



# **Code of Business Conduct and Ethics**

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© COL Financial Group, Inc.  
2401-B East Tower, Philippine Stock Exchange Centre,  
Exchange Road, Ortigas Center, Pasig City  
Office: 636-5411 Fax No. (632) 634-6958  
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# Table of Contents

Introduction.....	1
A. Compliance with Laws, Rules, and Regulations.....	2
B. Conflict of Interest.....	2
C. Conduct of Business and Fair Dealings .....	3
D. Insider Trading .....	5
E. Anti-Bribery and Anti-Corruption.....	5
F. Confidentiality.....	6
G. Related Party Transactions .....	7
H. Whistle-Blowing.....	7
I. Protection and Proper Use of Assets.....	7
J. Record Keeping, Reporting, and Financial Integrity .....	8
K. Health and Safety.....	8
L. Labor Law and Policies .....	8
M. Conflict Resolution .....	9
N. Disciplinary Action.....	9
O. Monitoring of Compliance.....	10

## 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 (the “Code”) sets out the basic principles designed to guide directors, officers, employees, and agents (collectively known as “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.

## **A. 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.

## **B. 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.

## C. Conduct of Business and Fair Dealings

### *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.

### *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:

1. Honesty and fairness - Act honestly, fairly, and in the best interest of the client and the integrity of the stock market;
2. Diligence – Act with due skill, care, and diligence in the best interest of the client and the integrity of the stock market;
3. Capabilities – Obtain and effectively employ the resources and procedures needed for the proper performance of business activities;
4. 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;
5. Information for Clients – Make adequate disclosure of material information in dealings with clients;
6. 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

7. Compliance – Comply with all regulatory requirements applicable to COL to promote the best interest of the clients and the integrity of the stock market.

*General Principles of Salesmen*

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

1. Adhere to the principles of honesty, integrity, fairness, and good business practice in the conduct of business affairs;
2. Constantly strive to gain more knowledge of the market and improve trade skills and know-how;
3. 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;
4. Not to hype or otherwise manipulate any security to the prejudice of the investing public, the Company, and/or the stock exchange;
5. No 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
6. Ensure that assets of clients are properly accounted for and safeguarded.

## **D. 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:

1. 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
2. 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.

## **E. Anti-Bribery and Anti-Corruption**

All affiliated persons are prohibited from offering or giving anything of value, directly or indirectly to public officials or persons in the private sector if the intention is to influence such person/s and to obtain an advantage in the course of business conduct.

Further, the Company’s Code of Discipline prohibits all employees from the unauthorized collection or receiving of fees, charges, kickbacks, commissions from clients, suppliers, or collectors.

## F. 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:

1. Not use, communicate, disclose, or disseminate, or permit the use, communication, disclosure, or dissemination of any confidential information;
2. Protect the confidential information and prevent the unauthorized use, dissemination, or publication of the confidential information;
3. 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.



## **G. Related Party Transactions**

Transactions between related parties must be based on terms similar to those offered to nonrelated parties. The transactions are done in the normal conduct of operations and are recoded in the same manner as transactions that are entered into with other parties.

## **H. Whistle-Blowing**

The Company promotes an environment of trust and camaraderie amongst its various stakeholders. Nevertheless, in the pursuit of its commitment to ethical service, COL provides several avenues by which these persons can, confidentially, air personal grievances, or to report actions of their peers or superiors which are, or which in good faith they suspect to be, contrary to ethics, laws, or regulations.

## **I. 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.

## **J. 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.

## **K. 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.

## **L. 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.

## **M. 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.

## **N. 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.

## **O. 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.