

ANNUAL CORPORATE GOVERNANCE REPORT
OF
PRAXIS FIDES MUTUAL BENEFIT ASSOCIATION, INC.
(Name of Company)

1 For the fiscal year ended :2022

2 Certificate Authority Number : LISCENCE NO. 2022-12-R

3 Malolos City, Bulacan Philippines

4 #35 Paseo del Cogreso, Catmon, Malolos City, Bulacan 3000

5 (044) 791-3558

6 <https://www.praxisfides.com/>

7 N/A

ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON- COMPLIANT	Additional Information	Explanation
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	Please refer to PFMBAI's Revised Manual on Corporate Governance containing the information on board membership Please click this link PFMBAI Manual on Corporate Governance Please refer to Profile of Board of Trustee Please click this link PFMBAI BOT Profile 2022	
2. Board has an appropriate mix of competence and expertise.	COMPLIANT	Please refer to PFMBAI's Revised Manual on Corporate Governance containing the information on board membership Please click this link PFMBAI Manual on Corporate Governance Please refer to Profile of Board of Trustee Please click this link PFMBAI BOT Profile 2022	
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	Please refer to PFMBAI's Revised Manual on Corporate Governance containing the information on board membership Please click this link PFMBAI Manual on Corporate Governance Please refer to Profile of Board of Trustee Please click this link PFMBAI BOT Profile 2022	
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors	COMPLIANT	Please refer to the list of Board of Trustees and their type of trusteeships Please click this link List of Trustees	
Recommendation 1.3			
1. Company provides in its Board Charter or Manual on Corporate Governance a policy on training of directors	COMPLIANT	Please refer to page 8 of PFMBAI Board Charter SECTION 10: TRUSTEES' TRAINING AND DEVELOPMENT PROGRAM Please click this link Board Charter	
2. Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first time directors.	COMPLIANT	Please refer to page 8 of PFMBAI Board Charter SECTION 10: TRUSTEES' TRAINING AND DEVELOPMENT PROGRAM Please click this link Board Charter All PFMBAI Trustee attended the BOT Orientation and Organizational Meeting Please click this link attendance of PFMBAI Orientation and Organizational Meeting	
3. Company has relevant annual continuing training for all directors	COMPLIANT	Please refer to page 8 of PFMBAI Board Charter SECTION 10: TRUSTEES' TRAINING AND DEVELOPMENT PROGRAM Please click this link Board Charter Please refer to E-cert of Trustees attended the CGOP Seminar last June 29-30, 2022 via Zoom Please click this link -Trustee Virginia Saclot - CGOP E-Cert Please click this link -Trustee Ma. Estela Santos - CGOP E-Cert Please click this link -Trustee Julieta Cruz - CGOP E-Cert Please click this link -Trustee Emilia Pasco - CGOP E-Cert Please click this link -Trustee Allan Martin - CGOP E-Cert Please click this link -Trustee Liberty Bardinias - CGOP E-Cert	
Recommendation 1.4			
1. Board has policy on board diversity	COMPLIANT	Please click this link Code of Ethics and Conduct The Association is committed to encouraging equality and diversity among workforce and eliminating un-lawful discrimination. Provides equality, fairness and respect for all employee whether temporary, part time or full time. The PFMBAI BOT is composed of 5 females and 2 males	
Recommendation 1.5			
1. Board is assisted in its duties by a Corporate Secretary	COMPLIANT	Please Refer to Key Officers Ms. Maricel Samson -Corporate Secretary Please click this link Key Officers 2022	
2. Corporate Secretary is a separate individual from the Compliance Officer.	COMPLIANT	Ms. Maricel Samson -Corporate Secretary Ms. Melody Gaddi - Compliance Officer Please Refer to Key Officers Please click this link Key Officers 2022	
3. Corporate Secretary is not a member of the Board of Directors.	COMPLIANT	Ms. Maricel Samson is not a Trustee Please click this link List of Trustees	
4. Corporate Secretary attends training/s on corporate governance.	COMPLIANT	Ms. Maricel Samson attended the Corporate Secretary as Corporate Governance Professionals given by ICD on June 16-17, 2022 Please click this link E-Certificate Please click this link E Certificate 2021 She attended the CGOP Seminar 2021, the schedule of training this 2023 is on June 6-7 (ICD- CGOP Seminar via Zoom)	
Recommendation 1.6			
1. Board if assisted by a Compliance Officer.	COMPLIANT	Ms. Melody Gaddi is the Compliance Officer	

		Please click this link Key Officers 2022	
2. Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation.	COMPLIANT	Compliance Officer does not have a Vice President position, she is one of the Officer of the Association. Please click this link List of Trustees	
3. Compliance Officer is not a member of the board.	COMPLIANT	Compliance Officer is not a member of BOT	
4. Compliance Officer attends training/s on corporate governance annually.	COMPLIANT	The Compliance Officer attends training on corporate governance annually but for the year 2022, she has not attended the seminar due to an avoidable reason Please refer to past e-cert of the compliance officer Please click this link, e-cert Schedule of training this 2023 is on June 6-7 (ICD- CGOP SEMINAR via Zoom)	

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

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	Please see the Minutes of the Meeting 2022 and Board Resolution posted in the website https://www.praxisfides.com/reports	
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Recommendation 2.2

1. Board oversees the development, review and approval of the company's business objectives and strategy.	COMPLIANT	Annual Report Strategic Plan 2022 Please click this link PFMBAI Board Charter Responsibility of the board of trustee	
2. Board oversees and monitors the implementation of the company's business objectives and strategy in order to sustain the company's long-term viability and strenght.	COMPLIANT	Minutes of the Meetings 2022 https://www.praxisfides.com/reports Pls see Board Resolution 2022 Pls see Monthly BOT Minutes of the Meeting	

Recommendation 2.3

1. Board is headed by a competent and qualified Chairperson.	COMPLIANT	Please refer to BOT Profile 2022 Please click this link PFMBAI BOT Profile 2022	
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Recommendation 2.4

1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	COMPLIANT	Praxis Fides MBAI have a succession planning program for Key Officers and Management. The Board of Trustee has a term of four (3) years. They are elected by the general membership. The nomination committee ensures the mix of competencies in the board. Please Refer to this link Succesion Planning Policy	
2. Board adopts a policy on the retirement for directors and key officers.	COMPLIANT	The Board approved the New Retirement Plan for PFMBAI Employees - Board Resolution no. 2022-27 - Approved November 24, 2022 Please refer to this link Board Resolution No. 2022-27 Please click this link BR No. 2022-27 PFMBAI Trustees - have no retirement policy.	

Recommendation 2.5

1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	COMPLIANT	Remuneration Policy for the Board of Trustees and Key Officers Please Refer to this link Remuneration Policy for the Board of Trustees and key Officers Please see Annual Report - President's Report Please click this link Praxis Fides MBAI Annual Report 2022	
2. Board aligns the remuneration of key officers and board members with long term interests of the company.	COMPLIANT	Praxis Fides MBAI is a non-stock, non-profit mutual benefit association. None of the Board of Trustees receives any compensation or retirement from the associaion Please Refer to this link Remuneration Policy for the Board of Trustees and key Officers Please see Annual Report - President's Report Please click this link Praxis Fides MBAI Annual Report 2022	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	COMPLIANT	None of the BOT receives remuneration Please Refer to this link Remuneration Policy for the Board of Trustees and key Officers	

Recommendation 2.6

1. Board has formal and transparent board nomination and election policy.	COMPLIANT	Please click this link PFMBAI Manual on Corporate Governance Please click this link Praxis Fides MBAI Election Rules and Guidelines	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	COMPLIANT	Please click this link PFMBAI Manual on Corporate Governance 2.1.4 Qualification of a Board of Trustee	

		2.1.5 Disqualification to the Board of Trustee	
3. Board nomination and election policy includes how the company accepts nomination from minority shareholders	COMPLIANT	Praxis Fides MBAI Election Rules and Guidelines Please click this link Praxis Fides MBAI Election Rules and Guidelines Section 4. Recruitment of Candidates	
4. Board nomination and election policy includes how the board reviews nominated candidates.	COMPLIANT	Praxis Fides MBAI Election Rules and Guidelines Please click this link Praxis Fides MBAI Election Rules and Guidelines Section 7. Review and Selection of Candidates	
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	Please click this link Praxis Fides MBAI Election Rules and Guidelines	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	COMPLIANT	Please click this link Praxis Fides MBAI Election Rules and Guidelines Section 4. Recruitment of Candidates	

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	RPT Committee Charter Please click this link Related Party Transaction (RPT) Committee Charter	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	COMPLIANT	For the year 2022, no material RPT Transaction was made Please click this link Praxis Fides MBAI Annual Report 2022	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	COMPLIANT	RPT Committee Charter Please click this link Related Party Transaction (RPT) Committee Charter	

Recommendation 2.8

1. Board is primarily responsible for approving the selection of Management led by Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	COMPLIANT	2.13 Succession Planning Page 14 The Board of Trustee is responsible for the succession planning of the executive position. The Board hires the General Manager and ensures his/her skills and capabilities align with the company's mission and vision. The Board should regularly review and identify positions which would require replacement or filling up in within the plans time frame. Please click this link to Succession Planning Policy	
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	2.13 Succession Planning Page 14 The Board of Trustee is responsible for the succession planning of the executive position. The Board hires the General Manager and ensures his/her skills and capabilities align with the company's mission and vision. The Board should regularly review and identify positions which would require replacement or filling up in within the plans time frame. Please click this link to Succession Planning Policy	

Recommendation 2.9

1. Board establishes an effective performance management framework that ensures that Management, including the Chief Executive Officer performance is at par with the standards set by the Board and Senior Management.	COMPLIANT	The performance assesment of the Management is based on percentile achievement vs. yearly target. Please refer to the Five (5) Point Targets Please click this link Five (5) Point Target Please click this link Praxis Fides MBAI Annual Report 2022 President's Report	
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	Please refer to Performance Appraisal Please click this link Five (5) Point Target Please click this link Praxis Fides MBAI Annual Report 2022 President's Report	

Recommendation 2.10

1. Board oversees that an appropriate internal control system is in place.	COMPLIANT	Please refer to Audit Charter Please click this link Audit Committee Charter	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the	COMPLIANT	Please refer to Audit Charter Please click this link Audit Committee Charter	

Management, members and shareholders.			
3. Board approves the Internal Audit Charter	COMPLIANT	Please refer to Audit Charter Please click this link Audit Committee Charter The Board approves the Audit Charter on May 27, 2022	
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	Please refer to Board Risk Oversight Committee Charter Please click this link Board Risk Oversight Committee Charter	
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	Please refer to Board Risk Oversight Committee Charter Please click this link Board Risk Oversight Committee Charter	
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties	COMPLIANT	Please refer of PFMBAI Board Charter Please click this link PFMBAI Board Charter	
2. Board Charter serves as a guide to the directors in the performance of their functions.	COMPLIANT	Please refer of PFMBAI Board Charter Please click this link PFMBAI Board Charter	
3. Board Charter is publicly available and posted on the company's website.	COMPLIANT	Please refer of PFMBAI Board Charter under tab of Charter and Policies https://www.praxisfides.com/charterandpolicies https://www.praxisfides.com/ Company website	

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 publicly available Committee Charter.

Recommendation 3.1			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	COMPLIANT	Please Refer to Board Committees Please click this link PFMBAI BOT Committee Members 2022 Please refer to Manual of Corporate Governance Please click this link PFMBAI Manual on Corporate Governance 2.1.15 Committees of the Board of Trustees page 9	
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	Please refer to Audit Charter Please click this link Audit Committee Charter	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	COMPLIANT	Audit Committee is composed of 3 non- executive trustees and headed by an independent trustee Please refer to this link Audit Committee Charter The Chairperson of the Audit Committee is Ms. Virginia Saclot, CPA, Independent Trustee Please click this link Audit Committee Members	
3. All the members of the committee have relevant background , knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	COMPLIANT	Please refer to Board Committees Ms. Virginia Saclot is a CPA Please click this link PFMBAI BOT Profile 2022 Please click this link PFMBAI BOT Committee Members 2022 Please click this link Audit Committee Members	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	COMPLIANT	Please click this link Audit Committee Members Please click this link PFMBAI BOT Profile 2022 Rev. Fr. Romualdo Go - Chairman Ms. Virginia Saclot - Chairperson of Audit Committee	

Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	COMPLIANT	Please refer to Corporate Governance Charter Please click this link Corporate Governance Charter	
2. Corporate Governance Committee is	COMPLIANT	Please refer to Corporate Governance Charter	

composed of at least three members, majority of whom should be independent director.		Please click this link Corporate Governance Charter Membership is to be composed of three members majority of shall be independent trustee, headed by the vice chairperson, who is the ex-officio compliance officer	
3. Chairman of the Corporate Governance Committee is an independent director.	COMPLIANT	Please click this link PFMBAI BOT Committee Members 2022 Please click this link Corporate Governance Committee Members Chairperson is Ms. Julieta B. Cruz All Trustees of PFMBAI are considered Independent Trustee because they don't have material interest in the Association	

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	Please refer to Board Risk Oversight Charter Please click this link Board Risk Oversight Committee Charter	
2. BROC is composed of at least three members, the majority of whom should be independent	COMPLIANT	Please click this link PFMBAI BOT Committee Members 2022 Please click this link BROC Committee The Board Risk Oversight Committee membership is to be composed of three (3) non-executives and headed by independent trustee. All Trustees of PFMBAI are considered Independent Trustee because they don't have material interest in the Association	
3. The Chairman of the BROC is not the Chairman of the Board or any other committee.	COMPLIANT	Please click this link PFMBAI BOT Committee Members 2022 Ms. Liberty Bardinas is the Chairman of BROC, is not the Chairman of the Board and does not hold any chairmanship in all PFMBAI Committee Please click this link BROC Committee	

4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	COMPLIANT	Please click this link PFMBAI BOT Committee Members 2022 Trustee Liberty M. Bardinas is the Head of BROC. She completed Academics Units Master in Business Administration and currently taking up Juris Doctor at the Bulacan State University, College of Law Please click this link BROC Committee	
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Recommendation 3.5

1. The board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company	COMPLIANT	Please click this link PFMBAI BOT Committee Members 2022 BROC and RPT Committee have the same member Please click this link BROC Committee	
2. RPT Committee is composed of at least three non-executive directors, majority of whom should be independent, including the Chairman.	COMPLIANT	Please click this link PFMBAI BOT Committee Members 2022 BROC and RPT Committee have the same member All Trustees of PFMBAI are considered Independent Trustee because they don't have material interest in the Association Please click this link BROC Committee	

Recommendation 3.6

1. All established committees have Committee Charters stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	COMPLIANT	Please click this link Charter and Policies The PFMBAI Committee Charters includes the committee's objectives, purposes, membership structures, duties and responsibilities and other relevant information.	
2. Committee Charters provide standards for evaluating the performance of the Committees.	COMPLIANT	The Charters provide standards for evaluating the performance of the Committees through their duties and responsibilities, if they diligently performing their tasks. Please click this link Praxis Fides MBI Annual Report 2022	
3. Committee Charters were fully disclosed on Company's website.	COMPLIANT	Committee Charters were posted in the company's website https://www.praxisfides.com/ under the tab of Charter and Policies Please click this link Charter and Policies	

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 attends and actively participates 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	Record of Attendance of BOT Meetings Please click this link Record of Attendance Please refer to BOT Minutes 2022 under the tab of report https://www.praxisfides.com/reports	
2. The directors review meeting materials for all Board and Committee meetings	COMPLIANT	The agendas, reports and minutes of the meetings are emailed to the member of the board five (5) days before the meeting for their perusal and review. Please click this link PFMBAI Manual on Corporate Governance Please click this link Board Meetings	
3. The directors asks the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	COMPLIANT	Minutes of the Board Meetings https://www.praxisfides.com/reports Pls see Monthly BOT Minutes of the Meeting	

https://www.praxisfides.com/files/uqj/9c0766_6f50f07bb83d4174bbd84a8d477ae7ca.pdf

Recommendation 4.2		
1. Non-executive directors concurrently serve as directors to a maximum of five Insurance Commission Regulated Entities (IRCEs) and publicly-listed companies to ensure that they have sufficient time to fully prepare for meetings, challenge Management's proposals/views, and oversee the long term strategy of the company.	COMPLIANT	The agendas, reports and minutes of the meetings are emailed to the member of the board five (5) days before the meeting for their perusal and review. Please click this link Board Meetings 2.1.3 Multiple Board Seats pg. 4 of the MCG Praxis Fides MBI allows its trustee to hold up to a maximum of five (5) full time board positions in other organizations. Provided that the trustee shall exercise his/her due discretion in accepting board positions in other organizations, to ensure that their capacity to perform their duty as Board of Trustee of Praxis Fides MBI is not compromised Please click this link PFMBAI Manual on Corporate Governance
Recommendation 4.3		
1. The directors notify the company's board where he/she is an incumbent director before accepting a directorship in another company.	NON-COMPLIANT	There is no written notification from the prospective trustee, but during the selection of the possible candidates, the Nomination Committee requires the candidate to submit their resume indicating their directorship in another company.

Principle 5: The board should endeavor to exercise an objective and independent judgement on all corporate affairs.		
Recommendation 5.1		
1. The Board is composed of at least twenty percent (20%) independent directors.	COMPLIANT	Profile of Board of Trustees Please click this link PFMBAI BOT Profile 2022 Praxis Fides MBI is composed of 7 board seats and 2 must be independent trustees. All Trustees of PFMBAI are considered Independent Trustees because they don't have material interest in the Association
Recommendation 5.2		
1. The independent directors possess all the necessary qualifications and none of the disqualifications to hold the position	COMPLIANT	Profile of Board of Trustees Please click this link PFMBAI BOT Profile 2022 All Trustees of PFMBAI are all non-executive and they don't have any material interest in the Association Please click this link PFMBAI Board Charter
Recommendation 5.3		
1. The independent directors serve for a maximum cumulative term of nine years. As far as the Insurance Companies are concerned, the foregoing term limit shall be reckoned from 02 January 2015 while the reckoning date for Pre-Need Companies and Health Maintenance Organizations shall be from 21 September 2016. For other covered entities, all previous terms served by existing Independent Directors prior to the effectivity of this Circular shall not be included in the application of the term limit prescribed in this term	COMPLIANT	Please click this link PFMBAI BOT Profile 2022 For the year 2022, all elected trustees are first time trustees of PFMBAI None of the Board of Trustees served for nine years or more. Please refer to Board Charter - Term of Office Please click this link PFMBAI Board Charter
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	COMPLIANT	Please refer to Board Charter - Term of Office Please click this link PFMBAI Board Charter

3. In the instance that the company retains an independent director in the same capacity after nine years, the board submits to the Insurance Commission a formal written justification and seek shareholders' approval during the annual shareholders' meeting.	NON-COMPLIANT	No written policy for that yet
Recommendation 5.4		
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	COMPLIANT	PFMBAI has a separate position from the BOT Chairman who leads the policy making body and the President that executes and supervises the day to day operation of the Association. PFMBAI President - Mr. Gener C. Luciano PFMBAI - Chairman of the Board - Rev. Fr. Romualdo Go Please click this link PFMBAI BOT Profile 2022 Please click this link Key Officers 2022
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities	COMPLIANT	Please refer to Board Charter Please click this link PFMBAI Board Charter Section 5 - The Chairman - duties and responsibilities

		Section 6- The President - duties and responsibilities	
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Recommendation 5.5			
1. If the Chairman of the Board is not an independent director or where the roles of Chairman and CEO are being held by one person, the Board should designate a lead director among the independent directors.	COMPLIANT	Rev. Fr. Romualdo Go the Chairman of the Board of Praxis Fides MBI is an Independent Trustee All PFMBAI Trustees are non-executive and have no material interest in the Association Please click this link PFMBAI BOT Profile 2022 Please refer to Board Charter duties of the Chairman - Section 5 Please click this link PFMBAI Board Charter	

Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation should abstain from taking part in the deliberations for the same.	COMPLIANT	Should conflict of interest exist, a board member should excuse himself/herself from participation in the discussion nor vote in a particular matter Please click this link PFMBAI Manual on Corporate Governance Please click this link Board Meetings c) Board of Trustee shall inhibit to attend meetings in which he/she have a personal interest on a certain agenda that needs board approval	

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 risks functions, without any executive directors present to ensure that proper checks and balances are in place within the corporation.	COMPLIANT	Please refer to Committee Meetings Minutes of the Meeting- Audit 01-2022 https://9c076686-f07b-48c8-b78b-3b6d5d9f94be.usfiles.com/ugd/9c0766_e323c63f3c9a4a68a8a9060bb05cd61d.pdf Minutes of the Meeting- Corp. Gov. 01-2022 https://9c076686-f07b-48c8-b78b-3b6d5d9f94be.usfiles.com/ugd/9c0766_fee118fc888e46a08045d494a09b0ebd.pdf Minutes of the Meeting - Audit 02-2022 https://9c076686-f07b-48c8-b78b-3b6d5d9f94be.usfiles.com/ugd/9c0766_ae77fa4f58ac4a25ab9d5838215b8d41.pdf Minutes of the Meeting of BROCC 01-2022 https://9c076686-f07b-48c8-b78b-3b6d5d9f94be.usfiles.com/ugd/9c0766_87c296dec594a0ea7b0cdd9ca120f20.pdf Minutes of the Meeting 04-2022 https://9c076686-f07b-48c8-b78b-3b6d5d9f94be.usfiles.com/ugd/9c0766_da64568b363e42958a29dde7e67e354a.pdf Minutes of the Meeting Corp Gov 9.20-22 https://9c076686-f07b-48c8-b78b-3b6d5d9f94be.usfiles.com/ugd/9c0766_42c5f16da854479b9229a74a1b898a92.pdf	
2. The meetings are chaired by the lead independent director.	COMPLIANT	Minutes of the Meeting Corp Gov. 03-2022 https://9c076686-f07b-48c8-b78b-3b6d5d9f94be.usfiles.com/ugd/9c0766_ef639d29a9734e6fad265ec56ab2ce1f.pdf The meetings are chaired by PFMBAI Trustee- all trustees are Independent Trustee	

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. The Board conducts an annual assessment of the performance as a whole.	COMPLIANT	Annual evaluation of the board is conducted every December after the board meeting Please refer to PFMBAI Corporate Governance Manual Please click this link PFMBAI Manual on Corporate Governance	
2. The performance of the Chairman is assessed annually by the board.	COMPLIANT	Please refer to the form use by the BOT for their annual appraisal	
3. The performance of the individual member of the Board is assessed annually by the Board.	COMPLIANT	Please click this link Praxis Fides MBI Appraisal Form for BOT	
4. The performance of each committee is assessed annually by the Board.	COMPLIANT	Please click this link Praxis Fides MBI Annual Report 2022	
5. Every three years, the assessments are supported by the external facilitator.	NON-COMPLIANT		

Recommendation 6.2			
1. Board has in place a system that provides, at the maximum, criteria and process to determine the performance of the Board, individual directors and committees.	COMPLIANT	Please refer to the form use by the BOT for their annual appraisal Please click this link Praxis Fides MBI Appraisal Form for BOT	
2. The systems allows for a feedback mechanism from the shareholders.	COMPLIANT	Please refer to Feedback, Grievance and Whistle Blowing Policy Please click this link Feedback, Grievance and Whistle Blowing Policy Please click this link Praxis Fides MBI Annual Report 2022 Handling of Complaints - page Please click this link Corporate Information The Association has a box located at the entrance of the office, for the members to drop their feedback form	

Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.

Recommendation 7.1			
1. The Board adopts a Code of Business Conduct and Ethics, which provide standards for	COMPLIANT	Please refer to Praxis Fides Code of Ethics and Conduct	

professional and ethical behaviour, as well as articulate acceptable and unacceptable conduct and practises in internal and external dealings of the company		Please click this link Code of Ethics and Conduct	
2. The Code is properly disseminated to the Board, senior management and employees.	COMPLIANT	During the yearly orientation for the newly elected Board of Trustees, the Code of Ethics and Conduct Manual is given to them, the same was also given to the newly hired employees. Please click this link Code of Ethics and Conduct	
3. The Code disclosed and made available to the public through company website.	COMPLIANT	The Code of Ethics and Conduct of Praxis Fides MBI is available in our website under the tab of Charter and Policies Please click this link Code of Ethics and Conduct	

Recommendation 7.2			
1. Board ensures the proper and efficient implementation ad monitoring of compliance with the Code of Business Conduct and Ethics.	COMPLIANT	Please refer to PFMBAI Manual on Corporate Governance Please click this link PFMBAI Manual on Corporate Governance Please click this link Code of Ethics and Conduct	
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 expetations.			
Recommendation 8.1			
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operation.	COMPLIANT	The latest and past years Audited Financial Statement, GIS, Annual Report, Board Resolutions, AGM Minutes and BOT Minutes are all posted in the PFMBAI under the tab of Reports https://www.praxisfides.com/reports All the Committee Charter and Policies are also posted https://www.praxisfides.com/charterandpolicies	
Recommendation 8.3			
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualification, and assess any potential conflicts of interest that might affect their judgement.	COMPLIANT	Please refer to BOT Profile Please click this link PFMBAI BOT Profile 2022	

Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same in Annual Corporate Governance Report consistent with (ACGS) and the Revised Corporation Code.	COMPLIANT	The board established the Remuneration Policy for thr Board of Trustees and Key Officers Please click this link Remuneration Policy for the Board of Trustees and Key Officers Please click this link PFMBAI Board Charter Please refer to PFMBAI Revise Manual on Corporate Governance Please click this link PFMBAI Manual on Corporate Governance	
2. Company provides a clear disclosure of its policies and procedure for setting Executive remuneration, including the level and mix of the same in Annual Corporate Governance Report consistent with (ACGS) and the Revised Corporation Code.	COMPLIANT	The board established the Remuneration Policy for thr Board of Trustees and Key Officers Please click this link Remuneration Policy for the Board of Trustees and Key Officers Please click this link PFMBAI Board Charter Please refer to PFMBAI Revise Manual on Corporate Governance Please click this link PFMBAI Manual on Corporate Governance	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	COMPLIANT	PFMBAI BOT does not receive any remuneration, and they are not entitled to retirement provisions. Reported in the Annual Report 2022 are the meal and transportation allowances Please click this link PFMBAI Board Charter Please click this link Praxis Fides MBI Annual Report 2022	
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPT) and other unusual or infrequently occurring transactions.	COMPLIANT	Please refer to Related Party Transaction Committee Charter Please click this link Related Party Transaction Charter	

2. Company discloses material or significant RPTs in its Annual Company Report or Annual Corporate Governance Report, reviewed and approved by the Board, and submitted for confirmation by majority vote of the	COMPLIANT	For the year 2022, PFMBAI has no marterial or significant RPT's in its Annual Report reviewed and approved by the Board and submitted for confirmation of the members. Please click this link Praxis Fides MBI Annual Report 2022	
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stockholders in the annual stockholders' meeting during the year.			
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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	Please refer to PFMBAI Revise Manual on Corporate Governance Please click this link PFMBAI Manual on Corporate Governance	
2. Company's MCG is posted on its Company website.	COMPLIANT	Praxis Fides MBAI Revise Corporate Governance Manual is posted in the website under the tab of More please click Charter and Policies https://www.praxisfides.com/charterandpolicies https://www.praxisfides.com/	

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	Audit Committee Charter Please click this link Audit Committee Charter	
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	Please click this link Audit Committee Charter Please click this link Praxis Fides MBAI Annual Report 2022 Audit Committee - page 21	
3. For removal of the external auditor, the reasons for the removal or change are disclosed to the regulators and the public through the company website and required disclosures.	COMPLIANT	Not applicable. For 2022 there is no removal issue for the external auditor	

Recommendation 9.2

1. Audit Committee Charter includes the Audit Committee's responsibility on: <ol style="list-style-type: none"> i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. Exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. 	COMPLIANT	Audit Committee Charter Please click this link Audit Committee Charter	
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	Audit Committee Charter Please click this link Audit Committee Charter	

Recommendation 9.3

1. Company discloses the nature of nonaudit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	COMPLIANT	1. Preparation of Annual Statement for the Association; 2. Review schedules related documents for the Annual Statement; 3. Liaise for the Association in relation to the Annual Statement; and 4. Review documents required by the Insurance Commission for the Annual Registration of the Association. Please click this link Audit Committee Charter	
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	Audit Committee Charter Please click this link Audit Committee Charter	

Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.

Recommendation 10.1

1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpines sustainability.	COMPLIANT	3.3 Right to Information All member of Praxis Fides MBAI shall have the right to be informed and access the Association's audited financial statements and annual reports. Please click this link PFMBAI Manual on Corporate Governance Please click this link Praxis Fides MBAI Annual Report 2022	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	COMPLIANT	Please click this link Praxis Fides MBAI Annual Report 2022 Financial and Non-Financial Report are included in the Praxis Fides MBAI Annual Report	

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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. The company should have a website to ensure a comprehensive, cost efficient, transparent, and timely manner of disseminating relevant information to the public.	COMPLIANT	Company Website https://www.praxisfides.com/ Company Facebook Page Facebook: https://www.facebook.com/praxis.fides	
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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	AUDIT CHARTER Please click the link Audit Committee Charter	
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2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	COMPLIANT	Risk Management Objective and Risk Please click this link Praxis Fides MBI Annual Report 2022	
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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.	COMPLIANT	Chief Audit Executive - acts as independent internal auditor of the Association. Chief Audit Executive - Duties and Responsibilities https://9c076686-f07b-48c8-b78b-3b6d5d9f94be.usrfiles.com/uqd/9c0766_2b6e6f78885b46d98c381d4d727c0fcb.pdf	
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Recommendation 12.3

1. The company has a qualified Chief Audit Executive (CAE) appointed by the Board.	COMPLIANT	Appointment of Chief Audit Executive https://9c076686-f07b-48c8-b78b-3b6d5d9f94be.usrfiles.com/uqd/9c0766_2b6e6f78885b46d98c381d4d727c0fcb.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.	COMPLIANT	Chief Audit Executive - Duties and Responsibilities https://9c076686-f07b-48c8-b78b-3b6d5d9f94be.usrfiles.com/uqd/9c0766_2b6e6f78885b46d98c381d4d727c0fcb.pdf	

3. In case 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	NON-COMPLIANT	Not applicable, no fully outsourced internal audit.	
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Recommendation 12.4

1. The company has a separate risk management function to identify, assess and monitor key risk exposures.	COMPLIANT	Praxis Fides MBI have a Board Risk Oversight Committee Please click this link Board Risk Oversight Committee	
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Recommendation 12.5

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	Appointment - CRO https://9c076686-f07b-48c8-b78b-3b6d5d9f94be.usrfiles.com/uqd/9c0766_2b6e6f78885b46d98c381d4d727c0fcb.pdf Key Officer Please click this link Key Officers 2022	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities	COMPLIANT	Chief Risk Officer Duties and Responsibilities https://9c076686-f07b-48c8-b78b-3b6d5d9f94be.usrfiles.com/uqd/9c0766_2b6e6f78885b46d98c381d4d727c0fcb.pdf	

Cultivating a Synergic Relationship with Shareholders			
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 the basic shareholders rights are disclosed in the Manual on Corporate Governance.	COMPLIANT	Please click this link PFMBAI Manual on Corporate Governance Please click this link Basic Rights of PFMBAI Member Basic Shareholders Right 3.1 Membership 3.2 Voting Rights of Members 3.3 Right to Information 3.4 Annual General Meeting 3.5 Notice of the Annual General Meeting	pg. 17 of the Revised MCG
2. Board ensures that basic shareholder rights are disclosed on the company's website.	COMPLIANT	https://www.praxisfides.com/ Company website PFMBAI Manual on Corporate Governance is posted in the website under tap of Charter and Policies https://www.praxisfides.com/charterandpolicies Please click this link PFMBAI Manual on Corporate Governance	
Recommendation 13.2			

participation by sending Notice of Annual and Special Shareholders Meeting with sufficient and relevant information at least 21 days before the meeting	COMPLIANT	February 17 is the founding anniversary date of Praxis Fides MBI. Simple celebration and Pre-AGM was conducted. In attendance are BOT, Staff, Area Coordinator (who represents the general membership), was given the Notice of the Annual General Meeting, together with the copy of last year minutes of AGM, Board Resolution and other reports. Schedule of PFMBAI AGM for 2022- March 19, 2022 (postponed) Actual AGM - April 21, 2022 Please click this link Pre-AGM 2022 Attendance	
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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 results of Election was posted in the website one day after the election April 22, 2022 https://www.praxisfides.com/announcements-news	
2. Minutes of the Annual and Special Shareholders' Meetings are available on the company website within five business days from the end of the meeting	COMPLIANT	https://www.praxisfides.com/reports All AGM Minutes of Praxis Fides MBI are posted in website	
Recommendation 13.4			

1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner	COMPLIANT	Please click this link Feedback, Grievance and Whistle Blowing Policy	
2. The alternate dispute mechanism is included in the company's Manual on Corporate Governance.	COMPLIANT	Please click this link Feedback, Grievance and Whistle Blowing Policy	

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 violations 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	Please click this link PFMBAI Manual on Corporate Governance Part 4 Stakeholders - page 18 4.1.1 General Membership 4.1.2 Board of Trustee 4.1.3 Management 4.1.4 Suppliers / Contractors	

		4.1.5 Community of Operations 4.1.6 Environment 4.1.7 Regulatory Agencies	
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Recommendation 14.2

1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	COMPLIANT	Please click this link Feedback, Grievance and Whistle Blowing Policy Please click this link Praxis Fides MBAI Annual Report 2022	
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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	Feedback, Grievance and Whistle Blowing Policy Please click this link Feedback, Grievance and Whistle Blowing Policy Please click this link Praxis Fides MBAI Annual Report 2022 Corporate information - where every member can call, email and address their concerns Please click this link Corporate Information	
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Principle 15: A mechanism for employee participation should be developed to create a symbolic 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	5 POINT TARGET With the (5 Point Target performance) the associations employees' participation is encourage in uplifting Revenues, Increase Asset, Elimination of Unremitted Collections Prompt Collection of Loans Extended to Members. Please click this link 5 Point Target Performance Base Bonus	
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Recommendation 15.2

1. Board sets the tone and makes a stand against corrupt practises by adopting an anti-corruption policy ad program in its Code of Conduct.	COMPLIANT	Praxis Fides MBAI, establishes an Anti-Corruption Program which prohibits the workforce to receive gifts on any kind of form, monetary or things in exchange of favors and decisions that may affect or compromise the Associatios integrity or may have negative impact to the association. Please click this link Code of Ethics and Conduct	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	COMPLIANT	The association dessiminates the Code of Ethics and Conduct during the orientation program once a year, where all regular employees as well as probationary attends the orientation. Please click this link Code of Ethics and Conduct	

Recommendation 15.3

1. Board established a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear ofretaliation.	COMPLIANT	Feedback, Grievance and Whistle Blowing Policy Please click this link Feedback, Grievance and Whistle Blowing Policy	
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2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an indepent member of the Board or a unit created to handle whistleblowing concerns.	COMPLIANT	Feedback, Grievance and Whistle Blowing Policy Please click this link Feedback, Grievance and Whistle Blowing Policy	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	COMPLIANT	Feedback, Grievance and Whistle Blowing Policy Please click this link Feedback, Grievance and Whistle Blowing Policy	

Principle 16: The company should be socially responsible in all its dealings with 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 balance development.


Recommendation 16.1

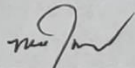
1. Company recognizes and places importance on the independence between business and society, and promotes a mutually beneficial relationship that allows company to grow its business, while contributing to the advancement of the society where it operates.	COMPLIANT	Please click this link Praxis Fides MBAI Annual Report 2022 Letter C- Social Programs for Members' Welfare - page 25-26	
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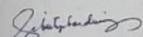
CERTIFICATION

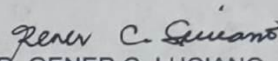
The undersigned certify that the responses and explanations set forth in the above Company's Annual Corporate Governance report are true, complete and correct of our own personal knowledge and/or based on authentic records.

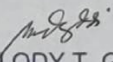
Signed in the City of Malolos on the 24th of May 2023.



FR. ROMUALDO GO
CHAIRMAN OF THE BOARD
Signature over printed name


MS. MARICEL SAMSON
CORPORATE SECRETARY
Signature over printed name


MS. LIBERTY MANDIA
INDEPENDENT DIRECTOR
Signature over printed name


MR. GENER C. LUCIANO
PRESIDENT
Signature over printed name


MS. MELODY T. GADDI
CORPORATE GOVERNANCE
COMPLIANCE OFFICER
Signature over printed name


MS. EMILIA PASCO
INDEPENDENT DIRECTOR
Signature over printed name

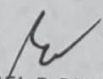
MAY 26 2023

SUBSCRIBED AND SWORN to before me this 26 day of May, 2023, by the following who are all personally known to me (or whom I have identified through competent evidence of identity) and who exhibited to me their respective identification document as follows:

Name	ID. NO.	DATE/PLACE ISSUED
1. ROMUALDO GO	N25-09-001020	June 13, 2017
2. GENER LUCIANO	UMID 0111-7325538-3	MALOLOS CITY
3. MARICEL SAMSON	UMID- 0033-5460771-6	MALOLOS CITY
4. LIBERTY MANDIA	UMID 006-00103087-9	QUEZON CITY
5. EMILIA PASCO	C07-90-060299	November 10, 2017
6. MELODY GADDI	UMID 0033-5123354-9	MALOLOS CITY

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Series of 20 23


MANUEL P. PUNZALAN
Notary Public for the Prov. of Bulacan; Until December 31, 2024
Rm. 204 Capule Bldg., Catmon, Malolos, Bulacan
Serial No. PNC-105 MB-2022; Roll No. 23476
PTR No. 0727505/ Malolos City, Bulacan/ 1/04/2023
IBP O.R. No. 268203/Ortigas Center Pasig City 1/04/2023
MCLE Compliance No. VII-0026225/April 14, 2025