

## **DIVIDEND POLICY**

### **EURO-MED LABORATORIES PHIL., INC.**

The Company dividend policy is to declare at least annually, which shall be payable in cash or in stock from the unrestricted retained earnings subject to compliance with the requirements of applicable laws and regulations. Each holders of a common share is entitled to such dividends. The approval of the Board of Directors is generally sufficient to approve the distribution of dividends.

The Company's By-Laws provide that for purposes of determining the shareholders entitled to receive payment of any dividends, the Board will fix a date as the record date for any such determination of shareholders. The By-Laws likewise provide that, the Board may provide that the stock and transfer book be closed for a period of 10 business days immediately preceding such meeting declaring the dividends. No shares of stock of the Company may be transferred during the period when the books are closed.

Euro-Med observes a twenty-one day period for the payment of dividends to its shareholders from the declaration of such dividends.

The Board of Directors of Euro-Med regularly reviews the dividend policy, including the frequency of its distribution, taking into account the Company's results of operations, general financial condition, capital requirements, liquidity, foreign exchange rates, loan obligations and such other factors the Board of Directors of Euro-Med may deem relevant.