



## **Praxis Fides Mutual Benefit Association, Inc.**

Praxis Fides MBAI Bldg., 35 Paseo del Congreso, Catmon, Malolos City of Bulacan

Website: [www.praxisfides.webs.com](http://www.praxisfides.webs.com) \*E-mail Add. [praxisfides@gmail.com](mailto:praxisfides@gmail.com)

Telephone: (044) 791-3558; (044) 662-4288; (044) 662-4019

### **BOARD RISK OVERSIGHT COMMITTEE**

#### **I. INTRODUCTION**

This Board Risk Oversight Committee establishes the purpose, qualifications and membership, structure and operations, duties and responsibilities of the Board Risk Oversight Committee of Praxis Fides MBAI, and the procedures which guide the conduct of its functions.

#### **II. OBJECTIVES**

The Committees shall oversee the Enterprise Risk Management (ERM) framework that will effectively identify, monitor, assess and manage key business risk. The risk management framework shall guide the Board in identifying enterprise-level risk exposures, as well as the effectiveness of risk management strategies. The Committee shall be responsible for defining the Company's level of risk tolerance and providing oversight over its risk management policies and procedures to anticipate, minimize, control or manage risks or possible threats to its operational and financial viability.

#### **III. STRUCTURE**

##### **A. Membership**

1. The Board Risk Oversight Committee membership is to be composed of three (3) non-executives and headed by independent trustee.
2. All members having the ability, thorough knowledge and experience on risk and risk management.
3. The Chairman of the Board Risk Oversight Committee is not the Chairman of the Board or of any other committee.

## **B. Meetings**

1. Meetings shall be held at a frequency determined by the Board Risk Oversight Committee but in any event not less than four (4) times a year. Special meetings may be convened by the Chairman as needed;
2. A quorum shall constitute more than half the number of members of the BROOC;
3. A resolution shall constitute the majority votes by committee members present during the meeting;
4. The Board Risk Oversight Committee may invite other officers/personnel or representatives of management as well as other members of the workforce (Area Coordinators and Area Representatives) responsible for any matter related to the meeting agenda to provide representation in the meeting;
5. The Secretary of the Board Risk Oversight Committee shall arrange the meeting schedule and prepare the agenda. The Secretary shall provide copies of the meeting agenda, risk management reports, minutes of previous meeting, and other necessary documents to all committee members as soon as practicable before each meeting.

## **IV. DUTIES AND RESPONSIBILITIES**

1. Review and recommend for approval by the Board of Trustees Praxis Fides MBAI's written risk management program to identify, measure, monitor and control various types of risks and estimate its impact to the MBAI. Further attention shall be given to those risks that are more likely to happen and bear more costly impact to the MBAI.
2. Review reports on risk exposures, recommend necessary actions and communicate risk management plan to concerned group of the organization to address or reduce the risks;

3. Report to the Board of Trustees significant matters concerning risk exposures of the MBAI including any IC examination findings on unsafe and unsound practices and actions taken to manage those risks;
4. Recommend a system of risk limits and authorities for approval by the Board, and any necessary changes to these limits and authorities;
5. Establish a monitoring system to ensure that limits are observed and that timely corrective actions are carried out whenever limits are breached;
6. Evaluate the magnitude, direction and distribution of risks across the organization including the Head Office as well as the branches;
7. Evaluate and report to the Board the MBAI's over-all risk exposures and ensure that the various units of the organization provide for on-going review and validation of the effectiveness of risk management policies and practices;
8. Create and promote a risk culture that requires and encourages the highest standards of ethical behaviour by risk managers and risk-taking personnel;
9. Review and assess, at least once a year, the adequacy of its Charter and its overall performance and recommend changes for the approval of the Board when and where necessary.