

PROFESSIONAL SERVICES, INC

CHARTER OF THE CORPORATE GOVERNANCE COMMITTEE

Section 1. PURPOSE

- 1.1. The Corporate Governance Committee (the “Committee”), as a delegate of the Board of Directors (the “Board”), shall assist the Board in the performance of its corporate governance responsibilities.¹

Section 2. MEMBERSHIP

- 2.1. **Composition** – The Committee shall be composed of at least three (3) directors, of which the Chairperson shall be an independent director. 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.² For this purpose, the current members of the Committee shall serve as such until their successors shall have been qualified and appointed.
- 2.2. **Regular Attendee** – The Committee shall invite the Compliance Officer as regular attendee in its meetings, who shall participate in the discussion as regular member.
- 2.3. **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.
- 2.4. **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.

¹ Manual on Corporate Governance, Section 1(3)(G)

² Manual on Corporate Governance, Section 1(3)(G)

- 2.5. 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 be empowered to ensure compliance with and proper observance of the corporate governance principles and practices.³ In discharging its responsibilities and fulfilment of its functions, the Committee shall be guided by the Corporation’s mission and vision.

Supplementarily, the Committee shall formulate and adopt an effective succession planning program for directors, key officers and management to ensure the continuous and consistent growth of the Corporation.

- 3.2. Duties and Responsibilities** – The Committee shall have the following duties and responsibilities:⁴

- (a) Oversee the implementation of the corporate governance framework and periodically review the said framework to ensure that it remains appropriate in light of material changes to the Corporation's size, complexity of operations and business strategy, as well as its business and regulatory environments;
- (b) Oversee the periodic performance evaluation of the Board and its committees as well as the executive management, and conduct an annual evaluation of the said performance;
- (c) Ensure that the results of the Board evaluation are discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement;
- (d) Recommend the continuing education/training programs for directors, assignment of tasks/projects to board committees, succession plan for the board members and senior officers, and remuneration packages for corporate and individual performance;

³ Manual on Corporate Governance, Section 1(3)(G)

⁴ Manual on Corporate Governance, Section 1(3)(G)

- (e) Recommend to the Board the formal adoption of corporate governance policies and ensure that these policies are reviewed and updated regularly, and consistently implemented in form and substance;
- (f) Propose and plan relevant trainings for the members of the Board including dissemination of information about regulatory updates, recent memorandums and other circulars from the regulatory agencies and development of relevant laws through newsletters or seminars sourced from the Compliance Officer;
- (g) Together with the Nominations Committee, determine the nomination and election process for the Corporation's directors and define the general profile of board members that the Corporation may need, and ensure that appropriate knowledge, competencies and expertise that complement the existing skills of the Board are adopted as standards and criteria for nomination and election;
- (h) Provide assistance, upon request of the Compensation and Remuneration Committee, in establishing a formal and transparent procedure for determining the remuneration of directors and officers that is consistent with the Corporation's culture and business strategy as well as the business environment in which it operates; and
- (i) Perform such other functions as may be properly delegated by the Board.

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 least twice a 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. Notice and Invitation** – Schedule of Committee meetings shall be announced or communicated at least two (2) weeks in advance. Notice of and invitations to 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. Consent** – When deemed necessary or desirable by the Committee or its Chairperson, written consent (in physical, electronic, or digital format) by majority of the members of the Committee shall suffice to authorize or carry an action of the Committee.
- 4.9. Minutes** – Minutes of the Committee meeting shall be recorded and kept by the Office of Legal Services Department. The Head of the Legal Services Department, or in his or her absence the Corporate Secretary shall act as the secretary for the meetings. 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 highlights of the matters discussed in the Committee meetings, shall be presented to the Board during the regular meetings, as allowed by the Chairperson of the Board. 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. Primary Resource** – The primary resources of the Committee are the Compliance Officer and the Legal and Corporate Services Division of the Corporation.


- 5.3. **Technical Assistance** – The Committee may invite to its meetings members of management, officers, employees of the Corporation and other persons including independent experts whose advice and counsel are sought by the Committee as it deems appropriate or desirable.
- 5.4. **Outside Advisors** – The Committee shall have the sole authority to engage, retain and terminate legal advisor and other professionals and consultants, as it deems necessary and appropriate, to advise and assist the Committee in discharging its duties and responsibilities. The Corporation shall provide, and the Committee shall approve the fees to be paid as well as the terms of engagement.
- 5.5. **Access to Information** – The Committee shall have free and full access to all relevant information, data, records, properties and personnel of the Corporation.
- 5.6. **Investigation** – The Committee shall have the authority to conduct or authorize investigations into any matters within the scope of its responsibilities, as it may deem appropriate.
- 5.7. **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.
- 5.8. **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 Corporate Governance 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