operations</i>
<i>How to Comply with DOLE, SSS, ECC, Pag-Ibig, PhilHealth Regulations</i>	<i>External</i>	<i>Human Resources</i>
<i>Certification Seminar for Prospective Equities Securities Salesmen</i>	<i>External</i>	<i>Advisory Group, Business Development, Sales & Customer Support</i>
March		
<i>Daiwa Conference</i>	<i>External</i>	<i>Research</i>
<i>International Women's Day Celebration</i>	<i>External</i>	<i>Human Resources, Legal & Compliance</i>
<i>Eye on 20/20: What Philippine Businesses Need to Focus On</i>	<i>External</i>	<i>Legal & Compliance</i>
<i>Understanding RA11036: Mental Health Law (Mental Wellness in the Workplace)</i>	<i>External</i>	<i>Human Resources</i>
<i>2019 Joint Forum on the Revised Corporation Code</i>	<i>External</i>	<i>Legal & Compliance</i>
<i>Corporate Governance Training</i>	<i>External</i>	<i>Directors, Select Representatives from All Departments</i>
April		
<i>Trading Participants Seminar</i>	<i>External</i>	<i>Legal & Compliance</i>
May		

Training	In-house / External Trainer	Department Concerned
Trader Summit	In-house	Advisory Group, Marketing, Research, Sales & Customer Support
Leadership Strategy for Young Managers	External	Human Resources
June		
Sustainability Reporting Workshop	External	Legal & Compliance
Law x Tech Summit	External	Legal & Compliance
July		
IT Security Seminar	External	IT
Mid-year Market Outlook	In-house	Advisory Group, Marketing, Research, Sales & Customer Support
CompTIA Security+	External	IT
August		
CompTIA Security+	External	IT
Philippine Corporate Compliance Forum	External	Legal & Compliance
SunLife Seminar	External	Accounting, Sales & Customer Support
Customer Malasakit Training	External	Accounting, Sales & Customer Support
Clifton Strengths Module 1	External	All Departments
September		
Inhouse Congress Manila 2019: Legal Updates	External	Legal & Compliance
Certification Seminar for Prospective Equities Securities Salesmen	External	Advisory Group
Annual & Sustainability Reporting Workshop	External	Marketing
3 rd Data Privacy Summit: Building Mastery for Global, Robust, Future Proof Data Protection Programs	External	Legal & Compliance
Clifton Strengths Module 1	External	All Departments
Certified Data Center Facilities Operations Manager	External	IT
Writing Bootcamp: Learn to Up Your Writing	External	Marketing

Training	In-house / External Trainer	Department Concerned
<i>Game and Score Clients!</i>		
<i>Investor Summit</i>	<i>In-house</i>	<i>Advisory Group, Marketing, Research, Sales & Customer Support</i>
October		
<i>BOSH (Basic Occupational Safety and Health)</i>	<i>External</i>	<i>Admin</i>
<i>Foundations of Organizational Development</i>	<i>External</i>	<i>Human Resources</i>
<i>Certification Seminar for Phase 1 SEC Certification Examination</i>	<i>External</i>	<i>Business Development, Human Resources</i>
<i>#FEELS Learn to Create Content that Sets Emotions in Motion</i>	<i>External</i>	<i>Marketing</i>
<i>Strategic Thinking Process Overview Session</i>	<i>External</i>	<i>Accounting</i>
<i>Road to Richer Life</i>	<i>External</i>	<i>All Departments</i>
November		
<i>Red Cross Standard First Aid with BLS Training</i>	<i>External</i>	<i>Sales & Customer Support</i>
<i>Certified Data Center Professional CDCP</i>	<i>External</i>	<i>IT</i>
<i>Clifton Strengths Session on Coaching</i>	<i>External</i>	<i>All Departments</i>
<i>IT Security Seminar</i>	<i>External</i>	<i>Admin, IT, Human Resources. Legal & Compliance</i>
December		
<i>Anti-Money Laundering Refresher Seminar</i>	<i>In-house</i>	<i>All Departments</i>
<i>Data Privacy Seminar</i>	<i>In-house</i>	<i>All Department</i>