

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

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5 **MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES**
6 **May 27, 2022**

7 **In attendance:**

8 Fr. Romualdo Go	- Chairman of the Board
9 Ms. Julieta Cruz	- Vice-Chairman of the Board
10 Ms. Ma. Estela Santos	-Trustee/ Secretary
11 Mr. Allan Martin	- Trustee/Treasurer
12 Ms. Virginia Saclot	- Trustee/Auditor
13 Ms. Emilia Pasco	- Independent Trustee
14 Ms. Liberty Bardinas	- Independent Trustee
15 Mr. Gener Luciano	- President
16 Ms. Rosanna S. Jose	- Corporate Secretary

17 **I**
18 **PLACE AND TIME OF MEETING**

19 This meeting of the Board of Trustees of Praxis Fides Mutual Benefit Association, Inc. was held
20 on May 27, 2022 at 12:45 PM at the principal office of the corporation at No. 35 Paseo Del
21 Congreso, Catmon, Malolos City.

22 **II**
23 **PRESIDING OFFICER AND SECRETARY**

24 The Chairman of the Board, Fr. Romualdo Go presided over the meeting, while Ms. Rosanna S.
25 Jose, Corporate Secretary, recorded the minutes of the proceedings.

26 **III**
27 **PRESENCE OF QUORUM AND CALL TO ORDER**

28 Fr. Romualdo Go called the meeting to order with an opening prayer at 12:45 PM led by Ms. Ma.
29 Estela Santos. All the members were present and the meeting, having been duly convened, was
30 ready to proceed with business.

31 **IV**
32 **CONSIDERATION OF THE MINUTES OF THE PREVIOUS MEETING HELD ON MARCH 25, 2022**

33 The Corporate Secretary read the minutes of the meeting held on March 25, 2022. No
34 correction was made on the minutes because the present attendees were not the same
35 attendees during the meeting.

36 **V**
37 **MATTERS ARISING FROM THE PREVIOUS MINUTES OF MEETING**

38 **Upgrade of Out-Patient Benefits**

39 The proposal to upgrade the out-patient benefits under the PF Medical Fund was approved by
40 the previous BOT but the Board Resolution needs to be signed before it can be implemented.

41 **VII**
42 **AGENDA**

43 **1. Current Status of the BOT**

44 There is an issue with the composition of the Board of Trustees which resulted from the
45 claim of the four (4) former trustees that they are not resigned because of non-acceptance
46 of their resignation. This threatened the position of the four (4) new trustees who were
47 duly elected by the general membership.

48 To clarify the issues, the Board agreed to request the legal opinion from the Corporate Legal
49 Counsel to answer the following queries:

- 50 1) *Was the resignation of the four (4) trustees valid?*
51 2) *Was the conduct of election during the AGM legal?*
52 3) *Was there a violation committed by G. Luciano when he reported to the SEC the*
53 *resignation of the four (4) trustees?*
54 4) *Was the Special Meeting held on May 20, 2022 by the old BOT still considered valid*
55 *when there is a duly-constituted Board composed of the duly-elected trustees?*

56 A virtual meeting with Atty. Manuel Punzalan was scheduled on May 31, 2022 (Tuesday) at
57 2:00 PM to discuss the response of the Corporate Legal Counsel to the queries stated
58 above.

59 **2. Request from Petrifidelis**

60 The farm in Nueva Ecija experienced extended brownout that resulted to high rate of
61 mortality at a time when the birds/chicks were almost ready for harvest. Petrifidelis has
62 requested a six (6) months reprieve from the payment of rental to allow them to recover
63 from the loss.

64 The BOT approved to defer the payment of Petrifidelis for twelve (12) months but the
65 accumulated value of unpaid rentals will be spread out in six (6) monthly installment. This is
66 not outright condonation but a deferment of the rental payments.

67 **3. Full Payment of Albert Tagal**

68 The Credit Committee disapproved the proposal of the borrower to pay P3.0M as full
69 settlement for his outstanding obligation amounting to P 3.8M. The Collection Dept
70 recommended to foreclose the property instead and the Credit Committee approved to
71 proceed with foreclosure procedures. However, the borrower visited PFO and made his final
72 offer of P3.3M.

73 Foreclosure will incur additional expenses and after the property is transferred to Praxis,
74 there is no guarantee that the property can be immediately disposed. Ms. Virginia Saclot
75 asked the Loans Dept if the market value of the property is enough to cover the obligation.

76 The Head of Loans Dept suggested to do a repeat credit investigation of the property to
77 assess the current condition of the property.

78 Foregoing considered, the BOT approved to accept the P3.3M payment payable within
79 seven (7) days after the borrower is notified about the BOT's decision.

80 Mr. Allan Martin, a member of the Credit Committee, suggested to implement restructure
81 when a loan reached 6 months to 1 year past due.

82 **4. AC/BM/BOT Team Building**

83 The ACs and the BMs together with the BOT will hold a Team Building seminar in Catacte,
84 Bustos on June 10, 2022. Fr. Romualdo Go requested to transfer the Thanksgiving Mass in
85 the afternoon because he will attend a pilgrimage to celebrate the dedication of the
86 seminary.

87 **5. Appointment of Key Executive Officers**

88 The current Key Executives will end their appointment on May 31, 2022. The Management
89 has come up with recommendations to replace the outgoing executives, namely:

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91	Chief Audit Executive	MS. EUFROCINA CABUHAT
92	Chief Risk Officer	MS. MARIA MAE JOAQUIN
93	Corporate Secretary	MS. MARICEL SAMSON

94 The Board requested to review the functions of the Key Executive Officers to determine the
95 competencies of the recommended candidates for the key positions.

96 On the Service Contract of CAE Eufrocina Cabuhat, the Board decided that the Allowance
97 portion of her compensation must be supported by reimbursible receipts while the Basic
98 Pay must be subject to contractor's tax.

99 **6. Honorarium of Trustees**

100 The President said the honorarium of trustees should be subject to withholding tax.
101 Henceforth, the present amount of honorarium given to trustees will remain the same but
102 will be recorded as net of tax.

103 **7. Pre-Signing of Checks by Signatories**

104 Mr. Allan Martin and Ms. Virginia Saclot, Chairman of Credit and Audit Committee,
105 respectively, have both expressed their reaction towards the pre-signing of checks by the
106 signatories. Both claim that the pre-signed checks are risky and violative of internal control
107 standards.

108 PFO uses pre-signed checks especially the branches for policy loan releases and withdrawals.
109 It is the responsibility of the Branch Manager (for PF branches) and the Accounting Dept (for
110 Head Office) to safekeep the pre-signed checks. On the other hand, it is the responsibility
111 of the Cash Dept particularly the Operations Treasurer to ensure the validity and accuracy of
112 transactions that will require the release of check.

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The Board will study the matter thoroughly since this is an existing practice of the company for years. The Board may consider the option to authorize the Branch Managers to sign the check to eliminate the use of pre-signed checks.

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**VII
ADJOURNMENT**

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There being no other matters to discuss, the meeting was adjourned at 4:25 PM with a closing prayer led by AC Emilia Pasco and final blessing by Fr. Romualdo Go.

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MINUTES PREPARED BY:

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Rosanna S. Jose
ROSANNA S. JOSE
Corporate Secretary

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ATTESTED BY:

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FR. ROMUALDO C. GO
FR. ROMUALDO C. GO
Chairman of the Board

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Julieta B. Cruz
JULIETA B. CRUZ
Vice-Chairman

Allan C. Martin
ALLAN C. MARTIN
Treasurer

Virginia B. Saclot
VIRGINIA B. SACLOT
Auditor

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Ma. Estela T. Santos
MA. ESTELA T. SANTOS
Secretary

Emilia M. Pasco
EMILIA M. PASCO
Independent Trustee

Liberty M. Bardin
LIBERTY M. BARDINAS
Independent Trustee