Securities and Exchange Commission
PHILIPPINES

SEC MEMORANDUM CIRCULAR NO. 4
Series of 2017

TO	:	**REGISTERED ISSUERS, PUBLIC AND MUTUAL FUND COMPANIES**
SUBJECT	:	**TERM LIMIT OF INDEPENDENT DIRECTORS**
DATE	:	09 March 2017

To promote and reinforce board independence and to be consistent with recognized regional best practice, the Commission in its *en banc* meeting on 09 March 2017 resolved to amend its rules on the term limit of independent directors as follows:

1. A company's independent director shall serve for a maximum cumulative term of nine (9) years;

2. After which, the independent director shall be perpetually barred from re-election as such in the same company, but may continue to qualify as a non-independent director;

3. In the instance that a company wants to retain an independent director who has served for nine (9) years, the Board should provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting; and

4. Reckoning of the cumulative nine-year term is from 2012.

This Memorandum Circular shall take effect immediately.

All past resolutions or circulars of the Commission that are inconsistent with this Circular shall be deemed repealed or modified accordingly.

Pasay City, Philippines, 10 March 2017.

For the Commission:

TERESITA J. HERBOSA
Chairperson

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