

The following are the duties and obligations of the SSC Members and the SSS Officers:

**Section 24. *Fiduciary Duty*** - The SSC Members and the SSS Officers are fiduciaries of the State such that they have the legal obligation and duty<sup>36</sup> to always act in the best interest of the SSS, with utmost good faith in all transactions relating to their duties to the SSS and its properties, interests and monies; and are constituted trustees in relation to its properties, interest and monies.<sup>37</sup>

A member of the Commission shall apply sound business principles to ensure the financial soundness of the SSS. In his/her dealings with and for the SSS, a member of the Commission is held to the same strict rule of honesty and fair dealing between himself/herself and his/her principal as other agent. He/she shall act for the benefit of SSS and not for his/her own benefit, and shall not profit as an individual by virtue of his/her position.

**Section 25. *Public Officials*** - The SSC Members and the SSS Officers perform their roles as public officials in accordance with the Code of Conduct and Ethical Standards for Public Officers and Employees<sup>38</sup> and the SSS Code of Conduct with its declared policies: (a) to promote a high standard of ethics in public service; and (b) Public Officials and employees shall at all times be accountable to the people and shall discharge their duties with utmost responsibility, integrity, competence, and loyalty; act with patriotism and justice, lead modest lives, and uphold public interest over personal interest.

**Section 26. *Respect and Obedience to Constitution and Law*** - The SSC Members and the SSS Officers shall respect and obey the Constitution, and shall comply, and cause the SSS to faithfully and timely comply, with all legal provisions, rules and regulations and corporate governance standards, applicable to them and to the SSS in which they serve, and to act within the bounds of the SSS Charter.

**Section 27. *Duty of Diligence*** - The fiduciary duty of the SSC Members and the SSS Officers to always act in the best interest of the SSS, with utmost good faith<sup>39</sup> in all its dealing with its properties and monies, includes the obligation to:

1. Exercise extraordinary diligence, skill and utmost good faith in the conduct of the business and in dealing with the properties of SSS, using the utmost diligence of a very cautious person with due regard to all circumstances;<sup>40</sup>
2. Apply sound business principles to ensure the financial soundness of the SSS;<sup>41</sup> and
3. Elect, appoint and/or employ only Officers who are fit and proper to hold such office with due regard to the qualifications, competence, experience and integrity.<sup>42</sup>

Every Commissioner or Officer, by the act of accepting such position in the SSS, affirms and agrees:

- a. To have a working knowledge of the statutory and regulatory requirements affecting the SSS which he serves, including the contents of its Charter, rules and regulations and where applicable, the requirements of other Supervising Agencies; and

<sup>36</sup> Section 23, GCG-MC No. 2012-07.

<sup>37</sup> Section 23, GCG-MC No. 2012-07.

<sup>38</sup> Section 24, GCG-MC No. 2012-07.

<sup>39</sup> Section 19, R.A. No. 10149; Section 26, GCG-MC No. 2012-07.

<sup>40</sup> Section 21, R.A. No. 10149.

<sup>41</sup> Section 19 (d), R.A. No. 10149; Section 26 (b), GCG-MC No. 2012-07.

<sup>42</sup> Section 19 (e), R.A. No. 10149; Section 26 (c), GCG-MC No. 2012-07.

- b. To always keep himself informed of industry developments and business trends in order to safeguard SSS interests and preserve its competitiveness.

Every Commissioner or Officer, by the act of accepting such position in the SSS, affirms and agrees:

- a. To have a working knowledge of the statutory and regulatory requirements affecting the SSS which he serves, including the contents of its Charter, rules and regulations and where applicable, the requirements of other Supervising Agencies; and
- b. In this regard, the SSC shall provide for ongoing or continuous professional education and training programs for the SSC Members and Commission officers.

**Section 28. *Loyalty*** - The fiduciary duty of loyalty<sup>43</sup> of the Commissioners and Officers to always act in the best interest of the SSS, with utmost good faith in all its dealing with its properties and monies, includes the obligation to:

- a. Act with utmost and undivided loyalty to the SSS;
- b. Avoid conflicts of interest and declare any interest they may have in any particular matter before the SSC; and
- c. Avoid (1) taking for themselves opportunities related to SSS business; (2) using SSS property, information or position for personal gain; or (3) competing with SSS business opportunities.<sup>44</sup>

**28.1. *Conflict of Interest*** - The Commissioners and Officers shall at all times avoid any actual or potential conflict of interest with the SSS. Each shall also avoid conduct, or situation, which could reasonably be construed as creating an appearance of a conflict of interest.<sup>45</sup>

Any question about a Commissioner's or Officer's actual or potential conflict of interest with the SSS shall be brought promptly to the attention of the SSC Chairman who will review the question and determine an appropriate course of action.

**28.2. *Trustee Relation to GOCC Properties, Interests and Monies*** - Except for the per diem received for actual attendance in board meetings and the reimbursement for actual and reasonable expenses and incentives as authorized by the GCG, any and all realized and unrealized profits and/or benefits including, but not limited to, the share in the profits, incentives of Commissioners, Appointive Directors or Officers in excess of that authorized by the GCG, stock options, dividends and other similar offers or grants from corporations where SSS is a stockholder or investor, and any benefit from the performance of Commissioners, Appointive Directors and Officers acting for and on behalf of the SSS in dealing with its properties, investments in other corporations, management of Subsidiaries and nomination in Affiliates and other interests, are to be held in trust by such Commissioner, or Officer for the exclusive benefit of the SSS he represents.<sup>46</sup>

**28.3. *Appointive Director from the Private Sector*** - An Appointive Director from the Private Sector does not cease to represent the private sector despite having become a public official by reason of his/her being a Director/Member of the SSS. Therefore, such Appointive Director may be appointed or nominated into the Subsidiary or Affiliate of the

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<sup>43</sup> Section 19 (a), R.A. No. 10149; Section 27, GCG-MC No. 2012-07 and Section 19, R.A. No. 10149.

<sup>44</sup> Section 27 (c), GCG-MC No. 2012-07.

<sup>45</sup> Section 19 (c), R.A. No. 10149; Section 27.1, GCG-MC No. 2012-07.

<sup>46</sup> Section 20, R.A. No. 10149; Section 27.2, GCG-MC No. 2012-07.