



# Euro-Med Laboratories Phil., Inc.

29 September 2020

**SECURITIES AND EXCHANGE COMMISSION**  
Corporate Governance and Finance Department  
Secretariat Building, PICC Complex,  
Roxas Boulevard, Pasay City  
Attention : **DIRECTOR RACHEL ESTHER J. GUMTANG-REMALANTE**

**THE PHILIPPINE STOCK EXCHANGE**  
Disclosure Department  
PSE Tower, 28<sup>th</sup> Street cor. 5<sup>th</sup> Avenue,  
BGC, Taguig City  
Attention : **MS. JANET A. ENCARNACION**  
Head, Disclosure Department

Gentlemen:

In compliance with the SEC Memorandum Circular No. 24, Series of 2019 and Memorandum Circular No. 19, Series of 2020, please find attached herewith the Company's New Manual on Corporate Governance as approved by the Board of Directors today, 29 September 2020.

Thank you.

Very truly yours,

  
**JANICE R. ONG**  
Corporate Secretary

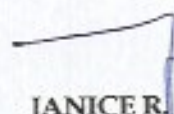


## CERTIFICATION

I, **JANICE R. ONG**, Corporate Secretary and a duly authorized representative of **EURO-MED LABORATORIES PHIL., INC.**, (the "Company") with SEC Registration Number 148022, and principal office at PPL Building, United Nations Avenue corner San Marcelino Street, Manila, do hereby certify and state that:

1. The Company will comply with the guidelines for the alternative filing of reports and documents through the Philippine Stock Exchange Electronic Disclosure Generation Technology ("PSE EDGE") and the Securities and Exchange Commission ("SEC") Markets and Securities Regulation Department in light of the imposition of the General Community Quarantine to prevent the spread of the 2019 Coronavirus Disease.
2. To the best of my knowledge, the information contained in the New Manual on Corporate Governance are true and correct.
3. On behalf of the Company, I undertake to a) submit hard or physical copies of the New Manual on Corporate Governance; b) pay the filing fees; c) pay the penalties due (where applicable); and d) pay other impositions (where applicable), within the period to be allotted by the SEC for the submission of materials and payment of fees.
4. I am fully aware that non-submission of the physical copies of the materials as well as of a certification that such physical copies and those submitted via email refer to one and the same document, within the period to be allotted by the SEC for the submission of the materials, shall invalidate the Report and related applications, compliances, requests and other documents submitted through PSE EDGE.
5. I am executing this certification to attest to the truthfulness of the foregoing facts and for whatever legal purpose it may serve.

Executed this 29<sup>th</sup> day of September 2020.

  
**JANICE R. ONG**  
Corporate Secretary  
Passport No. EC6341484  
Date Issued 07 January 2016  
Valid Until 06 January 2021

## REVISED MANUAL ON CORPORATE GOVERNANCE EURO-MED LABORATORIES PHIL., INC.

The Board of Directors and Management (including the officers and staff) of **Euro-Med Laboratories Phil., Inc.** (the “Company”) hereby commit themselves to the principles and best practices contained in this Manual, and acknowledge that the same shall guide them in the attainment of the Company’s goals. The Company developed this Manual in accordance with the provisions of the Code (as hereinafter defined) to achieve greater transparency and accountability in the conduct of its business.

[As approved by the Board in its meeting held on 29 September 2020]

### DEFINITION OF TERMS:

<b>Board</b>	the duly constituted and incumbent Board of Directors of the Company.
<b><u>Code of Corporate Governance</u></b>	Code of Corporate Governance for Public Companies and Registered Issuers adopted by the Securities and Exchange Commission through Memorandum Circular No. 24, Series of 2019 dated 19 December 2019
<b>Commission</b>	the Securities and Exchange Commission.
<b>Company</b>	Euro-Med Laboratories Phil., Inc.
<b>Corporate Governance</b>	the framework of rules, systems and processes in the Company that governs the performance of the Board of Directors and Management of their respective duties and responsibilities to stockholders and other stakeholders which include, among others, customers, employees, suppliers, financiers, government and the community in which it operates, <u>in order to maximize the Company’s long-term success and create sustainable value for its stakeholders while ensuring accountability and transparency from its Board of Directors and Management.</u>
<b>Independent Director</b>	shall have the meaning ascribed by Section II, Subsection (H), Item (1).

<b>Lead Independent Director</b>	an Independent Director of the Company chosen and appointed by the Independent Directors from amongst themselves at the organizational meeting of the Board following the annual stockholders meeting in cases where the Chairman of the Board is not an Independent Director.
<b>Management</b>	the group of executive officers of the Company led by the President.
<b>Non-Executive Director</b>	a member of the Board of Directors who has no executive responsibility and does not perform any work related to the operations of the Company.
<b><u>Related Parties</u></b>	<u>refers to the Company's directors, officers, substantial shareholders and their spouses and relatives within the fourth civil degree of consanguinity or affinity, legitimate or common-law, and other persons if these persons have control, joint control or significant influence over the Company. The term also covers any of the Company's subsidiaries, joint ventures or other entities that is controlled, jointly controlled or significantly influenced or managed by a person who is a related party.</u>
<b><u>Related Party Transaction</u></b>	<u>refers to any arrangement or transaction for the transfer of resources, services or obligations between the Company and a Related Party, regardless of whether a consideration is charged. It includes not only transactions that are entered into with Related Parties, but also outstanding transactions that are entered into with an unrelated party that subsequently becomes a Related Party.</u>
<b><u>Revised Corporation Code</u></b>	<u>Republic Act No. 11232 or "An Act Providing for the Revised Corporation Code of the Philippines" which took effect on 23 February 2019.</u>
<b>Stakeholders</b>	any individual, organization or society at large who can either affect and/or be affected by the Company's strategies, policies, business decisions and operations, in general. This includes, among others, customers, creditors, employees, suppliers, investors, as well as the government and community in which it operates.

[As approved by the Board in its meeting held on 29 September 2020]

## I. OBJECTIVE

This Manual shall institutionalize the principles of good corporate governance in the entire organization, and shall serve as a basic reference in implementing the principles thereof.

The Board of Directors and Management, employees and shareholders believe that corporate governance is a necessary component of what constitutes sound strategic business management and will therefore undertake every effort necessary to create awareness within the organization.

[As approved by the Board in its meeting held on 29 September 2020]

## II. BOARD OF DIRECTORS

### A. Overview and Composition of the Board

- 1) The Board of Directors shall be primarily responsible for ensuring compliance by the Company with the principles of good corporate governance enunciated in this Manual.
- 2) It is the Board's responsibility to foster the long-term success of the Company and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of its stockholders and stakeholders.
- 3) To ensure a high standard of best practice for the Company, its stockholders and other stakeholders, the Board shall conduct itself with utmost honesty and integrity in the discharge of its duties, functions, and responsibilities.
- 4) The Board shall be composed of directors, a majority of whom shall be Non-Executive Directors, who possess the necessary qualifications to effectively participate and help secure objective, independent judgment on corporate affairs and to substantiate proper checks and balances. The Board shall have at least three (3) Independent Directors, or such number as to constitute at least one-third (1/3) of the members of the Board, whichever is higher. [As approved by the Board in its meeting held on 25 April 2017]
- 5) The Board shall be composed of directors with a collective working knowledge, experience or expertise that is relevant to the Company's industry. [As approved by the Board in its meeting held on 29 September 2020]

## B. Specific Duties and Functions of the Board

- 1) Install a formal and transparent nomination and election process which shall include a review of the qualification of nominees to ensure a mix of competent directors and officers. [As approved by the Board in its meeting held on 29 September 2020]
- 2) Adopt an effective succession planning program for Management led by the President, and control functions led by the respective heads (Compliance Officer and Audit Officer); [As approved by the Board in its meeting held on 25 April 2017]
- 3) Provide sound strategic policies and guidelines to the Company on major capital expenditures. Establish programs that can sustain its long-term viability and strength. Periodically evaluate and monitor the implementation of such policies and strategies, including the business plans, operating budgets and Management's overall performance;
- 4) Determine the Company's purpose, its vision, mission and strategies to carry out its objectives; [As approved by the Board in its meeting held on 25 April 2017]
- 5) Ensure that the Company complies with all relevant laws, regulations and codes of best business practices;
- 6) Identify the Company's stakeholders in the community in which it operates who are directly affected by its operations, and formulate a clear policy of accurate, timely and effective communication with them, as well as a mechanism on the fair treatment and protection of stakeholders; [As approved by the Board in its meeting held on 25 April 2017]
- 7) Adopt a system of internal checks and balances, including a mechanism for monitoring and managing potential conflicts of interest of Management, Board members, and shareholders; [As approved by the Board in its meeting held on 25 April 2017]
- 8) Identify key risk areas and key performance indicators and monitor these factors with due diligence;
- 9) Formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions between and among the Company and its joint ventures, subsidiaries, associates, affiliates, major stockholders, officers and directors, including their spouses, children and dependent siblings and parents, and of interlocking director relationships by members of the Board;