

COVER SHEET

A	1	9	9	9	1	0	0	6	5
---	---	---	---	---	---	---	---	---	---

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
---	---

3	1
---	---

Month

Day

Fiscal Year

I-ACGR

FORM TYPE

0	3

Month

Day

Annual Meeting

Secondary License Type, If Applicable

--	--	--

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Number of Stockholders

Total Amount of Borrowings

Domestic

none

Foreign

To be accomplished by SEC Personnel concerned

[illegible]

File Number

LCU

[illegible]

Document I.D.

Cashier

STAMPS

STAMPS

Remarks = pls. Use black ink for scanning purposes

SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended 2020
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/aqe/Final2/home/disclosures/COL_17A_Dec2020.pdf	
2. Board has an appropriate mix of competence and expertise.			
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/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>Company's needs.</p> <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/aqe/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/aqe/Final2/home/governance/Amended%20General%20Information%20Sheet%202020%20(2nd%20Amendment).pdf</p> <p>Board Charter: https://www.colfinancial.com/aqe/Final2/home/governance/Board%20Charter.pdf</p>	
Recommendation 1.3			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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. Board Charter:	
2. Company has an orientation program for first time directors.	Compliant	https://www.colfinancial.com/ape/Final2/home/governance/Board%20Charter.pdf 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	Please see Art IX of the Company's CG Manual. CG Manual: https://www.colfinancial.com/ape/Final2/home/governance/Corporate%20Governance%20Manual.pdf The certificates of attendance of the directors of COL for the year 2020 are attached as Annex "A".	
Recommendation 1.4			
1. Board has a policy on board diversity.	Compliant	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	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>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	Atty. Sharon T. Lim is the Corporate Secretary of the Company. Her qualifications may be found in	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
2. Corporate Secretary is a separate individual from the Compliance Officer.	Non-Compliant	Annex A of the Company's 2020 Amended Definitive Information Statement (Information Statement). Information Statement: https://www.colfinancial.com/ape/Final2/Disclosures/Data/2020%20Amended%20Information%20Statement.pdf	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.
3. Corporate Secretary is not a member of the Board of Directors.	Compliant	Investor Relations Page: https://www.colfinancial.com/ape/Final2/home/investor_relations.asp#management Annual Report: https://www.colfinancial.com/ape/Final2/home/disclosures/COL_17A_Dec2020.pdf The duties and functions of the Corporate Secretary are in Art VII, Sec 6 of the Board Charter. Board Charter: https://www.colfinancial.com/ape/Final2/home/governance/Board%20Charter.pdf Atty. Lim was not a member of the Board of Directors in 2020.	
4. Corporate Secretary attends training/s	Compliant	Please see the certificate of attendance of Atty. Lim attached as Annex "A." We likewise attach as	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
on corporate governance.		Annex “A” the certification of training of the Assistant Corporate Secretaries, Mr. Juan Barredo and Atty. Stephanie Reyes.	
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 under the heading “Board of Directors, Management & Executive Officers” and Part III, Item 10 of the Annual Report. Investor Relations Page: https://www.colfinancial.com/ape/Final2/home/investor_relations.asp#management Annual Report: https://www.colfinancial.com/ape/Final2/home/disclosures/COL_17A_Dec2020.pdf Her duties and functions are in Art, V Sec. 5.07 of the CG Manual and Art VII, Sec 8 of the Board	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant		
3. Compliance Officer is not a member of the board.	Compliant		

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>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 is the Head of its Legal & Compliance Department. She is also one of the Company's Associated Persons. All of these roles provide her with adequate stature and authority to supervise the Company's compliance with applicable rules and regulations.</p> <p>She is not a member of the Board of Directors.</p>	
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			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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	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 2020 may be found in Annex F of the Company’s Information Statement. Information Statement: https://www.colfinancial.com/aqe/Final2/Disclosures/Data/COL%202021%20Definitive%20Information%20Statement%20(SEC%20Form%2020-IS).pdf	
Recommendation 2.2			
1. Board oversees the development, review and approval of the Company’s business objectives and strategy.	Compliant	The Board regularly reviews the Company’s business objectives and strategy. On a quarterly basis, the President submits the 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.	
2. Board oversees and monitors the implementation of the company’s business objectives and strategy.	Compliant		
Supplement to Recommendation 2.2			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	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)	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>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	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		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/aqe/Final2/home/investor_relations.asp#management</p> <p>Annual Report: https://www.colfinancial.com/aqe/Final2/home/disclosures/COL_17A_Dec2020.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 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	
2. Board adopts a policy on the retirement for directors and key officers.	Compliant		

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>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	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant	Article II, Section 8 of the Company's By-laws, not 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_Dec2020.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			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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	<p>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.</p> <p>By Laws: https://www.colfinancial.com/ape/Final2/home/governance/Amended%20By-Laws%20(2012).pdf</p> <p>Nomination Committee Charter: https://www.colfinancial.com/ape/Final2/home/governance/Nomination%20Committee%20Charter.pdf</p> <p>CG Manual: https://www.colfinancial.com/ape/Final2/home/governance/Corporate%20Governance%20Manual.pdf</p>	
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	Compliant		

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
quality of directors that is aligned with the strategic direction of the company.			
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 (RPT) Policy, which superseded the policy indicated in the Company's Code of Business Conduct and Ethics. RPT Policy: https://www.colfinancial.com/ape/Final2/home/governance/Related%20Party%20Transactions%20Policy.pdf	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant		
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and	Compliant		

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
complexity of operations.			
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 related party transactions during shareholders' meetings.	Compliant	RPT Policy: 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)	Compliant	Please refer to Art VII, Sec 2(a) of the Board Charter on the Board's responsibility to appoint management officers.	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).		Board Charter: https://www.colfinancial.com/ape/Final2/home/governance/Board%20Charter.pdf The composition of the Company's Management Team appointed by the Board may be seen in Annex "A" of the Information Statement. Information Statement: https://www.colfinancial.com/ape/Final2/Disclosures/Data/2020%20Amended%20Information%20Statement.pdf	
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	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	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Management.		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 that the same is in line with the Board's mission, vision, values, and strategic objectives.</p>	
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/ </p>	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		governance/Code%20of%20Business%20Conduct%20and%20Ethics.pdf RPT Policy: https://www.colfinancial.com/ape/Final2/home/governance/Related%20Party%20Transactions%20Policy.pdf	
3. Board approves the Internal Audit Charter.	Non-Compliant		The Company is still formalizing its internal audit structure. The Internal Audit Charter will be finalized once the same is in place.
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. Board Charter: https://www.colfinancial.com/ape/Final2/home/governance/Board%20Charter.pdf	
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	A discussion on how the Company, through the leadership of the Board, manages its risks may be found in pages 16-23 of the Annual Report. Annual Report: https://www.colfinancial.com/ape/Final2/home/	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<u>disclosures/COL_17A_Dec2020.pdf</u>	
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: <u>https://www.colfinancial.com/ape/Final2/home/governance/Board%20Charter.pdf</u>	
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: <u>https://www.colfinancial.com/ape/Final2/home/governance/Code%20of%20Business%20Conduct%20and%20Ethics.pdf</u>	
Optional: Principle 2			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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,	Compliant	Please refer to Art VII, Sec 8.01 of the CG Manual on the discussion of the Audit Committee, including its functions as well as the Audit	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
internal control system, internal and external audit processes, and compliance with applicable laws and regulations.		<p>Committee Charter.</p> <p>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>	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Non-Compliant	<p>For 2020, the members of the Audit Committee were 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, an independent director, chaired the committee. The qualifications of said directors may be found in Part III, Item 10 of the Company's Annual Report.</p> <p>Annual Report: https://www.colfinancial.com/ape/Final2/home/</p>	<p>Given the workload of the Board Committees, the Board believes that it will be in the Company's best interest that, as much as possible, 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</p>

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		disclosures/COL_17A_Dec2020.pdf	current composition, the Committee is 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 Annual Report. Annual Report: https://www.colfinancial.com/ape/Final2/home/disclosures/COL_17A_Dec2020.pdf	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	Mr. Khoo, the 2020 Audit Committee Chairman, was 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, 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	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		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>	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Non-Compliant	The members of the 2020 Nomination Committee were Mr. Arthur Gindap, Mr. Alexander C. Yu, and Atty. Sharon T. Lim.	<p>Given the workload of the Board Committees, the Board believes that it will be in the Company's best interest that, as much as possible, 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.</p> <p>The Company believes that with its current composition, the Committee is able to effectively perform its duties and functions.</p>
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	Compliant	Given the relative small size of the Company, the	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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.		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. Audit Committee Charter: https://www.colfinancial.com/ape/Final2/home/governance/Audit%20Committee%20Charter.pdf	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Non-Compliant	The members of the 2020 Audit Committee were 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 chaired the committee. The qualifications of said directors may be found in Part III, Item 10 of the Annual Report. Annual Report: https://www.colfinancial.com/ape/Final2/home/disclosures/COL_17A_Dec2020.pdf	Given the workload of the Board 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. The Company believes that with its current composition, the Committee is able to effectively perform its duties and functions.
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Compliant	Mr. Khoo, the 2020 Audit Committee Chairman, was neither the Chairman of the Board nor of any other committee.	
4. At least one member of the BROC has	Compliant	The members of the Audit Committee have more	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
relevant thorough knowledge and experience on risk and risk management.		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 2020 Audit Committee were 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 chaired the committee. The qualifications of said directors may be found in Part III, Item 10 of the Annual Report.</p> <p>Annual Report: https://www.colfinancial.com/ape/Final2/home/disclosures/COL_17A_Dec2020.pdf</p>	<p>Given the workload of the Board 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 able to effectively perform its duties and functions.</p>

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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 2020 is disclosed in the Company website. The Company complies with the applicable rules and regulations of the Commission for meetings held through tele-/ video-conferencing.</p> <p>Certification on Attendance:</p> <p>https://www.colfinancial.com/ape/Final2/home/governance/Attendance%20of%20the%20Board%20of%20Directors%20for%20the%20year%202020.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	Compliant	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.	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
proposals/views, and oversee the long-term strategy of the company.		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 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: https://www.colfinancial.com/ape/final2/home/governance/Board%20Charter.pdf	
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.			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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.	Compliant	Starting February 2021, the Board had 3 independent directors.	
Recommendation 5.2			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	Kindly refer to the certificates of the independent directors attached as Annex “C” of the 2020 Information Statement. Information Statement: https://www.colfinancial.com/ape/Final2/Disclosures/Data/2020%20Amended%20Information%20Statement.pdf	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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	There are no existing shareholder agreements, by law provisions, or other arrangements that constrain the director's ability to vote independently. By-laws: https://www.colfinancial.com/ape/Final2/home/governance/Amended%20By-Laws%20(2012).pdf	
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.	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	CG Manual: https://www.colfinancial.com/ape/Final2/home/governance/Corporate%20Governance%20Manual.pdf	
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.	Compliant		

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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	<p>Please refer to Art II, Sec 2.03 of the CG Manual for the relationship between the Company's Chairman and Chief Executive Officer.</p> <p>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.</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>	
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, the Board appointed Mr. Khoo Boo Boon as the lead independent director for the year 2020.	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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	<p>Under the RPT Policy, directors with material interest in a transaction affecting the company are required to abstain from taking part in the deliberations thereof.</p> <p>Kindly refer to Item E,3,ciii of the Related Party Transactions Policy of the Company.</p> <p>RPT Policy: https://www.colfinancial.com/ape/Final2/home/governance/Related%20Party%20Transactions%20Policy.pdf </p>	
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			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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	Compliant	The Board has adopted a Code of Business Conduct and Ethics. Code of Business Conduct and Ethics: https://www.colfinancial.com/ape/Final2/home/governance/Code%20of%20Business%20Conduct	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
company.		<u>%20and%20Ethics.pdf</u>	
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 <u>https://www.colfinancial.com/ape/Final2/home/governance/Code%20of%20Business%20Conduct%20and%20Ethics.pdf</u>	
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	The Company's Anti-Bribery and Anti-Corruption Policy may be found in Part F of the Code of Business Conduct and Ethics. Code of Business Conduct and Ethics: <u>https://www.colfinancial.com/ape/Final2/home/governance/Code%20of%20Business%20Conduct%20and%20Ethics.pdf</u>	
Recommendation 7.2			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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 2020, 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	Kindly refer to Part J of the Code of Business Conduct and Ethics for the Company’s Disclosure Policy. Code of Business Conduct and Ethics: https://www.colfinancial.com/ape/Final2/home/governance/Code%20of%20Business%20Conduct%20and%20Ethics.pdf The Company reports / disclosures to shareholders may be found in the Company’s	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>website and in PSE Edge.</p> <p>Disclosures: https://www.colfinancial.com/ape/Final2/Disclosures/COL_Disclosures2.asp </p>	
Supplement to Recommendations 8.1			
<p>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.</p>	Compliant	<p>The Company files its annual and quarterly reports within the period allowed under the pertinent SEC laws, rules, and regulations. The Company filed its first quarter report on 26 June 2020, in compliance with SEC Memorandum Circular No. 5, series of 2020 which extended the deadline for said report to 30 June 2020. The second and third quarter interim reports were submitted on 19 August 2020, and 20 November 2020 respectively.</p> <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.</p>	
Recommendation 8.2			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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. Code of Business Conduct and Ethics: https://www.colfinancial.com/aqe/Final2/home/governance/Code%20of%20Business%20Conduct%20and%20Ethics.pdf	
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	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." PSE Edge: http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=601	
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 includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).	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 template name "Change in Shareholdings of Directors and Principal Officers". 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	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		Ownership Report.” PSE Edge: http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=601	
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.” 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.”	
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	Investor Relations Page: https://www.colfinancial.com/ape/Final2/home/investor_relations.asp PSE Edge: http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=601	
Recommendation 8.4			
1. Company provides a clear disclosure of	Compliant	The remuneration of the directors may be found	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
its policies and procedure for setting Board remuneration, including the level and mix of the same.		in Part III, Item 11 of the Annual Report. Annual Report: https://www.colfinancial.com/aqe/Final2/home/disclosures/COL_17A_Dec2020.pdf	
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</p>

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
			<p>executives, such as allowing the Company a degree 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 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	Compliant	Please refer to Art XV of the CG Manual. CG Manual: https://www.colfinancial.com/ape/Final2/home/governance/Corporate%20Governance%20Manu	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Corporate Governance.		<u>al.pdf</u>	
2. Company discloses material or significant RPTs reviewed and approved during the year.	Compliant	<p>The Company's material RPTs for 2020 are disclosed under Part III, Item 13 of the Annual Report and Note 20 of the Audited Financial Statements attached to the same.</p> <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: <u>https://www.colfinancial.com/ape/Final2/home/disclosures/COL_17A_Dec2020.pdf</u> </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: <u>https://www.colfinancial.com/ape/Final2/home/governance/Related%20Party%20Transactions%20Policy.pdf</u> </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.			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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	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.” PSE Edge: http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=601	
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 2020.	
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			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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/governance/Corporate%20Governance%20Manual.pdf	
Optional: Principle 8			
1. Does the company’s Annual Report disclose the following information:			
a. Corporate Objectives			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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,	Compliant	The Audit Committee annually reviews the work and remuneration of the external auditors against best practices and industry standards.	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
and fees of the external auditors.		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 is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	Compliant	The reappointment of the external auditor was recommended by the Audit Committee, approved by the Board, and ratified by at least a majority of the shareholders present during the 2020 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	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. Audit Committee Charter: https://www.colfinancial.com/ape/Final2/home/	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<u>governance/Audit%20Committee%20Charter.pdf</u>	
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on: <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 consideration relevant Philippine professional and regulatory requirements. 	Compliant	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. Audit Committee Charter: <u>https://www.colfinancial.com/ape/Final2/home/governance/Audit%20Committee%20Charter.pdf</u>	
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			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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. Audit Committee Charter: https://www.colfinancial.com/ape/Final2/home/governance/Audit%20Committee%20Charter.pdf	
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Compliant		
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. Audit Committee Charter: https://www.colfinancial.com/ape/Final2/home/governance/Audit%20Committee%20Charter.pdf	
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 impairing the external auditor's objectivity.	Compliant		
Supplement to Recommendation 9.3			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Compliant	Sec 3.4 (e)(v) of the Audit Committee Charter provides guidelines on non-audit services. Audit Committee Charter: https://www.colfinancial.com/ape/Final2/home/governance/Audit%20Committee%20Charter.pdf	
Additional Recommendation to Principle 9			
1. Company's external auditor is duly accredited by the SEC under Group A category.	Compliant	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. Annual Report: https://www.colfinancial.com/ape/Final2/home/disclosures/COL_17A_Dec2020.pdf	
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	The Company's external auditor agreed to be subjected to the SOAR Inspection Program of SEC. The last SOAR inspection was on November 12-23, 2018.	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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	Kindly refer to Part J 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	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant	The Company's Sustainability Report for 2020 is attached to its 2020 Annual Report. Annual Report: https://www.colfinancial.com/ape/Final2/home/disclosures/COL_17A_Dec2020.pdf	
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	Compliant	The Company regularly prepares and upon request, disseminates investor briefing materials	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.		to interested parties. Copies of investor presentations 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	
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			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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.	Compliant	The Company has implemented internal controls across all aspects of its business.	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	Kindly refer to pages 16-23 of the Annual Report for a discussion of its enterprise risk management framework. Annual Report: https://www.colfinancial.com/ape/Final2/home/disclosures/COL_17A_Dec2020.pdf	
Supplement to Recommendations 12.1			
1. Company has a formal comprehensive enterprise-wide compliance program	Compliant	The Company, on at least an annual basis, reviews its compliance with existing and new	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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.		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,	Non-Compliant		The Company is currently looking for an internal auditor who can competently assess its internal control mechanisms and formalizing

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
and consulting services designed to add value and improve the company’s operations.			its internal audit structure. We note that the Company currently has an in-house team with extensive audit experience.
Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	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. PSE Edge: https://edge.pse.com.ph/openDiscViewer.do?edge_no=44ae94b29e107dc20de8473cebbd6407 Board Charter: https://www.colfinancial.com/ape/Final2/home/governance/Board%20Charter.pdf	
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.			
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Non-Compliant		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

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
			<p>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 16-23 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 16-23 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: https://www.colfinancial.com/ape/Final2/home/disclosures/COL_17A_Dec2020.pdf </p>	
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a	Compliant	Ms. Catherine L. Ong has been appointed by the Board as the Company's Chief Risk Officer. Her	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).		duties and responsibilities are indicated in Art VII, Sec 10 of the Board Charter. PSE Edge: https://edge.pse.com.ph/openDiscViewer.do?edge_no=44ae94b29e107dc20de8473cebbd6407 Board Charter: https://www.colfinancial.com/ape/Final2/home/governance/Board%20Charter.pdf	
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 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 currently sourcing its internal auditor and formalizing its internal audit structure. The execution of such an attestation will be implemented after an internal audit is formally in place.
<i>Cultivating a Synergic Relationship with Shareholders</i>			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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	Shareholder rights are disclosed in Sec XI of the CG Manual. CG Manual: https://www.colfinancial.com/ape/Final2/home/governance/Corporate%20Governance%20Manual.pdf	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	The rights of shareholders are disclosed in the Company's website. Shareholder Rights: https://www.colfinancial.com/ape/Final2/home/governance/Shareholder%20Rights.pdf	
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	Compliant	Each share is entitled to one vote as stated in Item 4 of the Information Statement. Information Statement: https://www.colfinancial.com/ape/Final2/Disclosures/Data/2020%20Amended%20Information%20Statement.pdf	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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: https://www.colfinancial.com/ape/Final2/Disclosures/Data/2020%20Amended%20Information%20Statement.pdf	
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	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	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
item at the AGM or special meeting.		meeting. 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 2020, the Company declared regular and special cash dividends of PhP0.18 and PhP0.52 per share, respectively. The declaration was made on 3 April 2020 and was paid on 27 May 2020, or 54 days after. By-laws: https://www.colfinancial.com/ape/Final2/home/governance/Amended%20By-Laws%20(2012).pdf	
Optional: Recommendation 13.1			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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 4 May 2020, or 28 days before the annual stockholders meeting on 2 June 2020. The agenda contains, among others, the approval of the 2019 Audited Financial Statements which contains information regarding remuneration.</p> <p>Information Statement:</p> <p>https://www.colfinancial.com/ape/Final2/Disclosures/Data/2020%20Amended%20Information%20Statement.pdf</p>	
Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:	Compliant	The profiles of the Company's directors are included as Annex "A" of the Information Statement.	
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and		The identity of the external auditor seeking re-appointment is disclosed in Item 7 of the Information Statement.	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
directorships in other listed companies)		The Company does not require shareholders to send proxy documents. Information Statement: https://www.colfinancial.com/ape/Final2/Disclosures/Data/2020%20Amended%20Information%20Statement.pdf	
b. Auditors seeking appointment/re-appointment			
c. 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 2020 annual stockholders meeting, containing the votes taken by poll, and questions asked and answers thereto, if any, are disclosed in the Company website. Minutes of Annual Stockholders Meeting:	
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	https://www.colfinancial.com/ape/Final2/home/governance/Minutes%20of%20Annual%20Stockholders'%20Meeting%202020.pdf	
Supplement to Recommendation 13.3			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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 mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Compliant	The alternative dispute mechanism instituted by the Company for the amicable and effective resolution of intra-corporate disputes may be found in Art XVI of the CG Manual. CG Manual:	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	https://www.colfinancial.com/aqe/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			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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 2020.	
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 2020, the Company's public float is 24.26%. Regardless of the public float, the Board treats all shareholders fairly and equitably and ensures the protection of their rights.</p> <p>PSE Edge: https://edge.pse.com.ph/openDiscViewer.do?edge_no=b051424034236e685d542af6f1e997b9 </p>
Public ownership Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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/aqe/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/aqe/Final2/home/governance/Corporate%20Governance%20Manu</p>	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<u>al.pdf</u>	
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 2020.	
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			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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	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. The Company is further compliant with labor laws that require the appointment and certification of a safety officer and first aider. The Company also	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>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	<p>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 2020 is attached in the Sustainability Report attached as a supplementary schedule of the Annual Report.</p> <p>Annual Report: https://www.colfinancial.com/ape/Final2/home/disclosures/COL_17A_Dec2020.pdf </p>	
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/ </p>	


	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<u>governance/Code%20of%20Business%20Conduct%20and%20Ethics.pdf</u>	
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 2020, there were no findings of violations of this 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>	
Recommendation 15.3			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	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 Department (<u>hr@colfinancial.com</u>) or Legal & Compliance Department	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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	(compliance@colfinancial.com) and may be addressed to the Compliance Officer. Code of Business Conduct and Ethics: https://www.colfinancial.com/apec/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	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	

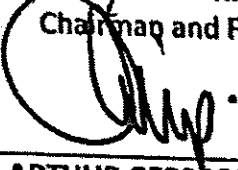
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
operates.		non-clients. Aside from the above, as part of its commitment to protect the environment, the Company regularly partners with environmental organizations.	
Optional: Principle 16			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development			
2. Company exerts effort to interact positively with the communities in which it operates			

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 ____ May 2021.

SIGNATURES




EDWARD K. LEE
Chairman and Founder




ARTHUR GERRARD GINDAP
Independent Director



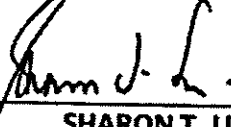
ROBERTO C. BENARES
Independent Director



CONRADO F. BATE
President and Chief Executive Officer



BETTY C. SIY-YAP
Independent Director




SHARON T. LIM
Compliance Officer/ Corporate Secretary

SUBSCRIBED AND SWORN to before me this 30th day of May 2021, 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				
Conrado F. Bate				
Betty C. Siy-Yap				
Roberto C. Benares				
Arthur Gindap				
Sharon T. Lim				

Doc. No. 407
Page No. 97
Book No. 3
Series of 2021


ATTY. STEPHANIE FAYE B. REYES
For the Cities of Pasig, San Juan
and Municipality of Pateros
Expiring on 31 December 2020
Appointment No. 61 (2019-2020) Pasig City
Roll No. 64239
PTR No. 5242827/01.05.21/Pasig City
IBP LRN 13768/RSM
MCLE Compliance No. VI-0014740/11.13.18
2703C East Tower PSE Centre, Exchange Rd.,
Ortigas Center, Pasig City

ANNEX "A"

CERTIFICATION OF ATTENDANCE



presents

CERTIFICATE OF PARTICIPATION

to

EDWARD LEE

for attending the webinar

ETHICAL DECISION-MAKING WORKSHOP

given this the 10th of October 2020.

As an accredited institutional training provider on corporate governance (SEC Accreditation No. CG2018-015), this workshop is accredited for four (4) corporate governance training hours.


Dr. Robert Ramos, CFA, CAIA, CIPM
President
CFA Society Philippines





presents

CERTIFICATE OF PARTICIPATION

to

ALEXANDER YU

for attending the webinar

ETHICAL DECISION-MAKING WORKSHOP

given this the 10th of October 2020.

As an accredited institutional training provider on corporate governance (SEC Accreditation No. CG2018-015), this workshop is accredited for four (4) corporate governance training hours.


Dr. Robert Ramos, CFA, CAIA, CIPM
President
CFA Society Philippines





presents

CERTIFICATE OF PARTICIPATION

to

CONRADO BATE

for attending the webinar

ETHICAL DECISION-MAKING WORKSHOP

given this the 10th of October 2020.

As an accredited institutional training provider on corporate governance (SEC Accreditation No. CG2018-015), this workshop is accredited for four (4) corporate governance training hours.


Dr. Robert Ramos, CFA, CAIA, CIPM
President
CFA Society Philippines





presents

CERTIFICATE OF PARTICIPATION

to

PAULWELL HAN

for attending the webinar

ETHICAL DECISION-MAKING WORKSHOP

given this the 10th of October 2020.

As an accredited institutional training provider on corporate governance (SEC Accreditation No. CG2018-015), this workshop is accredited for four (4) corporate governance training hours.


Dr. Robert Ramos, CFA, CAIA, CIPM
President
CFA Society Philippines





presents

CERTIFICATE OF PARTICIPATION

to

HERNAN LIM

for attending the webinar

ETHICAL DECISION-MAKING WORKSHOP

given this the 10th of October 2020.

As an accredited institutional training provider on corporate governance (SEC Accreditation No. CG2018-015), this workshop is accredited for four (4) corporate governance training hours.


Dr. Robert Ramos, CFA, CAIA, CIPM
President
CFA Society Philippines





presents

CERTIFICATE OF PARTICIPATION

to

RAYMOND YU

for attending the webinar

ETHICAL DECISION-MAKING WORKSHOP

given this the 10th of October 2020.

As an accredited institutional training provider on corporate governance (SEC Accreditation No. CG2018-015), this workshop is accredited for four (4) corporate governance training hours.


Dr. Robert Ramos, CFA, CAIA, CIPM
President
CFA Society Philippines





presents

CERTIFICATE OF PARTICIPATION

to

WELLINGTON YU

for attending the webinar

ETHICAL DECISION-MAKING WORKSHOP

given this the 10th of October 2020.

As an accredited institutional training provider on corporate governance (SEC Accreditation No. CG2018-015), this workshop is accredited for four (4) corporate governance training hours.


Dr. Robert Ramos, CFA, CAIA, CIPM
President
CFA Society Philippines





presents

CERTIFICATE OF PARTICIPATION

to

HOKUSHIN KIDO

for attending the webinar

ETHICAL DECISION-MAKING WORKSHOP

given this the 10th of October 2020.

As an accredited institutional training provider on corporate governance (SEC Accreditation No. CG2018-015), this workshop is accredited for four (4) corporate governance training hours.


Dr. Robert Ramon, CFA, CAIA, CIPM
President
CFA Society Philippines





presents

CERTIFICATE OF PARTICIPATION

to

CATHERINE ONG

for attending the webinar

ETHICAL DECISION-MAKING WORKSHOP

given this the 10th of October 2020.

As an accredited institutional training provider on corporate governance (SEC Accreditation No. CG2018-015), this workshop is accredited for four (4) corporate governance training hours.


Dr. Robert Ramos, CFA, CAIA, CIPM
President
CFA Society Philippines





presents

CERTIFICATE OF PARTICIPATION

to

ARTHUR GERRARD GINDAP

for attending the webinar

ETHICAL DECISION-MAKING WORKSHOP

given this the 10th of October 2020.

As an accredited institutional training provider on corporate governance (SEC Accreditation No. CG2018-015), this workshop is accredited for four (4) corporate governance training hours.


Dr. Robert Ramos, CFA, CAIA, CIPM
President
CFA Society Philippines





presents

CERTIFICATE OF PARTICIPATION

to

JUAN BARREDO

for attending the webinar

ETHICAL DECISION-MAKING WORKSHOP

given this the 10th of October 2020.

As an accredited institutional training provider on corporate governance (SEC Accreditation No. CG2018-015), this workshop is accredited for four (4) corporate governance training hours.


Dr. Robert Ramos, CFA, CAIA, CIPM
President
CFA Society Philippines





presents

CERTIFICATE OF PARTICIPATION

to

SHARON LIM

for attending the webinar

ETHICAL DECISION-MAKING WORKSHOP

given this the 10th of October 2020.

As an accredited institutional training provider on corporate governance (SEC Accreditation No. CG2018-015), this workshop is accredited for four (4) corporate governance training hours.


Dr. Robert Ramos, CFA, CAIA, CIPM
President
CFA Society Philippines



 **CFA Society
Philippines**

presents

CERTIFICATE OF PARTICIPATION

to

STEPHANIE FAYE REYES

for attending the webinar

ETHICAL DECISION-MAKING WORKSHOP

given this the 18th of December 2020.
As an accredited institutional training provider on corporate governance
(SEC Accreditation No. CG2018-015), this workshop is accredited for
four (4) corporate governance training hours.


Dr. Robert Ramos, CFA, CAIA, CIPM
President
CFA Society Philippines

