

COVER SHEET

A199910065

S.E.C. Registration Number

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(Company's Full Name)

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

Atty. Sharon T. Lim

Contact Person

8636-54-11

Company Telephone Number

1	2	3	1
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Month Day
Fiscal Year

I-ACGR

FORM TYPE

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Month Day
Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Number of Stockholders

Domestic

none

Foreign

Total Amount of Borrowings

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. Use black ink for scanning purposes

SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended **2023**
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 Industry Classification Code:
incorporation or organization
7. **Unit 24/F East Tower, Tektite Towers, 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	<p>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).</p> <p>Annual Report: https://www.colfinancial.com/aqe/Final2/home/disclosures/COL%20Financial%2017A%202023.pdf</p> <p>The above also shows that the Company's Board of Directors has an appropriate mix of competence and expertise necessary to run an online brokerage business and prove the continuing qualifications of the Company's directors that enable them to fulfill their roles and responsibilities to COL and respond to the Company's needs.</p>	
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>The qualifications and disqualifications of directors may be found in Art III, Sec 3.01 and 3.02 of the Company's Corporate Governance Manual (CG Manual).</p> <p>CG Manual: https://www.colfinancial.com/ape/Final2/home/governance/Corporate%20Governance%20Manual.pdf </p>	
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	Compliant	<p>Only 1 out of the Company's 11 directors (Mr. Bate) is an executive director. The rest are non-executive directors. Kindly also refer to Art II Sec 1 of the Board Charter.</p> <p>General Information Sheet: https://www.colfinancial.com/ape/Final2/home/governance/COL%20Financial%20Group%20Inc%202023%20Amended%20General%20Information%20Sheet%20(Redacted).pdf </p> <p>Board Charter: https://www.colfinancial.com/ape/Final2/home/governance/Board%20Charter.pdf </p>	
Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate	Compliant		

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Governance a policy on training of directors.		Kindly refer to Art VIII of the Board Charter and Art IX of the CG Manual.	
2. Company has an orientation program for first time directors.	Compliant	Board Charter: 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 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	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>and independent judgment and insight in the formulation of sound corporate strategies and policies.</p> <p>CG Manual: https://www.colfinancial.com/ape/Final2/home/governance/Corporate%20Governance%20Manual.pdf</p> <p>The same policy is reiterated in Art II, Sec 3 of the Board Charter.</p> <p>Board Charter: https://www.colfinancial.com/ape/Final2/home/governance/Board%20Charter.pdf</p> <p>With respect to gender diversity, we note that Ms. Siy-Yap 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	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
2. Corporate Secretary is a separate individual from the Compliance Officer.	Non-Compliant	<p>qualifications may be found in Annex A of the Company's latest Definitive Information Statement (Information Statement).</p> <p>Information Statement: https://www.colfinancial.com/ape/Final2/home/Disclosures/2023%20Definitive%20Information%20Statement%20-%20COL.pdf</p>	Taking into consideration the nature of the functions of the Corporate Secretary and the Compliance Officer, the Board deems it fit that these positions be held by one person with legal background.
3. Corporate Secretary is not a member of the Board of Directors.	Compliant	<p>Investor Relations Page: https://www.colfinancial.com/ape/Final2/home/investor_relations.asp#management</p> <p>Annual Report: https://www.colfinancial.com/ape/Final2/home/disclosures/COL%20Financial%2017A%202023.pdf</p> <p>The duties and functions of the Corporate Secretary are in Art VII, Sec 6 of the Board Charter.</p> <p>Board Charter: https://www.colfinancial.com/ape/Final2/home/governance/Board%20Charter.pdf</p> <p>Atty. Lim was not a member of the Board of Directors during the covered year.</p>	
4. Corporate Secretary attends training/s on corporate governance.	Compliant	Please see the certificate of attendance of Atty. Lim attached as Annex "A." We	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		likewise attach as Annex “A” the certification of training of the Assistant Corporate Secretaries, Mr. Juan G. Barredo and Atty. Stephanie Faye B. 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%20Financial%2017A%202023.pdf	
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>Her duties and functions are in Art, V Sec. 5.07 of the CG Manual and Art VII, Sec 8 of the Board Charter.</p> <p>CG Manual: https://www.colfinancial.com/ape/Final2/home/governance/Corporate%20Governance%20Manual.pdf</p> <p>Board Charter: https://www.colfinancial.com/ape/Final2/home/governance/Board%20Charter.pdf</p> <p>She has the rank of 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. Please see Item 18. Other Proposed Action of the Company’s latest Information Statement. Information Statement: https://www.colfinancial.com/ape/Final2/home/Disclosures/2024%20Definitive%20Information%20Statement.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) to provide the ultimate investing customer experience that will result in sustainable	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>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 on a regular basis.</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	Under the direction and supervision of the Board, the Company crafts its strategic objectives which are consistent with the Company's mission, vision, and core values. Upon review and approval of the strategic objectives, each department then crafts its business plans, annual budgets including other resources needed, performance objectives, and key performance indicators to support the	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		overall strategic objectives of the Company.	
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant	<p>The information and qualifications of the Company's Chairman, Mr. Edward K. Lee, are in the Company's investor relations page under the heading "Board of Directors, Management & Executive Officers" and Part III, Item 10 of the Annual Report.</p> <p>Investor Relations Page: https://www.colfinancial.com/ape/Final2/home/investor_relations.asp#management</p> <p>Annual Report: https://www.colfinancial.com/ape/Final2/home/disclosures/COL%20Financial%2017A%202023.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	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
2. Board adopts a policy on the retirement for directors and key officers.	Compliant	<p>Resources Department, maps out the duties and functions of each position together with the key knowledge, skills, and experience required. A professional development plan is created for high potential candidates to ensure that they receive continuous training to further develop their skills and equip them with the right knowhow and expertise to ensure that they are able to do their jobs well. The Board likewise assesses the training needs of each incumbent and provides the opportunity for them to further enhance their skills through internal or external trainings and seminars. The above likewise applies to the executives who may be elected as Board directors, including the Company's Chief Executive Officer, Chief 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			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	<p>As disclosed in Part III, Item 11 of the Annual Report, each director is entitled to a reasonable per diem, which amount shall, according to Article III, 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. Such compensation shall be approved by stockholders representing at least a majority of the outstanding capital stock of the corporation during their meeting.</p> <p>Annual Report: https://www.colfinancial.com/aqe/Final2/home/disclosures/COL%20Financial%2017A%202023.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>	
2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant		
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant		

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.			
2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.			
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	Compliant	<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.pdf</p> <p>Nomination Committee Charter: https://www.colfinancial.com/ape/Final2/home/governance/Nomination%20Committee%20Charter.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		

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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	CG Manual: https://www.colfinancial.com/ape/Final2/home/governance/Corporate%20Governance%20Manual.pdf	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant		
Optional: Recommendation to 2.6			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.			
Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	Please refer to the Company's Related Party Transaction (RPT) Policy included as part of the Company's Code of Business Conduct and Ethics. RPT Policy:	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	https://www.colfinancial.com/ape/Final2/home/governance/COL%20Code%20of%20Business%20Conduct%20and%20Ethics%20(2023)%20sqd.pdf	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant		
Supplement to Recommendations 2.7			
1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.	Compliant	Under the Company’s RPT Policy, Material RPTs are those which do not fall under the exceptions provided in the Company’s RPT policy and which meet the threshold value of 10% of the total consolidated assets of the Company. All Material RPTs must be approved by at least 2/3 vote of the Board of Directors, with at least a majority of the independent directors voting to approve the same. If majority of the independent directors do not approve the Material RPT, the transaction needs to be ratified by the stockholders representing at least 2/3 of the outstanding capital stock of the Corporation. RPT Policy: https://www.colfinancial.com/ape/Final2	
2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific	Compliant		

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
types of related party transactions during shareholders' meetings.		/home/governance/COL%20Code%20of%20Business%20Conduct%20and%20Ethics%20(2023)%20sqd.pdf	
Recommendation 2.8			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	<p>Please refer to Art VII, Sec 2(a) of the Board Charter on the Board's responsibility to appoint management officers.</p> <p>Board Charter: https://www.colfinancial.com/ape/Final2/home/governance/Board%20Charter.pdf</p> <p>The composition of the Company's Management Team appointed by the Board may be seen in Annex "A" of the Information Statement.</p> <p>Information Statement: https://www.colfinancial.com/ape/Final2/home/Disclosures/2023%20Definitive%20Information%20Statement%20-%20COL.pdf</p>	
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. 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)	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		alignment with Company's mission, vision, and values.	
Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	Compliant	The Board assesses the performance of management. The Board considers the following criteria in its evaluation: (i) Company performance; (ii) individual performance; (iii) roles and responsibilities of the persons; and (iv) alignment with Company's mission, vision, and values.	
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	Compliant	<p>Company personnel are likewise assessed during their probationary period and during the year-end evaluation. Their performance is rated based, among others, on their job knowledge, quality, and quantity of work.</p> <p>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	Please refer to Art V, Sec 5.04 of the CG Manual.	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		CG Manual: https://www.colfinancial.com/ape/Final2/home/governance/Corporate%20Governance%20Manual.pdf	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant	Please refer to Art 3, Items A and I of the Code of Business Conduct and Ethics of the Company. Code of Business Conduct and Ethics: https://www.colfinancial.com/ape/Final2/home/governance/COL%20Code%20of%20Business%20Conduct%20and%20Ethics%20(2023)%20sgd.pdf	
3. Board approves the Internal Audit Charter.	Compliant	Please refer to the Company's Internal Audit Charter. Internal Audit Charter: https://www.colfinancial.com/ape/Final2/home/governance/COL%20Internal%20Audit%20Charter%202022%20final_sgd%20(2022.03.21).pdf	
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.	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	Compliant	<p>Board Charter: https://www.colfinancial.com/ape/Final2/home/governance/Board%20Charter.pdf</p> <p>A discussion on how the Company, through the leadership of the Board, manages its risks may be found in pages 12 - 17 of the Annual Report.</p> <p>Annual Report: https://www.colfinancial.com/ape/Final2/home/disclosures/COL%20Financial%2017A%202023.pdf</p>	
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Compliant	The Board of Directors of the Company has a Board Charter. The Charter includes, among others, the duties and responsibilities of the Board as a whole and of each Director.	
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant	Board Charter: https://www.colfinancial.com/ape/Final2/home/governance/Board%20Charter.pdf	
3. Board Charter is publicly available and posted on the company's website.	Compliant		
Additional Recommendation to Principle 2			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Board has a clear insider trading policy.	Compliant	Kindly refer to Art 3, Item G of the Code of Business Conduct and Ethics. Code of Business Conduct and Ethics: https://www.colfinancial.com/aqe/Final2/home/governance/COL%20Code%20of%20Business%20Conduct%20and%20Ethics%20(2023)%20sqd.pdf	
Optional: Principle 2			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.			
2. Company discloses the types of decision requiring board of directors' approval.			
Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.			
Recommendation 3.1			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	The Board established the following committees to aid in the performance of its roles and responsibilities: Audit Committee, Nomination Committee, and Remuneration Committee.	
Recommendation 3.2			
1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	Compliant	<p>Please refer to Art VIII, Sec 8.01 of the CG Manual on the discussion of the Audit Committee, including its functions as well as the Audit 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-Compliant	The members of the Audit Committee for the covered year were Ms. Betty C. Siy-	Given the workload of the Board Committees, it is in the

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
non-executive directors, the majority of whom, including the Chairman is independent.		<p>Yap, Mr. Wellington C. Yu, Mr. Raymond C. Yu, and Mr. Hernan G. Lim, all of whom are non-executive directors. Ms. Siy-Yap, 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/disclosures/COL%20Financial%2017A%202023.pdf </p>	<p>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 current composition, the Committee is able to effectively perform its duties and functions.</p>
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	<p>Please refer to Part III, Item 10 of the Annual Report.</p> <p>Annual Report: https://www.colfinancial.com/ape/Final2/home/disclosures/COL%20Financial%2017A%202023.pdf </p>	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	Ms. Betty C. Siy-Yap, the Audit Committee Chairman, was neither the Chairman of the Board nor of any other committee.	
Supplement to Recommendation 3.2			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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 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	Compliant	The Nomination Committee is in charge of assisting the Board in the performance of its corporate governance functions.	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.		<p>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/apc/Final2/home/governance/Nomination%20Committee%20Charter.pdf</p>	
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Non-Compliant	The members of the Nomination Committee for the covered year were Mr. Arthur Gindap, Mr. Alexander C. Yu, and Atty. Sharon T. Lim. Mr. Arthur Gindap, an independent director, chaired the committee.	<p>Given the workload of the Board Committees, it is 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>

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
3. Chairman of the Corporate Governance Committee is an independent director.	Compliant	Mr. Arthur Gindap, an independent director, is the Chairman of the Nomination Committee.	
Optional: Recommendation 3.3			
1. Corporate Governance Committee meets at least twice during the year.			
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Compliant	<p>Given the size of the Company, the Board deemed it best that the Audit Committee takes on the task of overseeing the Company's risk management framework. Kindly refer to Sec 3.2 (a) of the Audit Committee Charter.</p> <p>Audit Committee Charter: https://www.colfinancial.com/aqe/Final2/home/governance/Audit%20Committee%20Charter.pdf</p>	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Non-Compliant	The members of the Audit Committee for the covered year were Ms. Betty C. Siy-Yap, Mr. Wellington Yu, Mr. Raymond C. Yu, and Mr. Hernan G. Lim, all of whom are non-executive directors. Ms. Siy-Yap, an independent director, chaired the committee. The qualifications of said	Given the workload of the Board Committees, it is 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

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>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%20Financial%2017A%202023.pdf </p>	<p>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>
3. The Chairman of the BROCC is not the Chairman of the Board or of any other committee.	Compliant	Ms. Siy-Yap, the Audit Committee Chairman, was neither the Chairman of the Board nor of any other committee.	
4. At least one member of the BROCC has relevant thorough knowledge and experience on risk and risk management.	Compliant	The members of the Audit Committee have more than 100 years combined experience in the business sector, and as such they have more than sufficient knowledge and experience in the management of risks that are inherent in every business.	
Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Compliant	Given the limited RPTs, if any, entered into by the Company, the Audit Committee is able to review all material RPTs.	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be	Non-Compliant	The members of the Audit Committee for the covered period were Ms. Betty C. Siy-Yap, Mr. Wellington C. Yu, Mr. Raymond	Given the workload of the Board Committees, it is in the Company's best interest that

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
independent, including the Chairman.		<p>C. Yu, and Mr. Hernan G. Lim, all of whom are non-executive directors. Ms. Siy-Yap, an independent director, 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%20Financial%2017A%202023.pdf</p>	<p>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>
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	<p>The committee charters of each Board committee may be found in the following links:</p> <p>Audit Committee: https://www.colfinancial.com/ape/Final2/home/governance/Audit%20Committee%20Charter.pdf</p>	
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant	<p>Nomination Committee: https://www.colfinancial.com/ape/Final2/home/governance/Nomination%20Committee%20Charter.pdf</p>	
3. Committee Charters were fully disclosed on the company's website.	Compliant	<p>Remuneration Committee: https://www.colfinancial.com/ape/Final2</p>	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		/home/governance/Remuneration%20Committee%20Charter.pdf Said charters contain, among others, the standards for evaluating the performance of each of the Committees.	
Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.			
Recommendation 4.1			
1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	The certification on the attendance of the Board for the covered year 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. Certification on Attendance: https://www.colfinancial.com/aqe/Final2/home/governance/COL%20Attendance%20of%20the%20Board%20of%20Directors%20for%20the%20year%202023.pdf	
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.	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	During the meetings, the Board members are actively engaged by asking intelligent questions that are pertinent to the topic at hand.	
Recommendation 4.2			
1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.	Compliant	<p>Art II Sec 2.02 of the CG Manual and Art III, Sec 1 of the Board Charter require non-executive directors to limit their directorships to a maximum of 5 listed companies.</p> <p>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 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	Compliant	<p>As required by the Board Charter of the Company, all directors should notify the Board regarding their directorships in other companies.</p> <p>Board Charter: https://www.colfinancial.com/ape/final2/home/governance/Board%20Charter.pdf</p>	

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Optional: Principle 4			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.			
2. Company schedules board of directors' meetings before the start of the financial year.			
3. Board of directors meets at least six times during the year.			
4. Company requires as minimum quorum of at least 2/3 for board decisions.			
Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs.			
Recommendation 5.1			
1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	Compliant	The Board has 3 independent directors, namely Mr. Roberto C. Benares, Mr. Arthur G. Gindap, and Ms. Betty Siy-Yap.	
Recommendation 5.2			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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 latest Information Statement. Information Statement: https://www.colfinancial.com/ape/Final2/home/Dislosures/2023%20Definitive%20Information%20Statement%20-%20COL.pdf	
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.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	

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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	/home/governance/Corporate%20Governance%20Manual.pdf	
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/aqe/Final2/home/governance/Corporate%20Governance%20Manual.pdf</p> <p>Board Charter: https://www.colfinancial.com/aqe/Final2/home/governance/Board%20Charter.pdf</p>	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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. Arthur G. Gindap as the lead independent director for the covered year.	
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	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. Kindly refer to Art 3, Item I (5)(c)(iii) of the Related Party Transactions Policy. RPT Policy: https://www.colfinancial.com/ape/Final2/home/governance/COL%20Code%20of%20Business%20Conduct%20and%20Ethics%20(2023)%20sqd.pdf	
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.	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
2. The meetings are chaired by the lead independent director.	Non-Compliant	The meetings are chaired by the Chairman of the Audit Committee who is an independent director.	As the task involves audit and risk management matters, the Chairman of the Audit Committee, who is also an independent director, is in the best position to lead the meetings.
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.			
Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			
Recommendation 6.1			
1. Board conducts an annual self-assessment of its performance as a whole.	Compliant	The Board conducts an annual review of its performance and effectiveness including assessment for individual directors, independent directors and all board committees through a self-assessment. The Chairman's assessment is also undertaken together with the assessment of the Board as a whole.	
2. The Chairman conducts a self-assessment of his performance.			
3. The individual members conduct a self-assessment of their performance.			

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4. Each committee conducts a self-assessment of its performance.		The results of the assessment are shared and discussed with the Board that concrete action plans are developed and implemented to address the identified areas for improvement.	
5. Every three years, the assessments are supported by an external facilitator.	Non-Compliant		The Board intends to engage an external facilitator once every three years. It is in the process of reviewing possible third-party candidates such as, but not limited to, a consulting firm, academic institution, or professional organization to engage as an external facilitator.
Recommendation 6.2			
1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Compliant	The Board established an annual evaluation process to determine the performance of the Board, individual directors, and committees. The evaluation for Board performance includes a review of its structure, strategy and performance, governance and organization, and board function and team dynamics. Individual directors assess themselves based on (i) their understanding and contribution to the Company's objectives, strategic plans,	

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		key issues, mandates, (ii) their ability to uphold effective corporate governance; (iii) their contribution to corporate leadership and issue resolution, (iv) their leadership, communication skills, interpersonal relationships, and qualifications, knowledge, experiences, and (v) the way they discharge their duties as directors. Committees are evaluated based on: (i) their structure; (ii) commitment to the role; (iii) training and resources available; (iv) ability to fulfil duties and complete committee tasks; and (v) relationship with the Board and communication with shareholders.	
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			

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1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	Compliant	The Board has adopted a Code of Business Conduct and Ethics. Code of Business Conduct and Ethics: https://www.colfinancial.com/aqe/Final2/home/governance/COL%20Code%20of%20Business%20Conduct%20and%20Ethics%20(2023)%20sqd.pdf	
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	The Code of Business Conduct and Ethics was reviewed by the Board and Senior Management prior to its implementation. Its salient provisions are integrated in the Company's Employee Manual and Office Handbook which are discussed with all personnel upon joining the Company and annually during the HR Roadshow.	
3. The Code is disclosed and made available to the public through the company website.	Compliant	The Code of Business Conduct and Ethics is disclosed through the Company website at https://www.colfinancial.com/aqe/Final2/home/governance/COL%20Code%20of%20Business%20Conduct%20and%20Ethics%20(2023)%20sqd.pdf	
Supplement to Recommendation 7.1			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement	Compliant	The Company's Anti-Bribery and Anti-Corruption Policy may be found in Art 3,	

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in offering, paying and receiving bribes.		Part H of the Code of Business Conduct and Ethics. Code of Business Conduct and Ethics: https://www.colfinancial.com/ape/Final2/home/governance/COL%20Code%20of%20Business%20Conduct%20and%20Ethics%20(2023)%20sqd.pdf	
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	All directors, officers, employees, and agents are required to comply with the Code of Business Conduct & Ethics. The Company’s HR Department is responsible for monitoring compliant and resolving violations of the same, if any. For the covered year, 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	Compliant	Kindly refer to Art 3, Item K of the Code of Business Conduct and Ethics for the Company’s Disclosure Policy. Code of Business Conduct and Ethics:	

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shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.		https://www.colfinancial.com/ape/Final2/home/governance/COL%20Code%20of%20Business%20Conduct%20and%20Ethics%20(2023)%20sqd.pdf The Company reports / disclosures to shareholders may be found in the Company's website and in PSE Edge. Disclosures: https://www.colfinancial.com/ape/Final2/Disclosures/COL_Disclosures2.asp	
Supplement to Recommendations 8.1			
1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.	Compliant	The Company files its annual and quarterly reports within the period allowed under the pertinent SEC laws, rules, and regulations. The interim reports were submitted on 19 May 2023, 18 August 2023, and 20 November 2023. The Annual Report was submitted on 08 April 2024. The Company believes that its 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.	

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Recommendation 8.2			
1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	Kindly refer to Art 3, Item K of the Code of Business Conduct and Ethics. Code of Business Conduct and Ethics: https://www.colfinancial.com/ape/Final2/home/governance/COL%20Code%20of%20Business%20Conduct%20and%20Ethics%20(2023)%20sqd.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	

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		<p>which can be found in the same site with the template name “Public Ownership Report.”</p> <p>PSE Edge: http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=601 </p>	
Recommendation 8.3			
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	<p>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.”</p> <p>Their shareholdings, on the other hand, are disclosed to the PSE and uploaded in the PSE Edge website may be found in under the template name “Public Ownership Report.”</p>	
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	<p>Investor Relations Page: https://www.colfinancial.com/ape/Final2/home/investor_relations.asp </p> <p>PSE Edge: http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=601 </p>	
Recommendation 8.4			

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1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	Compliant	The remuneration of the directors may be found in Part III, Item 11 of the Annual Report. Annual Report: https://www.colfinancial.com/ape/Final2/home/disclosures/COL%20Financial%2017A%202023.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 their past performance.	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Non-Compliant		The Company provides a clear disclosure of its policies and procedure for Board and Executive remuneration, in accordance with industry standards. 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

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			<p>to the aggregate nature of the compensation disclosures concerning top 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	Compliant	Please refer to Art XV of the CG Manual.	

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(RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.		CG Manual: https://www.colfinancial.com/ape/Final2/home/governance/Corporate%20Governance%20Manual.pdf	
2. Company discloses material or significant RPTs reviewed and approved during the year.	Compliant	<p>The Company's material RPTs for the covered year 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: https://www.colfinancial.com/ape/Final2/home/disclosures/COL%20Financial%2017A%202023.pdf</p>	
Supplement to Recommendation 8.5			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	<p>Kindly refer to the Company's RPT Policy.</p> <p>Related Party Transactions Policy: https://www.colfinancial.com/ape/Final2/home/governance/COL%20Code%20of%20Business%20Conduct%20and%20Ethics%20(2023)%20sgd.pdf</p>	
Optional: Recommendation 8.5			

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1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.			
Recommendation 8.6			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	Compliant	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 during the covered year.	
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.	

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Recommendation 8.7			
1. Company’s corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	The CG Manual may be found at https://www.colfinancial.com/aqe/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. The same was likewise disclosed to the PSE. CG Manual: https://www.colfinancial.com/aqe/Final2/home/governance/Corporate%20Governance%20Manual.pdf	
Optional: Principle 8			
1. Does the company’s Annual Report disclose the following information:			
a. Corporate Objectives			

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b. Financial performance indicators			
c. Non-financial performance indicators			
d. Dividend Policy			
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors			
f. Attendance details of each director in all directors meetings held during the year			
g. Total remuneration of each member of the board of directors			
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.			
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the			

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

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		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 Annual Stockholders Meeting for the covered year.	
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 3.4(e) (vi) of the Audit Committee Charter. Audit Committee Charter: https://www.colfinancial.com/ape/Final2/home/governance/Audit%20Committee%20Charter.pdf	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on: 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: https://www.colfinancial.com/apec/Final2/home/governance/Audit%20Committee%20Charter.pdf	
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	Compliant		
Supplement to Recommendations 9.2			
1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party	Compliant	The Audit Committee is responsible for ensuring that the external auditor is able to dispense their responsibilities well by,	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
transactions, its counterparties, and valuations of such transactions.		among others, reviewing their qualifications and audit procedures.	
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Compliant	Audit Committee Charter: https://www.colfinancial.com/ape/Final2/home/governance/Audit%20Committee%20Charter.pdf	
Recommendation 9.3			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	Compliant	Sec 3.4 (e)(v) of the Audit Committee Charter provides guidelines on non-audit services. 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	https://www.colfinancial.com/ape/Final2/home/governance/Audit%20Committee%20Charter.pdf	
Supplement to Recommendation 9.3			
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	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		/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	<p>The audit partner assigned to handle the Company's account is Ms. Janet A. Paraiso with SEC Accreditation No. 92305-SEC, valid until 2025. SGV's head office is located at 6760 Ayala Avenue, Makati City. Other details may be found on page 4 of the Audited Financial Statements, attached to the Annual Report.</p> <p>Annual Report: https://www.colfinancial.com/ape/Final2/home/disclosures/COL%20Financial%2017A%202023.pdf</p>	
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	Compliant	The Company's external auditor agreed to be subjected to the SOAR Inspection Program of SEC.	
Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.1			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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 Art 3, Item K of the Code of Business Conduct and Ethics. Code of Business Conduct and Ethics: https://www.colfinancial.com/aqe/Final2/home/governance/COL%20Code%20of%20Business%20Conduct%20and%20Ethics%20(2023)%20sqd.pdf	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant	The Company's Sustainability Report for the covered year is attached to its Annual Report. Annual Report: https://www.colfinancial.com/aqe/Final2/home/disclosures/COL%20Financial%2017A%202023.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 to ensure the timely and accurate dissemination of public, material and relevant	Compliant	The Company regularly prepares and upon request, disseminates investor briefing materials to interested parties. Copies of investor presentations may be found in the Company's investor relations	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
information to its shareholders and other investors.		page under the heading “Disclosures and Presentations.” Investor Relations Page: https://www.colfinancial.com/aqe/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/aqe/Final2/home/investor_relations.asp#corporate_governance	
a. Financial statements/reports (latest quarterly)			
b. Materials provided in briefings to analysts and media			
c. Downloadable annual report			
d. Notice of ASM and/or SSM			
e. Minutes of ASM and/or SSM			
f. Company’s Articles of Incorporation and By-Laws			
Additional Recommendation to Principle 11			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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 12 - 17 of the Annual Report for a discussion of its enterprise risk management framework. Annual Report: https://www.colfinancial.com/ape/Final2/home/disclosures/COL%20Financial%2017A%202023.pdf	
Supplement to Recommendations 12.1			
1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to	Compliant	The Company, on at least an annual basis, reviews its compliance with existing and new laws and regulations. Upon notice of a new law or regulation that is relevant to the Company's business and operations, the Legal and Compliance Department (LCD) informs the Department Heads of	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
facilitate understanding, acceptance and compliance with the said issuances.		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. Further, in coordination with the HR Department, the LCD conducts regular training sessions with the employees and agents on compliance issues.	
Optional: Recommendation 12.1			
1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.			
Recommendation 12.2			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	Non-Compliant		The Company has outsourced its AML internal audit functions. It is looking for an internal auditor who can competently assess its internal control mechanisms and formalizing its internal audit structure. It should be

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
			noted 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=647170ac367bd9c79e4dc6f6c9b65995 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 size, risk profile, and the nature of its operations, the Company currently does not have a separate risk management

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
			<p>function. Risk management is handled by the concerned department facing the risk. A discussion on the Company's risk factors and risk management may be found in pages 12 -17 of the Annual Report.</p> <p>Annual Report: https://www.colfinancial.com/aqe/Final2/home/disclosures/COL%20Financial%2017A%202023.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 12-17 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/aqe/Final2/home/disclosures/COL%20Financial%2017A%202023.pdf </p>	
Recommendation 12.5			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Compliant	<p>Ms. Catherine L. Ong has been appointed by the Board as the Company's Chief Risk Officer. Her duties and responsibilities are indicated in Art VII, Sec 10 of the Board Charter.</p> <p>PSE Edge: https://edge.pse.com.ph/openDiscViewer.do?edge_no=647170ac367bd9c79e4dc6f6c9b65995</p> <p>Board Charter: https://www.colfinancial.com/aqe/Final2/home/governance/Board%20Charter.pdf</p>	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant	Ms. Ong currently serves as the Company's Treasurer with the rank of Senior Vice President. Her position in the Company gives 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 has outsourced its AML internal audit functions. The Company is currently sourcing its internal auditor. The execution of such an attestation will be implemented after an internal

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
			audit team is formally in place.
<i>Cultivating a Synergic Relationship with Shareholders</i>			
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 XII 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	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<u>/home/Disclosures/2023%20Definitive%20Information%20Statement%20-%20COL.pdf</u>	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	The Company only issues common shares. The same rules govern the voting, subscription, and transfer of all common shares.	
3. Board has an effective, secure, and efficient voting system.	Compliant	The voting procedure is included in Item 4 of the Information Statement. Information Statement: <u>https://www.colfinancial.com/aqe/Final2/home/Disclosures/2023%20Definitive%20Information%20Statement%20-%20COL.pdf</u>	
4. Board has an effective shareholder voting mechanisms such as supermajority or “majority of minority” requirements to protect minority shareholders against actions of controlling shareholders.	Non-Compliant		The Board believes that given the relative size of the Company and the ease by which its shareholders are able to interact with the Board members, the rights of all shareholders, minority or otherwise, are adequately protected and as such, the implementation of shareholder voting mechanisms such as supermajority or majority of

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
			minority may not be necessary.
5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	Compliant	Under Art II Sec 2 of the By-laws, shareholders representing a majority of the Company's outstanding capital stock may call for a special meeting. By-laws: https://www.colfinancial.com/aqe/Final2/home/governance/Amended%20By-Laws.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/aqe/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 2023, the Company declared regular and special cash dividends of PhP0.0114 and PhP0.0306 per share, respectively. The declaration was made on 28 April 2023 and was paid on 2 June 2023, or 35 days thereafter.	

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		By-laws: https://www.colfinancial.com/aqe/Final2/home/governance/Amended%20By-Laws.pdf	
Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.			
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	Compliant	<p>The notice of shareholders meeting was disclosed on 8 March 2023, or 51 days before the annual stockholders meeting on 28 April 2023. The agenda contains, among others, the approval of the Audited Financial Statements which contains information regarding remuneration.</p> <p>Information Statement: https://www.colfinancial.com/aqe/Final2/home/Disclosures/2023%20Definitive%20Information%20Statement%20-%20COL.pdf</p>	
Supplemental to Recommendation 13.2			

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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 directorships in other listed companies)		The identity of the external auditor seeking re-appointment is disclosed in Item 7 of the Information Statement.	
b. Auditors seeking appointment/re-appointment		The Company does not require shareholders to send proxy documents.	
c. Proxy documents		Information Statement: https://www.colfinancial.com/ape/Final2/home/Disclosures/2023%20Definitive%20Information%20Statement%20-%20COL.pdf	
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 latest annual stockholders meeting, containing the votes taken by poll, and questions asked and answers thereto, if any, are disclosed in the Company website. Said minutes	

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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	were posted one business day after the shareholders' meeting. Minutes of Annual Stockholders Meeting: https://www.colfinancial.com/ape/Final2/home/governance/Minutes%20of%20Annual%20Stockholders'%20Meeting%202024.pdf	
Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	Compliant	The external auditor, as well as other relevant individuals, was present during the annual stockholders meeting.	
Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute 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.	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	CG Manual: https://www.colfinancial.com/ape/Final2/home/governance/Corporate%20Governance%20Manual.pdf	
Recommendation 13.5			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Compliant	The Company's investor relations office may be reached by email through iro@colfinancial.com .	
2. IRO is present at every shareholder's meeting.	Compliant	It is the Company's policy that representatives of the IRO are present every shareholders' meeting.	
Supplemental Recommendations to Principle 13			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group.	Compliant	There were no anti-takeover measures or similar devices attempted during the covered year.	
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 2023, the Company's public float is 24.7%. Regardless of the public float, the Board treats all shareholders fairly and equitably and ensures the protection of their rights.</p> <p>Public Ownership Report: https://edge.pse.com.ph/openDiscViewer.do?edqe_no=58bc</p>

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
			<u>3d674404b6fdabca0fa0c5b4e4d0</u>
Public ownership Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting			
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.			
Duties to Stakeholders			
Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.			
Recommendation 14.1			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	The Company recognizes its various stakeholders, including, among others, its clients, employees, suppliers, and shareholders. The Company has various investor education programs which it offers to its clients. The Company touches base with its shareholders during the annual meetings as well as during its regular disclosures. The Company, through its HR Department, creates	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		various programs for the benefit and continued training of its employees. Lastly, the Company has also instituted certain policies in order to protect its suppliers, including the whistleblower policy.	
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	Kindly refer to the additional information provided under Recommendation 14.1.	
Recommendation 14.3			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	Compliant	<p>A copy of the Company's Whistleblower policy may be found in Art 3, Item (J) of the Code of Business Conduct and Ethics. Reports should be submitted to the HR Department or Legal & Compliance Department and may be addressed to the Compliance Officer.</p> <p>Code of Business Conduct and Ethics: https://www.colfinancial.com/aqe/Final2/home/governance/COL%20Code%20of%20Business%20Conduct%20and%20Ethics%20(2023)%20sqd.pdf </p>	
Supplement to Recommendation 14.3			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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	The Company's alternative dispute resolution system may be found in Part XVI of the CG Manual. CG Manual: https://www.colfinancial.com/ape/Final2/home/governance/Corporate%20Governance%20Manual.pdf	
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 during the covered year.	
Optional: Principle 14			

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Company discloses its policies and practices that address customers' welfare			
2. Company discloses its policies and practices that address supplier/contractor selection procedures			
Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			
Recommendation 15.1			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	Compliant	Departments conduct planning meetings to discuss strategic plans and objectives for the ensuing year. During said meetings, Company employees are given the opportunity to make proposals on how Company goals can be achieved.	
Supplement to Recommendation 15.1			
1. Company has a reward/ compensation policy that accounts for the performance of the company beyond short-term financial measures.	Compliant	The Company adopts a compensation policy that ensures that personnel costs do not exceed an identified portion of the Company's resources. In addition, the Company has a retirement plan for its	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		employees which they may enjoy upon separation from the Company.	
2. Company has policies and practices on health, safety and welfare of its employees.	Compliant	<p>The Company's policies on the health, safety, and welfare of its personnel may be found in Art 3, Item N of the Code of Business Conduct and Ethics.</p> <p>The Company is further compliant with labor laws that require the appointment and certification of a safety officer and first aider. The Company also offers health insurance for all regular employees and, in coordination with its external provider, conducts an annual physical exam.</p> <p>Code of Business Conduct and Ethics: https://www.colfinancial.com/ape/Final2/home/governance/COL%20Code%20of%20Business%20Conduct%20and%20Ethics%20(2023)%20sqd.pdf </p>	
3. Company has policies and practices on training and development of its employees.	Compliant	The Company's HR Department regularly coordinates with the different departments to determine the training needs of its employees and addresses the same to the best of its abilities. The list of trainings attended for the covered year is attached in the Sustainability Report attached as a supplementary schedule of the Annual Report.	

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		Annual Report: https://www.colfinancial.com/ape/Final2/home/disclosures/COL%20Financial%2017A%202023.pdf	
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	The Company's Anti-Bribery and Anti-Corruption Policy is included in Art 3, Item H of the Code of Business Conduct and Ethics. Code of Business Conduct and Ethics: https://www.colfinancial.com/ape/Final2/home/governance/COL%20Code%20of%20Business%20Conduct%20and%20Ethics%20(2023)%20sqd.pdf	
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 Handbook, which is disseminated to all Company personnel. The Company has instituted a separate training on its Anti-Bribery and Anti-Corruption policy.	
Supplement to Recommendation 15.2			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee	Compliant	Please refer to the Anti-Bribery and Anti-Corruption policy located in Art 3, item (H) of the Code of Business Conduct and Ethics.	

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
involvement in offering, paying and receiving bribes.		There were no findings of violations of this policy during the covered year. Code of Business Conduct and Ethics: https://www.colfinancial.com/ape/Final2/home/governance/COL%20Code%20of%20Business%20Conduct%20and%20Ethics%20(2023)%20sqd.pdf	
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 in Art 3, Item J of the Code of Business Conduct and Ethics. Reports should be submitted to the HR Department or Legal & Compliance Department and may be addressed to the Compliance Officer.	
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	Compliant	Code of Business Conduct and Ethics: https://www.colfinancial.com/ape/Final2/home/governance/COL%20Code%20of%20Business%20Conduct%20and%20Ethics%20(2023)%20sqd.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.	

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Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.			
Recommendation 16.1			
1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	Compliant	<p>The Company's focus is to tap the underserved retail investors, with the goal of becoming the champion of the Filipino investor. It is the aim of the Company to make investing more accessible to the retail market through its online platform. The Company empowers the everyday Filipino investor through its various educational campaigns which are available to both clients and non-clients.</p> <p>Aside from the above, as part of its commitment to protect the environment, the Company regularly partners with environmental organizations.</p>	
Optional: Principle 16			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development			

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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 1, 2024.

SIGNATURES

EDWARD K. LEE
Chairman and Founder

CONRADO F. BATE
President and Chief Executive Officer

ARTHUR GERRARD GINDAP
Independent Director

BETTY C. ~~SIN~~-YAP
Independent Director

ROBERTO C. BENARES
Independent Director

SHARON T. LIM
Compliance Officer/ Corporate Secretary

29 MAY 2024

SUBSCRIBED AND SWORN to before me this _____, 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				

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Book No.	4
Series of	2024

FERDINAND D. AYALAO
Notary Public

Noted and in Pasig City and the Municipality of Patate
 Department No. 96 (2024-025) valid until 12/31/2025
 Department No. 174-BEP063234, until 04/14/28
 Department No. 02459; OR 535886; 06/21/2001
 Department No. 162-003244; 01/03/24; Pasig City
 Office, Port Power FSE, Exchange Road
 Office, Pasig City Tel: +632-86314000

ANNEX "A"

CERTIFICATION OF ATTENDANCE



Institute of Corporate Directors

presents this

Certificate of Participation

to

Edward K. Lee

SM Prime Holdings, Inc.

for having completed the hybrid training

2023 Corporate Governance Seminar

held on

October 16, 2023 | 1:00 PM – 5:00 PM

at Conrad Manila, Pasay City and
through Zoom Webinars



Carlos Jose P. Gatmaitan
Chief Executive Officer



presents this

Certificate of Participation

to

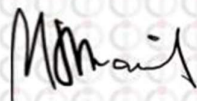
Alexander C. Yu

for having completed the

Advanced Corporate Governance Training

held on

November 18, 2023 | 8:00 AM - 12:00 PM
through Zoom Meetings

A handwritten signature in black ink, appearing to read 'Maniego'.

Pedro H. Maniego Jr.
Managing Trustee



presents this

Certificate of Participation

to

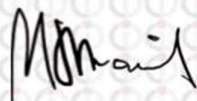
Conrado F. Bate

for having completed the

Advanced Corporate Governance Training

held on

November 18, 2023 | 8:00 AM - 12:00 PM
through Zoom Meetings



Pedro H. Maniego Jr.
Managing Trustee



presents this

Certificate of Participation

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Paulwell Han

for having completed the

Advanced Corporate Governance Training

held on

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Pedro H. Maniego Jr.
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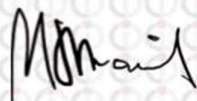
Hernan G. Lim

for having completed the

Advanced Corporate Governance Training

held on

November 18, 2023 | 8:00 AM - 12:00 PM
through Zoom Meetings



Pedro H. Maniego Jr.
Managing Trustee



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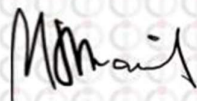
Raymond C. Yu

for having completed the

Advanced Corporate Governance Training

held on

November 18, 2023 | 8:00 AM - 12:00 PM
through Zoom Meetings

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Pedro H. Maniego Jr.
Managing Trustee



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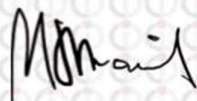
Wellington C. Yu

for having completed the

Advanced Corporate Governance Training

held on

November 18, 2023 | 8:00 AM - 12:00 PM
through Zoom Meetings



Pedro H. Maniego Jr.
Managing Trustee



presents this

Certificate of Participation

to

Sohei Obara

for having completed the

Advanced Corporate Governance Training

held on

November 18, 2023 | 8:00 AM - 12:00 PM
through Zoom Meetings



Pedro H. Maniego Jr.
Managing Trustee



Institute of Corporate Directors

presents this

Certificate of Participation

to

Arthur Gerrard D. Gindap

for having completed the

Advanced Corporate Governance Training

held on

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through Zoom Meetings

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Pedro H. Maniego Jr.
Managing Trustee



Institute of Corporate Directors

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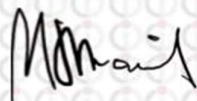
Roberto C. Benares

for having completed the

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Managing Trustee



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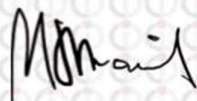
Betty C. Siy-Yap

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Pedro H. Maniego Jr.
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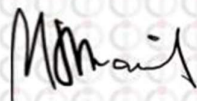
Sharon T. Lim

for having completed the

Advanced Corporate Governance Training

held on

November 18, 2023 | 8:00 AM - 12:00 PM
through Zoom Meetings

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Pedro H. Maniego Jr.
Managing Trustee



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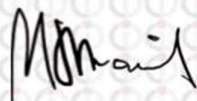
Juan G. Barredo

for having completed the

Advanced Corporate Governance Training

held on

November 18, 2023 | 8:00 AM - 12:00 PM
through Zoom Meetings



Pedro H. Maniego Jr.
Managing Trustee



presents this

Certificate of Participation

to

Stephanie Faye B. Reyes

for having completed the

Advanced Corporate Governance Training

held on

November 18, 2023 | 8:00 AM - 12:00 PM
through Zoom Meetings

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Pedro H. Maniego Jr.
Managing Trustee