

**[ EXECUTIVE ORDER NO. 718, August 15, 1981 ]**

**AMENDING SECTION FOURTEEN OF REPUBLIC ACT NUMBERED EIGHTY FIVE, AS AMENDED BY REPUBLIC ACT NUMBERED THREE THOUSAND FIVE HUNDRED SEVENTEEN AND PRESIDENTIAL DECREE NUMBERED FOUR HUNDRED TWENTY THREE**

WHEREAS, it is most desirable to continuously improve the organization of government entities to remain responsive to current needs of development;

WHEREAS, government management systems must be kept effective at all times; and

WHEREAS, under Presidential Decree No. 1416 as amended, the President is empowered to undertake such organizational and related improvements as may be appropriate in the light of changing circumstances and new developments.

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution and the authority vested in me by Presidential Decree No. 1416 as amended, do hereby order and ordain:

SECTION 1. Section 14 of Republic Act No. 85, as amended by Republic Act No. 3517 and Presidential Decree No. 423, is hereby amended to read as follows:

"SEC. 14. Board of Governors. – The affairs and business of the corporation shall be directed, its powers exercised, and its property managed and preserved by a Board of Governors consisting of the Chairman and eight other members to be appointed by the President of the Philippines. The Chairman and four members of the Board to be designated by the President shall render full time service to the Corporation. The term of office of the Chairman and other members of the Board shall be seven years, except that of the first members which shall be one, two, three, four, five, six and seven years and which shall be specified in their respective appointments. The compensation of the Chairman and other members of the Board of Governors shall be fixed by the President of the Philippines, who may remove any of them for cause.

The President may designate, as Vice-Chairmen, two of the eight members of the Board, who shall perform such functions as may be determined and assigned by the Chairman.

No person shall be appointed Chairman or member of the Board of Governors unless he be of good moral character and unquestionable integrity and be of recognized competence in economics, agriculture, industry, finance and/or banking."

SEC. 2. All laws, decrees, orders, proclamations, rules, regulations, or parts thereof, which are inconsistent with any of the provisions of this Executive Order are hereby repealed or modified accordingly.