

AMENDING FURTHER SECTION EIGHTY-SIX OF REPUBLIC ACT NUMBERED THIRTY EIGHT HUNDRED AND FORTY-FOUR, AS AMENDED, ENTITLED "THE CODE OF AGRARIAN REFORMS OF THE PHILIPPINES";

PRESIDENTIAL DECREE NO. 1039, October 21, 1976

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WHEREAS, the Land Bank of the Philippines was established to provide timely and adequate financial support in all phases of the implementation of the Agrarian Reform Program of the Government.

WHEREAS, one of the major phases of such program is the financing and/or guaranteeing of the acquisition of farm and home lots transferred to the tenant-farmers pursuant to Presidential Decree No. 27; and

WHEREAS, consistent with the policy on farmers' participation and involvement in securing the benefits of agrarian reforms, the farmers should have a voice in the governing body of the Land Bank of the Philippines.

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the President, by virtue of the powers vested in me by the Constitution, do hereby decree and order:

SECTION 1. Section eighty-six of Republic Act Numbered three thousand eight hundred and forty-four, as amended by Presidential Decrees numbered two hundred fifty-one and four hundred and forty-four, is further amended to read as follows:

"Sec. 86. The Board of Directors; membership:

Per Diem. — The affairs and business of the Bank shall be directed and its property managed and preserved by a Board of Directors consisting of seven (7) members to be composed of the Secretary of Finance, as Chairman, the President of the Bank as Vice-Chairman, the Secretary of Agrarian Reform and the Secretary of Labor as ex-officio members. The President of the Philippines shall appoint one (1) member of the Board who shall represent the agrarian reform beneficiaries and the two (2) remaining members shall be elected as hereinafter provided.

"Annually, on the first Tuesday after the first Monday in December, the stockholders shall meet to take up, among others, the election of two (2) members of the Board of Directors for the succeeding year. Each shareholder or proxy shall be entitled to as many votes as he may have shares of stocks registered in his name on the 31st day of October last preceding and held by him at the time of the election. The two (2) members of the Board of Directors shall be elected preferably from the holders of preferred shares on the basis of the outstanding amount of share as follows:

- (a) Not exceeding P100 million — one member
- (b) Exceeding P100 million — two members.

"The appointive member of the Board shall hold a term of office for one year and shall continue to hold office until his successor shall have been appointed and qualified.

"The Board shall convene as often as necessary to discharge its responsibilities properly, but shall meet at least

once every two weeks. The Board may be convoked either by the Chairman or in his absence, the Vice-Chairman.

"The presence of (4) members shall constitute a quorum. All decisions of the board shall require the concurrence of at least four (4) members.

"No person shall be elected or appointed director of the Bank unless he is a natural born citizen of the Philippines, not less than thirty-five (35) years of age, of good moral character and has attained proficiency, expertise and recognized competence in one or more of the following: banking, finance, economics, law, agriculture, agrarian reform, business management: Provided, further, that no director, shareholder or employee of any other bank shall be eligible for election or appointment as member of the Board of Directors of the Bank.

"The Chairman and the members of the Board shall receive a per diem of two hundred fifty pesos for each session of the Board attended but in no case to exceed two thousand pesos a month.

SECTION 2. Repealing Clause. — All provisions of existing laws, decrees, orders, letters of instructions, rules and regulations inconsistent herewith are hereby repealed and/or modified accordingly.

SECTION 3. Effectivity. — This Decree shall take effect immediately.

DONE in the City of Manila, this 21st day of October, in the year of Our Lord, Nineteen Hundred and Seventy-Six.

(Sgd.) FERDINAND E. MARCOS
President of the Philippines

By the President:

(Sgd.) JUAN C. TUVERA
Presidential Executive Assistant

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