

BOARD CHARTER OF THE CORPORATE GOVERNANCE AND NOMINATION COMMITTEE EURO-MED LABORATORIES PHIL., INC.

I. PURPOSE

The Corporate Governance and Nomination Committee shall assist the Board of Directors in ensuring compliance with and proper observance of corporate governance principles and practices. The Committee shall make recommendations to the Board on the qualified nominees for election as Directors, improvements on board organizations, mechanisms for evaluating performance of the Board, the Board Committees and Management.

II. RESPONSIBILITIES

The Committee will carry out the following responsibilities :

A. For Corporate Governance function :

1. Oversee the implementation of the corporate governance framework and periodically review and update the framework to ensure that it remains appropriate in light of material changes to the Company's size, complexity, and business strategy, as well as its business and regulatory environments, and ensure that these policies are consistently implemented in form and substance;
2. Oversee the periodic performance evaluation of the Board and its committees as well as executive management, and conduct an annual self-evaluation of its performance no later than the 30th of January of every year, or on such other date as the Committee may determine;
3. Ensure that the results of the Board evaluation are shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement;
4. Propose and plan relevant continuing education/training programs for directors and other members of the Board, assignment of tasks/projects to board committees, succession plan for the senior officers, and remuneration packages for individual and the Company's over-all performance;

B. For Nomination function :

1. The Committee shall define the general profile of Board members that the Company may need and ensure appropriate knowledge, competencies and expertise that complement the existing skills of the Board;
2. Promulgate its own guidelines or criteria to govern the conduct of the nomination of directors, which guidelines/criteria shall be properly disclosed in the Company's Information or Proxy Statement (as the case may be) or such other reports required to be submitted to the Commission.

C. For Remuneration function :

1. The Committee shall establish a formal and transparent procedure to develop a policy for determining the remuneration of directors and officers that is consistent with the Company's culture and strategy as well as the business environment in which it operates.

Moreover, the Committee shall review with the Board on an annual basis the appropriate skills and characteristics required on the Board in the context of the strategic direction of the Company.

Review and endorse to the Board on the recommendations of the Compliance Officer in relation to violations of provisions and requirements of the Revised Code of Corporate Governance and other corporate governance rules applicable to the Company, including the Company's Manual on Corporate Governance.

Review annually the Charters of all Board Committees and recommend to the Board any needed changes. In reviewing the Charters of the Board Committees, the Committee should consult with the concerned Board Committee. The Committee's recommendation on any change in any of the Charters shall be submitted to the Board for approval.

Design an orientation program for new Directors and related continuing education program for existing Directors.

Assess the effectiveness of the Board's processes and procedures in the election or replacement of Directors.

III. MEMBERS

The Corporate Governance and Nomination Committee shall be composed of five (5) members, three (3) of whom shall be Independent Directors, including the Chairman of the Board. . The Company's HR Head may be appointed as a non-voting member. The members of the Committee including the Chairman thereof, shall be appointed by the Board of Directors annually.

The Chairman or any member or advisor of the Committee may be removed from office only by the Board of Directors.

IV. MEETINGS

The Committee shall hold meetings at such times and places as it considers appropriate.

Meetings of the Committee shall be convened by the Chairman of the Committee as and when he considers appropriate and the Chairman shall convene a meeting upon the request of a majority in number of the voting Members of the Committee.

A Committee meeting shall be convened by not less than seven (7) calendar days' notice via e-mail, specifying the place, date and time for the meeting and the general nature of the businesses to be transacted at the meeting.

Notwithstanding that a meeting is called by shorter notice, it shall be deemed to have been duly convened if it is so agreed by the Members of the Committee present in the meeting at which there is a quorum. A Member may consent to short notice and may waive notice of any meeting of the Committee and any such waiver may be retrospective.

The quorum for a meeting of the Committee shall be a majority of the voting Members of the Committee present throughout the meeting.

Members and Advisors of the Committee may participate in a meeting of the Committee through teleconference or video conference by means of which all persons participating in the meeting can hear each other.

Resolutions at a meeting of the Committee at which there is a quorum shall be passed by a simple majority of votes of the voting Members present at such meeting. Each Member, including the Chairman of the Committee shall have one (1) vote. In case of an equality of votes, the Chairman of the Committee shall not have a second or casting vote.

V. REMUNERATION OF MEMBERS

No fees or other remuneration shall be payable to the Members of the Committee in respect of their services provided in connection with the Committee or in respect of their attendance at meetings of the Committee, except fees or remuneration authorized and approved by the Board.

VI. MINUTES AND RECORDS

The Committee shall appoint a Secretary who shall prepare minutes of meetings of the Committee and keep books and records of the Committee.

The Committee shall cause records to be kept for the following:

- a) appointments and resignations of the Members of the Committee;
- b) all agenda and other documents sent to the Members of the Committee; and
- c) minutes of proceedings and meetings of the Committee.

Any such books and records shall be open for inspection by any Member of the Committee upon reasonable prior notice during usual office hours of the Company.

VII. COMMITTEE REPORTS AND PERFORMANCE EVALUATION

The Committee shall report its activities to the Board on a regular basis and make such recommendations with respect thereto and other matters as the Committee may deem necessary or appropriate.

The Committee shall prepare and review with the Board of Directors an annual performance evaluation of the Committee, which evaluation must compare the performance of the Committee with the requirements of its Charter, set forth the goals and objectives of the Committee for the ensuing year and include any recommendation to the Board of Directors on any improvements to the Charter deemed necessary or desirable by the Committee.

This Charter shall be reviewed on an annual basis and as required. This may not be amended, altered or varied unless such amendment, alteration or variation shall have been approved by the Board of Directors.

ANNEX 'A'
**Procedures for Nomination for Election of Candidates to
The Board of Directors**

EURO-MED LABORATORIES PHIL., INC. ("Euro-Med") encourages the selection of a mix of competent directors. Building the right board requires an understanding of director competencies, which involves consideration of the directors' experience, skills, attributes and capabilities. The Board has adopted a policy of diversity in gender, age, ethnicity, religious, political or cultural backgrounds in its Charter. Thus, the Board encourages the shareholders of Euro-Med to select nominees that will promote diversity in the membership of the Board, and ensures a formal and transparent board nomination and election process.

Procedures and Process for Nomination of Directors by Shareholders :

Every stockholder including the minority has a right to submit a nomination for election to the Board.

All nominations to the Board, shall be submitted to the Nomination Committee, through the Office of the Corporate Secretary, at least sixty (60) working days before the date of the annual stockholders meeting.

The Nomination Committee shall hold a meeting for the specific purpose of determining whether the nominees to the Board have all the qualifications and none of the disqualifications specified in the Corporation Code of the Philippines, the Manual of Corporate Governance, the Charter of the Board, the Securities Regulation Code ("SRC") Rules, and applicable laws, rules and regulations.

The evaluation of all nominees for directors shall be conducted by the Committee prior to a shareholders' meeting. All recommendations for nominees shall be signed by the nominating shareholder together with the acceptance and conformity by the would-be nominees.

With respect to an incumbent director whom are considering as a potential nominee for re-election, the Committee shall review and consider the service to the Company during his or her term, including the number of meetings attended, level of participation, and overall contribution to the Company in addition to such person's biological information and qualifications.

The Committee shall pre-screen the qualifications and prepare a final list of all candidates and put in place screening policies and parameters to enable it to effectively review the qualifications of all the nominees. The Committee shall confirm that all nominees for election have all the qualifications and none of the disqualifications to become directors.

If a nominee is not endorsed for election by reason of a disqualification, the resolution of the Nomination Committee should clearly specify the grounds relied upon for disqualification.

After the evaluation and pre-screening process, the Committee shall prepare and sign a Final List of Candidates which shall contain all the nominees, as required under Part IV (A) and (C) of Annex "C" of Rule 12 of the Securities Regulation Code. The list shall be made available to the Commission and to all shareholders through the filing and distribution of the Information Statement, in accordance with Rule 20 of the Securities Regulation Code, or in such other reports the Company is required to submit to the Commission. The name of the person or group of persons who recommended the nomination of the Independent Director shall be identified in such report including relationship with the nominee; and

Only nominees whose names appear in the Final List of Candidates shall be eligible for election. No other nominations shall be entertained after the Final List of Candidates shall have been prepared. No further nominations shall be entertained or allowed on the floor during the annual shareholders' meeting.

A. Qualifications of a Director

No person shall be elected director of the Company unless he or she shall qualify in accordance with the following conditions and shall have none of the disqualifications stated hereunder:

- 1) Holder of at least one (1) share of stock of the Company;
- 2) He or she shall be at least a college graduate or have sufficient experience in managing the business to substitute for such formal education;
- 3) He or she shall be at least twenty one (21) years old;
- 4) He or she shall have proven to possess integrity and probity;
- 5) He or she shall be assiduous; and

- 6) Unless otherwise endorsed by the Nomination Committee on meritorious grounds, Non-Executive Directors of the Board shall only serve as concurrent director to a maximum of five (5) publicly-listed companies to ensure that they have sufficient time to fully prepare for meetings, challenge Management's proposals/views, and oversee the long-term strategy of the Company.

B. Disqualifications of a Director

1) Grounds for Permanent Disqualification

- (a) Any person convicted by final judgment or order of a competent judicial or administrative body of any crime that (a) involves the purchase or sale of securities, as defined in the Securities Regulation Code; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (c) arises out of his or her fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;
- (b) Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the Commission or any court or administrative body of competent jurisdiction from: (a) acting as underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as director, or officer of a bank, quasi-bank, trust company, investment house, or investment company; (c) engaging or continuing any conduct or practice in any of the capacities mentioned in subparagraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities.
- (c) The disqualification shall also apply if such person is currently the subject of an order of the Commission or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him or her under the Corporation Code, Securities Regulation Code or any other law administered by the Commission or Bangko Sentral ng Pilipinas (BSP), or under any rule or regulation issued by the Commission or BSP, or has otherwise been restrained to engage in any activities involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him or her from membership, participation, or association with a member or participant of the organization;

- (d) Any person finally convicted judicially of an offense involving moral turpitude or fraudulent act or transgressions;
- (e) Any person finally found by the Commission or a court or other administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of, any provision of the Securities Regulation Code, the Corporation Code, or any other law administered by the Commission, or any rule, regulation or order of the Commission;
- (f) Any person earlier elected as Independent Director who becomes an officer, employee or consultant of the same company;
- (g) Any person judicially declared to be insolvent;
- (h) Any person finally found guilty by a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct listed in the foregoing paragraphs; and
- (i) Conviction by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Corporation Code, committed within five (5) years prior to the date of his or her election or appointment.

2) Grounds for Temporary Disqualification

- (a) Absence in more than fifty percent (50%) of all regular and special meetings of the Board during his or her incumbency, or any twelve (12)-month period during the said incumbency, unless the absence is due to illness, death in the immediate family, or serious accident. The disqualification shall apply for purposes of the succeeding election;
- (b) Dismissal or termination for cause as director of any publicly-listed company, public company, registered issuer of securities, and holder of a secondary license from the Commission. The disqualification shall be in effect until he or she has cleared himself or herself from any involvement in the cause that gave rise to his or her dismissal or termination; and
- (c) In the case of an Independent Director, if the beneficial ownership of said director in the Company or its subsidiaries and affiliates exceeds two percent (2%) of its subscribed capital stock. The disqualification from being elected as an Independent Director shall be lifted if the limit is later complied with.