



**CODE OF BUSINESS CONDUCT AND ETHICS
OF COL FINANCIAL GROUP, INC.**

A. INTRODUCTION

COL Financial Group, Inc. (“COL” or the “Company”) adheres to the principles and best practices of good corporate governance. It believes that corporate governance is a necessary component of what constitutes sound strategic business management. It is expected that all directors and employees act with honesty, integrity, transparency, performance orientation, responsibility, and accountability, mutual respect, and commitment to the organization. COL believes that corporate governance is a reflection of its culture, policies, and relationship with its customers, employees, and shareholders, and commitment to these values.

This Code of Business Conduct and Ethics (“Code”) sets out the basic principles designed to guide directors, officers, employees, agents, consultants, and other personnel (collectively, “affiliated persons”) of COL in conducting their business activities in the highest ethical and professional manner. All affiliated persons are expected to conduct themselves in accordance with this Code.

B. COMPLIANCE WITH LAWS, RULES, AND REGULATIONS

COL is subject to regulation and oversight by the Securities and Exchange Commission (“SEC”), the Philippine Stock Exchange, Inc. (“PSE”), and the Capital Markets Integrity Corporation (“CMIC”). It is essential that COL and its affiliated persons comply with the laws and regulations of such regulatory bodies.

A director is expected to have a working knowledge of the statutory and regulatory requirements that affect the Company. On the other hand, all other affiliated persons are expected to be familiar with the laws, rules, and regulations that are related to their respective job functions.

C. CONFLICT OF INTEREST

A “conflict of interest” situation may arise when a person’s private interests interferes with the best interests of the Company.

All affiliated persons must ensure that his personal interest does not conflict with the interests of the Company. In particular, no employee shall engage in the same or similar line of business or function as that carried on by the Company. Financial interests held by an employee or by his immediate family members in another company with the same or similar business interest must be disclosed immediately to the Company so that a determination can be made as to whether a conflict of interest exists. It shall be at the sole discretion of the Company to either dismiss or continue with the employment of an employee who has engaged in activities that are in conflict with the Company’s business interest.

D. CONDUCT OF BUSINESS AND FAIR DEALINGS

1. Transactions with the Company

All affiliated persons must conduct fair business transactions with the Company. Said persons are expected to act in the best interest of the Company in a manner characterized by transparency, accountability, and fairness.

2. Transactions with the Client and the Stock Exchange

COL is fully committed to conducting its business in an ethical and fair manner. COL conducts its business guided by the following principles and requirements and expects all affiliated persons to do the same:

- a. Honesty and fairness - Act honestly, fairly, and in the best interest of the client and the integrity of the stock market;
- b. Diligence – Act with due skill, care, and diligence in the best interest of the client and the integrity of the stock market;
- c. Capabilities – Obtain and effectively employ the resources and procedures needed for the proper performance of business activities;
- d. Information about Clients – Seek necessary information from clients as required under applicable laws and regulations and as may be necessary relative to the services to be provided;

- e. Information for Clients – Make adequate disclosure of material information in dealings with clients;
- f. Conflicts of Interest – Avoid conflicts of interest and when cannot be avoided, ensure that clients are fairly treated and properly informed of such conflicts; and
- g. Compliance – Comply with all regulatory requirements applicable to COL to promote the best interest of the clients and the integrity of the stock market.

3. *General Principles of Salesmen*

In addition, the following general principles should guide COL's licensed salesmen in their professional and business dealings:

- a. Adhere to the principles of honesty, integrity, fairness, and good business practice in the conduct of business affairs;
- b. Constantly strive to gain more knowledge of the market and improve trade skills and know-how;
- c. Not to trade or cause any other person to trade any security in relation to which they have acquired non-public material information that would give them undue advantage vis-à-vis the general investing public;
- d. Not to hype or otherwise manipulate any security to the prejudice of the investing public, the Company, and/or the stock exchange;
- e. Not to enter into any transaction or act in any manner under any circumstance which would otherwise adversely affect his duties to the investing public, and/or the stock exchange; and
- f. Ensure that assets of clients are properly accounted for and safeguarded.

E. INSIDER TRADING

An affiliated person shall not buy or sell COL shares while in possession of material information about the Company that is not generally available to the public. Said affiliated person may only trade in COL shares two (2) trading days after the price-sensitive information is disclosed to the public. Neither may the affiliated person concerned pass on material nonpublic information to others.

Information is considered as “material non-public” if:

- a. It has not been generally disclosed to the public and would likely affect the market price of COL shares after being disseminated to the public and the lapse of a reasonable time for the market to absorb the information; or
- b. Would be considered by a reasonable person important under the circumstances in determining his course of action whether to buy, sell or hold COL shares.

F. ANTI-BRIBERY AND ANTI-CORRUPTION

1. Policy Objective

The Company is committed to doing business with honesty and integrity in compliance with all applicable laws and regulations and the highest ethical standards. The Anti-Bribery and Anti-Corruption Policy is adopted to prevent and avoid even the appearance of corrupt practices in any form, but not limited to bribery, fraud, extortion, collusion, conflict of interest, and money laundering.

2. Scope

The Policy shall cover all affiliated persons. It likewise applies to Company suppliers, business partners, contractors, and service providers (“Company partner”). All Company transactions, regardless of location and value, are subject to the Policy.

The Policy does not apply to gifts and/or services of reasonable value customarily given in the ordinary course of business and which are appropriate for the occasion.

3. Guidelines

- a. The Company prohibits any form of corruption both within the Company and in dealing with its business partners, service providers, customers, and government agencies and instrumentalities.
- b. “Corruption” refers to the misuse or abuse of office for private gain. It occurs when an affiliated person:
 - i. Offers, promises, gives, requests money, gifts, anything of value, or an undue advantage to another person to influence decisions or gain an unfair advantage in company transactions;

- ii. Requests, receives, or accepts the promise of money, gifts, anything of value, or an undue advantage in exchange of performing or neglecting to perform an official function;
 - iii. Abuses official functions for personal gain; and
 - iv. Engages in any acts analogous to the above.
- c. An affiliated person must select Company partners who conduct their business ethically and understand and abide by the Company's anti-corruption policy.
 - d. Any form of corruption or attempt at corruption, once substantiated, shall subject the affiliated person concerned to the appropriate disciplinary penalties, including termination and criminal prosecution. In case the policy is violated by a Company partner, the Company shall terminate the business relationship with such Company partner as soon as possible.
 - e. Questions as to whether an act constitutes corruption shall be addressed to the Legal & Compliance Department for proper guidance.

4. Procedure

- a. Complaints alleging corruption may be submitted by any acceptable means, provided that the same contain sufficient information or details that will allow the Company to conduct an investigation. If available, the complainant should present evidence that will substantiate his complaint.
- b. Reports can be submitted to the HR Department or the Legal & Compliance Department, the Corporate Secretary, or the complainant's Department Head.
- c. The concerned department shall review the complaint and determine how to proceed in accordance with the Company's established policies. He shall determine if an investigation is necessary to validate the allegations. If so, said personnel shall discreetly conduct such investigation and submit its recommendations to the Head of HR or the Head of Legal & Compliance, as may be applicable.

G. CONFIDENTIALITY

It shall be the responsibility of all affiliated persons to safeguard sensitive company information. The disclosure, transmission, or communication of confidential records or data to unauthorized persons is strictly prohibited.

In particular, the affiliated person shall:

- a. Not use, communicate, disclose, or disseminate, or permit the use, communication, disclosure, or dissemination of any confidential information;
- b. Protect the confidential information and prevent the unauthorized use, dissemination, or publication of the confidential information;
- c. Not disclose such confidential information to a person outside COL.

The term “confidential information” shall refer to any and all information or material that is commercially valuable to COL and not generally known or readily ascertainable in the industry and includes, but is not limited to: (i) technical information concerning COL’s products and services; (ii) information concerning COL’s business, including customer information, among others; (iii) information concerning COL’s employees, representatives and agents; (iv) information submitted by COL’s customers, affiliates, suppliers, employees, consultants for study, evaluation or use; (v) information concerning COL’s affiliates; and (vi) any other information not generally known to the public which, if misused or disclosed, could reasonably be expected to adversely affect COL’s business.

H. RELATED PARTY TRANSACTIONS

1. Policy Objective

The Company adopts the Related Party Transactions Policy to ensure the integrity of related party transactions and protect the interest of all stakeholders. The RPT Policy aims to prevent abuse and promote transparency in all related party transactions, in compliance with applicable laws and regulations.

2. Scope

The RPT Policy applies to all related party transactions as defined below.

3. Guidelines

- a. *Definition of Terms.* The Company adopts the definition of “Related Party Transactions” and “Related Parties” under the International Accounting Standard 24 as follows:
- i. A “Related Party” is a person or entity that is related to the Company under the following guidelines:
- a) A person or a close member of that person's family is related to the Company if that person:
- 1) has control or joint control over the Company;
 - 2) has significant influence over the Company; or
 - 3) is a member of the key management personnel of the Company or of a parent of the Company.
- b) An entity is related to the Company if any of the following conditions applies:
- 1) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - 2) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - 3) Both entities are joint ventures of the same third party;
 - 4) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - 5) The entity is a post-employment defined benefit plan for the benefit of employees of either the Company or an entity related to the Company;
 - 6) The entity is controlled or jointly controlled by a person identified in (a);
 - 7) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);

- 8) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.
- ii. A “Related Party Transaction” is a transfer of resources, services or obligations between the Company and a related party, regardless of whether a price is charged.
 - iii. A “Material Related Party Transaction” is a Related Party Transactions which does not fall under the exceptions under this RPT Policy and which meet the threshold value of the higher of Fifty Million Pesos or 5% of the stockholders’ equity or such other threshold as may be approved from time to time by the Audit Committee. The aggregate amount of Related Party Transactions within any 12 months period should be considered for purposes of applying the threshold for disclosures or approval.
 - iv. “Close members of the family” refer to family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:
 - a) that person’s children and spouse or domestic partner;
 - b) children of that person’s spouse or domestic partner; and
 - c) dependents of that person or that person’s spouse or domestic partner.
 - v. “Control” is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities while “Joint Control” is the contractually agreed sharing of control over an economic activity.
 - vi. “Key management personnel” refer to persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.
 - vii. “Significant influence” is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies. Significant influence may be gained by share ownership, statute or agreement.
- b. *Guiding Principle.* Transactions between related parties must be based on terms similar to those offered to nonrelated parties. Related party transactions should be done in the normal conduct of operations and must be recorded in the same manner as transactions that are entered into with other parties.

- c. *Disclosures.* All Material Related Party Transactions must be disclosed to the Audit Committee prior to execution of the same. Disclosure may be made by the Company, the Related Party concerned, or any of its subsidiaries or affiliates, as the case may be, and must be disclosed in accordance with the relevant rules and issuances of the Securities and Exchange Commission and other regulatory bodies, as the same may be amended from time to time.

All related party transactions must be disclosed to the Company's Financial Controller for determination of materiality prior to its execution. In case a transaction not previously tagged as a Related Party Transaction is subsequently identified as such, the Financial Controller shall review and if approved, ratify said transaction as soon as practicable.

- d. *Audit Committee Review.* The Audit Committee shall review and approve Material Related Party Transactions prior to its execution. In case a transaction not previously tagged as a Material Related Party Transaction is subsequently identified as such, the Audit Committee shall review and if approved, ratify said transaction as soon as practicable. In case a member of the Audit Committee has an interest in the transaction subject to review, he is not allowed to vote for the approval/disapproval of the transaction. However, his attendance may be counted in determining the quorum for the meeting.
- e. *Criteria for Review.* In conducting its review, the Audit Committee may consider, among others, the following factors: (1) whether the terms are similar to those usually offered to non-related parties under similar circumstances; (2) the terms of the transaction, including the aggregate value and timing thereof; (3) the purpose of the transaction; and (4) other material information or criteria that the Audit Committee deems relevant.
- f. *Shareholder Review.* Material Related Party Transactions which do not fall under the exceptions and meet the threshold of the higher of One Hundred Million Pesos or 10% of Company's stockholder's equity must, after approval by the Audit Committee, be presented for approval or ratification by the shareholders during the annual stockholders meeting. Related party shareholders cannot vote for the approval or disapproval of the transactions but their attendance may be counted for purposes of determination of quorum.
- g. *De Minimis Transactions.* All Related Party Transactions that do not fall under the definition of Material Related Party Transaction are considered De Minimis Transactions or transactions that do not need Audit Committee approval.

- h. *Exceptions; Transactions Not Covered.* The following transactions are not covered under this Policy and need not be disclosed to, or reviewed by, the Committee:
- i. Compensation and employment matters;
 - ii. Transactions with similar terms available to all employees generally;
 - iii. Brokerage services and transactions with a Related Party, if the terms are generally the same or similar to offers of other brokers and/or to terms given to other clients in the ordinary course of business;
 - iv. Share transactions available to all stockholders on a pro-rata basis;
 - v. Any transaction with a Related Party involving inter-company advances in exchange for rendering services; and
 - vi. Transfer of resources between the Company and its wholly-owned subsidiary.

I. WHISTLEBLOWING POLICY

1. Policy Objective

The Company promotes an environment of trust and camaraderie amongst its various stakeholders. In the pursuit of its commitment to integrity and ethical service, COL adopts the Whistleblower Policy to establish a framework that will encourage its personnel to report, without fear of retaliation, actions which are or are suspected to be contrary to ethics, laws, regulations, or Company policies.

2. Scope

The Whistleblowing Policy shall cover all affiliated persons who report in good faith their concerns involving: (a) any violations or suspected violations of: (i) Company policies, rules, and regulations; (ii) applicable laws, implementing rules, and regulatory issuances; (b) actions inimical to the best interest and/or reputation of the Company; (c) unreasonable, unjust, discriminatory, or unethical conduct; or (d) any other conduct similar to the foregoing.

Any report filed in good faith shall be subject to the Whistleblowing Policy, regardless of the outcome of the investigation made pursuant to said report.

3. Guidelines

- a. *Good Faith Requirement.* An affiliated person filing a report under the Whistleblowing Policy (“Whistleblower”) must be in good faith and must have reasonable grounds to believe that the information contained in the report is true and correct.
- b. *Malicious Reporting.* Any person who, with malice, or in bad faith, reports or files a completely unwarranted or false report shall be subject to applicable disciplinary penalties.
- c. *Confidentiality.* All reports shall be considered as confidential. If so requested by the Whistleblower, the Company shall also protect his identity unless his identity and/or his testimony is essential in substantiating the Report. The obligation of confidentiality of reports shall be subject to the requirements of a sound investigation of the claim.
- d. *Anonymous Reporting.* The Company may investigate reports made anonymously, provided, that the same can be validated from reliable sources.
- e. *Protection from Reprisal.* The Company shall exert its best efforts to ensure the protection of the Whistleblower from retaliation, reprisal, harassment, or adverse consequences. Any such harassment or retaliatory action shall be subject to the appropriate disciplinary penalty.
- f. *Procedure.*
 - i. Reports may be submitted by any acceptable means, provided that the same contain sufficient information or details that will allow the Company to conduct an investigation. If available, the Whistleblower should present evidence that will substantiate his report.
 - ii. Reports can be submitted to either the HR Department or the Legal & Compliance Department.
 - iii. The receiving department shall review the same and determine how to proceed in accordance with the Company’s established policies. He shall determine if an investigation is necessary to validate the allegations in the report. If so, he shall discreetly conduct such investigation and submit its recommendations to the Head of HR or the Head of Legal & Compliance, as may be applicable.

J. DISCLOSURE

The Board shall publicly and timely disclose material information that could adversely affect the viability of the Corporation or the interests of its stockholders and other stakeholders. Such information should include, among others, earnings results, acquisition or disposition of assets, off balance sheet transactions, related party transactions, and direct and indirect remuneration of members of the Board and Management.

The Board shall commit at all times to full disclosure of material information dealings. It shall cause the filing of all required information through appropriate Exchange mechanisms for listed companies and submissions to the Commission for the interest of its stockholders and other stakeholders.

The reports or disclosure required under this Manual shall be prepared and submitted to the Commission by the responsible Committee or officer through the Corporation's Compliance Officer.

K. PROTECTION AND PROPER USE OF ASSETS

All affiliated persons must always act in the best interest of the Company in a manner characterized by transparency, accountability, and fairness.

Each employee must take care of Company property and assets and maintain the confidentiality of confidential information. The Company's Code of Discipline penalizes the unauthorized use of Company property.

L. RECORD KEEPING, REPORTING, AND FINANCIAL INTEGRITY

Books and records must be maintained and must reflect complete and accurate financial information. All books and records must be retained within the period required by law.

M. HEALTH AND SAFETY

The Company provides a clean, safe, and healthy work environment. As part of its thrust to promote the well-being of its employees, the Company provides all regular employees with health insurance.

All affiliated persons are likewise expected to behave in accordance with the Company's prescribed standards while within Company premises or during Company-sponsored events, regardless of the location where such events are being held.

For security reasons, the Company's premises are monitored using CCTV cameras.

N. LABOR LAW AND POLICIES

The Company considers the collective efforts of all its employees as instrumental to the overall success of the Company's performance. COL respects the rights of its employees and complies with applicable employment laws, rules, and issuances.

O. CONFLICT RESOLUTION

The Board encourages all directors to air any grievances and to exert good faith efforts to resolve them.

All employees must be treated fairly and allowed to present their valid grievances freely and without fear of reprisal. As much as possible, it is preferable that the grievance be resolved informally and promptly by the Supervising Officer and the employee with a grievance (Aggrieved Employee). In case the above is not possible, the procedure instituted in the Company's Employee Manual shall apply.

P. DISCIPLINARY ACTION

The Board may implement rules, procedures, and criteria in relation to disciplinary actions against its directors.

With respect to its employees, the Company believes that positive and supportive actions, and not punitive measures, are effective in promoting professionalism, harmony, and discipline among employees.

In imposing disciplinary actions for violations of Company rules and regulations, the Company ensures that the disciplinary action is proportional to the gravity of the offense, that it is imposed in compliance with the requirement of due process, and, as much as possible, in progressively increasing severity.

Q. MONITORING OF COMPLIANCE

All affiliated persons are expected to comply with the business and ethical policy of the Company and report instances of violation of the same. With respect to employees, in particular, the Company's Human Resources Department is tasked with monitoring compliance and resolving violations thereof, if any.