

PROFESSIONAL SERVICES, INC

CHARTER OF THE QUALITY AND OPERATIONS COMMITTEE

Section 1. PURPOSE

- 1.1. The Quality and Operations Committee (the “Committee”), as a delegate of the Board of Directors (the “Board”), shall assist the Board in fulfilling its oversight responsibilities with respect to the Corporation’s policies and procedures on quality assurance, operations, and other compliance matters as specifically described in this Charter.

Section 2. MEMBERSHIP

- 2.1. **Composition** – The Committee shall be composed of at least five (5) members to be appointed by the Board, which shall include at least two (2) directors, the Chief Operating Officer, Chief Medical Officer, and the Head of the Nursing Service. 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.¹ For this purpose, the current members of the Committee shall serve as such until their successors shall have been qualified and appointed.
- 2.2. **Other Attendees** – The Committee may invite the Heads of Environment of Care Department, IT Department, Data Analytics Department, Clinical Investigation and Analysis, Continuous Improvement Hub, and Customer Relations in its meetings, and all others as necessary. The Attendees shall participate in the discussion as a regular member, but cannot vote.
- 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 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

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

vacancy shall hold office for the remainder of the term and until his or her successor shall have been qualified and appointed.

- 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 have the authority to establish a formal and transparent procedure for developing a policy on Quality and Operations for the Corporation. The Committee will focus on Internal Business Process, the Patient as Customer as well as the Shareholder Perspective.²

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

- (a) Aligned with the Corporation’s vision, mission and core values, know and understand the major areas or perspectives that are critical to the Corporation’s performance, namely: (a) Financial Perspective;³ (b) Business Process Perspective;⁴ (c) Customer Perspective;⁵ and (d) Learning and Growth Perspective;⁶
- (b) Develop policies and processes designed to improve operational workflow and eliminate or minimize bottlenecks in the system, to be able to effectively and efficiently provided and deliver the services;
- (c) Oversee management’s plan and strategies in maximization of bed management and usage of hospital facilities, streamlining and optimizing utilization of various assets including high-tech equipment, setting up policies to reduce or eliminate

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

³ **Financial Perspective:** Essentially, any key objective that is related to the company’s financial health and performance may be included in this perspective. Revenue and profit are obvious objectives that most organizations list in this perspective.

⁴ **Business Process Perspective:** This refers to the processes the Corporation need to put in place to deliver the customer- and finance-related objectives. This includes any internal operational goals and objectives set in place in order to drive performance.

⁵ **Customer Perspective:** This perspective focuses on performance objectives that are related to customers and the market. It defines what exactly does the Corporation need to deliver to the customers in order to achieve the financial objectives.

⁶ **Learning and Growth Perspective:** This perspective considers the tangible drivers of performance, broken down into: Human capital, Information capital, and Organizational capital.

waste, fraud and abuse of resources, and in reducing delays and eliminating adverse or sentinel events;

- (d) Develop a process to build and manage relationship with existing customers/patients, including establishing a database of customers/patients, establishing connection and communication with customers/patients, and promoting customer loyalty program and other valued services and programs;
- (e) Create policies and programs that will develop understanding of the customers/patients and help them improve their well-being through information and education, such as promotion of healthy lifestyle, upholding patient-as-partner approach, and other programs; and
- (f) Study relevant principles to be able to develop and adopt policies geared toward maximizing the value of Corporation's shares.

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 two (2) 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. Invitations** – The Committee may invite the heads of the certain departments to join the regular meeting as resource persons or participants in the discussions.
- 4.4. 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.
- 4.5. 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.

- 4.6. 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.
- 4.7. 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.
- 4.8. 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.
- 4.9. 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.
- 4.10. 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 or any person designated by the Office of the Corporate Secretary shall serve 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 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 resource of the Committee is the Office of Chief Operating Officer.
- 5.3. Technical Assistance** – The Committee may invite to its meetings members of Management and other persons including independent experts as it deems appropriate or desirable.


- 5.4. 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. Evaluation** – The Committee shall conduct an annual assessment of its performance, formulate plans for improvement, and the review 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.
- 5.7. 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 Quality and Operation 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