

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 faith³⁸ 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;³⁹
2. Apply sound business principles to ensure the financial soundness of the SSS;⁴⁰ 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.⁴¹

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. 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 loyalty⁴² 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.⁴³

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

³⁸ Section 19, R.A. No. 10149; Section 26, GCG–MC No. 2012-07.

³⁹ Section 21, R.A. No. 10149.

⁴⁰ Section 19 (d), R.A. No. 10149; Section 26 (b). GCG–MC No. 2012-07.

⁴¹ Section 19 (e), R.A. No. 10149; Section 26 (c). GCG–MC No. 2012-07.

⁴² Section 19 (a), R.A. No. 10149; Section 27, GCG–MC No. 2012-07 and Section 19, R.A. No. 10149.

⁴³ Section 27 (c), GCG–MC No. 2012-07.