



SECURITIES
CLEARING CORPORATION
OF THE PHILIPPINES

Memo for Brokers

No. 05-0714

For : All Clearing Members
Date : 25 July 2014
Subject : Urgent: SEC Notice re SEC Memorandum Circular No. 9, Series of 2014

At the request of the Securities and Exchange Commission ("SEC"), attached is a copy of a letter faxed to the SCCP by the SEC dated July 25, 2014, requesting us to disseminate a **Notice** reminding our Clearing Members to submit no later than July 31, 2014 your respective Manuals of Corporate Governance reflecting the changes required under SEC Memorandum Circular No. 9, Series of 2014 which amended the Revised Code of Corporate Governance.

In addition to the Notice, also attached is a copy of SEC Memorandum Circular No. 9, Series of 2014.

For your information and guidance.

Renee D. Rubio
Chief Operating Officer



Republic of the Philippines
Department of Finance
Securities and Exchange Commission
SEC Building, EDSA, Greenhills, Mandaluyong City
MARKETS AND SECURITIES REGULATION DEPARTMENT

July 25, 2014

SECURITIES CLEARING CORPORATION OF THE PHILIPPINES
2/F, PSE Plaza, Ayala Triangle
Ayala Avenue, Makati City
Tel. No. 819-4462
Fax No. 848-6616

Attention: **MR. HANS B. SICAT**
President

Gentlemen:

This refers to SEC Memorandum Circular No. 9, series of 2014 which directed covered corporations to submit not later than July 31, 2014 their respective Manuals of Corporate Governance reflecting the changes required under the subject memorandum circular, a copy of which is attached herewith.

In this regard, please disseminate to your members the attached notice.

For your strict compliance.

Very truly yours,


VICENTE GRACIANO P. FELIZMENIO, JR.
Director



Republic of the Philippines
Department of Finance
Securities and Exchange Commission
SEC Building, EDSA, Greenhills, Mandaluyong City
MARKETS AND SECURITIES REGULATION DEPARTMENT

NOTICE

This refers to SEC Memorandum Circular No. 9, series of 2014 (the "Memorandum Circular") which amended the Revised Code of Corporate Governance (the "Code"). The Memorandum Circular was approved by the Commission *en banc* in its meeting held on May 6, 2014. A copy of the Memorandum Circular was posted on the Commission website (www.sec.gov.ph) and made available for downloading since May 20, 2014.

In this regard, corporations covered under the Code are reminded to submit not later than **July 31, 2014** their respective Manuals of Corporate Governance reflecting the changes required under the Memorandum Circular.

In submitting the amended manuals, please attach a Secretary's Certificate stating therein that the revisions were duly approved by the Board of Directors.

This notice is not required to be provided to covered entities under any law, rule, or policy. Nonetheless, notice is being made to underscore compliance by covered entities.


VICENTE GRACIANO P. FELIZMENIO, JR.
Director



Republic of the Philippines
Department of Finance
Securities and Exchange Commission
SEC Building, EDSA, Greenhills, Mandaluyong City

SEC MEMORANDUM CIRCULAR NO. 9
Series of 2014

TO : ALL COVERED CORPORATIONS

SUBJECT : AMENDMENT TO THE REVISED CODE OF CORPORATE GOVERNANCE

The Commission in its meeting on 06 May 2014 approved the following amendment to SEC Memorandum Circular No. 6, Series of 2009, otherwise known as the Revised Code of Corporate Governance, to read as follows:

Article 1: Definition of Terms

- a) **Corporate Governance** – the framework of rules, systems and processes in the corporation that governs the performance of the Board of Directors and Management of their respective duties and responsibilities to ***stockholders and other stakeholders which include, among others, customers, employees, suppliers, financiers, government and community in which it operates.***

Article 3: Board Governance

F) Responsibilities, Duties and Functions of the Board

1. General Responsibility

It is the Board's responsibility to foster the long-term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of ***its stockholders and other stakeholders.***

x xxxx

2. Duties and Functions

To ensure a high standard of best practice for the corporation, ***its stockholders and other stakeholders,*** the Board should conduct itself with honesty and integrity in the performance of, among others, the following duties and responsibilities:

x xxxx

- e) Identify the corporation's ***stakeholders*** in the community in which it operates or are directly affected by its operations and formulate a clear policy of accurate, timely and effective communication with them.

L) The Corporate Secretary

x xxxx

(iii) Work fairly and objectively with the Board, Management, stockholders **and other stakeholders**;

Article 5: Accountability and Audit

A)

x xxxx

(ii) An effective system of internal control that will ensure the integrity of the financial reports and protection of the assets of the corporation for the benefit of all **stockholders and other stakeholders**.

Article 8: Disclosure and Transparency

x xxxx

It is therefore essential that all material information about the corporation which could adversely affect its viability or the interest of **its stockholders and other stakeholders** should be publicly and timely disclosed. Such information should include, among others earnings results, acquisition or disposition of assets, off balance sheet transactions, related party transactions, and direct and indirect remuneration of members of the Board and Management.

The Board shall therefore commit at all times to full disclosure of material information dealings. It shall cause the filing of all required information through the appropriate Exchange mechanisms for listed companies and submissions to the Commission for the interest of its stockholders and other stakeholders.

This Memorandum Circular shall take effect after fifteen (15) days from publication in a national newspaper of general circulation.

All Manuals of Corporate Governance reflecting the above changes shall be filed with the Commission not later than **July 31, 2014**.

Signed this 6 day of May, 2014 at Mandaluyong City, Philippines.

For the Commission:


TERESITA J. HERBOSA
Chairperson