

SEC Number 148022
File Number _____

EURO-MED LABORATORIES PHIL.,INC.
(Company's Full Name)

PPL Bldg., 1000 United Nations Avenue corner San Marcelino St., Manila
(Company's Address)

524-0091 to 98
(Telephone Number)

December 31
(Fiscal Year Ending)
(month & day)

**Compliance to the letter dated 10 December 2007 of the Director,
Corporate Finance Department, Securities and Exchange Commission
Amended Manual on Corporate Governance**
Form Type

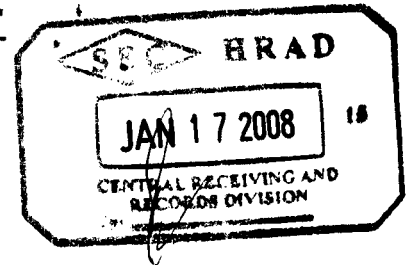
Amendment Designation (if applicable)

16 January 2008
Period Ended Date

Secondary License Type and File Number



Euro-Med Laboratories Phil., Inc.



17 January 2008

SECURITIES AND EXCHANGE COMMISSION
Corporation Finance Department
6th Floor SEC Bldg.,
EDSA Greenhills,
Mandaluyong City

Attention: **Ms. Justina F. Callangan**
Director

Subject : **Compliance to letter dated 10 December 2007**

Madam:

Please be informed that the Board of Directors in their meeting yesterday, 16 January 2008, approved the amendment to the Corporation's Manual on Corporate Governance.

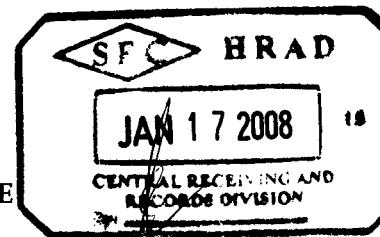
As per our letter dated 21 December 2007, we are herewith submitting a copy of the Amended Manual on Corporate Governance duly signed by the Chairman of the Board in compliance with the requirement to have all the directors attend a seminar on corporate governance.

We trust that we have sufficiently addressed your concerns.

Very truly yours,


JANICE R. ONG
Corporate Secretary

**AMENDED 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. hereby commit themselves to the principles and best practices contained in this Manual, and acknowledge that the same may guide the attainment of our corporate goals.

1. OBJECTIVE

This Manual shall institutionalize the principles of good corporate governance in the entire organization.

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.

2. COMPLIANCE SYSTEM

2.1 Board of Directors

The Board of Directors shall be primarily responsible for ensuring compliance by the Corporation with the principles of good corporate governance enunciated in this Manual.

It shall be the Board's responsibility to foster the long-term success of the Corporation and secure its sustained competitiveness in a manner consistent with its fiduciary responsibility, which it shall exercise in the best interest of the Corporation, its shareholders and other stakeholders. The Board shall conduct itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities.

2.1.1 General Responsibility

A director's office is one of trust and confidence. He or she shall act in a manner characterized by transparency, accountability and fairness.

2.1.2 Specific Duties and Functions

To insure a high standard of best practice for the Corporation and its stakeholders, the Board shall:

- Install a process of selection to ensure a mix of competent directors and officers.
- Determine the Corporation's purpose, its vision and mission and strategies to carry out its objectives.
- Ensure that the Corporation complies with all relevant laws, regulations and codes of best business practices;
- Adopt and formulate a clear policy on communicating or relating with all the shareholders of the Corporation, and not only its major stockholders, through an effective investor relations program;
- Adopt a system of internal checks and balances;

- Identify key risk areas and key performance indicators and monitor these factors with due diligence;
- Properly discharge Board functions by meeting regularly. Independent views during Board meetings shall be given due consideration and all such meetings shall be duly minuted; and
- Keep Board authority within the powers of the institution as prescribed in the Articles of Incorporation, By-Laws and in existing laws, rules and regulation.

2.1.3 Duties and Responsibilities of a Director

- A director shall have the following duties and responsibilities:
- To conduct fair business transactions with the Corporation and to ensure that personal interest does not bias Board decisions;
- To devote time and attention necessary to properly discharge his or her duties and responsibilities;
- To act judiciously;
- To exercise independent judgment;
- To have a working knowledge of the statutory and regulatory requirements affecting the Corporation, including the contents of its Articles of Incorporation and By-Laws, the requirements of the Commission, and where applicable, the requirements of other regulatory agencies.
- To observe confidentiality;
- To ensure the continuing soundness, effectiveness and adequacy of the Corporation's control environment.
- *It shall be incumbent upon a director to familiarize himself with the principles of corporate governance by attending a seminar to be conducted by a duly recognized private or government institution, and to apprise himself of all updates thereon, if any.*

2.1.4 Qualifications of a Director

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

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

Disqualifications

- Any person finally convicted judicially of an offense involving moral turpitude or fraudulent act or transgressions;
- 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;
- Any person judicially declared to be insolvent;
- 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
- 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.

2.2 Board Committees

To aid in complying with the principles of good corporate governance, the Board shall constitute the Audit Committee to be composed of at least three (3) members of the Board, one (1) of whom shall be an independent director. Each member shall have adequate understanding at least or competence at most of the company's financial management systems and environment.

2.2.1 Duties and Responsibilities

- Check all financial reports against its compliance with both the internal financial management handbook and pertinent accounting standards, including regulatory requirements.
- Perform oversight financial management functions specifically in the areas of managing credit, market, liquidity, operational, legal and other risks of the Corporation, and crisis management.
- Pre-approve all audit plans, scope and frequency one (1) month before the conduct of external audit.
- Perform direct interface functions with the internal and external auditors.
- Develop a transparent financial management system that will ensure the integrity of internal control activities throughout the company through a step-by-step procedures and policies handbook that will be used by the entire organization.

2.3 The Corporate Secretary

2.3.1 The Corporate Secretary is an officer of the Corporation. His or her loyalty to the mission, vision and specific business objectives of the corporate entity come with his or her duties.

2.3.2 The Corporate Secretary shall be a Filipino citizen.

2.3.3 Considering his or her varied functions and duties, he or she must possess administrative and interpersonal skills, and if he or she is not the general counsel, then he or she must have some legal skills. He or she must also have some financial and accounting skills.

2.3.4 Duties and Responsibilities

- Gather and analyze all documents, records and other information essential to the conduct of his duties and responsibilities to the Corporation.
- As to agenda, get a complete schedule thereof at least for the current year and put the Board on notice before every meeting.
- Assist the Board members in making business judgment in good faith and in the performance of their responsibilities and obligations.
- Attend all Board meetings and maintain record of the same.
- Submit to the Commission, at the end of every fiscal year, an annual certification as to the attendance of the directors during Board meetings.

2.4 External Auditor

2.4.1 The External Auditor shall enable an environment of good corporate governance as reflected in the financial records and reports of the Corporation. The External Auditor shall be selected and appointed by the stockholders upon recommendation of the Audit Committee.

2.4.2 The reason/s for the resignation, dismissal or cessation from service and the date thereof of the External Auditor shall be reported in the Corporation's annual and current reports. Said report shall include a discussion of any disagreement with said former External Auditor on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure.

2.4.3 The External Auditor of the Corporation shall not at the same time provide the services of an internal auditor to the said Corporation. The Corporation shall ensure that other non-audit work shall not be in conflict with the functions of the External Auditor.

2.4.4 The Corporation's External Auditor shall be rotated or the handling partner shall be changed every five (5) years or earlier.

2.4.5 If the External Auditor believes that the statements made in the Corporation's annual report, information statement or proxy statement filed during his engagement is incorrect or incomplete, he or she shall present his views in said reports.

2.5 Internal Auditor

2.5.1 The Corporation shall have in place an independent internal audit function which shall be performed by an Internal Auditor or a group of Internal Auditors, through which its Board, senior management, and stockholders shall be provided with reasonable assurance that its key organizational and procedural controls are effective, appropriate and complied with.

2.5.2 The Internal Auditor shall report to the Audit Committee.

2.5.3 The minimum internal control mechanisms for Management's operational responsibility shall center on the CEO, being ultimately accountable for the Corporation's organizational and procedural controls.

2.5.4 The scope and particulars of a system of effective organizational and procedural controls shall be based on the following factors: the nature and complexity of business and the business culture; the volume, size and complexity of transactions; the degree of risk; the degree of centralization and delegation of authority; the extent and effectiveness of information technology; and the extent of regulatory compliance.

3. COMMUNICATION PROCESS

3.1 This manual shall be available for inspection by any stockholder of the Corporation at reasonable hours on business days.

4. TRAINING PROCESS

4.1 If necessary, as may be determined by the Board of Directors, funds shall be allocated by the Chief Financial Officer or its equivalent officer for the purpose of conducting an orientation program or workshop to operationalize this Manual.

5. REPORTORIAL OR DISCLOSURE SYSTEM OF COMPANY'S CORPORATE GOVERNANCE POLICIES

5.1 The reports or disclosures required under this Manual shall be prepared and submitted to the Commission by the responsible Committee or officer through the Corporate Secretary;

5.2 The Board shall conduct an annual review of compliance by the responsible Committee of its duties and responsibilities as specified in this Manual and shall submit, through the Corporate Secretary, a report on the matter to the Commission. The frequency of such review may be increased or decreased as may be warranted by circumstances.

5.3 All material information, i.e., anything that could potentially affect share price, shall be publicly disclosed. Such information shall include earnings results, acquisition or disposal of assets, board changes, related party transactions, shareholdings of directors and changes to ownership.

5.4 Other information that shall always be disclosed includes remuneration (including stock options) of all directors and senior management corporate strategy, and off-balance sheet transactions.

5.5 All disclosed information shall be released via the approved stock exchange procedure for company announcements as well as through the annual report.

5.6 The Board shall commit at all times to fully disclose material information dealings. It shall cause the filing of all required information for the interest of the stakeholders.

6. SHAREHOLDERS' BENEFIT

The Corporation recognizes that most cogent proof of good corporate governance is that which is visible to the eyes of its investors. Therefore the following provisions are issued for the guidance of all

internal and external parties concerned, as governance covenant between the Corporation and all its investors:

6.1 Investors' Rights and Protection

6.1.1 Rights of Investors/Minority Interests

The Board shall be committed to respect the following rights of the stockholders.

6.1.2 Voting Right

6.1.2.1 Shareholders shall have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code.

6.1.2.2 Cumulative voting shall be used in the election of directors.

6.1.2.3 A director shall not be removed without cause if it will deny minority shareholders representation in the Board.

6.1.3 Pre-emptive Right

All stockholders shall have pre-emptive rights, unless the same is denied in the Articles of Incorporation or an amendment thereto. They shall have the right to subscribe to the capital stock of the Corporation. The Articles of Incorporation shall lay down the specific rights and powers of shareholders with respect to the particular shares they hold, all of which shall be protected by law so long as they shall not be in conflict with the Corporation Code.

6.1.4 Power of Inspection

All shareholders shall be allowed to inspect corporate books and records including minutes of Board meetings and stock registries in accordance with the Corporation Code and shall be furnished with annual reports, including financial statements, without cost or restrictions.

6.1.5 Right to Information

6.1.5.1 The Shareholders shall be provided, upon request, with periodic reports which disclose personal and professional information about the directors and officers (to the extent that the same is known to the Corporation in accordance with the disclosures required of said directors and officers) and certain other matters such as their holdings of the Corporation's shares, dealings with the Corporation, relationships among directors and key officers, and the aggregate compensation of directors and officers.

6.1.5.2 The minority shareholders shall be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes. Any such proposal should be submitted in writing to the Board of Directors or the Corporate Secretary at least ninety (90) days prior to the date of the annual shareholders' meeting as specified in the corporate by laws.

6.1.5.3 The minority shareholders shall have access to any and all information relating to matters for which Management is accountable for and to those relating to matters for which Management shall include such information and, if not

included, then the minority shareholders shall be allowed, subject to the foregoing paragraph, to propose to include such matters in the agenda of stockholders' meeting, being within the definition of "legitimate purposes".

6.1.6 Right to Dividends

6.1.6.1 Shareholders shall have the right to receive dividends subject to the discretion of the Board.

6.1.6.2 The Corporation shall be compelled to declare dividends when its retained earnings shall be in excess of 100% of its paid-in capital stock, except: a) when justified by definite corporate expansion projects or programs approved by the Board or b) when the Corporation is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured; or c) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the Corporation, such as when there is a need for special reserve for probable contingencies.

6.1.7 Appraisal Right

The Shareholders shall have appraisal right or the right to dissent and demand payment of the fair value of their shares in the manner provided for under Section 82 of the Corporation Code of the Philippines, under any of the following circumstances :

- In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
- In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code; and
- In case of merger or consolidation.

6.1.8 It shall be the duty of the Directors to promote shareholder rights, remove impediments to the exercise of shareholders' rights and allow possibilities to seek redress for violation of their rights. They shall encourage the exercise of shareholders' voting rights and the solution of collective action problems through appropriate mechanisms. They shall be instrumental in removing excessive costs and other administrative or practical impediments to shareholders participating in meetings and/or voting in person. The Directors shall pave the way for the electronic filing and distribution of shareholder information necessary to make informed decisions subject to legal and financial constraints.

7. MONITORING AND ASSESSMENT


- 7.1 Each Committee shall report regularly to the Board of Directors as may be warranted by circumstances.
- 7.2 The Board of Directors shall, if deemed necessary, establish an evaluation system to determine and measure compliance with this Manual. Any violation thereof shall subject the responsible officer or employee to the penalty provided under Part 8 of this Manual.

- 7.3 The establishment of such evaluation system, if any, including the features thereof, shall be disclosed in the Corporation's annual report (SEC Form 17-A) or in such form of report that is applicable to the Corporation.
- 7.4 This Manual shall be subject to an annual review unless the same frequency is amended by the Board.
- 7.5 All business processes and practices being performed within any department or business unit of the Corporation that are not consistent with any portion of this Manual shall be revoked unless upgraded to the compliant extent.

8. PENALTIES FOR NON-COMPLIANCE WITH THE MANUAL

- 8.1 To strictly observe and implement the provisions of this Manual, the Board of Directors shall determine the appropriate penalty for violation of this Manual on a case-to-case basis taking into consideration the nature of the violation as well as the gravity and frequency of the same.
- 8.2 The Board of Directors shall be responsible for determining violation/s through notice and hearing and shall recommend to the Chairman of the Board the imposable penalty for such violation for further review and approval of the Board.

Signed:


DR. TOMAS P. MARAMBA, JR.
Chairman of the Board