

## PROFESSIONAL SERVICES, INC

### CHARTER OF THE COMPENSATION AND REMUNERATION COMMITTEE

#### Section 1. PURPOSE

- 1.1. The Compensation and Remuneration Committee (the “Committee”), as a delegate of the Board of Directors (the “Board”), shall assist the Board in discharging its responsibility relating to remuneration and compensation of senior and executive officers, and of the members of the Board.<sup>1</sup> The guiding principle of the Committee is to provide a compensation program that shall enable the Corporation to retain and motivate a team of high-quality executives who will create long-term shareholder value.

#### Section 2. MEMBERSHIP

- 2.1. **Composition** – The Committee shall be composed of at least three (3) members, one of whom must be an independent director.<sup>2</sup> The members of this Committee may be increased by the Board depending on the exigency and relevance of the services of such additional member or members.<sup>3</sup> For this purpose, the current members of the Committee shall serve as such until their successors shall have been qualified and appointed.
- 2.2. **Term** – The members of the Committee shall be appointed by the Board during the Board’s annual organizational meeting. Each member shall serve upon his or her election and until the next organizational meeting of the Board, unless earlier removed or replaced.
- 2.3. **Vacancy** – The members of the Committee may be removed or replaced by the Board by majority vote of directors present in a Board meeting constituting a quorum. Any vacancy in the Committee caused by death, resignation, removal, or disqualification of member shall be filled by the Board. The member elected to replace or appointed to fill the vacancy shall hold office for the remainder of the term and until his or her successor shall have been qualified and appointed.

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<sup>1</sup> By-Laws, Article IV Section 4(a);

<sup>2</sup> By-Laws, Article IV Section 4(a); Manual on Corporate Governance, Section 1(3)(C)

<sup>3</sup> Manual on Corporate Governance, Section 1(3)(C)

- 2.4. Compensation** – The Board shall determine such compensation the members of the Committee shall be entitled to.

**Section 3. POWERS, DUTIES AND RESPONSIBILITIES**

- 3.1. General Authority** – In accordance with the authority granted by the Board, and consistent with the Corporation’s Manual on Corporate Governance, the Committee shall establish a formal and transparent procedure for developing a policy on remuneration of directors and officers to ensure their compensation is consistent with the Corporation’s culture, strategy and the business environment in which it operates.<sup>4</sup> The Committee shall have delegated authority to align remuneration of key officers and Board members with the long-term interests of the Corporation. In doing so, it shall formulate and adopt a policy specifying the relationship between remuneration and performance.<sup>5</sup>

- 3.2. Duties and Responsibilities** – The Committee shall have the following duties and responsibilities:<sup>6</sup>

- (a) Establish a formal, transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the corporation’s culture, strategy and control environment;
- (b) Designate the amount of remuneration, which shall be at a sufficient level to attract and retain directors and officers who are needed to run the Corporation successfully;
- (c) Develop a form on Full Business Interest Disclosure as a part of the pre-employment requirements for all incoming officers, which among others compel all officers to declare all their existing business interests or shareholdings that may directly or indirectly conflict in their performance of duties once hired;
- (d) Disallow any director to decide his or her own remuneration<sup>7</sup>;

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<sup>4</sup> Manual on Corporate Governance, Section 1(3)(B)

<sup>5</sup> Manual on Corporate Governance, Section 1(2)(A)(f)

<sup>6</sup> Manual on Corporate Governance, Section 1(3)(B)

<sup>7</sup> Manual on Corporate Governance, Section 1(2)(A)(f)

- (e) Provide in the Corporation's annual reports and information statements a clear, concise and understandable disclosure of compensation of its executive officers for the previous fiscal year and ensuring year;
- (f) Review of the existing Human Resources Development or Personnel Handbook, to strengthen provisions on conflict of interest, salaries and benefits policies, promotion and career advancement directives and compliance of personnel concerned with all statutory requirements that must be periodically met in their respective posts; and
- (g) Perform such other functions as may be delegated by the Board or required by law or the regulators.

**3.3. Confidentiality** – The Committee, as well as its individual members, shall have the duty to observe strict confidentiality in all matters involved in carrying out its functions and responsibility.

#### **Section 4. MEETINGS, QUORUMS AND ACTIONS**

**4.1. Frequency** – The Committee shall hold meetings in person or through teleconferencing or videoconferencing, or through such other modes of communication at such times and places and at such frequency as may be appropriate and necessary, provided, that the Committee shall meet at twice times in year.

**4.2. Convention** – The Chairperson of the Committee shall call the Committee to convene when he or she considers appropriate, or upon the request of at least two (2) voting members.

**4.3. Notices** – Schedule of Committee meetings shall be announced or communicated at least two (2) weeks in advance. Notice of the meetings may be given through written letter notice, electronic mail, short message service, telefax or other similar means. Materials shall be provided at least five (5) working days prior to the scheduled meeting.

**4.4. Waiver of Notice** – Notwithstanding shorter notice, the meeting shall be deemed to have been duly convened if so agreed by the members present constituting a quorum. A member may give his or her consent to short notice or waive the notice requirement in any meeting of the Committee.

**4.5. Agenda** – The agenda for each Committee meetings shall be set by the Chairperson. The agenda, which shall include, as much as practicable, all materials and presentations, shall be circulated to each member at least three (3) calendar days before the meeting. The

Committee may set list of regular agenda items to be addressed by the Committee during each regular meeting.

- 4.6. Quorum** – Attendance of majority of the members of the Committee shall constitute a quorum. Members attending the meeting through teleconferencing or videoconferencing or through other modes of communication shall be counted as present in determining the quorum and the votes required.
- 4.7. Voting** – A majority vote of all members of the Committee shall be required to approve, authorize, take any action, or carry an act or resolution of the Committee. Any matter which fails to be approved by a majority vote of all the Committee members may be referred to the Board for consideration or reconsideration.
- 4.8. Minutes** – Minutes of the Committee meeting shall be recorded and kept by the Office of Corporate Secretary. The Corporate Secretary, or in his or her absence, the Assistant Corporate Secretary shall serve as the secretary for the meeting. Except for information that are required to be disclosed pursuant to law or regulations issued by competent government authorities, all records shall be kept confidential.

**Section 5. MISCELLANEOUS PROVISIONS**

- 5.1. Reports of the Committee** – All actions taken by the Committee shall be presented to the Board of Directors during the regular or special Board meeting immediately following such action of the Committee.
- 5.2. Technical Assistance** – The Committee may invite to its meetings members of Management and other persons including independent experts as it deems appropriate or desirable.
- 5.3. Investigation** – The Committee shall have the have the authority to conduct or authorize investigations into any matters within the scope of its responsibilities, as it may deem appropriate.
- 5.4. Evaluation** – The Committee shall conduct an annual assessment of its performance, formulate plans for improvement, and review the implementation of such plans. Supplementarily, the Board shall have an independent evaluation of the performance and effectiveness of the Committee in delivering and fulfilling its duties and responsibilities, as set forth in this Charter.
- 5.5. Review of the Committee Charter** – The Committee shall review this Charter at least once a year and as often as deemed necessary. Any proposed amendment or revision shall be

forwarded to the Board for approval. Once approved by the Board it shall take effect immediately and prospectively.

This Charter of the Compensation and Remuneration Committee was approved by the Board of Directors on 17 December 2021. This shall form part of the Revised Manual on Corporate Governance of the Corporation.

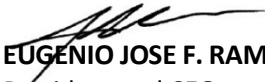


**NORMAN P. SERAPIO**  
Compliance Officer

**ATTESTED BY:**



**JOSE XAVIER B. GONZALES**  
Chairman



**EUGENIO JOSE F. RAMOS**  
President and CEO

**FULL BUSINESS DISCLOSURE FORM**

Updated as of :

Family Name :

First Name :

Middle Name :

Business establishments where the employee, his/her spouse, children and relative within the second degree have equity interests. If nothing to declare, write down "N/A".

<b>Name of Corporation/ Association/Firm</b>	<b>Name of Pertinent Stockholders, Members, Others</b>	<b>Percent of Stockholdings</b>

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**Signature Over Printed Name**

\_\_\_\_\_  
**Date**