

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

1 For the fiscal year ended :2023

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

3 Malolos City, Bulacan Philippines

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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 Board Charter Under Section 1: Board Composition, no.4 Board Profile Please click this link Board Charter Please refer to Profile of Board of Trustee Please click this link BOT Profile 2023	
2. Board has an appropriate mix of competence and expertise.	COMPLIANT	Please refer to Profile of Board of Trustee Please click this link BOT Profile 2023 The Board of Trustees of PFMBAI is a diverse group comprising individuals with varied competencies and expertise. The board includes a banker, an educator, a businesswoman, an accountant, and a priest. This mix of professionals ensures that the board benefits from a wide range of knowledge, experiences, and perspectives, which they can share with the association. This diverse composition enables the board to address various aspects of the organization's needs and challenges effectively.	
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 Board Charter Please click this link Board Charter Please refer to Profile of Board of Trustee Please click this link BOT Profile 2023	
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 2023 Please click this link Board Charter Please refer to Section 1 Board Composition	The membership of the Board are non-executive Trustees. They should possess such qualifications and stature that will enable them to effectively participate in the deliberations of the board
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 Sheet	
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 click this link ICD E-Certificate Please click this link ICD E-Certificate Please click this link PF Annual Report All PFMBAI Trustee attended the BOT Orientation and Organizational Meeting Please click this link Attendance Sheet	
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. Please click this link Board Charter 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 Appointment of Corporate Secretary Please click this link Key Officer 2023	
2. Corporate Secretary is a separate individual from the Compliance Officer.	COMPLIANT	Ms. Maricel Samson - Corporate Secretary Ms. Melody Gaddi - Compliance Officer The Corporate Secretary and the Compliance Officer are two separate individuals Please click this link Appointment of Compliance Officer Please click this link Key Officer 2023	
3. Corporate Secretary is not a member of the Board of Directors.	COMPLIANT	Ms. Maricel Samson is not a Trustee; she handles the administrative division. Please click this link List of Trustees 2023 Please click this link Key Officer 2023	
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 2021 Please click this link E-Certificate 2022 Please click this link ICD E-Certificate 2023	
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	COMPLIANT	Ms. Melody Gaddi is the appointed Compliance Officer Please click this link Key Officer 2023 Please click this link List of Trustees 2023	
2. Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation.	COMPLIANT	Ms. Melody Gaddi does not hold the rank of Vice President, but her extensive years of service to the company and her significant role have led to her appointment as the Compliance Officer. Please click this link Key Officer 2023 Please click this link List of Trustees 2023	

3. Compliance Officer is not a member of the board.	COMPLIANT	Ms. Melody Gaddi is not trustee Please click this link Appointment of Compliance Officer	
4. Compliance Officer attends training/s on corporate governance annually.	COMPLIANT	Please refer to past e-cert of the compliance officer Please click this link ICD E-Certificate 2023	
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 2023 and Board Resolution posted in the website https://www.praxisfides.com/reports	
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	COMPLIANT	Annual Report Strategic Plan Revisit 2023 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 strength.	COMPLIANT	Minutes of the Meetings 2023 https://www.praxisfides.com/reports Pls see Board Resolution 2023 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 2023 qualifications Please click this link BOT Profile 2023 Please click this link PFMBAI Board Charter Section 1 Board Composition 4. Board Profile	
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 three (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 Succession 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 click this link PF Annual Report Please see Board Performance Please click this link PFMBAI Board Charter	
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 association Please click this link PF Annual Report Please click this link PFMBAI Board Charter SECTION 11: ANNUAL PERFORMANCE EVALUATION OF THE BOARD and KEY OFFICERS	
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 SECTION 9: COMPENSATION OF BOARD MEMBERS Please click this link PFMBAI Board Charter	

Recommendation 2.6			
1. Board has formal and transparent board nomination and election policy.	COMPLIANT	Please click this link PFMBAI Board Charter 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 Board Charter SECTION 2: ELECTION OF THE BOARD	
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 MBI 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 2023, no material RPT Transaction was made Please click this link PF Annual Report	
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	Please click this link PFMBAI Board Charter SECTION 12: SUCCESSION PLANNING FOR MANAGEMENT The board select and approved the appointment of CEO, CRO, CCO and CAE	
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	Please click this link PFMBAI Board Charter SECTION 12: SUCCESSION PLANNING FOR MANAGEMENT	

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 PF Annual Report 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 5 Point target for 2023 Please click this link PF Annual Report President's Report Please click this link PFMBAI Board Charter	

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 Management, members and shareholders.	COMPLIANT	Please refer to Audit Charter Please click this link Audit Committee Charter	
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	
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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 PF Annual Report - Board Performance Please click this link PF Annual Report Please refer to Manual of Corporate Governance Please click this link PFMBAI Board Charter Section 8. Board Committees	
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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 atleast 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 BOT Profile 2023	
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 BOT Profile 2023 Please click this link BOT Profile 2023	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	COMPLIANT	Please click this link BOT Profile 2023 Ms. Lileth V. Cruz - Chairperson 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 composed of atleast three members, majority of whom should be independent director.	COMPLIANT	Please refer to Corporate Governance Charter 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 BOT Profile 2023 Please click this link PFMBAI Board Charter Please click this link List of Trustees 2023 Chairperson is Ms. Julieta B. Cruz Majority of trustees must be independent, and all trustees must be non-executive	

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 atleast three members, the majority of whom should be independent	COMPLIANT	Please click this link Committee Members 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 Committee Members Ms. Virginia Saclot is the Chairperson of BROC and not the Chairperson of the Board Please click this link BROC Committee	

4. Atleast one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	COMPLIANT	Please click this link Committee Members Trustee Liberty M. Bardinias member of BROC. She completed Academics Units Master in Business Administration and currently taking up Juris Doctor at the Bulacan State University, College of Law	
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		Please click this link BROCCommittee	
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 Committee Members BROC and RPT Committee have the same member Please click this link BROCCommittee	
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 Committee Members 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 BROCCommittee	
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 PF Annual Report	
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 Board Attendance https://www.praxisfides.com/files/uq/9c0766_0efb997a735c41829b9f133941c57608.pdf AGM minutes 2023	
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 Corporate Governance Manual Please click this link Board Charter	
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://9c076686-f07b-48c8-b78b-3b6d5d9f94be.usrfiles.com/uq/9c0766_d4389a9851494c6d859cf69862a32cab.pdf https://9c076686-f07b-48c8-b78b-3b6d5d9f94be.usrfiles.com/uq/9c0766_ffc3c74a99e74bfe882546346dcab1ff.pdf https://9c076686-f07b-48c8-b78b-3b6d5d9f94be.usrfiles.com/uq/9c0766_698252214ed46e9bd190bbae76a06a.pdf https://9c076686-f07b-48c8-b78b-3b6d5d9f94be.usrfiles.com/uq/9c0766_1b32c0b77e864783be7950fc2ca17039.pdf https://9c076686-f07b-48c8-b78b-3b6d5d9f94be.usrfiles.com/uq/9c0766_157a770e4e71431da05c71726d7b26c7.pdf https://9c076686-f07b-48c8-b78b-3b6d5d9f94be.usrfiles.com/uq/9c0766_f487a52b2c5240be897e9d8bdc517d4c.pdf https://9c076686-f07b-48c8-b78b-3b6d5d9f94be.usrfiles.com/uq/9c0766_61b32d86f1e14e6287370953d19b072a.pdf https://9c076686-f07b-48c8-b78b-3b6d5d9f94be.usrfiles.com/uq/9c0766_7ec6f1a10d443ca9638b3a72a7bed9.pdf https://9c076686-f07b-48c8-b78b-3b6d5d9f94be.usrfiles.com/uq/9c0766_8daf676ea2c0445db8c66a6f39c02b7.pdf https://9c076686-f07b-48c8-b78b-3b6d5d9f94be.usrfiles.com/uq/9c0766_5234fb8875634bf860512a96c971f44.pdf https://9c076686-f07b-48c8-b78b-3b6d5d9f94be.usrfiles.com/uq/9c0766_ad3e1d7db4cb43358fd210aa8ee92c.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 PFMBAI Board Charter 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 Corporate Governance Manual	
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 atleast twenty percent (20%) independent directors.	COMPLIANT	Profile of Board of Trustees Please click this link BOT Profile 2023 Majority of trustees must be independent, and all trustees must be non-executive All Trustees of PFMBAI are considered Independent Trustee because they don't have material interest in the Association	
Recommendation 5.2			
1. The independent directors possess all the	COMPLIANT	Profile of Board of Trustees	

necessary qualifications and none of the disqualifications to hold the position		Please click this link BOT Profile 2023 Please click this link PFMBAI Board Charter 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 BOT Profile 2023 please see the their term of office and date elected 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 supervise the day to day operation of the Association. PFMBAI President - Mr. Gener C. Luciano PFMBAI - Chairperson of the Board - Ms. Lileth V. Cruz Please click this link BOT Profile 2023 Please click this link Key Officers 2023	
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	
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	Ms. Lileth Cruz the Chairperson of the Board of Praxis Fides MBAI is an Independent Trustee All PFMBAI Trustees are non-executive and have no material interest in the Association Please click this link BOT Profile 2023 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 Corporate Governance Manual 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 Please click this link BROG Minutes of the Meeting Please click this link Nomination Committee Minutes of the Meeting Please click this link Corporate Governance Committee Minutes of the Meeting	
2. The meetings are chaired by the lead independent director.	COMPLIANT		
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 Board Charter Please click this link PFMBAI Corporate Governance Manual	
2. The performance of the Chairman is assessed annually by the board.	COMPLIANT		
3. The performance of the individual member of the Board is assessed annually by the Board.	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	
4. The performance of each committee is assessed annually by the Board.	COMPLIANT	Please click this link PF Annual Report	
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 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 professional and ethical behaviour, as well as articulate acceptable and unacceptable conduct and practises in internal and external dealings of the company	COMPLIANT	Please refer to Praxis Fides Code of Ethics and Conduct 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 Corporate Governance Manual 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 expectations.

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 BOT Profile 2023	

Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board	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	

remuneration, including the level and mix of the same in Annual Corporate Governance Report consistent with (ACGS) and the Revised Corporation Code.		Please click this link PFMBAI Board Charter Please refer to PFMBAI Revise Manual on Corporate Governance Please click this link PFMBAI Corporate Governance Manual	
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 Corporate Governance Manual	
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 2023 are the meal and transportation allowances Please click this link PFMBAI Board Charter Please click this link PF Annual Report	
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 stockholders in the annual stockholders' meeting during the year.	COMPLIANT	For the year 2023, 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 PF Annual Report	
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 Corporate Governance Manual	
2. Company's MCG is posted on its Company website.	COMPLIANT	Praxis Fides MBI 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 PF Annual Report	
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 2023 there is no removal issue for the external auditor	
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on: i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. Exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine propeessional 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	

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	of the Association. Please click this link Audit Committee Charter Audit Committee Charter Please click this link Audit Committee Charter	
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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 underpinne 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 Corporate Governance Manual Please click this link PF Annual Report	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	COMPLIANT	Please click this link PF Annual Report Financial and Non-Financial Report are included in the Praxis Fides MBAI Annual Report	

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 https://www.facebook.com/praxis.fides	

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	

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 PF Annual Report	
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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 Please click this link Appointment of CAE	

Recommendation 12.3			
1. The company has a qualified Chief Audit Executive (CAE) appointed by the Board.	COMPLIANT	Appointment of Chief Audit Executive Please click this link Appointment of CAE	
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 Please click this link Appointment of CAE with job description	

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 MBAI have a Board Risk Oversight Committee Please click this link Board Risk Oversight Committee	
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 Please click this link Appointment of CRO Key Officer Please click this link Key Officers 2023	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities	COMPLIANT	Chief Risk Officer Duties and Responsibilities Please click this link Appointment of CRO with job description	
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 Corporate Governance Manual 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 Corporate Governance Manual	
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 MBAI. 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 2023- March 18, 2023 Actual AGM - March 18, 2023 Please click this link Pre AGM Attendance 2023	
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 March 20, 2023 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 MBAI 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 PF Whistle Blowing Policy	
2. The alternate dispute mechanism is included in the company's Manual on Corporate Governance.	COMPLIANT	Please click this link PF 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	COMPLIANT	Please click this link PFMBAI Corporate Governance Manual Part 4 Stakeholders - page 18 4.1.1 General Membership	

wealth, growth and sustainability.		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 PF Whistle Blowing Policy Please click this link PF Annual Report	

Recommendation 14.3			
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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 PF Whistle Blowing Policy Please click this link PF Annual Report 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	

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 dessimnates 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	PF Whistle Blowing Policy Please click this link PF Whistle Blowing Policy	

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	PF Whistle Blowing Policy Please click this link PF Whistle Blowing Policy	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	COMPLIANT	PF Whistle Blowing Policy Please click this link PF Whistle Blowing Policy	

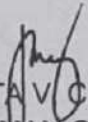
Principle 16: The company should be socially responsible in all its dealings with communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balance development.

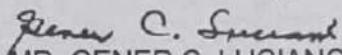
Recommendation 16.1			
1. Company recognizes and places importance on the independence between business and society, and promotes a mutually beneficial relationship that allows company to grow its business, while contributing to the advancement of the society where it operates.	COMPLIANT	Please click this link PF Annual Report Please click this link Sustainability Report CSR- report	

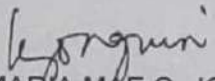
CERTIFICATION

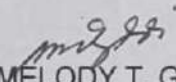
The undersigned certify that the responses and explanations set forth in the above Company's Annual Corporate Governance report are true, complete and correct of our own personal knowledge and/or based on authentic records.

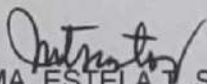
Signed in the City of Malolos on the 24th of May 2024.

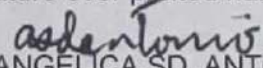

JULIETA V. CRUZ
CHAIRMAN OF THE BOARD
Signature over printed name


MR. GENER C. LUCIANO
PRESIDENT
Signature over printed name


MS. MARIA MAE C. JOAQUIN
CORPORATE SECRETARY
Signature over printed name


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


MS. MA. ESTELA T. SANTOS
INDEPENDENT TRUSTEE
Signature over printed name

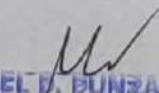

MS. ANGELICA SD. ANTONIO
INDEPENDENT TRUSTEE
Signature over printed name

SUBSCRIBED AND SWORN to before me this 28th day of May , 2024, 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. JULIETA CRUZ	SSS 33-0244843-5	MALOLOS CITY
2. GENER LUCIANO	UMID 0111-7325538-3	MALOLOS CITY
3. MARIA MAE JOAQUIN	C08-19-013885	MEYCAUAYAN CITY
4. MA. ESTELA SANTOS	UMID 006-0107-3675-3	MALOLOS CITY
5. ANGELICA ANTONIO	OSCA NO.21-1295	STA. MARIA
6. MELODY GADDI	UMID 0033-5123354-9	MALOLOS CITY

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Series of 20 24 .


MANUEL P. BUNZALAN
Notary Public for the Prov. of Bulacan, Until December 31, 2024
604 204 Capule Bldg., Catmon, Malolos, Bulacan
Serial No: PNC-105 MB-2022, Roll No., 23476
PTR No. 2761431/Malolos City, Bulacan/1/04/2024
JEP O.R. No. 397149/Ortigas Center, Pasig City/1/04/2024
MCLE Compliance No. VII-0026225/April 14, 2025