



PRAXIS FIDES MUTUAL BENEFIT ASSOCIATION, INC.

35 Paseo del Congreso, Catmon, City of Malolos, Bulacan
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PRAXIS FIDES MUTUAL BENEFIT ASSOCIATION INC. MANUAL ON CORPORATE GOVERNANCE



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MANUAL ON CORPORATE GOVERNANCE

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MANUAL ON CORPORATE GOVERNANCE

PART 1

Introduction

This Manual sets principles and guidelines on corporate governance to which the Board of Trustees and Management of Praxis Fides Mutual Benefit Association, Inc. commit themselves.

1.1 Objective

This manual aims to provide the framework and support necessary to institutionalize good corporate governance in Praxis Fides MBAI. The Association firmly adheres to the principles of fairness/faith, accountability, integrity, transparency in governance and human development.

1.2 Vision Statement

“Pinagsamang yamang tao buhay na ganap ang tungo”

Praxis Fides Mutual Benefit Association is a leading-financial intermediary in pursuit of total human development that is guided by the principles of faith and social entrepreneurship.

1.3 Mission Statement

“Magtipon at mag-impok makatugon at maglingkod”

Praxis Fides Mutual Benefit Association, Inc. will be inclusive of Basic Ecclesial Community programs and strategies throughout for membership expansions and initiatives.

1.4 Core Values

These Core Values are found in our objective.

1. F - Faith in God our Father
2. A- Accountability
3. I – Initiative/ Integrity and Innovativeness
4. T- Transparency in Governance
5. H- Human Development

1.5 Commitment to Good Corporate Governance

We take corporate governance to mean “a system whereby management enhances the value of a corporation by the way objectives are set and achieved, risk is monitored and managed, and performance is optimized, by taking into account corporate social responsibility.” With this understanding, Praxis Fides MBAI binds itself “to promote fairness, transparency and accountability” in all its corporate actions and endeavors.

1.5.1 Fairness

Provides the assurance that all members have their rights protected and are treated equitably. Promoting long-term shareholder value is important: trustees shall devote time and attention



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necessary to properly discharge their duties and responsibilities, in return for the trust given them by members. The Board of Trustees has duty to direct and manage in a manner fair to all, and act with prudence and justice. Fairness is intimately related to ethical practice. The BOT has the ultimate responsibility for creating a culture that promotes ethical practice and social responsibility throughout the corporation. A trustee must ensure that the company's goal, strategies, policies, and practices are right, good, proper and legal. A trustee shall not use his position to make profit or to acquire benefit or advantage for himself and /or related interests.

1.5.2 Transparency

Requires that the Board of Trustees ensure timely and accurate disclosure on all material matters, such as the financial situation, performance. Including disclosure of any material foreseeable risks. It requires a system of checks and balances and a system of monitoring and reporting based on accepted standards of adequate disclosure for both financial and non-financial information. There should be clear dividing lines among member, trustees and managers. Whenever they cross lines such as when trustees wear different hats (e.g. Chairman/CEO) this should be disclosed accordingly.

1.5.3 Accountability

Recognizes that the Board of Trustees is answerable to members who own the company. It is responsible for the actions of Management, which implements policies and strategic directions emanating from the Board. It involves assigning responsibility and measuring results, and the use of policies, plans, risk management systems and other systems of internal controls and accounting and reporting systems. It serves to maximize value while meeting the financial and other legal and contractual obligations. In brief, the BOT must answer for the consequences of action or inaction.

1.6 Stakeholders of Praxis Fides MBAI

1.6.1 General Membership

The General Membership, being the owners, holds supreme authority in the Association. It exercises this power through the General Assembly where it approves on an annual basis all official acts of the association and elects the members of the Board of Trustees

1.6.2 Board of Trustees

The Board of Trustees, composed of non-executive trustees and headed by a non-executive chairperson, derives its power from the General Assembly by means of elections, governs by means of strategic decisions, policies and oversight, and is fully accountable to the General Assembly.

1.6.3 Management

The management team, on the other hand, headed by the President, implements the strategic plans, policies and decisions of the Board of Trustees, and is accountable to the latter.



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1.6.4 Employees and Workforce

The association's human resources are composed of two main categories: regular employees and commissioned workforce. Regular employees are individuals who have been granted formal appointments and are assigned official job descriptions in line with the organizational structure.

In addition to regular employees, the workforce also includes Area Representatives. These individuals operate on a commission-based arrangement and play a vital role in representing the association within designated areas. While not classified as regular employees, Area Representatives are integral to achieving the association's outreach and operational objectives.

1.6.5 Advisory Councils

The Advisory Councils shall be composed of all past Chairmen of the Board of Trustees of Praxis Fides MBAI.

1.6.6 Regulatory Agencies

These include agencies and bodies that provide the framework within which mutual benefit associations should legally operate. These policies, guidelines, and circulars issued by the regulatory agencies promote fairness and increase the level of confidence of the members, implementers, and other stakeholders of mutual benefit associations.



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PART 2

Corporate Governance Structure and Policies

2.1 General Membership

Membership is open to all who are below 55 years of age and of reasonably good health upon application to and approval of the Board of Trustees or by an official so authorized by the Board. The accomplished application shall form part of the Membership Certificate.

2.1.1 Voting Rights of Members

All members of Praxis Fides MBAI shall have the right to participate to one vote in its Annual General Assembly, including in their rights is to approve all Board Resolution made for the year.

2.1.2 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.

2.1.3 Annual General Meeting

The Annual General Meeting of Praxis Fides MBAI is conducted every third (3rd) Saturday of March. During the meeting the members shall be given a time to ask questions, and such questions will be included in the minutes of the AGM. The Corporate Secretary shall ensure the copies of the resolution, proxy forms and other documents were provided and forwarded to all members twenty-one (21) days before the actual meeting.

2.1.3 Notice of the Annual General Meeting

The announcement of the meeting should be twenty eight (28) days before the actual meeting. The notice of the meeting includes time, place and proposed agenda items, it is distributed through Area Coordinators and can be seen in the website of the Association.

2.2. Board of Trustee

The Board of Trustees, composed of non-executive trustees and headed by non-executive directors, derives its power from the General Assembly by means of elections, governs by means of strategic decisions, policies and oversight, and is fully accountable to the General Assembly. Being head of the governing body the Board, the chairperson should establish rapport with members and be accessible to them. The chairperson, especially, should keep his nose in, but his hands off, the day-to-day working of the business - which is the responsibility of management. However, the Board is responsible for setting the direction towards which the company must go, not Management.



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2.2.1 Composition and Election of the Board of Trustee

2.2.1.1. Number of Trustees – The Association’s Board is composed of seven (7) Trustees, two (2) of whom shall be Independent Trustees, who are elected by the General Membership.

2.2.1.2. Positions- The membership of the Board are non-executive Trustees. They should possess such qualifications and stature that would enable them to effectively participate in the deliberation of the Board.

2.2.2 Multiple Board Seats

Praxis Fides MBAI 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 MBAI is not compromised.

2.2.3 Qualification of a Board of Trustee

The following are the minimum qualifications for Praxis Fides MBAI’s BOT candidate:

- 2.2.3.1 Maximum age of 62 years old and must be physically fit;
- 2.2.3.2 With competency and leadership skills to execute the duties of a trustee;
- 2.2.3.3 Active member and in good standing of Praxis Fides MBAI, candidate member whose membership expired/ matured but availed for new membership;
- 2.2.3.4 No conflict of interest or not engage in business similar to the company its subsidiary business;
- 2.2.3.5 If not workforce, candidate shall not be related to any personnel, Area Coordinator and Area Representative up to the third degree of consanguinity or affinity, legitimate or common-law.

2.2.4 Disqualification to the Board of Trustee

2.2.4.1 A person convicted by final judgment of an offense that is punishable by imprisonment for a period exceeding six (6) years, or of a violation of the Corporation Code of the Philippines committed within six (6) years prior to the date of her or his election.

2.2.4.2 Elected and served as Board of Trustee for nine years or more.

2.2.5 Training and Development

2.2.5.1 Orientation Program

Upon his or her election, each Board member shall participate in an orientation program that covers the company’s strategy, general financial and legal affairs, financial reporting by the company, its compliance programs, the Code of Business Conduct and Ethics, any specific aspects unique to the company and its business activities, and the responsibilities as a Board Member.

The Company should provide a comprehensive orientation or training for the first-time Trustees for such number of hours and in accordance with the requirement of the SEC.



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2.2.5.2 Continuing Education Program

In order to facilitate the Trustee's fulfillment of their responsibilities, the management must have the following:

- a. Annual Review to identify areas where the Board members require further training or education;
- b. Education programs supplemental to the initial orientation to explain the association's business operations;
- c. Access or to notice of continuing education programs that are designed to keep Trustees abreast of the latest development in corporate governance matters and critical issues relating to the operation of public board.

2.2.5.3 Cost

The costs of the orientation course and any training or education shall be paid for by the Association.

2.2.6 Term of Office

Praxis Fides MBAI Board of Trustee have a maximum term of nine (9) years, he must be elected three (3) times with a term of 3 years, and an interval of a year per term.

2.2.7 The Board of Trustees, Specific Roles and Responsibilities

- 2.2.7.1 Formulate the Association's vision, mission, strategic objectives, policies and procedures that shall guide its activities, including the means to effectively monitor Management's performance.
- 2.2.7.2 Review the mission and vision statement of the Association at least once a year or whenever deemed necessary.
- 2.2.7.3 Review, monitor and oversee the implementation of the corporate strategy at least once a year.
- 2.2.7.4 Adopt, implement and monitor compliance with the Company's Code of Conduct.
- 2.2.7.5 Implement a process for selection of Trustees who can add value and contribute independent judgement to the formulation of sound corporate strategies and policies.
- 2.2.7.6 Review, evaluate and approve, on a regular basis, long-range plans for the Company.
- 2.2.7.7 Establish committees as prescribed in the SEC Code of Corporate Governance and the Association's Manual on Corporate Governance.
- 2.2.7.8 Review and approve the major resource allocations and capital investments.
- 2.2.7.9 Conduct Annual Performance Assessment of the Chairperson, President and the Board Members.
- 2.2.7.10 Evaluate and approve the major resource allocations and capital investments.
- 2.2.7.11 Review the Association's material controls and risk management systems.



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2.2.8 Board Allowance

The Board of Trustee does not receive any compensation and remuneration from the Association.

Trustees who are physically absent from the Board meetings shall not be entitled to any meeting allowance, unless they can participate in the deliberations through video conferencing, teleconferencing, or other modes of communication that allow them reasonable opportunities to participate.

The form and amount of Trustees' per diem will be determined by the Compensation Committee in accordance with the policies and principles set forth in its chapter, and the Compensation Committee will conduct an Annual Review of Trustees' compensation. The Remuneration Report will differentiate between executive and non-executive compensation.

Likewise, the Association does not grant personal loans, guarantees or the like to Board members.

2.2.9 Disclosure of RPTs and Other Conflict of Interest

A Board Member must report immediately to the Chairperson any conflict of interest or potential conflict of interest and shall report all relevant information on this matter under the provision of Code of Business Conduct and Ethics.

2.2.10 Vacancy on the Board

A vacancy resulting from death, incapacity, removal or resignation of any of its members, will result in the Board not being able to meet quorum requirements during its meeting, said vacancy shall be filled up through a special election. However, if the vacancy will not compromise the BOT's ability to achieve quorum or perform its function, the Association shall wait for the next Annual General Meeting to fill it up. The elected Trustee in such case shall serve only for the unexpired term of his/her predecessor.

2.2.11 Independent Trustee

The Board shall have at least two (2) Independent Trustees. Majority of Trustees must be independent, and all trustees must be non-executive. Independence shall mean that:

2.2.11.1 Trustee has not been an officer or employee of the company, its subsidiaries, affiliates or related interests, for at least three (3) years



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preceding term of incumbency;

2.2.11.2 Trustee is not related within the fourth degree of consanguinity or affinity, legitimate or common-law, to any trustee or senior officer of the company or any of its related companies; and

2.2.11.3 Trustee is free from any business or other relationships with the institution or any of its related companies which could possibly give rise to conflict of interest situation.

2.2.12 The Board Committees

The Board shall constitute the proper committees to assist it in good corporate governance. All committees shall be headed by a trustee and all shall report directly to the Board of Trustees except for Nomination Committee.

The Board must have the following committees:

- 2.2.12.1 Corporate Governance
- 2.2.12.2 Board Risk Oversight
- 2.2.12.3 Audit
- 2.2.12.4 Nomination

2.2.13 Board of Trustee Positions and Charter

2.2.13.1 Chairperson of the Board- Provide leadership within a framework of prudent and effective controls which enable risks to be assessed and managed. He should establish rapport with members and be accessible to them. He also should keep his nose in but his hands off, the day to day working of the business which is the responsibility of the management. He prepares agenda for the BOT meeting and a once a month meeting with the general manager.

2.2.13.2 Vice Chairperson - Determine the company's corporate purpose, its vision, mission and core values, as well as the strategies to carry out its objectives. Adopt a Strategic Plan, and approve corporate policies in core areas of operation, especially underwriting reinsurance and claims management. Quarterly visit to the company. Compliance Officer responsible for coordinating, monitoring and facilitating compliance with existing laws, rules and regulations.

2.2.13.3 Secretary - The Secretary of the Board of Trustees is responsible for ensuring that the board's records are accurately maintained, meetings are properly scheduled and documented, and that the organization complies with relevant bylaws and governance regulations. This position supports the board in achieving its governance responsibilities effectively and transparently.



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2.2.13.4 Treasurer- Review and recommend for approval by the Board investment policies, including investment objectives and strategy. Recommend for Board approval the selection of investment managers, custodians, consultants and other investment professionals as appropriate. Co-Signatory in all bank transactions. Weekly visit the office for signing of checks.

2.2.13.5 Auditor- Review adequacy and integrity of Internal Control systems, Management Information systems, and compliance with the Insurance Code and other applicable laws, regulations, directives and guidelines. Act as internal audit arm of the company. Recommend approval for selection of external auditors. Oversee the financial and disclosure process, including the performance of the internal audit and external audit functions; and provide first-instance review of reports coming from these sources. Present to members a balanced and understandable assessment of the company's performance and financial condition. Once a month audit. A non-trustee (see By-Laws)

2.2.14 Board Meetings

The Board shall meet regularly to discharge its duties efficiently. Regular meeting of the Board is held every last Friday of the month. At any time the Chairman of the Board may call on special meeting to discuss urgent matters. Board of Trustee shall inhibit to attend meetings in which he/she have a personal interest on a certain agenda that needs board approval. The number of regular meetings of the BOT for the year must be six (6) times or less in a year. Notice and agenda of the board meeting shall be sent to all BOT Members five (5) days before the date of the meeting.

2.2.14.1 Regular Meetings

Regular meetings of the Board of Trustees shall be held every month on such date, time and at principal office or such place as may be determined by the Board of Trustees. Special meetings of the Board of Trustees may be called by the Chairperson of the Board, the Vice Chairperson, the President, or a majority of the Board of Trustees of the Association. The Corporate Secretary shall schedule all regular Board and Committee meetings at the start of the financial year.

2.2.14.2 Board Attendance

Each Trustee must attend at least 75% of all Board Meetings held during the year. A Trustee who has been absent for three (3) consecutive or maximum five (5) of all meetings regular and special, for whatever reason during incumbency, shall be disqualified, and in future may no longer be elected to the Board.

2.2.15 Performance Evaluation of the Board and Key Officers

The Board of Trustees will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The Corporate Governance Committee shall solicit comments from all Trustees and report annually to the Board. The Annual Performance assessment must be divided into four sets:



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- 2.2.15.1 Board Appraisal
- 2.2.15.2 Trustee Appraisal
- 2.2.15.3 Committee Appraisal
- 2.2.15.4 President Appraisal

The Board shall conduct an annual review of the performance of the board as well as the performance of individual board members and the president. The process and the criteria in conducting the board, committees, and the President assessment will be formulated by the Corporate Governance Committee.

In addition, the Chief Compliance Officer, Chief Risk Officer, and the Chief Audit Executive will be evaluated by their respective Board Committees.

2.2.16 Code of Ethics and Conduct

The code of ethics of Officers and Employees of Praxis Fides Mutual Benefit Association, Inc. is established to promote high standard of ethics among officers and employees of the Association who shall at all-time accountable to Board of Trustees and the General Membership of Praxis Fides MBAI. All officers and employees of the Association shall discharge their duties and official function with utmost honesty and integrity and uphold members' interest over and above personal interest. This code shall apply to all Trustees, Officers and Employees of Praxis Fides MBAI. The process for filing a complaint shall be made public; however the complainant and the complaint shall be treated with utmost confidentiality.

2.2.17 Succession Planning

The Board will evaluate potential successors and approve management succession strategies and plans for the President/ CEO and other executive officers of the Association. The President should at all times, make available his or her recommendations and evaluations of potential successors, along with the review of any development plans recommended for such individuals.

2.2.18 Key Executive

2.2.18.1 Corporate Secretary

The Corporate Secretary sees to it that the board follows correct procedures and the Board complies with its obligation under the law and the company's Articles of Incorporation. The following are the responsibilities of the Corporate Secretary:

- a. The Corporate Secretary shall record all the votes and proceedings of the meetings of all the Board of Trustees in a book kept for that purpose;
- b. He/ She shall have charge of the corporate seal of the Association;



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- c. Responsible for the safekeeping and preservation of the integrity of the minutes of the meetings of the Board and its committees, as well as the other official records of the Association;
- d. Keeps abreast on the relevant laws, regulations, all governance issuances, relevant industry developments and operations of the Association, and advises the Board and the Chairperson on all relevant programs; issues as the arise;
- e. Works fairly and objectively with the Board and Management and contributes to the flow of information between the Board and the Management, the Board and its committees;
- g. Informs members of the Board, in accordance with the by-laws, of the agenda of their meeting at least five working days in advance, and ensures that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require approval;
- h. Attends all Board meetings;
- i. Assists the Chairperson of the Board in organizing the Board's activities including providing information, preparing agenda, reporting of meetings, evaluation and training programs; and
- j. Performs such other duties as may be properly delegated to him/her.

2.2.18.2 Chief Audit Executive

The Chief Audit Executive oversee and responsible for the internal audit of the Association. The following are the responsibilities of the CAE among others:

- a. Periodically reviews the internal audit charter and presents it to senior management and the Board Audit Committee for approval;
- b. Establishes a risk-based internal audit plan, including policies and procedures to determine priorities of the internal audit activity, consistent with the organization's goals;
- c. Communicates the internal audit activity's plans, resource requirements, and impact of resource limitations, as well as significant interim changes, to senior management and the Audit Committee for review and approval;
- e. Reports periodically to the Audit Committee on the internal audit activity's performance relative to its plan; and
- f. Presents findings and recommendations to the Audit Committee and advises senior management and the Board on how to improve the internal process.



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2.2.18.3 Compliance Officer

The Compliance Officer is a member of the company's management team in charge of the compliance function and primarily liable to the corporation and its shareholders. The following are the duties and responsibilities of a Compliance Officer:

- a. Ensures proper onboarding of new directors (i.e. orientation on the company's business, charter, articles of incorporation, and by-laws, among others);
 - b. Monitors, reviews, evaluates, and ensures the compliance by the corporation, its officers, and trustees with the relevant laws, the ACGR Code, rules and regulations, and all governance issuances of regulatory agencies;
 - c. Reports the matter to the Board if violations are found and recommend the impositions of appropriate disciplinary actions;
 - d. Ensures the integrity and accuracy of all documentary submissions to regulators;
 - e. Appears before the Security and Exchange Commission (SEC) and the Insurance Commission (IC) when summoned about compliance with the ACGR Code;
 - f. Collaborates with other departments to properly address compliance issues, which may be subject to investigation.
 - g. Identifies possible areas of compliance issues and works towards the resolution of the same;
 - h. Ensures the attendance of board members and key officers to relevant training; and
- . Performs such other duties and responsibilities as may be provided by the Securities and Exchange Commission (SEC) and the Insurance Commission (IC).

2.2.18.4 Chief Risk Officer

The Chief Risk Officer (CRO) has the following functions, among others: Supervise the entire Enterprise Risk Management (ERM) process and spearheads the development, implementation, maintenance, and continuous improvement of ERM processes and documentation;

- a. Communicates the top risks and the status of implementation of risk management strategies and action plans to the Board Risk Oversight Committee;
- b. Collaborate with the Management in updating and making recommendations to the Board Risk Oversight Committee.
- c. Suggests Enterprise Risk Management policies and related guidance as may be needed.
- d. Provides insights on the following:



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- Risk measures reported are continuously reviewed by risk owners for effectiveness; and
- Established risk policies and procedures are being complied with

2.3 Management Team

The President or Chief Executive Officer selected and appointed by the Board, shall have the administration and direction of the day to day business affairs of the Association.

The middle managers, who oversee the different departments or sections (Administration, Sales and Marketing, Controllershship and Treasury) shall be accountable to and report directly to the President.

The President is principally responsible to the Board of Trustees, in much the same way that the Board of Trustee is answerable to the General Membership.

2.3.1 President

The President of the company serves as the top executive leader, responsible for overseeing the association's operations, making high-level strategic decisions, and ensuring the company's growth, profitability, and sustainability. This role involves close collaboration with the Board of Trustees, Division Chiefs, and key stakeholders.

2.3.2 Vice President

To support the President in leading the association, provide strategic guidance, and ensure continuity of leadership. The Vice President often acts as second-in-command and may assume the President's duties in their absence.

2.3.3 Division Chiefs

Division Chiefs in an association play a vital leadership role, overseeing specific functional areas within the organization. They are responsible for guiding their division's strategic direction, ensuring alignment with the association's overall mission and goals. This includes setting objectives, managing budgets, and leading programs or initiatives relevant to their area of focus. As key representatives, Division Chiefs serve as the primary liaison between their division and the association's executive leadership, advocating for their members' needs and priorities. They also play a crucial role in fostering communication and collaboration both within their division and across other parts of the organization.

2.3.4 Internal Auditor

An internal auditor reviews a company's financial records, operations, and internal controls to make sure everything is accurate, efficient, and follows rules and policies. They help identify risks, prevent fraud, and suggest improvements to make the organization run better and more securely.

2.3.5 External Auditor

An external auditor is an independent professional who examines association's financial statements to make sure they are accurate and follow accounting rules and laws. They are not part of the company and provide an unbiased opinion on whether the financial



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information is correct and trustworthy. Their work helps build confidence among members, regulators, and the public.



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PROCUREMENT POLICY

I. INTRODUCTION

Praxis Fides MBAI is committed in conducting procurement activities in a transparent, ethical and efficient manner. This Procurement Policy outlines the scope, roles and responsibilities, procurement method, approval process, contract management, ethics and compliance, budget management and record keeping.

II. OBJECTIVE

To ensure that all purchasing activities are conducted efficiently, transparently, and in a way that delivers the best value for the association. This includes obtaining high-quality goods and services at competitive prices, adhering to budgetary constraints, and maintaining compliance with relevant regulations and ethical standards.

III. SCOPE

This procurement policy applies to all goods and services purchased by the association, including those acquired through contracts, purchase orders, and other procurement methods. It covers all stages of the procurement process from need identification to vendor selection and contract management, and is applicable to all departments and employees involved in purchasing activities.

IV. ROLES AND RESPONSIBILITIES

Defines the key roles involved in the procurement process, including who is responsible for identifying needs, selecting vendors, approving purchases, and managing contracts. Ensures clear accountability and effective coordination among staff to streamline procurement activities and maintain compliance with the policy.

V. PROCUREMENT METHOD

1. **Request for Quotation:** Obtain price quotes from multiple suppliers for goods or services. Select the most cost-effective option.
2. **Request for Proposal:** Solicit detailed proposals from suppliers for complex projects or services. Evaluate proposals based on criteria such as cost, quality, and experience.
3. **Invitation to Bid:** Invite suppliers to submit formal bids for a specific project or contract. Choose the bid that best meets the requirements and offers the best value.
4. **Direct Purchase:** Purchase items directly from a supplier without a competitive process when the value is below a certain threshold or in urgent situations.



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5. **Contracting:** Negotiate and establish agreements with suppliers for ongoing or large-scale procurement needs, ensuring terms and conditions are clearly defined.

VI. APPROVAL PROCESS

1. **Requisition Submission:** Employees submit a purchase requisition form outlining the need, details, and estimated cost of the goods or services.
2. **Initial Review:** The procurement team reviews the requisition for completeness and alignment with budget and policy guidelines.
3. **Approval Levels:** Obtain approval from the appropriate authority based on the purchase amount and significance. Lower-value purchases may require manager approval, while higher-value or strategic purchases need senior management or executive approval.
4. **Purchase Order Issuance:** Once approved, a purchase order is generated and sent to the supplier to formalize the purchase.
5. **Confirmation and Tracking:** Confirm receipt of the goods or services and track the order to ensure compliance with the terms and delivery schedule.

VII. CONTRACT MANAGEMENT

1. **Contract Creation:** Draft and negotiate the contract terms with the supplier, ensuring that all essential elements, such as scope, deliverables, timelines, and payment terms, are clearly defined.
2. **Approval and Signing:** Obtain necessary approvals from relevant stakeholders and ensure that both parties sign the contract to formalize the agreement.
3. **Implementation:** Monitor the supplier's performance to ensure that they meet the contract terms and deliverables. Communicate regularly to address any issues or changes.
4. **Compliance Tracking:** Keep track of key contract milestones, deadlines, and obligations to ensure both parties adhere to the agreed terms.
5. **Renewal or Termination:** Review the contract before its expiration to decide on renewal, renegotiation, or termination based on performance and future needs.

VIII. ETHICS AND COMPLIANCE

1. **Policy Awareness:** Ensure all employees involved in procurement are familiar with the organization's ethics and compliance policies.
2. **Conflict of Interest:** Disclose any potential conflicts of interest and avoid situations where personal interests could influence procurement decisions.



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3. **Fairness and Transparency:** Conduct all procurement activities openly and impartially, ensuring fair treatment of all suppliers and adherence to established procedures.
4. **Legal Compliance:** Follow all relevant laws and regulations governing procurement to ensure lawful and ethical practices.
5. **Reporting and Accountability:** Encourage reporting of any unethical behaviour or policy violations and investigate concerns promptly. Ensure accountability for adhering to ethical standards.

VIII. BUDGET MANAGEMENT

Ensure all procurement activities stay within the approved budget by carefully planning and monitoring expenses. Verify that each purchase aligns with the budgetary limits and financial goals of the association, and obtain necessary approvals for any expenditures that exceed the allocated budget

IX. RECORD KEEPING

Maintain accurate and organized records of all procurement activities, including purchase orders, contracts, invoices, and correspondence. Ensure these records are easily accessible for review, audits, and future reference, and retain them for the required duration as per legal and organizational guidelines.



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Member Welfare Policy

I. INTRODUCTION

For a better customer experience, the Association strengthens its Member Welfare Policy by providing efficient and excellent service to individual members and non-members. Transparent in all transactions, observe standard policy and procedures for various services. And in constantly obedient to relevant laws set by the administrative and other regulating entities.

This Member Welfare Policy formalizes our commitment to providing the best possible service to our members and non-members.

II. OBJECTIVE

The objectives of the Member Welfare Policy are the following:

1. To make transactions easier for all members and non-members;
2. To provide members and clients with a consistent level of member care;
3. To have clear written guidelines for employees and workforce; and
4. To give clarity around complaints and dispute resolution processes.

III. SCOPE

This policy and associated procedures apply to all Trustees, Employees and Workforce working for the Association.

IV. POLICY

PFMBAI prioritizes the effective service of members and non-members and the respectful handling of their complaints.

PFMBAI commits to the following principles and practices in our service.

a. Friendly, professional member interactions.

We will:

1. Speak respectfully to members and non-members at all times;
2. Listen carefully and allow members and non-members time to explain the circumstances fully;
3. Convey a sound knowledge of the business, including its products, services and guidelines
4. Respect member privacy and confidentiality, in accordance with The Data Privacy Act of 2012.

b. Accurate and consistent information about products and services.

We take active measures to ensure that we:

1. Always communicate factually, honestly and accurately to members and non-members, whether in writing, verbally or face-to-face or through social media platform;
2. Keep publicly available information about products and services updated; and
3. Provide a clear explanation of our dispute resolution process.

c. Prompt and efficient services

We will continuously improve our approach to member and non-member service. We will:



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1. Strive to address all inquiries within a reasonable timeframe, whether written or personal interaction;
2. Review regularly our service performance, and incorporate findings in employees and workforce training and development activities.

d. Service Standards

The following service standards apply when communicating with members and non-members:

1. Telephone

- a. Answer the phone within 3 to 4 rings;
- b. Identify PFMBAI and name when answering the phone ;
- c. Offer to take a message, recording relevant details accurately if the required person is not available;
- d. Pass on the message to the relevant person by email and/or text in a timely manner.

2. Email

- a. Ensure that out-of-office notification is activated when not in the office for an extended period;
- b. Respond to all emails in a timely, professional and courteous manner;
- c. Use appropriate language when replying to emails;

3. Face to Face

- a. Communicate in a friendly, open way;
- b. Listen to what the member and non-member has to say before responding;
- c. Respond to inquiries and complaints in a respectful way.

4. Website

- a. Ensure that the information contained on the website is updated and accurate including the contact numbers;
- b. Answer inquiries within a 24-hour period;
- c. Easy accessibility of information posted in the website while observing privacy policy

5. Social Media Channels

- a. Member inquiries and complaints received via the Association's social media and digital channels are answered in a timely and accurate manner.

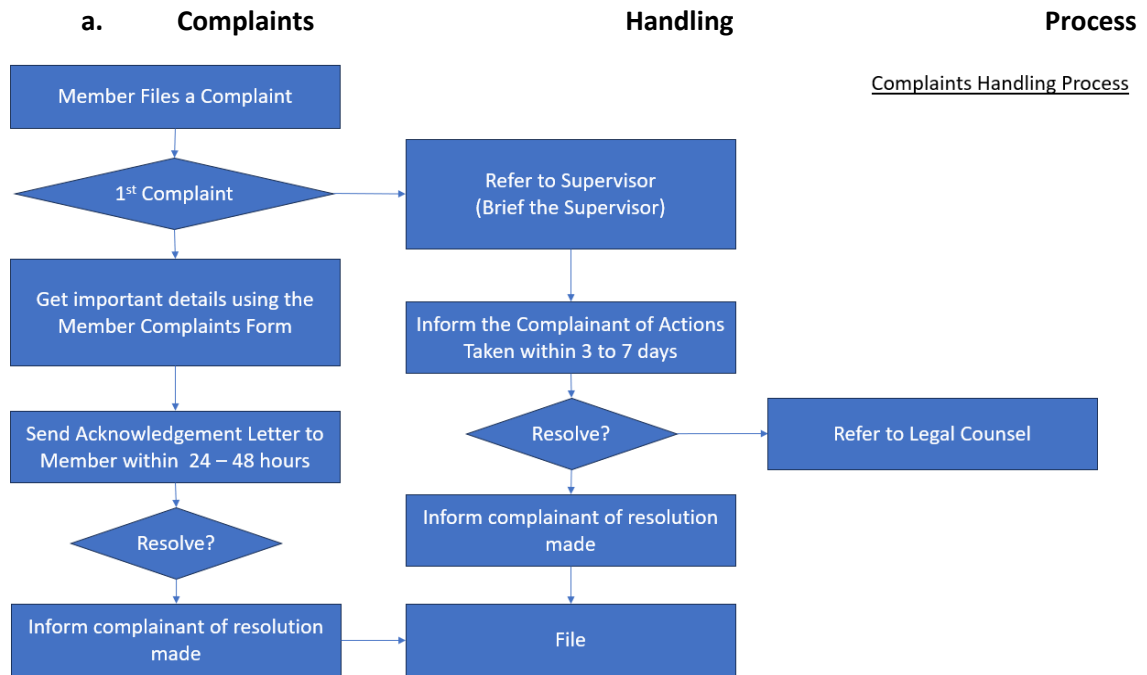
6. Complaints Handling

- a. The complaints process is visible and accessible to employees and workforce in a way that they can easily understand. Resolution is of primary importance.



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A. First complaint

1. Listen respectfully to member and non-member in a fair and impartial way.
2. If the complaint is received in writing, acknowledge the complaint within a 24- to 48-hour period.
3. Ensure that the name and contact details are clearly visible and accessible throughout our website and social media channels.
4. Record the member's complaint in writing, obtaining all relevant details. The association will not take action on anonymous complaints.
5. Attempt to resolve complaints during the first stage.
6. If complaints cannot be resolved, escalate the complaint to a supervisor or manager.
7. Acknowledge that employees and workforce have the right to be protected from unreasonable and abusive members.

B. Escalated complaint

1. Brief the supervisor or manager about the complaint.
2. Keeps the complainant informed of the steps being taken to resolve the escalated complaint.
3. Resolve the escalated complaint promptly.

C. Complaint resolution

1. Advise the complainant of the outcome and explain the decisions clearly.
2. Management is to inform the complainant of on-going improvements to the concern, if relevant.

D. External resolution process

If a complaint cannot be resolved, refer the matter to the Association's Legal Counsel.



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V. Reporting Procedure

Any employee or workforce who has any concern regarding the complaint stated above can raise the matter directly in written format to the Chairperson of the Corporate Governance Committee. The said report will undergo an investigation. The Chairperson of the Committee has the authority to nominate an investigating officer or group to study the matter.

VI. Protection and Confidentiality

The Association's extends all effort in treating all disclosures in a confidential and sensitive manner. In addition, anyone is also assured of protection against unfair dismissal or unwarranted disciplinary action, even if the concerns raised turned out to be unsubstantiated.

VII. Policy Violation

The Association reserves the right to take actions against anyone who makes a false report maliciously, with an ulterior motive, or for personal gain to recover any damage either financially or for the integrity of the Association and may face appropriate disciplinary and/or legal action.

VIII. Approval, Implementation and Review

This policy has been approved and adopted by the Board of Trustees. The Corporate Governance Committee has the overall responsibility for the implementation, monitoring and periodic review of this Policy. This policy was created on July 7, 2022 and was reviewed and finalized on September 19, 2023.



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WHISTLEBLOWING POLICY

I. INTRODUCTION

This Policy is intended to assist workforce to disclose information relevant to suspected misconduct, malpractice or irregularity through a confidential reporting channel. It is not designed to further any personal disputes, question financial or business decisions taken by the Association

II. OBJECTIVE

The objective of this Policy is to:

1. Provide the workforce of the Association with reporting guidance on whistleblowing
2. Encourage them to raise serious concerns regarding policies and procedures, in a responsible and effective manner, rather than overlooking a problem.

III. SCOPE

Whistleblowing matters may include any violation, but are not confined to, the Praxis Fides MBAI'S Code of Ethics and Conduct:

- 1) Malpractice, impropriety or fraud relating to internal controls, accounting, auditing and financial matters;
- 2) Violation of the rules and regulations of the Association;
- 3) Improper conduct or unethical behavior likely to prejudice the standing of the Association;
- 4) Breach of legal or regulatory requirements;
- 5) Criminal offenses, breach of civil law and miscarriage of justice;
- 6) Damage caused to the environment;
- 7) Other analogous concerns that will be detrimental to the Association

IV. WHISTLEBLOWING PROCEDURE

Reporting a Complaint

1. Where to Report

Any workforce who has any concern stated above can raise the matter directly in written format to the Chairperson of the Corporate Governance Committee. The said report will undergo an investigation. The Chairperson of the Committee has the authority to nominate an investigating officer or group to study the matter.

2. Reporting Format with Supporting Documents

It is advised to use the Whistleblower Report Form which is attached to this Policy. Any proof or evidence of the misconduct, malpractice or any concern stated must be submitted together with



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the said form for proper documentation. It must be kept in a sealed envelope. Any damage to the seal will make the report invalid.

3. Investigation Procedure

The format and length of an investigation will vary depending upon the nature and particular circumstance of each complaint made. The matters raised may be investigated internally, may be referred by the Chairperson to the concerned/authorized person.

4. An acknowledgment letter will be given to the complainant including the procedure of how the investigation will take place.

5. Praxis Fides MBAI take into account that there is a due process on how the investigation will take place.

V. PROTECTION AND CONFIDENTIALITY

Senate Bill Number 3533 “An Act providing for Whistleblower Bill of Rights” Section 6 states that whistleblower and their family within the first civil degree by consanguinity or affinity are protected. It is the Association’s policy to make every effort treating all disclosures in a confidential and sensitive manner. In addition, workforces are also assured of protection against unfair dismissal or unwarranted disciplinary action, even if the concerns raised turned out to be unsubstantiated.

Praxis Fides MBAI reserves the right to take appropriate actions against anyone who initiates or threatens to initiate retaliation against those who have raised concerns under this Policy. In particular, any workforce who initiate or threaten retaliation will be subjected to disciplinary actions, which may include summary dismissal.

VI. POLICY VIOLATION

The Association will hold a serious disciplinary action for any person who seeks to prevent a communication of the malpractice concerned in reaching the designated person, or anyone who impedes any investigation.

For any workforce who makes a false report maliciously, with an ulterior motive, or for personal gain, the Association reserves the right to take actions against him/her to recover any damage either financially or for the integrity of the Association. He/she may face appropriate disciplinary action.

VII. APPROVAL, IMPLEMENTATION AND REVIEW OF POLICY

This policy has been approved and adopted by the Board of Trustees. The Corporate Governance Committee has the overall responsibility for the implementation, monitoring and periodic review of this Policy. Any revision can be made by the said Committee if deemed necessary. This policy was created on September 19, 2023 by the Corporate Governance Committee of 2023-2024.