

[PRESIDENTIAL DECREE NO. 405, March 04, 1974]

AMENDING THE CHARTER OF THE PHILIPPINE NATIONAL OIL COMPANY, AS PROVIDED FOR IN PRESIDENTIAL DECREE NO. 334, DATED NOVEMBER 9, 1973, AND FOR OTHER PURPOSES

WHEREAS, for the purpose of strengthening the policy-making body of the Philippine National Oil Company, it is necessary to increase the number of its directors; and

WHEREAS, it is imperative that the Government give all the assistance and incentives to the Company in its venture to insure adequate supply of oil for the sustained growth of the economy;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers in me vested by the Constitution as Commander-in-Chief of all the Armed Forces of the Philippines and pursuant to Proclamation No. 1081, dated September 21, 1972 and General Order No. 1, dated September 22, 1972, as amended, do hereby order and decree that certain provisions of Presidential Decree No. 334, dated November 9 1973, be amended:

SECTION 1. Section 6 of Presidential Decree No. 334 is hereby amended to read as follows:

"SEC. 6. *Governing Body.* — The Company shall be governed by a Board of Directors, hereinafter referred to as the 'Board' which shall be composed of nine (9) members, to be appointed by the President of the Philippines. The members of the Board shall serve for a term of three (3) years or until their successors shall have been appointed and qualified. In case of any vacancy in the Board, the same shall be filled by the President of the Philippines for the unexpired term.

"No person shall be appointed as member of the Board unless he is a natural-born citizen of the Philippines, at least thirty-five (35) years of age and of established integrity."

SEC. 2. Section 15 of said Decree is hereby amended to read as follows:

"SEC. 15. *Privileges and Incentives.* — The Company shall be entitled to all the incentives and privileges granted by law to private enterprises engaged in petroleum or oil operations.

"In addition, the employees of the Company shall be entitled to all the retirement and insurance benefits and leave privileges of government employees. However, subsidiaries of the Company organized to undertake purely business ventures shall not, as a matter of right, be subject to the provisions of the Government Service and Insurance System, as provided for under R.A. No. 186, as amended, as well as to any law, executive orders and decrees relating to leave of absences, retirement privileges, regular working hours, and other government employee benefits."