

1 **PRAXIS FIDES MUTUAL BENEFIT ASSOCIATION, INC.**

2 #35 Paseo del Congreso, Catmon, City of Malolos, Bulacan

3 Tel No. (044) 791-3558; (044) 662-4288

4
5 **MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES**
6 **July 29, 2022**
7

8 **In attendance:**

9
10 **Fr. Romualdo Go** - Chairman of the Board
11 **Ms. Julieta Cruz** - Vice-Chairman of the Board
12 **Ms. Ma. Estela Santos** - Trustee/ Secretary
13 **Mr. Allan Martin** - Trustee/Treasurer
14 **Ms. Virginia Saclot** - Trustee/Auditor
15 **Ms. Emilia Pasco** - Independent Trustee
16 **Ms. Liberty Bardinias** - Independent Trustee
17 **Mr. Gener Luciano** - President
18 **Ms. Maricel Samson** - Corporate Secretary
19

20
21 **I**
22 **PLACE AND TIME OF MEETING**

23 This meeting of the Board of Trustees of Praxis Fides Mutual Benefit Association, Inc. was held
24 on July 29, 2022 at 09:00 AM at the principal office of the corporation at No. 35 Paseo Del
25 Congreso, Catmon, Malolos City.

26
27 **II**
28 **PRESIDING OFFICER AND SECRETARY**

29 The Vice-Chairman of the Board, Ms. Julieta Cruz presided over the meeting and was taken over
30 by the Chairman of the Board Fr. Romulado Go, while Ms. Maricel Samson, Corporate Secretary,
31 recorded the minutes of the proceedings.

32
33 **III**
34 **PRESENCE OF QUORUM AND CALL TO ORDER**

35 Chairman Fr. Romualdo Go called the meeting to order with an opening prayer at 9:00 AM led
36 by Vice-Chairman Julieta Cruz. All the trustees were present and the meeting, having been duly
37 convened, was ready to proceed with business.

38
39 **IV**
40 **CONSIDERATION OF THE MINUTES OF THE PREVIOUS MEETING HELD ON JUNE 28, 2022**

41 The minutes of the regular meeting of the Board of Trustees held on June 28, 2022 was provided
42 in advance for the members' perusal and consideration.

43
44 Comments/corrections were made on the following:

45
46 Page 2 Line 69: insert the words "for security reason" after "the use of pre-signed
47 check"

48 Page 2 Line 81: change from "Jan-Jun 2022" to "Jan-Apr 2022"

Fr. Romualdo Go
Ms. Julieta Cruz
Ms. Ma. Estela Santos
Mr. Allan Martin
Ms. Virginia Saclot
Ms. Emilia Pasco
Ms. Liberty Bardinias
Mr. Gener Luciano
Ms. Maricel Samson

- 49 Page 3 Line 102: change the statement to "The Farmer's Bank Bldg. will be subject to
- 50 public bidding and Praxis Fides may consider in joining because we can
- 51 use the property as the new Praxis Fides PB Branch office and a possible
- 52 offer for lease on the ground level of the building.
- 53 Page 4 Line 142: remove the word "or broken"
- 54 Page 5 Line 185: add the word after (Liquidity risk "of 80 million")
- 55 Page 6 Line 192: change statements to "Incorporate the Internal Control in Policies and
- 56 Procedures Manual"

57

58 President Luciano's general observation, change Mr and Ms .to Trustee plus their surname.

59

60 Vice-Chair Cruz also suggested refrain from using abbreviation, for better understanding of the

61 Board of Trustee as they are not the same professions like us. Also, President Luciano thought of

62 providing a Glossary for the Board of Trustees.

63

64 Whereupon, upon motion made by Trustee Virginia Saclot, duly seconded by Trustee Emilia

65 Pasco and unanimously adopted, the minutes was approved as corrected.

V

MATTERS ARISING FROM THE PREVIOUS MINUTES OF MEETING

66

67

68 **1. Issuance of PVC ID Card to all workforce**

69

70 Vice-Chair Cruz reclarified that she suggested last BOT Meeting that Praxis Fides workforce must

71 have an ID card not an ID Card Printer machine for Praxis Fides.

72

73

74 **2. Honorarium of Trustees**

75 Vice-Chair Cruz explained that a member of the Board of Trustees means that member

76 volunteered for the position while a member of the Board of Directors means that member was

77 hired. President Luciano said, the present amount of honorarium given to Trustees will remain

78 the same but will be recorded as net of tax.

79

80 **3. Mr. Aurelio "Boss Jake" Joaquin's Appointment Contract**

81 The Board asked if there are other jobs that he does for Praxis Fides. President Luciano

82 answered, aside from being our Investment Consultant; he serves as our Spiritual Gifts

83 Coordinator, PF Newsletter Creator, and PF Adviser as well.

84 The Board requested to review his contract and email the performance of ABACUS Securities if

85 his recommended investments are performing well and is making profits.

86

87 Vice-Chair Cruz mentioned that the renewal of his contract should be based on his performance.

88

89 Trustee Bardinas asked if we should pay in retrospect the Consultant's Fee because he is

90 continuously performing his consultancy job even with an expired contract. His contract

91 supposedly ended last December 2021. The Board of trustees agreed.

92

93 **4. Pre-signing of checks**

94 Trustee Virginia Saclot commented that the amendment of the signing of checks is within the

95 management level.

Luciano

Saclot

Luciano

Bardinas

Cruz

Saclot

Bardinas

96
97
98
99
100
101
102
103
104
105
106
107
108
109
110
111
112
113
114
115
116
117
118
119
120
121
122
123
124
125
126
127
128
129
130
131
132
133
134
135
136
137
138
139
140
141
142

Vice-Chair Cruz said that it must be a way of safeguarding the funds and possibly it was in the By-laws of Praxis Fides - that the Chairman of the Board and the Treasurer are the signatory of checks. 14

President Luciano confirmed those matters. (See Praxis Fides MBI By-laws Article XIII, Power and Duties of Officers Section 1 letter E and Section 4 letter B.

Vice-Chair Cruz proposed that the Board should set a limit for the amount for every signatory.

Trustee Saclot added that it is unnecessary that the Board was the signatory .

Trustee Bardinas agreed that the Board should set a certain bracket as to the amount of disbursement.

Trustee Martin suggested that the branch manager should be one of the signatories which Trustee Saclot and Trustee Santos both agreed upon.

Trustee Saclot recommended that the Division Chief of Finance must be the one who will approve the voucher. To wit, Finance Chief is the approver of the voucher, while the President and the Branch Manager concerned are the signatories of the check (The Board will be the final approver before issuance of check.) *Remove*

This matter is for review of the Corporate Governance Committee.

**VI
PRESIDENT'S REPORT**

1. Implementing Rules & Regulation

The Association's IRR contains the procedures and guidelines being implemented regarding Insurance Plans from Membership effectivity up to its maturity and/or termination. Broken down into at least eighteen (18) sections, this IRR is highly recommended for discussion & dissemination to PF agents, employees and the trustees. Initial reading may be helpful to highlight items for clarifications. The trustees may prefer a separate/exclusive meeting for this at least one day in August (if not during the BOT regular meeting). Please see attached copy of the IRR.

2. IC Matters

Two of the issues that the IC regulated entities are currently facing are enumerated below. Please see attached copies of the communications of PF with the PCMBA (Chamber of MBAs) and the latter's reply to the IC.

- 2.1 Guaranty Fund Entry
- 2.2 PFRS 17 Implementation to Insurance Commission Regulated Entities (ICREs)

3. Annual Corporate Governance Report (ACGR)

Please see attached copy of the ACGR based on SEC Principle. Aside from inclusion of this during IC Corp Governance Seminars for new directors/trustees the Institute of Directors (ICD)

Luciano
Santos
Saclot
Bardinas
Martin

143 conducts a paid seminar for top management executives including the Corporate Secretary,
 144 Chief Risk Officer and the Chief Audit Executive. Some important sections that are very relevant
 145 to our current situation are present and can be used as guide in improving PF's By-laws as well
 146 as Policies & Procedures.
 147

148 **4. Recommended Areas for Policy Creation/Improvement**

- 149 4.1 Membership- Recruitment, Payments, Documents, Claims, ID System
- 150 4.2 Loans - Application Documents, Rates, Incentives
- 151 4.3 Investments - Financial Assets @ Amortized Cost/Fair Value thru Profit & Loss
- 152 4.4 Benefits -Medical Fund, Support Loan, Mktg fund, Retirement
- 153 4.5 Finance - Budget, Taxation, Bidding Procedure, URC
- 154 4.6 Policies & Procedures Book
- 155 4.7 Manuals (on Corp Gov, Code of Ethics, AR Manual)
- 156 4.8 Corporation Code of the Phils
- 157 4.9 By-Laws of the Association

158
 159 **5. Financials**

		End April 2022	%	End May 2022	%	Projection	Target@120%	Extra Y
160	S1 MC	17,194,661.91	100.00%	21,331,537.77	100.00%	51,195,690.65	61,434,828.78	10,239,138.13
161	EXP	9,912,776.65	57.65%	12,483,946.09	58.52%	29,961,470.62	35,953,764.74	
162	NET	7,281,885.26	42.35%	8,847,591.68	41.48%	21,234,220.03	25,481,064.04	
163	S2 IP	10,962,621.67	100.00%	13,706,837.47	100.00%	32,896,409.93	39,475,691.91	6,579,281.99
164	EXP	3,701,107.00	33.76%	4,850,464.00	35.39%	11,641,113.60	13,969,336.32	
165	NET	7,261,514.67	66.24%	8,856,373.47	64.61%	21,255,296.33	25,506,355.59	
166	S3 TOT	17,818,130.52	100.00%	22,698,277.11	100.00%	54,475,865.06	65,371,038.08	10,895,173.01
167	EXP	12,497,926.41	70.14%	15,998,257.61	70.48%	38,395,818.26	46,074,981.92	
168	NET	5,320,204.11	29.86%	6,700,019.50	29.52%	16,080,046.80	19,296,056.16	
169	fv +/-	1,218,015.40		1,218,015.40		2,923,236.96	3,507,884.35	
170	NET	4,102,188.71	23.02%	5,482,004.10	24.15%	13,156,809.84	15,788,171.81	
171	GROSS Y	45,975,414.10	100.00%	57,736,652.35	100.00%	138,567,965.64	166,281,558.77	27,713,593.13
172	TOT EXP	27,329,825.46	59.44%	34,550,683.10	59.84%	82,921,639.44	99,505,967.33	
173	NET Y	18,645,588.64	40.56%	23,185,969.25	40.16%	55,646,326.20	66,775,591.44	11,129,265.24

173 **6. Big Equities**

174 Under PF's Policy Loan it was observed that majority of the borrowers are those with equities
 175 considered as "small equities" ranging from about 1k -15k. Most of the other equities more than
 176 the said range are non-borrowers for a long period of time. A study on how to increase the
 177 interest income from this product recommends that for a start, a lower interest rate for
 178 members with "Big Equities" will be offered. By the time this group regularly patronizes PF's
 179 Policy Loan for Big Equities the monitoring and study will recommend either a higher rate for
 180 the Big Equities or a lower rate for the Regular/Small Equities. For both options PF's members
 181 will be favored.
 182

183 **7. Matured=<500**

184 The current seriatim (members' file) list of members include atleast 36 Matured Plans with less
 185 than or equal to P500 surrender value. These matured plans are recommended to be delisted
 186 from the seriatim having no more insurance and size of equities before maturity was decreased
 187 by contribution loan. Total amount for the 36 plans is worth P10,374.27 only with entries debit
 188 IEV and Credit Other Income.
 189

Handwritten signatures and initials on the right margin:
 - Janner
 - Siller
 - Aguirre
 - Nanda
 - [Signature]
 - [Signature]
 - [Signature]

191
192
193
194
195
196
197
198
199
200
201
202
203
204
205
206
207
208
209
210
211
212
213
214
215
216
217
218
219
220
221
222
223
224
225
226
227
228
229
230
231
232
233
234
235
236
237

8. Liquidity Ratio (passing is 1.0)

		2021				
		On Demand	Less than 3 Months	3 to 12 Months	Over 1 Year	Total
Financial Assets:						
	Cash & Cash Equivalents	193,512,155.00	19,425,017.00			212,937,172.00
	Short Term Fin Assets			77,029,027.00		77,029,027.00
	Long Term Fin Assets				52,664,856.00	52,664,856.00
	FAAC			45,291,024.00		45,291,024.00
	FA@FVTPL	295,844,674.00				295,844,674.00
	FA@FVOCI				50,650,000.00	50,650,000.00
	Loans & Receivables	119,924,603.00	45,278,958.00	96,544,914.00	92,928,243.00	354,676,718.00
		609,281,432.00	64,703,975.00	218,864,965.00	196,243,099.00	1,089,093,471.00
Financial Liabilities:						
	Accounts Payable&OL	20,822,697.00			4,350.00	20,827,047.00
	Liab on IEV	725,287,939.00				725,287,939.00
	Claims Payable on BCB	3,125,000.00				3,125,000.00
	Basic Contingent Benefit Reserve	1,338,942.00				1,338,942.00
		750,574,578.00	-	-	4,350.00	750,578,928.00
	Cumulative Gap	-141,293,146.00	64,703,975.00	218,864,965.00	196,238,749.00	338,514,543.00
	Liquidity Ratio >	0.81	0.90	1.19	1.45	
	Assigned Earnings as of End 2021					338,514,543.00
	Excess (Deficit)					79,111,970.28
						259,402,572.72

		On Demand	Less than 3 Months	3 to 12 Months	Over Year 1	Total
Financial Assets:						
	Cash & Cash Equivalents	112,685,987.00	55,302,569.00			167,988,556.00
	Short Term Fin Assets			63,433,354.00		63,433,354.00
	Long Term Fin Assets				100,367,749.00	100,367,749.00
	FAAC			30,084,821.00		30,084,821.00
	FA@FVTPL	285,416,597.00				285,416,597.00
	FA@FVOCI				27,500,000.00	27,500,000.00
	Loans & Receivables	230,351,733.00	6,925,033.00	41,730,416.00	80,398,281.00	359,405,463.00
		628,454,317.00	62,227,602.00	135,248,591.00	208,266,030.00	1,034,196,540.00
Financial Liabilities:						
	Accounts Payable&OL	8,795,646.00			16,162.00	8,811,808.00
	Liab on IEV	710,178,628.00				710,178,628.00
	Claims Payable on BCB	1,980,000.00				1,980,000.00
	Basic Contingent Benefit Reserve	1,294,455.00				1,294,455.00
		722,248,729.00	-	-	16,162.00	722,264,891.00
	Cumulative Gap	- 93,794,412.00	62,227,602.00	135,248,591.00	208,249,868.00	311,931,649.00
	Liquidity Ratio >	0.87	0.96	1.14	1.43	
	Assigned Earnings as of End 2020					311,931,649.00
	Excess (Deficit)					47,737,576.00
						264,194,073.00

9. 5 Point Performance Target

- Please see attached copy of the Revised 5 Point Performance Target
- 9.1 For finality of Targets to be distributed per division
- 9.2 Change of scaling from 5 to 10 gaps to simplify Performance Scale

238
239
240
241
242
243
244
245
246
247
248
249
250
251
252
253
254
255
256
257
258
259
260
261
262
263
264
265
266
267
268
269
270
271
272
273
274
275
276
277
278
279
280
281
282

5 POINT TARGETS

Sample Computation under these columns.....

KPA	KPI	KSF@125%	125%-130%	110%-115%	114%-110%	100%-105%	104%-100% MidTarget	90%-85%	84%-75%	74%-70%	ACTUAL	COMPAN Y SCORE	MKTG	TECHFIN	FIN&MS	
ASSETS	RETURN ON ASSETS	115,000,000	ROA 15%	(15&Up)	(14.5-12.5)	(12.4-10)	(9.5-8.0)	(7.9-7.0)	(6.9-6.0)	(5.9-5.0)	(below5)	86,000,000	11.2%			
	Div share											11.2%				
MKTG	33%	37,950,000.00										40,000,000.00	15.8%	125%		
TECHFIN	33%	37,950,000.00										21,000,000.00	8.3%		105%	
F&MS	33%	37,950,000.00										25,000,000.00	9.9%		109%	
SOURCES OF INCOME	GROSS INCOME	287,874,302.00	GYg 10%	(10&Up)	(9.5-8.0)	(8.9-7.0)	(7.9-6.0)	(5.9-5.0)	(4.9-4.0)	(3.9-3.0)	(below3)	220,000,000.00	108%			
	Div share											7.6%				
MKTG	33%	94,998,519.66										80,000,000.00	8.4%	112%		
TECHFIN	33%	94,998,519.66										45,000,000.00	4.7%		90%	
F&MS	33%	94,998,519.66										95,000,000.00	10.0%		120%	
LOANS	POLICY LOAN AVAILMENT	308,000,000.00	PolLg 40%	(40&Up)	(39-35)	(34-30)	(29-25)	(24-20)	(19-18)	(17-15)	(below15)	195,000,000.00	105%			
	Div share											25%				
MKTG	50%												105%			
TECHFIN	50%	308,000,000.00										195,000,000.00			105%	
F&MS	0															
NPL	RATIO OF NPL		NPL 3%	(=3%)	(3.01-3.99)	(4.01-4.49)	(4.5-4.99)	(5.01-5.99)	(6.01-6.99)	(7.01-7.99)	(=8)	7.35%	80%			
	Div share												90%			
MKTG	25%	*													68%	
TECHFIN	50%															
F&MS	25%	*													90%	
URC	URC RECOVERY/ ELIMINATION	105,000.00	URC 20%	(20&Up)	(19-18)	(17-15)	(14-13)	(12-10)	(9-8)	(7-6)	(below6)	25,000.00	70%			
	Div share												70%			
MKTG	33%														70%	
TECHFIN	33%														70%	
F&MS	33%														-70%	
Equiv Bonus >												95.0%	100.4%	87.6%	97.3%	
												75%	80%	65%	75%	

Performance	Equivalent Bonus	Performance	Equivalent Bonus
120%-125%	100%	90%-94.99%	70%
115%-119.99%	95%	85%-89.99%	65%
110%-114.99%	90%	80%-84.99%	60%
105%-109.99%	85%	75%-79.99%	55%
100%-104.99%	80%	70%-74.99%	50%
95%-99.99%	75%	Below 70%	0%

BASIS: Basic Salary
Source of Fund - PFO Collection Income Fund

VII
COMMITTEE REPORTS

Board Risk Oversight Committee

- Board Risk Oversight Committee Charter
The proposed BROCC charter was adopted with some amendments on Membership: three (3) Board of Trustees, a Chief Risk Officer, other representatives from the Management, and an active member of workforce. The recommendation is not to change the current composition of the committee members because the Committee members are actively functioning and coordinating with the different committees as well.
- Payment of Real Estate Tax for Problematic Accounts
The proposal that payment of Real Estate Tax for Problematic Accounts should be included in the computation of installment fees and yearly budget.
- Payment of Credit Life Insurance for Problematic Accounts
To answer the future obligation of members/borrowers.
- Proposal for a special meeting for Liquidity Steps and Measures with the following members: Trustee Julieta Cruz, Trustee Virginia Saclot (Auditor), DC Bernardette De Guzman(Marketing), Ms. Ellaine Pasco (Accountant), Ms. Maria Mae Joaquin (CRO) and BROCC Chairperson Liberty Bardinas. The proposal was rooted in the increasing NPLs of PFMBAI.

Juan
Agnes
Meredith
Phyllis
Selena
Liberty

283
284
285
286
287
288
289
290
291
292
293
294
295
296
297
298
299
300
301
302
303
304
305
306
307
308
309
310
311
312
313
314
315
316
317
318
319
320
321
322
323
324
325
326

5. Will further discuss the problem of Misinformation among members which became a risk to the association. During the special meeting will invite HR Ma. Paz Roque It will include some members of the workforce and staff to discuss the matter, Trustee Julieta Cruz will head the team.
6. Will further study the statistics of our mortgage loan borrowers as to the age, updated income (capacity to pay), profession and who (are) the branch or area responsible for the said NPLs are .
7. Financial Risk (Non-Admitted Assets) and Non-Financial Risk
Chief Risk Officer Maria Mae Joaquin and President Gener Luciano initiated the Liquidity Risk Report on Non-Admitted Asset, Debt Fund Ratio and RBC, and shall be further discussed in the next scheduled BROC meeting including the P80 Million deficiency risk observation of Trustee Virginia Saclot.
8. Comilang case
Need to put an end to this matter. Requested legal advice from Atty. Manuel Punzalan (legal consultant) and the report of Mr. Mark Oliver Gonzales about Ms. Rosalinda Comilang initial report that the land title has an annotation of "null and void."

Nomination Committee

1. **To amend that the workforce can be elected or be part of the Board of Trustees**
Father Romualdo Go suggested that the workforce be represented by the Coordinator of Coordinators (CC) during the Board Meeting as EX Officio. Trustee Emilia Pasco agreed with the said suggestion. In addition, said CC should be entitled to receive an honorarium.

Board Resolution concerning workforce was suggested to be brought out first to Area Coordinator's (AC) Assembly before finalization.
2. **2/3 of Proxy forms**
Father Romualdo Go suggested having 2/3 qualified voters present during Annual General Meeting.
The proxy form can be signed by at least up to 1st degree of consanguinity (parents, siblings, children, or spouse)
3. **Validity of Proxy Forms**
Proxy forms validity is for three (3) years starting 2023. For approval during 2023 Annual General Meeting.
4. **Yearly election**
A Yearly Election is suggested to be implemented for the BOT

All nominees should be a Roman Catholic to avoid differences in religious beliefs

Candidates/re-electionist is the current BOT's who are not serving three (3) consecutive terms plus two (2) new candidates.

Juan
Emilia
Manuel
Prof
Emilia Pasco
Ad
Intention

327 Trustee Bardinas made an inquiry about the conflict of interest that was brought up in the
328 nomination committee report which prohibits the workforce to run for future elections for
329 PFMBAI BOT.
330 Trustee Pasco further answered that there is no conflict of interest as insinuated by the previous
331 BOT. Thereafter, Trustee Bardinas made a motion that the BOT should draft a Resolution
332 amending or repealing the previous Board Resolution since, there are two (2) workforces duly
333 elected and currently sitting as BOT members, in order not to prolong the inconsistencies in
334 principle, which was reversed and validated during the previous General Assembly. Hence, the
335 said Board Resolution was deemed repealed "impliedly" by the General Membership during the
336 Annual Gen Meeting last April 2022.
337 Thereafter, Vice-Chairman Cruz seconded that the amendment should proceed. Chairman Fr. Go
338 suggested that with due respect to the Committee of Nomination, the issue at hand should
339 return back to them.

340
341 Trustee Bardinas also manifested that the BOT members should be elected by the General
342 Assembly as contemplated in the existing Bylaws of PFMBAI. Thus, the committee proposal of
343 an automatic seat for a workforce without voting power is rather contradictory to the existing
344 Bylaws. Provided, we will amend the Bylaws.
345
346

347 **Corporate Social Responsibility Committee**

348 **1. Report on Kabuhayan Program "Dagdag-Puhunan"**

349 The Cluster G8 (Pulong Buhangin) and G5 (Bustos) received the second batch Dagdag-Puhunan
350 program amounting P36K each. *(Previous beneficiaries may not avail in order to give chances to*
351 *other members.)*
352

353 **2. Report on Kawanggawa Program "Rice Subsidy"**

354 AC Marlene Varilla suggested that the area size and the number of members should be
355 considered in the subsidy allocation.
356

357 **3. CSR Fund Drive**

358 CSR Fund drive will continuously be done using the canister provided for all the PF Branches.
359 CSR Committee members suggested making a Signature Campaign for more members to
360 participate the Fund Drive. It is also for the convenience of the ARs.

361 SIGNATURE CAMPAIGN Tagline:

362 PINAGKALOOBAN ... UPANG MAGKALOOB

363 (Biyaya ng Buhay, Kaloob ng Maykapal, Bilang Pasasalamat sa Patuloy na Paggabay))

364
365 CSR Fund Drive ends on December 15, 2022.
366

367 **4. Kaalaman Program**

Fr. Go

Cruz

Ward

My

Seeds

for

Intention

415 Among the three (3) ACGR compliance concerns, priority is given to the Succession Planning
416 The definition of terms, defined key positions, officers, staff and their job description must
417 be defined first. The transition and alignment of people is timely in the reorganization and
418 the new retirement plan package.

419
420 **5. Mission and Vision update**

421 Strategic Planning seminar will be held on August to October. Key persons who will attend are
422 the BOTs, ADCo, Senior ACs, President, DCs, some officers and staff.

423
424 **Compensation Committee**

425 **1. Updates on Educational Assistance**

426 The Educational Assistance for the PFO employees was released last June 29, 2022, which
427 amounted to P507,308.12, leaving the PFO Collection Income Fund balance at **P972,931.74**
428 as of July 25, 2022.

429
430 **2. Updates on 5-Pt Performance Incentive**

431 The 2021 5-Pt Performance Incentive totaling to P789,639.61 for all employees is already
432 due since March 2022. After checking the sufficiency of the PFO Collection Income Fund
433 (P972,931.74), the Compensation Committee recommends releasing the 5-Pt Performance
434 Incentive to the employees as soon as possible.

435
436 Chairman Fr. Go requested the management to share with Corporate Social Responsibility
437 projects.

438 Vice-Chair Cruz suggested from the 33 employees who will receive an across the board in
439 December to increase it to 34 or 35, to give 1 or 2 bodies for CSR that will come from the
440 PFO Collection Income Fund. The rest of the board agreed with the suggestion.

441
442 The released of 5-pt Performance incentive for employees was unanimously approved.

443
444 **3. Report on Current ARs/ACs benefits**

445 The current benefits and allowances intended for ACs and ARs are out-dated based on ARs
446 Manual and is recommended for review and revision by the Compensation Committee.

447
448 **4. Transition Project Proposal**

449 The main objective of this project, for the association to have a smooth transition when the
450 new retirement package is executed.

451
452 In this regard, the Compensation Chair Julieta Cruz proposed the creation of three (3) sub-
453 committees who will present their study and findings in the next Compensation Committee
454 meeting on August 19, 2022.

455
456 **4.1 Sub-committee for Workforce** - to be headed by AC Antonio Juliano together with CC
457 Angelica Antonio and DC Bernadette De Guzman as members. Included in their
458 responsibilities is the revision and update of the ARs' Manual.

459
460 **4.2 Sub-committee for Employees** - to be headed by Mr. Allan Martin together with DC Maricel
461 Samson and HR Ma. Paz Roque as members. Included in their responsibilities is the review
462 and update of the parameters for all the benefits and allowances.

463

Fr. Go
Adrian
Wanda
Julia
Antonio

464 4.3 Sub-committee for Organizational Development – to be headed by Ms. Julieta Cruz, with Fr.
 465 Romualdo Go, President Gener Luciano, DC Rosanna Jose and HR Ma. Paz Roque as
 466 members. Included in their responsibilities is the review of the current Table of
 467 Organization.

468 **Credit Committee**

469 **1. Motorcycle Loan**

	AC/ AR	EMPLOYEE
Kind of Motorcycle:	- Must be brand new; - Official Receipt (OR) and Cert. of Registration (CR) must be surrendered to PFO. - Loanable amount depends on the quotation of the actual amount.	
Category and Amount:	P1 >=325 active members; 120,000.00 max. P2 >=225 active members; 80,000.00 max. P4 <225 active members; 60,000.00 max.	Maximum 120,000.00 only
Incentive/ Salary:	P1 >=325 :10,000.00 ave. incentive for 6 mos. P2 >=225 : 8,000.00 ave. incentive for 6 mos. P4 <225 : 5,000.00 ave. incentive for 6 mos	With take home pay of 50% of monthly salary
Yrs. of Service:	3 years in service	3 years in service
Conditions:	- No URC - No Support loan - No Collateral loan - No Privilege loan	- No Salary loan - No Collateral and - No Privilege loan
Mode of Payment:	Incentive Deduction	Salary Deduction
Requirements:	- Loan Application Form with recommendation from AC/ Division Head - 2x2 picture of borrower and/or spouses - 2 Gov't IDs - Quotation of motorcycle/ tricycle (sidecar) - 6 months pay slip - Equity must be 3% of the loanable amount - Promissory Note (PFO)	
Rates & Charges:	- Interest Rate: 8% Diminishing Rate - Term: 1-3 years only. - Service Fee: 3% - Notarial Fee: 500.00 - Insurance: PF membership insurance (Workforce in good standing/ physically fit) and must comply yearly Comprehensive Insurance.	
Penalties and Default Payment:	1.5% of the amortization due. PF has the right to deduct his entire obligation from his retirement or other fund/s if the Workforce will fail to pay his loan obligation.	
Ownership:	Non- transferable; For qualified workforce who is not able to drive due to over age issue and for security purpose, he/she can assign their family member/immediate family to use their unit.	

Juan
Rosanna
Luciano
Ma Paz
Gener
Go

470
471

2. **BIG Equities**
"LOWER INTEREST RATE FOR BORROWERS WITH BIG EQUITIES";

472

EXISTING RATE	LOWER INTEREST RATE	TERM	SF	LOANABLE AMOUNT
5%	3%	6 mos- Monthly	2%	90%
10%	6%	12 mos- Monthly	3%	80%
7%	5%	6mos- Lump sum	2%	90%
14%	10%	12 mos- Lump sum	3%	80%

James

Wendy

473

WHEREAS, through this Loan Marketing Program we aim to,

474
475
476
477
478
479
480

- i. To promote Loan Maximization Program to our selected members whose membership is greater than 50,000.00;
- ii. To encourage our members to participate and contribute for the program;
- iii. To help members meet developmental needs and other financial requirements at relatively low interest.
- iv. To maximize the company's earnings through loans and minimize loss by strengthening collection procedures.

James

481
482

WHEREAS, all selected members can avail the LOWER INTEREST RATE, which includes the same conditions and requirements:

483
484
485
486
487

- i. Active members,
- ii. Member whose net contribution/ equities not less than P50,000.00,
- iii. New loans application only and,
- iv. 80%- 90% loanable amount based on their net contribution/ equity.

James

488
489

WHEREAS, this Loan Marketing Program for selected members is only offered for a period of four (4) months from August 15, 2022 to December 28, 2022 only.

James

490

Credit Committee resolution was approved.

491
492

Investment Committee

493

PLACEMENTS FOR BOT APPROVAL

494
495
496
497

Type of Investment	Issuer	Broker	Term	Div/Interest	Amount to Invest
Fixed Rate Bonds	Robinsons Land	PNB	3 years	5.54456-5.578956	5,000,000.00
Promissory Note	Cirtek Holdings	PNB	180 days	4.5464%	10,000,000.00
Fixed Rate Bonds	Bank of Commerce	BOC	2 years	5.0263%	5,000,000.00
Fixed Rate Bonds	ACEN	R C B C	5 years	6.4130%-6.7630%	3,000,000.00
Time Deposit	RCBC		154 days	3.25%	10,000,000.00
Time Deposit	CBS		120 days	3.50%	10,000,000.00

James

498
499

Placements approved

James

500
501
502
503
504
505
506
507
508
509
510
511
512
513
514
515
516
517
518
519
520
521
522
523
524
525
526
527
528
529
530
531
532
533
534
535
536
537
538
539
540
541
542
543
544
545
546
547
548

Audit Committee

Sample Computerized accounting system

The committee recommends to buy or to look for a System Provider to provide and help Praxis Fides in their daily and monthly operations. The budget for said system is for consideration and will be included in the 2023 Budget.

Trustee Martin offered an in-house HRIS program of the Veterans Bank that will be free of charge but requires an average daily balance with the said bank. Schedule of presentation will be on August 2, 2022.

Vice-Chairman Cruz said that HRIS is good because it covers HR, Timekeeping, Loans, Reporting etc. Trustee Martin added that said HRIS system can adapt to the Praxis system.

Trustee Saclot will present the system she is using to show how user friendly it is.

Chairman Fr. Go said it will be the first agenda to the next BOT meeting.

Vice-Chair Cruz said that digitalization is the solution to get the real true data.

Trustee Saclot emphasized that the BOT already knows and understands the PF Operations.

Trustee Saclot asked the BOT if they will approve the Audit Committee to source out system for Praxis Fides to which the Chair and the Board agreed.

Chairman Fr. Go suggested that the upgrade of the PF System should be prioritized and allocated a budget.

He also shared that former BOT Engr. Raquel proposed a system but rejected because it is a bit questionable and that the previous BOT has already spent about P150K^{ent} for the research alone.

Trustee Martin pointed out that it is an investment with a corresponding amount. But Chair Fr. Go said that it will also be added to PF's assets. The Board voted for the upgrading of the system that will be customized according to PF's requirements.

The presentation of the System Developer will be one of the agenda of the next BOT meeting.

**VIII
AGENDA**

Comilang Account

Ms. Rosalinda Comilang was advised by the Board to attend the BOT meeting. She promised to attend face to face with her July payment and the PDCs. Atty. Punzalan will provide the necessary legal document/s for signing of Ms Comilang.

1. Signed agreement between Praxis Fides MBI

That signed agreement states that Ms. Comilang is indebted to Praxis Fides MBI the amount of 48M and that she will pay P50,000.00 monthly from July 25, 2022 to December 25, 2022. The agreement also states that the amount of P2,000,000.00 will be paid from January 25, 2023 to December 25, 2024 through monthly post-dated checks. **She will issue the post-dated checks on or before August 3, 2022.**

Fr. Go
Trustee Saclot
Cruz
Engr. Raquel
Atty. Punzalan
Ms. Comilang
Praxis Fides MBI

549
550
551
552
553
554
555
556
557
558
559
560
561
562
563
564
565
566
567
568
569
570
571
572
573
574
575
576
577
578
579
580
581
582
583
584
585

IX
OTHER MATTERS

1. Request of Petri Fidelis Corp.

The Petri Fidelis BOD Chairman Engr. Rodelio Cristobal and Ms. Donata Mendoza Trustee and Poultry Farm Lessee, handed a letter to Praxis Fides Board of Trustees.

Request #1

Poultry Farm "loan"

When Praxis bought the poultry farm, there were pending construction works and repairs to be completed. One of them was the back perimeter concrete border facing the river to prevent soil erosion. This rip-rap concrete border construction at the back of the two (2) poultry buildings was a combination of concrete mixture and boulders.

In order to finish the construction, we requested for financial assistance from PFMBAI, our mother company. Pres. Gener C. Luciano granted this request. According to him, the funds borrowed, came from the PF Marketing Fund.

Unfortunately, all the disbursements were made under the name of Petrifides Corp. instead of PFMBAI. Under the circumstances, the External Auditors of PFMBAI stated that these aggregate amounts should be considered as expense of Petrifidelis and cannot be considered as capital expenditures of PFMBAI. As of this date, the amount is still part of the outstanding loan payable of Petrifidelis to PFMBAI.

May we, therefore, request the PFMBAI BOT to approve the re-classification of the loan to be treated as capital expenditures of PFMBAI.

Request #2

Poultry Farm Generator

Presently, the poultry farm has two (2) generators to meet the necessary power supply requirements of the two (2) buildings especially during loading period. We need them very badly because there are series of brownouts in the area. They may be announced or unannounced. (But the sorry thing is, ^{unfortunately} one of our generators is no longer functioning efficiently). Our integrator's technician has recommended for its replacement to protect us from penalties in case any untoward incident will happen again. Malfunctioning of our generators may eventually result to the death of the chicken.

May we therefore request your good office, to finance the purchase of this brand new generator as part of your capital expenditure. The old generator will also be traded-in to reduce the actual cash-out.

It was clarified that Petrifidelis is completely owned by PF MBAI. But since PF is not allowed to to engage in any business, PF keeps two (2) books (inclusion and exclusion in the books). Petrifidelis being owned by PF, Trustee Saclot will check the balances and payments record of

Gener
Wendol
Agnes
Prof
Sara
hr
Pratibha

586
587
588
589
590
591
592
593
594
595
596
597
598
599
600
601
602
603
604
605
606
607
608
609
610
611
612
613
614
615
616
617
618
619
620
621
622
623
624
625
626
627
628
629
630
631

Petri. For now, the decision regarding Petrifidelis loan was deferred but Trustee Martin as Chair of the Credit Comm will give Petri the possible lowest interest rate or rental.

Trustee Saclot suggested amending the Articles of Incorporation and By-laws of Praxis Fides and Petrifidelis as well. To further clarify the existing agreement, Trustee Martin offered to assist Petri in the revision of the actual contract.

In regards with the purchase of the Genset, the Board recommended that it be expedited as soon as possible and that it will be recorded in the books as loan or capital expenditure which will be decide on a later date.

Trustee Saclot observations/suggestions:

1. That Petrifidelis has a traditional lease of contract
2. To check all payments of Petrifidelis
3. To review the contract-subsiary
4. Generator set as loan then to re-class *TO record the GenSet as loan*
5. The usual loan process, regular loan process thru Corporate Social Responsibility Program as Non-Interest bearing loan.

2. E-Ready Titanium - Maxicare (Php 839)

- Php 15,000 Hospitalization coverage which can be used at any of our accredited hospitals nationwide
- Php 50,000 Accidental Death and Dismemberment Insurance

Vice-Chairman Julieta Cruz suggested for additional bidders regarding E-ready titanium.

3. Minutes of the meeting-verbatim

Vice-Chairman Cruz requested that starting from August 2022 the minutes of the meeting must be in verbatim so as not to lose the flavour of conversation. If possible, the other trustee member of every committee should prepare the minutes of the meeting and the transcription. Only the Corporate Secretary is the ^{depository} *reponary* of minutes and reports.

Trustee Saclot suggested on getting an assistant while Chair Fr. Go proposed that it can be the management or key officer who is also a member of the committee. Trustee Santos also agreed.

Trustee Saclot agreed that the key officer will take the minutes and will do the transcription.

4. Maintenance and Safety of Praxis Fides Bldg.

Trustee Bardinas thought about the safety of the PF Bldg. She observed that our office is out of date and needs repair on some particular places.

Fr. Go

Trustee

Agencia

Fr. Go

Fr. Go

Fr. Go

Intention

632
633
634
635
636
637

638
639
640
641
642
643
644
645
646
647
648
649
650
651
652
653
654
655
656
657
658
659


X
ADJOURNMENT

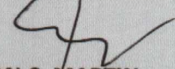
There being no other matters to discuss, the meeting was adjourned at 4:35 PM with a closing prayer led by Trustee Liberty Bardinas and final blessing by Chairman Fr. Romualdo Go.


MINUTES PREPARED BY:

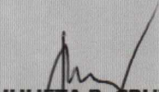

MARICEL S. SAMSON
Corporate Secretary


ATTESTED BY:

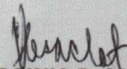

FR. ROMUALDO C. GO
Chairman of the Board

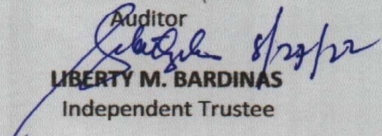

ALLAN C. MARTIN
Treasurer


EMILIA M. PASCO
Independent Trustee


JULIETA B. CRUZ
Vice-Chairman


MA. ESTELA T. SANTOS
Secretary


VIRGINIA B. SACLOT
Auditor


LIBERTY M. BARDINAS
Independent Trustee