

## MPAO Code of Conduct

### I General

1. The persons and bodies referred to in Section 2, shall comply with the MPAO Code of Conduct (hereinafter, “the Code”) and shall certify such compliance in a manner and form required by the Board of the Pension Office (hereinafter, “the Board”).
2. The Code is subject to amendment by the Board.

### II Definitions

1. Unless the context provides otherwise, the following words and phrases shall have the meanings specified below.
  - a) “Pension Office” shall refer to the Maldives Pension Administration Office duly constituted under the Pension Act (Act No. 8/2009);
  - b) “Member of Staff” shall refer to any person employed by the Pension Office including the Chief Executive Officer and the Deputy Chief Executive Officer.
  - c) “The Code” shall refer to this, the Maldives Pension Administration Office’s Code of Conduct.

### II Persons and Bodies Subject to the Code

3. The Following persons and bodies are subject to the Code:
  - (a) members of / participants in the Board and its Committees;
  - (b) employees of the Maldives Pension Administration Office (hereinafter, “MPAO”);
4. The duty of compliance with the Code shall not be cancelled or diminished by any statutory or contractual right of obligation of the persons and bodies subject to the Code, including the provisions of contracts entered into by the MPAO with external services providers.

### **III General Responsibilities under the Code**

5. The persons and bodies subject to the Code shall for the duration of their involvement with the MPAO, and thereafter insofar as necessary under the Pension Act and to give effect to their responsibilities in respect of such prior involvement:
  - (a) act in good faith and solely in the best interest of the MPAO;
  - (b) act with skill, competence, diligence, prudence and reasonable care;
  - (c) comply with Pension Act and its regulations and with applicable laws;
  - (d) avoid conflicts of interest and disclose any potential or actual conflict of interest;
  - (e) maintain confidentiality of information relating to the MPAO, its members or beneficiaries,
  - (f) refrain from revealing information held at or belonging to MPAO other than information that is required or permitted to be disclosed under the Pension Act and its regulations, under applicable laws or under a contract entered into by the MPAO;
  - (g) refrain from accepting other functions or employment unless expressly authorized to do so by the MPAO;

and where such work forms part of the mandate of a person or body subject to the Code;

- (h) review on a regular basis the performance and actions of the MPAO and those of its external services providers and fiduciaries against applicable objectives;
- (i) deal fairly objectively and impartially with the members and beneficiaries;
- (j) communicate in a timely, accurate, complete and transparent manner with the Board of the Pension Office and/or the Securities Market Regulator.

### **IV Rules and Procedures Governing Conflicts of Interest**

The following rules and procedures aim to protect the MPAO from the consequences of the conflicts of interest:

#### **Gifts and Invitations**

6. The persons subject to the Code shall not accept any gift or invitation if that could reasonably be expected to affect their independence, objectivity or loyalty to the MPAO. The acceptance of cash gifts and other financial advantages is prohibited in all circumstances.
7. In case of doubt regarding gifts and invitations, the person subject to the Code shall promptly submit the matter to the competent authority for decision, as follows:
  - (a) staff of the MPAO, other than the Chief Executive Officer: to the Chief Executive Officer;

- (b) the Chief Executive Officer and members of / participants in the Board and its Committees, other than the Chairman of the Board: to the Chairman of the Board;
- (c) the Chairman of the Board: to the Securities Market Regulator;

### **Personal Financial Situation of Persons Involved in the Decision-Making Process Concerning the Making of Investments for the Benefit of the MPAO**

- 8. Without prejudice to their obligations under Section 10, the persons subject to the Code shall not base their input in the decision-making process concerning the making of investments, on their personal financial situation, or on that of persons known to them.
- 9. Persons subject to the Code shall not seek to benefit or benefit from information in their possession by virtue of their involvement in the MPAO (“insider information”), and shall not disclose insider information without written authorization by the MPAO. Front-running and parallel-running operations are prohibited in all circumstances.

### **Disclosure of Conflicts of Interest**

- 10. Persons subject to the Code shall promptly disclose to the competent authority listed in Section 7, any situation concerning themselves that may give rise to, or actually constitute, a conflict of interest, including if said person has:
  - (a) a substantial financial investment;
  - (b) personal business dealings;
  - (c) family or personal ties with the owners or managers;
  - (d) an affiliation to a regulatory body;

in relation to a party with which, according to his knowledge, the MPAO intends to enter, or has entered into a contract, or in relation to a party in respect of which the MPAO intends to buy or sell, or has bought or sold, financial instruments.

- 11. Persons mentioned in Section 3, (b), of the Code must submit a quarterly Personal Trading Report to the MPAO showing their personal securities holdings and transactions during each quarter. The MPAO must maintain the Personal Trading Reports for 5 (five) years. An initial holdings report must be submitted no later than 10 (ten) days after a person becomes an employee of the MPAO. The Personal Trading Report shall:
  - (a) identify the securities and the number of securities traded;
  - (b) the nature of the transaction (i.e., purchase, sale or any other type of acquisition or disposition);
  - (c) the price of the securities at which the transaction was effected;

- (d) name of any other person who might have any direct or indirect beneficial ownership in the securities;
  - (e) the name of any broker, dealer or bank with which the Member of Staff maintains an account in which any securities are held for the Member of Staff's direct or indirect benefit;
  - (f) the date the Member of Staff submitted the report.
12. Pursuant to Section 9 of the Pension Act, persons mentioned in Section 3, (a), must throughout their tenure submit an annual and confidential Statement of Income and Assets to the Securities Market Regulator in a manner and format determined by the Securities Market Regulator.
13. The MPAO may prohibit personal trading in certain sectors or in certain types of securities, such as securities in which the MPAO is likely to invest. Employees mentioned in Section 3, (b) of the Code are required to obtain the MPAO's approval before directly or indirectly acquiring beneficial ownership in any security in an initial public offering or in a private placement.

#### **Actions to be Taken in Cases of Conflicts of Interest**

14. On the basis of the Code, the competent authority shall consider the information reported to it and promptly establish if a potential or actual conflict of interest exists. Where this is the case, the competent authority, in consultation with the person concerned, shall promptly take measures to ensure that the potential or actual conflict of interest is removed.
15. For the removal of conflicts of interest as mentioned in Section 14 of the Code, priority shall be given to the following measures:
- (a) exclusion of the person concerned from participation in the decision-making process and in follow-up actions, and replacement in these activities by another person;
  - (b) exclusion of the person or body concerned from participation in invitations to tender;
  - (c) termination of appointments or contracts of the person or body concerned.

#### **V Duty of Confidentiality and Communication of Information**

16. Persons subject to the Code shall hold in the strictest confidence, all information they come across in the course of their employment, whether oral or in print or digital format and shall not reveal said information unless required to do so by a court of law.

17. Notwithstanding the provisions of Section 16 of the Code above, all persons subject to the Code shall communicate in an accurate, timely and effective manner, all information that is required or permitted to be disclosed under the Pension Act and its regulations, under applicable laws or under a contract entered into by the MPAO, to the members, employees, beneficiaries of the MPAO as well as the Securities Market Regulator.

## **VI Compliance with the Code**

18. The persons and bodies subject to the Code shall certify their compliance with its provisions in a manner and form and whenever so requested by the MPAO.

19. In the event of an infringement of the Code, the MPAO is entitled to take appropriate measures in respect of the person involved. The aforementioned measures shall include but are not limited to termination of contract of service or contract for services, a civil claim for damages and / or criminal prosecution.

20. The Board shall have the final say in disputes arising out of the interpretation or application of the Code.

## **VII Entry into Force**

This Code shall take effect on this, the 16 September 2013.