

# **COLONIAL SAVINGS, F.A.**

## Records Retention and Destruction Policy

## **Policy**

It is the Policy of Colonial Savings, F.A. to establish and maintain an effective records retention program that fulfills the essential operational needs of the institution, the regulatory requirements, and the related legal obligations within a framework of security, accessibility, and integrity. Likewise, it is also appropriate to establish and administer systematic record destruction processes.

“Records” are defined as information recorded on a tangible medium (paper or electronic) that serves as evidence of activities, events, or transactions for business, operational, legal and / or regulatory reference. Records are valuable corporate assets that are to be managed, protected, and destroyed in compliance with applicable laws and business needs and in accordance with this policy.

## **Administrative Responsibilities**

The Executive Committee shall have the responsibility to annually review and approve the Records Retention and Destruction Policy.

The Chief Compliance Officer or his/her designee shall establish, periodically review, and update a Records Retention and Destruction Schedule that identifies categories of records to be retained, including regulatory obligations, and minimum periods of retention. Retention periods should be appropriate to the specific record or records, and consistent with applicable legal, regulatory, fiscal, and administrative needs regardless of the medium or source channel. The Data Governance Committee and its Executive Sponsor shall periodically review and approve this Schedule.

The Chief Compliance Officer shall also monitor the implementation of this policy. The Compliance Department shall periodically prepare a report to the Board describing the effectiveness of the implementation.

## **Policy Considerations**

Corporate records are to be retained with sufficient accuracy, accessibility and integrity to achieve all essential purposes. The failure to maintain adequate records retention systems can contribute to reputation, transaction, credit and compliance risks. Such inadequacies can result in fines and sanctions, high re-creation costs, and legal actions.

- Records of Colonial must be accurately maintained. Information should be legible and correctly describe the subject transaction. Not only should the content of the information be retained, but in most instances sufficient information about the

information attributes such as the source, destination, date, and time are also to be retained for authenticity purposes.

- Records of Colonial should be efficiently retrievable during the period that they are retained. Information records that support Colonial's position on business transactions are essential. Information that cannot be readily retrieved and accurately reproduced either diminishes in value or increases the costs to do business or both. Therefore, processes for record retrieval must be established in every business unit.
- Records of Colonial Savings should maintain their integrity. Records should be maintained in an access-controlled environment to prevent alterations, falsification and manipulation. Records are to support an appropriate internal auditing system.

Adequate records retention systems support different business processes. The primary essential purposes of corporate records include:

- Achieving the business obligations of all operational areas of the institution;
- Providing support in potential matters of litigation;
- Providing support for controls needed for internal and external audits;
- Providing adequate records for regulatory supervision;
- Providing records needed to comply with laws and regulations.

Records of Colonial Savings are to be destroyed after the business needs or the regulatory mandated period of retention has expired, whichever comes last. Destruction processes are to follow appropriate methods consistent with industry practices.

### **Ownership of Corporate Records**

All records created in connection with the execution of Colonial business activities are the property of Colonial Savings, F.A. and do not belong to any individual employee regardless of where the records reside. Employees are not to remove, personally retain, or unilaterally destroy any records of Colonial Savings.

### **Implementation Considerations**

Implementation of this Records Retention and Destruction Policy shall reside with the various Business Units of Colonial. The Business Unit managers shall develop, monitor, and administer all implementing processes that are to consider records receipt and creation, use, security, internal controls, back-up and recovery, and disposal.

#### A. Records Receipt and Creation:

Records are received from a wide number of sources including customers, third party vendors, and other departments. Additionally, departments create records to achieve the business needs of Colonial. Records may come in a number of mediums including, but not limited to, paper, electronic, or a combination thereof (such as fax). Different sources and different mediums may require different tools to accept or create a record. Business units should be prepared to address the uniqueness of records while recognizing that all business records have a purpose.

B. Use of Records:

Business Unit managers are to determine who has and who does not have access rights to different business records. Equally important is determining how records are to be used – some records may be viewed only while other records require a paper copy to be effectively used. Business Unit Managers should determine what records may be shared with others and by what means (postal, fax, scanned, view only, etc.).

C. Security:

Failure to properly secure and protect Association records and systems that contain confidential customer information may violate minimum security standards imposed under the Gramm-Leach-Bliley Act. Association records should be secured in accordance with the Information Policy and Information Security Program, and the Physical Security Policy.

D. Internal Controls:

Effective internal controls are to be established within Business Units to protect records from alteration or pre-mature destruction. Internal controls to be considered include: segregation of duties, access controls, enforced retention requirements, documentation of changes to records, use of protected passwords, encryption of transmission and storage, software integrity checks, and equipment and record media disposal procedures. Business unit procedures are to be established to assure adherence with this Policy.

E. Back-up and Recovery:

As appropriate, the Information Technology Business Unit should ensure that electronic records are sufficiently backed-up so that recovered records meet the same accuracy and integrity standards as the primary data versions. Recovery processes should be effective and efficient.

F. Record Disposal:

Record disposal should occur only in accordance with systematic, well documented, and adequately managed processes. Business Unit managers are responsible to assure that record retention and disposal schedules are regularly reviewed and internally approved. All Business Unit retention and disposal schedules and revisions thereto plus the Business Unit's retention and disposition processes are to be submitted to the Compliance Department for affirmation of compliance with this policy and applicable regulations. Business Units are to adhere to minimum retention requirements as described in regulations and consistent with general industry standards. Records are to be appropriately destroyed so as to maintain the confidentiality of their content. Because of the diversity of the data and of the business functions of the various departments at Colonial, it is the responsibility of the Business Units to regularly assess, monitor, and administer the records retention and destruction processes in their area.

G. E-mail Retention:

Because of the pervasive use of e-mails, both as a formal and informal means of communication, appropriate and unique retention and disposal rules apply to e-mails. Colonial has established a retention schedule for e-mails. All e-mails will be retained for a total of three years from receipt, unless tagged by the user to be kept for a shorter or longer period of time. Each employee's deleted folder, emails older than 180 days will be automatically deleted. In the event of a legal proceeding or official process, mandatory e-mail destruction may be suspended.

#### H. Suspension of the Disposal of Records:

In the event of a legal proceeding or other official process in which business records have or may be requested and at the direction of the Legal Department or a member of the Executive Committee, Business Units are to suspend normal records disposal processes applicable to the subject of the proceeding. All Business Units shall fully cooperate in responding to any requests for records production. Individuals that are knowingly disposing of records subject to a production order, or otherwise not being responsive to official requests for records are subject to immediate disciplinary action including termination of employment.

#### **Retention Periods and Content**

A wide number of records are created or received during the course of doing business. Sometimes the same record is used by multiple departments for different reasons. Likewise, as the usefulness of records diminishes by department the retention periods for these records may also vary. To the degree a retention period is not established by the Record Retention and Destruction Schedule, Business Units are to establish a period of retention appropriate to the specific record and consistent with applicable legal, regulatory, fiscal and administrative requirements. The period of retention is applicable to the record and not to the medium in which the record is stored.

#### **Training**

Colonial Savings employees are to receive periodic training, appropriate to their job duties that assure that records are retained, stored, retrieved and destroyed in accordance with this policy. Such training shall be documented.

## **Policy Certification**

The undersigned, the Compliance Risk Management and Governance Manager, Colonial Savings, F.A., hereby certifies, and attests based on personal knowledge, that the attached Records Retention Policy was approved and adopted by the Executive Committee on September 19, 2023.

/s/ James R. Bloss

James R. Bloss

Compliance Risk Management and Governance Manager

Colonial Savings, F.A.