

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ



# ދިވެހިސަރުކާރުގެ ގެޒެޓް

---

Volume: 52    Issue: 190    Date: 22 Muharram 1445 – 9 August 2023    Wednesday

---

Regulation No: 2023/R-140

## GOVERNANCE CODE OF THE PENSION OFFICE

The President's Office  
Boduthakurufaanu Magu  
Male, Maldives'

Phone: 3336211  
Mobile: 7242885

Website: [www.gazette.gov.mv](http://www.gazette.gov.mv)

- For publication of regulations and guidelines in the Gazette, send to [legalaffairs@po.gov.mv](mailto:legalaffairs@po.gov.mv).





# Governance Code of the Pension Office

## Table of Contents

<b>Chapter 1: Preliminary Provisions .....</b>	<b>8</b>
Introduction .....	8
Authority .....	8
Applicability .....	8
Definitions .....	9
<b>Chapter 2: Basis of Governance.....</b>	<b>12</b>
Statutory Basis .....	12
Precedence.....	12
Role of Board and Executive Management.....	12
<b>Chapter 3: Board Matters.....</b>	<b>14</b>
<b>3.1: Board Membership .....</b>	<b>14</b>
Composition .....	14
Eligibility Requirements .....	14
Term.....	15
Selection Committee.....	15
Nomination Process Best Practices.....	16
Verification Process .....	17
Appointment .....	17
Remuneration .....	17
Resignation.....	18
Removal .....	18
Vacancy.....	19
Return of Books and Records.....	20
<b>3.2: Powers of the Board .....</b>	<b>20</b>
General Powers.....	20
Nominating an Acting Chairperson .....	20

Strategic Planning.....	21
Financial Control.....	21
Investment.....	22
Reporting.....	22
Internal Controls.....	22
Oversight.....	23
Risk Management.....	23
Rulemaking.....	23
Exercise of Powers.....	23
Delegation of Powers.....	24
<b>3.3: Responsibilities and Duties.....</b>	<b>24</b>
Responsibilities of the Board.....	24
Duties of the Chairperson.....	27
<b>3.4: Board Meetings.....</b>	<b>28</b>
Quorum.....	28
Frequency.....	28
Venue.....	28
Agenda.....	29
Notice.....	29
Extraordinary Meetings.....	30
Decisions between Meetings.....	30
Voting.....	30
Conduct of Business.....	31
<b>3.5: Board Committees.....</b>	<b>32</b>
Audit and Risk Management Committee.....	32
Establishment of Committees.....	34
Authority of Committees.....	35
Collective and Individual Responsibilities.....	35

Committee Meetings.....	36
Standard Operating Procedure for Committees.....	36
Committee Evaluation .....	36
<b>3.6: Secretariat.....</b>	<b>37</b>
Administrative Support.....	37
Board Secretary .....	37
Committee Secretaries .....	38
Induction .....	38
Sitting Fee of the Secretaries.....	38
<b>Chapter 4: Management Matters.....</b>	<b>39</b>
Chief Executive Officer .....	39
Executive Management.....	40
<b>Chapter 5: Fiduciary Duty .....</b>	<b>42</b>
Fiduciaries.....	42
Fiduciary Duties .....	42
Breach of Fiduciary Duties .....	43
<b>Chapter 6: Code of Conduct .....</b>	<b>45</b>
General Conduct.....	45
Gift, Invitation, and Entertainment .....	46
Personal Financial Interest .....	47
Nepotism.....	48
Disclosure of Conflict of Interest .....	48
Resolving Conflict of Interest .....	49
Cooling-off Period.....	50
Confidentiality.....	51
Communication of Information.....	52
Participation in Political Activities.....	52
Breach.....	53

---

Code of Conduct for Employees.....	53
<b>Chapter 7: Disclosure and Transparency .....</b>	<b>54</b>
Public Disclosure .....	54
Financial Reporting .....	54
Annual Report .....	54
Investment Disclosures .....	55
Stakeholder Communication .....	55
Whistleblower Protection.....	56
Mechanisms to Raise Complaints.....	56
<b>Chapter 8: General Provisions .....</b>	<b>57</b>
Records .....	57
Agents of the Pension Office.....	57
Applicable Law .....	57
Notices .....	57
Severability .....	58
Replacement .....	58
Amendment and Revision .....	58
Commencement .....	58

## Chapter 1: Preliminary Provisions

### Introduction

1. The Governance Code of the Pension Office (“Code”) is a comprehensive framework aimed at promoting good governance, accountability and transparency by specifying the guidelines, rules, procedures, code of conduct and best practices applicable to the administration of the Pension Office.
2. The Code identifies the roles, responsibilities, and accountabilities of the Board and the Executive Management in the governance process. In essence, the Board determines the strategic direction and policies, provides guidance and is responsible for oversight, whilst the Executive Management is responsible for overseeing operations and implementing the strategies and policies set by the Board.
3. In addition, the Code provides requirements relevant to risk management and internal controls to ensure compliance, safeguard Pension Assets and interests of Pension Scheme participants and beneficiaries. Further, reporting and disclosure requirements are detailed to promote transparency and ensure timely communication of accurate information to stakeholders and regulators.

### Authority

4. This Code is formulated in accordance with the authority granted to the Pension Office and the Board under Subsection 3 (c) and Subsection 6 (i) of the Pension Act.

### Applicability

5. This Code shall have mandatory application to the Board and its Committees, the Executive Management, Fiduciaries, and any other person or entity to whom provisions herein relates.
6. Notwithstanding any provision hereof, best practices recommended in this Code shall not have the same legal force and effect, and is not intended to override any statutory requirements. However, adherence to these best practices is recommended to advance good governance and the spirit of the Pension Act.



## Definitions

7. Unless expressly stated otherwise in this Code, the following words and phrases shall have the following meaning.
- 7.1. “**Applicable Law**” shall mean any statute, regulation, rule, judgment, order, decree, or other legal requirement in force in the Republic of Maldives or elsewhere that is applicable to the Pension Office or to matters governed by this Code.
- 7.2. “**Associated Party**” shall mean persons and legal entities that are presumed to have the power to make decisions on behalf of a person or legal entity, and parties with any direct or indirect interest in the actions of a person or legal entity, including the definition provided under the Act Number: 02/2006 (Maldives Securities Act) for this term.
- 7.3. “**Board**” shall mean the body of 8 (Eight) non-executive members vested with the power to administer the Pension Office in accordance with the Pension Act.
- 7.4. “**Board Member**” shall mean any non-executive Member of the Board including Chairperson.
- 7.5. “**Chairperson**” shall mean the Chairperson of the Board appointed by the President pursuant to the Pension Act, or an acting Chairperson designated by the Board as provided for in this Code.
- 7.6. “**Chief Executive Officer**” shall mean the executive in-charge of the day-to-day administration of the Pension Office, appointed by and accountable to the Board.
- 7.7. “**Confidential Information**” shall mean all and every information, not generally known or publicly available, and exclusive to the Pension Office or to a third party with whom the Pension Office is working with or resulting from the Pension Act that is confidential in nature.
- 7.8. “**Competent Authority**” shall mean the authorities listed under Section 158 of this Code to report conflict of interest and breach.

- 7.9. **“Co-worker”** shall mean a person employed by the same employer as a sitting Board Member, except for independent non-executive directors.
- 7.10. **“Employee”** shall mean any person who is employed by the Pension Office, including full-time, part-time, temporary, and contract employees.
- 7.11. **“Executive Management”** shall mean the highest level of management, including the Chief Executive Officer and Chiefs incharge of various divisions of the Pension Office.
- 7.12. **“Fiduciary”** shall mean any person or entity recognised as having fiduciary duty under Section 136 of this Code.
- 7.13. **“Immediate Family”** shall mean the parents, spouse, children, full-sibling and half-sibling of persons referred to in this Code.
- 7.14. **“Management”** shall mean various levels of management classified under the organizational structure of the Pension Office responsible for the day-to-day operations and management of the Pension Office including the Executive Management.
- 7.15. **“MRPS”** shall mean the defined contribution based Maldives Retirement Pension Scheme established under the Pension Act.
- 7.16. **“Pension Assets”** shall mean contributions collected under MRPS and the return on investment of such contributions.
- 7.17. **“Pension Act”** shall mean the Act Number: 08/2009 (Maldives Pension Act) ratified on 13<sup>th</sup> May 2009, including any applicable regulations made thereunder and any amendments made to the Act or regulations.
- 7.18. **“Pension Office”** shall mean the Maldives Pension Administration Office established under the Pension Act.
- 7.19. **“Pension Schemes”** shall mean any scheme related to pension administered under the Pension Act, including MRPS and Basic Pension scheme.

- 7.20. “**Secretariat**” shall mean the concerned department of the Pension Office assigned to provide administrative support to the Board.
- 7.21. “**Securities Market Regulator**” shall mean the Capital Market Development Authority established under the Act Number: 02/2006 (Maldives Securities Act) and assigned with the supervisory function as per the Pension Act.
8. Where the meaning of a word or phrase is not defined in this Code, such words and phrases shall have the same meaning provided in the Pension Act.

## Chapter 2: Basis of Governance

### Statutory Basis

9. The primary source for governance of the Pension Office shall be the Pension Act, which codifies the statutory framework for the administration of Pension Office and Pension Schemes. Accordingly, governance related requirements provided in the Pension Act are reiterated in this Code for clarity, guidance and consolidation purpose.
10. The provisions of this Code are intended to further promote good governance, effectiveness, and transparency in the administration of Pension Office and Pension Schemes, and shall be read in conjunction with the requirements of the Pension Act.

### Precedence

11. In case of any inconsistency between the provisions of this Code and the Pension Act, the provisions of the Pension Act shall prevail.

### Role of Board and Executive Management

12. The role of the Board in governance is to provide strategic direction and oversight to the Pension Office, and the Board shall ensure that the Pension Office is managed in a manner that is consistent with the Pension Act, the Code, and other Applicable Law. In this regard, the Board will not be involved in the day-to-day administration of the Pension Office and shall ensure that there is a clear separation between the functions of the Board and the Management.
13. The Executive Management shall be responsible for administering the day-to-day operations of the Pension Office in accordance with the requirements of the Pension Act, and implementing the strategies and policies established by the Board.

14. The Board and Executive Management shall work collaboratively to ensure that the governance of the Pension Office is effective, efficient, and transparent, and that the objectives of the Pension Office are achieved in a responsible and sustainable manner.

## Chapter 3: Board Matters

### 3.1: Board Membership

#### Composition

15. The composition of the Board includes the following 8 (Eight) non-executive Members as specified under Subsection 8 (a) of the Pension Act.
  - 15.1. Chairperson.
  - 15.2. A senior employee of the Securities Market Regulator.
  - 15.3. A senior Civil Servant from the Ministry of Finance.
  - 15.4. A senior Civil Servant from the Ministry responsible for social security.
  - 15.5. 4 (Four) persons from the private sector not employed by the State or Government.

#### Eligibility Requirements

16. The Board Members shall meet the following eligibility requirements specified under Subsections 8 (c) and 8 (d) of the Pension Act at the time of appointment and throughout their term.
  - 16.1. Shall not be the Immediate Family of a Selection Committee member or a Board Member or a person holding a Ministerial post or a higher rank.
  - 16.2. Shall not be convicted of criminal breach of trust or be of disrepute.
  - 16.3. Shall be capable to execute the functions of the office, and must have technical expertise of pension or finance or investment.

- 16.4. Chairperson and the 4 (Four) Board Members representing the private sector shall possess a first degree in the field of business or economics or law, and have experience in matters concerning finance or pension or investment.
  - 16.5. Shall not have been declared bankrupt, or been convicted of theft, fraud, larceny, criminal breach of trust or corruption.
  - 16.6. Shall not be an official or a staff of the Asset Manager or Custodian of the Pension Office, and must not own 5 (Five) percent or more equity in such an Asset Manager or Custodian.
17. If a Board Member ceases to meet any of the eligibility requirements at any time during their term, such a Board Member shall promptly notify the matter to the Pension Office.
  18. The Pension Office shall inform the Securities Market Regulator about any notices related to a Board Member ceasing to meet the eligibility requirements.

## **Term**

19. The term of an appointed Board Member shall be 3 (Three) years from the appointment date as specified under Subsection 10 (a) of the Pension Act.
20. Board Members and Chairperson may be reappointed. As a matter of best practice, reappointments should not be considered for more than 2 (two) consecutive terms, and there should be an interval of 1 (One) term duration between the appointments.

## **Selection Committee**

21. The nomination process of candidates as per Subsection 8 (c) of the Pension Act for the position of Chairperson and the 4 (Four) Board Members representing the private sector will be conducted by the Selection Committee comprising of the following 3 (three) members.
  - 21.1. A representative appointed by the Civil Service Commission.
  - 21.2. A representative appointed by the Ministry of Finance.
  - 21.3. A representative appointed by the Ministry responsible for social security.

22. The Selection Committee shall nominate a minimum of 3 (Three) candidates for each vacant position under its mandate.
23. Administrative arrangements and support required to the Selection Committee in connection with the nomination process shall be provided through the Secretariat.
24. Selection Committee members shall be entitled to receive a fee determined by the Pension Office for each meeting attended during the nomination process. Further, this fee shall be published by the Pension Office.

### **Nomination Process Best Practices**

25. The “*Guidelines on Shortlisting Candidates to the Board of Maldives Pension Administration Office*” issued by the Securities Market Regulator on 13<sup>th</sup> April 2022 is adopted under this Code as best practices relevant to the Board nomination process.
26. In addition, following are best practices related to the Board nomination process:
  - 26.1. Since Subsection 8 (a) of the Pension Act states that the 4 (Four) Board Members appointed from the private sector shall not be employed by the State or Government, ensuring that the 4 (Four) Board Members appointed from the private sector is not employed by a public or private company in which the State holdings exceed 50% (Fifty Percent), including subsidiaries controlled by such a company. The board directors of companies, except independent non-executive directors are considered employees of such companies for this purpose.
  - 26.2. Ensuring that candidates nominated as private sector representatives in the Board are employed in the private sector, and considering factors such as employment duration, roles, responsibilities and relevant experience in the private sector and the classification of the employer.
  - 26.3. Assessing any perceived, actual or potential conflict of interest of candidates with the functions of the Pension Office.



- 26.4. Ensuring that a Co-worker of a sitting Board Member is not nominated to avoid conflict of interest and influence from outside entities.
- 26.5. Ensuring that nominated candidates do not hold a political position or a position included in the formal organizational structure of a political party.
- 26.6. In case of a sitting Board Member who has served 2 (Two) consecutive terms, consider the nomination of such a Board Member after an interval of 1 (One) term duration.

### **Verification Process**

27. To verify whether candidates shortlisted for nomination by the Selection Committee and candidates nominated by Government offices meet the requirements of a Board Member, the Pension Office shall submit to the Securities Market Regulator as provided for under Subsection 8 (c) of the Pension Act. This process shall be followed prior to every appointment, even in the case of sitting Board Members.
28. Names of nominated candidates verified for eligibility by the Securities Market Regulator shall be forwarded by the Pension Office to the President's Office without delay.

### **Appointment**

29. The President has the authority to appoint Board Members pursuant to Subsection 8 (c) of the Pension Act, from the list of verified candidates forwarded by the Pension Office that includes candidates nominated for each vacant position by the Selection Committee and candidates nominated by the Government offices.
30. Upon appointment, the Secretariat shall obtain the signature of newly appointed Board Members on an Affirmation Statement.

### **Remuneration**

31. Board Members shall receive remuneration appropriated in the annual budget of the Pension Office and the remuneration details shall be published.

32. If there is a need to revise the remuneration of Board Members as per the guideline provided under Subsection 8 (e) of the Pension Act, the Executive Management shall propose the revision with justifications to the Remuneration and Nomination Committee. Based on the recommendation of the Committee final decision on remuneration shall be made by the Board.

## **Resignation**

33. Board Members may resign on their own accord or resignation may be warranted under the following circumstances.
  - 33.1. If a Board Member ceases to meet the eligibility requirements, is in violation of legal requirements, or is engaged in misconduct that would impair their ability to serve on the Board.
  - 33.2. If a Board Member is involved in a breach of fiduciary duty or conflict of interest that cannot be resolved.
  - 33.3. If a Board Member is accepting any form of employment (including contract and consultancy positions) with the employer of a sitting Board Member.
  - 33.4. If a Board Member is appointed or elected to a political post during the term of office.
  - 33.5. If a Board Member is unable to perform duties due to illness or other incapacity.
34. Board Members may resign during their term by giving written notice of resignation to the Pension Office, effective from the resignation date specified in the letter. The Pension Office shall inform about resignations to the President's Office without delay.

## **Removal**

35. Board Members can be removed from office by the President on the occurrence of any of the following events specified under Subsection 10 (b) of the Pension Act.

- 35.1. Unable to perform duties.
  - 35.2. Ceases to meet the eligibility requirements.
  - 35.3. Convicted of a criminal offense.
  - 35.4. Breached a fiduciary duty.
  - 35.5. Unable to perform duties for 2 (Two) or more months due to physical or mental incapacitation.
  - 35.6. Failed to attend 3 (Three) or more Board meetings without a reasonable cause.
36. The Securities Market Regulator is mandated under Subsection 10 (e) of the Pension Act to inform the President regarding competency of Board Members to discharge their duties, standard of performance and if a Board Member ceases to meet an eligibility requirement.
37. The President may remove a Board Member by communicating the reason in writing to the Board Member, and informing the Pension Office of the same.

## Vacancy

38. To ensure that vacancies do not arise in the Board except in unforeseen circumstances, the Pension Office shall:
- 38.1. notify the Government office to nominate a candidate at least 2 (Two) months before the expiry of the term of Board Members appointed by the Government office; and
  - 38.2. publish a public announcement to initiate the nomination process at least 2 (Two) months before the expiry of the term of Board Members representing the private sector and Chairperson.
39. If a Board vacancy arises due to any reason except expiry of term, the Pension Office shall:
- 39.1. notify the Government office to nominate a candidate at least 5 (Five) days from the vacancy date for Board Members appointed by the Government office; and

- 39.2. publish a public announcement to initiate the nomination process at least 5 (Five) days from the vacancy date for Board Members representing the private sector and Chairperson.
40. Board vacancies shall be filled in accordance with the nomination, verification and appointment process provided under this Code.

### **Return of Books and Records**

41. Board Members shall not use properties and assets of the Pension Office for personal or commercial use during or after completion of their term.
42. In the event of termination, resignation, or death of Board Members, the Board Members (or their legal guardian, heirs, or personal representative) shall handover to the Chief Executive Officer, any and all records, books, documents, electronic data, and other property in possession of the Board Members, or under their control, that belongs to the Pension Office or were received by the Board Members in their capacity as Board Members.

## **3.2: Powers of the Board**

### **General Powers**

43. The Board shall have the general powers specified under Section 6 of the Pension Act, and any other powers granted to the Board under the said Act or any other power stated in this Code deemed necessary by the Board within the ambit of the Pension Act.

### **Nominating an Acting Chairperson**

44. The Board shall have the power to nominate an acting Chairperson, in the absence of the appointed Chairperson, from among the remaining Board Members, except the representative of the Securities Market Regulator as provided for under Subsection 8 (g) of the Pension Act.

### **Chief Executive Officer Appointment**

45. The Board shall have the power to appoint and remove the Chief Executive Officer, and the authority to determine and revise the roles and responsibilities of the Chief Executive Officer.

### **Strategic Planning**

46. The Board shall have the power to adopt the strategic plans, mission, vision, and values of the Pension Office in alignment with the Pension Act.
47. The Board shall have the authority to review, approve, and periodically update the strategic plans of the Pension Office, providing guidance and direction for achieving goals and objectives.
48. The Board has the power to establish key performance indicators, metrics and monitoring mechanisms to track the progress and outcomes of strategic initiatives and performance targets, enabling regular performance review and accountability.

### **Financial Control**

49. The Board has the power to determine and revise the fee charged for the administration of MRPS and the Pension Office in accordance with the guidelines specified under Subsection 7 (a) of the Pension Act, while ensuring that the fee determined is reasonable, justifiable and published.
50. The Board has authority to review and approve the annual budget and supplementary budget, ensuring alignment with strategic objectives, prudent financial management, and compliance with regulatory requirements.
51. The Board shall have the authority to approve financial policies and guidelines that govern all financial activities of the Pension Office, including procurement and expenditure related policies.
52. The Board has the power to review and approve the financial statements of the Pension Office, ensuring accuracy, transparency, and compliance with adopted accounting standards, and timely preparation and distribution of financial reports to relevant regulators and stakeholders.

## Investment

53. The Board has the power to oversee the investment activities of MRPS and the Pension Office, approve and review the Statement of Investment Principles specifying the investment objectives, strategies, and risk management pursuant to Subsection 9 (c) of the Pension Act and determine strategic asset allocation under Subsection 16 (h) of the Pension Act.
54. The Board has authority to make investment decisions in accordance with the approved Statement of Investment Principles by considering potential risks and returns associated with each investment.
55. The Board has the power to regularly assess the performance of funds and portfolios of MRPS and investments made by the Pension Office, including investment returns, fund growth, and actuarial projections against benchmarks and targets, and take necessary actions to optimize investment performance.
56. The Board has authority to engage Asset Managers, Custodians and other investment related external parties as provided for in the Pension Act, and establish their selection criteria, monitor performance, and ensure compliance with agreed-upon mandates.

## Reporting

57. The Board shall have the power to require regular reporting from Management on the operations, performance, investments, financials, and compliance of the Pension Office and Pension Schemes, and ensure appropriate disclosure to regulators and stakeholders.

## Internal Controls

58. The Board has the power to establish and maintain a robust internal control framework that encompasses all aspects of the Pension Office and Pension Scheme operations. This includes determining the internal audit charter and frameworks.
59. The Board has authority to regularly monitor and evaluate the performance of internal controls through reports on the outcomes of control assessments, audit findings, and any significant control deficiencies or weaknesses, and take appropriate actions to address identified issues and ensure timely resolution.

## Oversight

60. The Board shall have the authority to monitor, evaluate, and provide guidance on all matters related to the administration and functions of the Pension Office including but not limited to, financial management, risk management, investment, compliance, internal controls, performance, governance, ethics, stakeholder engagement, legal and regulatory compliance, and internal and external audit.
61. The Board shall exercise its oversight powers in accordance with Applicable Law, and governance principles, aiming to safeguard the interests of the Pension Office and MRPS participants.

## Risk Management

62. The Board shall have the authority to establish and monitor risk management strategies and frameworks to mitigate potential risks to all aspects of the Pension Office and Pension Scheme operations.
63. The Board has the power to establish risk management practices related to investment activities, assess and monitor investment risks, establish risk management frameworks, and review reports on risk exposures and mitigation strategies.

## Rulemaking

64. The Board shall have the power to establish regulations, rules, and guidelines required under the Pension Act, which are necessary for the effective implementation of the Pension Act and Pension Schemes.
65. The Board has the authority to periodically review the effectiveness and relevance of the established regulations, rules and guidelines, and make amendments or revisions as necessary.

## Exercise of Powers

66. The Board may exercise their powers through the adoption of strategic plans, motions, resolutions or administrative rules and policies.

67. The Board shall have the authority to interpret and apply the provisions of this Code, or of their own motions, resolutions, administrative rules, or of any contracts, instruments, or writings that they may have adopted or entered into, subject to the provisions of the Pension Act and any implementing rules or regulations adopted pursuant to the Pension Act by a relevant regulatory body in the Maldives.

### **Delegation of Powers**

68. The Board may allocate to one or more Committees part of its responsibilities, with authority to act on behalf of the Board within the given scope and in accordance with the Pension Act.
69. The Board delegates all the powers necessary for administering the daily affairs of the Pension Office to the Chief Executive Officer and the Executive Management, with full authority to act on behalf of the Pension Office in accordance with the Pension Act and the strategies, policies and rules adopted by the Board.
70. Any delegation of power not expressly stated in this Code or policies needs to be approved by the Board. In addition, the Board shall periodically review the performance of the Committees or the Chief Executive Officer or persons to whom such responsibilities have been delegated.

## **3.3: Responsibilities and Duties**

### **Responsibilities of the Board**

71. It is the responsibility of the Board to ensure that the affairs of the Pension Office are administered in accordance with the Pension Act. In deciding any matter before the Board, the letter and spirit of the Pension Act shall be upheld.
72. The collective responsibilities of the Board encompasses all roles and functions necessary to exercise its powers, including but not limited to the following.



- 72.1. Determine the strategic direction and long-term objectives of the Pension Office in alignment with the interests of Pension Office, Pension Schemes and stakeholders.
- 72.2. Establish a mechanism to evaluate Board performance, as well as that of Board Committees by developing a policy for conducting an annual assessment of the Board, including the evaluation of the Chairperson. The Board shall confirm in the Annual Report that the evaluation has been carried out.
- 72.3. Ensure the continuous training and development of Board Members to enhance the knowledge, skills, and competencies of Board Members to effectively fulfill their roles and responsibilities.
- 72.4. Ensure the development and approval of regulations, policies and guidelines that govern the operations and activities of the Pension Office and Pension Schemes.
- 72.5. Ensure the effective governance of the Pension Office by establishing appropriate governance structure and policies.
- 72.6. Appoint a qualified Chief Executive Officer and conduct regular performance evaluations to assess effectiveness.
- 72.7. Establish and review the compensation and benefits framework of the organization, and adopt human resource related policies.
- 72.8. Adopt succession policy and oversee succession planning processes, ensuring the availability of qualified leadership and talent to support the long-term sustainability and continuity of the Pension Office.
- 72.9. Ensure that proper due diligence is conducted before making investment decisions, and make informed and prudent investment decisions, considering the risks, returns, and the best interests of MRPS participants.
- 72.10. Incorporate ethical and responsible investing principles into the investment strategy, by considering Environmental, Social, and Governance (ESG) factors in investment decision-making.

- 72.11. Oversee the financial management of the Pension Office, including reviewing and approving budgets, financial statements, and major financial transactions.
- 72.12. Exercise diligent oversight and establish robust risk management practices within the Pension Office, including establishing risk mitigation strategies, and monitoring the effectiveness of risk management processes, while ensuring that adequate internal controls are in place to safeguard Pension Assets and prevent fraud.
- 72.13. Ensure compliance with Applicable Law and take appropriate action to address any compliance issues.
- 72.14. Monitor the performance of the Pension Office against established goals, objectives, and key performance indicators, including reviewing performance reports, assessing progress, and taking corrective actions when necessary.
- 72.15. Ensure the timely and accurate disclosure of all relevant information pertaining to the Pension Office and Pension Schemes, including investments, financial performance, governance and operational matters.
- 72.16. Ensure the timely and accurate submission of financial statements and accounts to the Securities Market Regulator.
- 72.17. Establish appropriate mechanisms to enable Employees, the Management, whistleblowers and stakeholders to report grievances, complaints or concerns, confidentially or otherwise, regarding non-compliance, fraud, or other misconduct within the institution.
- 72.18. Promote effective stakeholder engagement by establishing mechanisms for receiving and addressing stakeholder concerns, feedback, and inquiries.
- 72.19. Assess the ethical and social implications of decisions, and promote a culture of accountability, transparency, and ethical conduct throughout the Pension Office.

## Duties of the Chairperson

73. The Chairperson shall perform any duties as may be reasonably assigned to the Chairperson by the Board, provided such duties are consistent with the provisions of the Pension Act and this Code.
74. Duties of the Chairperson related to planning includes overseeing the following functions in coordination with the Board and the Chief Executive Officer.
  - 74.1. Ensure that the plans, strategies and measurable organizational objectives of the Pension Office, approved by the Board, are established in line with the Pension Act.
  - 74.2. Monitor the progress towards attainment of plans and strategies of the Pension Office.
75. Duties of the Chairperson related to Board leadership includes the following.
  - 75.1. Ensure the conduct of the Board affairs in accordance with the Pension Act, this Code and other decisions taken by the Board.
  - 75.2. Ensure appointments are made by the Board to Committees and such special committees as may be deemed necessary by the Board.
  - 75.3. Direct the Board in the exercise of its powers and fulfillment of its stated roles, objectives and responsibilities in an effective and efficient manner.
  - 75.4. Approve the agenda of the Board Meetings as specified in this Code and preside in regular and extraordinary meetings of the Board.
  - 75.5. Ensure that annual evaluation of the performance of the Board, Chairperson, Committees and individual Board Members are undertaken.
76. Duties of the Chairperson related to the Chief Executive Officer and stakeholders includes the following.
  - 76.1. Ensure effective and timely communication of Board decisions to the Chief Executive Officer.

- 76.2. Provide advice and counsel to the Chief Executive Officer regarding the activities of the Government and regulators, and public policy developments related to or concerning Pension Office that the Chairperson is privy to.
- 76.3. At the request of the Chief Executive Officer, represent the Pension Office before Government institutions, external groups and other stakeholders, including industry associations, and regulators.
- 76.4. Coordinate with the Chief Executive Officer on matters related to the Board and Management.

### **3.4: Board Meetings**

#### **Quorum**

77. Attendance of 4 (Four) Board Members eligible to vote shall constitute a quorum of the Board as specified under Subsection 8 (h) of the Pension Act.

#### **Frequency**

78. Meeting frequency shall be decided by the Board in consultation with the Chief Executive Officer or at minimum a meeting shall be held as specified under Subsection 8 (g) of the Pension Act.
79. Annual Board Calendar outlining the provisional meeting schedule for the following year and the key items scheduled for the Board meetings shall be planned and approved by the Board in consultation with the Chief Executive Officer before the end of the ongoing calendar year.

#### **Venue**

80. Board meetings shall be held at the Boardroom of the Pension Office or at an alternative venue decided by the Board.
81. If a regular Board meeting cannot be held in person as scheduled or if in the case of an extraordinary meeting where circumstances warrant, Board meetings may be held by way of an online meeting.

## Agenda

82. Board Members and Chief Executive Officer may propose items to be included in the agenda of regular meetings within the time specified in the relevant standard operating procedure. The proposed items shall be informed to the Secretariat.
83. The provisional agenda shall be circulated by the Secretariat after confirmation of the Chief Executive Officer within the time specified in the relevant standard operating procedure. Upon receipt of the provisional agenda, the Board Members shall declare any conflict of interest with the proposed agenda items, and take appropriate action to resolve the conflict or not participate further if the conflict cannot be resolved.
84. The final agenda of regular meetings and extraordinary meetings shall be approved by the Chairperson in consultation with the Chief Executive Officer, after completion of the conflict declaration procedure.

## Notice

85. The Secretariat shall notify by means of electronic communication to the Board Members and other concerned parties the date and venue of regular meetings within the time specified in the relevant standard operating procedure. Such notice shall include the final agenda and supporting documents.
86. In case of extraordinary meetings, the Secretariat shall notify electronically to the Board Members and other concerned parties the date and venue of the extraordinary meeting within the time specified in the relevant standard operating procedure. Such notice shall include the agenda of the extraordinary meeting and supporting documents.
87. Based on the urgency of a matter, if a decision was made by the Chairperson at the request of a Board Member or the Chief Executive Officer to change the aforementioned notice periods for regular and extraordinary meetings, the Secretariat shall make arrangements to issue the notice accordingly.

## Extraordinary Meetings

88. The Chairperson or Board Members constituting a quorum of the Board may call for an extraordinary meeting of the Board to address extraordinary circumstances. Upon receiving such a request, the Secretariat shall make arrangements to issue a written notice and hold the meeting.

## Decisions between Meetings

89. Decisions without a Board meeting may occur on an extraordinary basis when in the judgment of both the Chairperson and the Chief Executive Officer, a decision must be taken by the Board before the next scheduled Board meeting.
90. The Secretariat, with the approval of the Chairperson, may notify Board Members and make necessary arrangements to take a decision without a formal meeting in any of the following manners:
- 90.1. by means of an online meeting in which a quorum of the Board is present;
  - 90.2. by means of a written circular resolution sent to all Board Members via electronic mail and subsequently obtaining signatures constituting a majority of the Board for the circular resolution.
91. Decisions of the Board made in the manners specified hereof, shall only be effective and binding if a quorum of the Board agrees to the proposed decision. Any such decision shall be reported in the minutes of the subsequent Board meeting.

## Voting

92. The votes of the majority of Board Members present shall be required to approve or make a Board decision. In the event of an equality of votes, the Chairperson may exercise a casting vote as specified under Subsection 8 (h) of the Pension Act.
93. The Board Member representing the Securities Market Regulator shall not participate in votes taken by the Board in accordance with Subsection 8 (b) of the Pension Act.

94. The usual method of taking a vote at a Board meeting is viva voce.
95. After the Chairperson has announced the beginning of voting, no Board Member shall interrupt the voting except on a point of order in connection with the actual conduct of voting.
96. Proxies are not allowed to vote in Board meetings. Accordingly, Board Members must be present to vote in various manners prescribed hereunder.
97. A Board Member may participate in Board meetings virtually with prior approval of the Chairperson, and any votes cast by such a Board Member shall be deemed valid.

### **Conduct of Business**

98. Any Board Member or Chief Executive Officer or a person authorized by the Board may present an agenda item, motion or resolution to the Board.
99. The Chairperson may limit the time allowed to each speaker based on the meeting schedule.
100. During the discussion of any matter, a Board Member may raise a point of order, and the point of order shall be immediately decided by the Chairperson. If the Board Member disagrees with the Chairperson's decision on the point of order, it shall be put to vote and a final decision will be made by the majority of Board Members present.
101. If a matter has been adopted or rejected, it may not be reconsidered at the same meeting, unless a majority of Board Members present and voting so decides.
102. The Board may require the attendance of Management and additional persons as necessary to provide information deemed appropriate or necessary in order to effectively deliberate on an agenda item.

### **3.5: Board Committees**

#### **Audit and Risk Management Committee**

103. The primary purpose of the Audit and Risk Management Committee is to assist and advise the Board on financial reporting, risk management and internal controls of the Pension Office.
104. Specifically, Audit and Risk Management Committee shall oversee the following:
- 104.1. provide independent review and supervision of financial reporting;
  - 104.2. review and where appropriate make recommendations to the Board on adequacy and effectiveness of internal controls and risk management systems; and
  - 104.3. monitor the effectiveness of the Internal Audit function and External Auditors of the Pension Office.

#### **Investment Committee**

105. The Investment Committee is a statutory committee established under Section 9 of the Pension Act.
106. The primary purpose of the Investment Committee as stated under Subsections 9 (b), 16 (b) and (c) of the Pension Act is to formulate and review the Statement of Investment Principles with the approval of the Board. Additional responsibilities of the Investment Committee includes the following:
- 106.1. formulate the Risk Management Framework for MRPS investments;
  - 106.2. oversee appointment process of Asset Managers, Custodians, Open-Ended Vehicles and Investment Advisors;
  - 106.3. review risk limits and portfolio performance; and
  - 106.4. provide investment recommendations.



## **Innovation and Technology Committee**

107. The role of the Innovation and Technology Committee is to assist the Board in overseeing the strategic direction of innovation, technology and information security management of the Pension Office and to assist in monitoring emerging technology risks and opportunities.
108. Primary responsibilities of the Innovation and Technology Committee includes the following:
- 108.1. ensure the technology and security related policies, projects and investments align with broader strategic goals and priorities of the Pension Office;
  - 108.2. review the major operational risk exposures of the Pension Office focusing on technology-related risks; and
  - 108.3. monitor implementation of significant technology projects and initiatives.

## **Remuneration and Nomination Committee**

109. Primary purpose of the Remuneration and Nomination Committee is to assist the Board to oversee strategic human resource management matters of the Pension Office and to advise the Board on nomination, remuneration and selection of technical expertise to Pension Office as well as to the Committees of the Board.
110. Key responsibilities of Remuneration and Nomination Committee includes the following:
- 110.1. identify required skills, knowledge and experience for the Board;
  - 110.2. recommend appointments to Board Committees;
  - 110.3. assist the Board and Executive Management to maintain an optimal structure, composition, and balance of skills to support the strategic objectives of the Pension Office;
  - 110.4. make recommendations to the Board regarding remuneration and benefits policies to keep it competitive; and
  - 110.5. oversee arrangements and selection process for appointment of the Executive Management including Chief Executive Officer and undertake succession planning.

## Establishment of Committees

111. Notwithstanding the standing Committees stated in this Code, the Board has discretion to establish additional committees and subcommittees for the conduct of its business.
112. Following shall be ensured in the composition and appointment of Board Committees.
  - 112.1. Committee composition shall only include Board Members except for the Chairperson.
  - 112.2. Committee composition shall be an odd number at all times and shall include at least 3 (Three) Board Members.
  - 112.3. Committee appointments shall be made by considering the relevant experience and expertise of the Board Member with the functions of the Committee.
113. The Board shall specify the Terms of Reference of each Committee and the Board may at its full discretion revise the Terms of Reference at any time in a manner that does not contravene with the Pension Act. The Terms of Reference for Board Committees shall include the following:
  - 113.1. mandate, objectives, and purpose;
  - 113.2. composition, appointment, tenure, quorum and voting;
  - 113.3. procedure on designating a chairperson to each Committee and role of the Committee chairperson;
  - 113.4. delegated functions including extent of power to make decisions and/or give recommendations;
  - 113.5. reporting mechanism to the Board; and
  - 113.6. procedures for seeking independent outside professional advice when necessary.

## **Authority of Committees**

114. The Board Committees shall have the authority to do the following within the mandate specified in the Terms of Reference.
- 114.1. Obtain documents, reports, explanations, and other relevant information from the Management and concerned parties or persons.
  - 114.2. Require attendance of the Management, Employees and concerned parties or persons in meetings to question and seek explanations and clarifications regarding matters considered by the Committee.
  - 114.3. Obtain the services of external consultants, experts, and advisers, and obtain independent professional advice to Committees.
  - 114.4. Require special investigations and take any other action necessary for such purpose.
  - 114.5. Perform any other duties as may be required by the Board within the scope of the Committee mandate.

## **Collective and Individual Responsibilities**

115. Following are the responsibilities of the Board Committees.
- 115.1. Execute assigned functions and responsibilities in alignment with the objectives and authority set forth by the Board in the Terms of Reference.
  - 115.2. Provide recommendations and reports to the Board on matters within their respective mandate.
  - 115.3. Submit an annual activity report to the Board.

116. Committee Members shall be responsible for the following.
- 116.1. Attend meetings and contribute to the activities and work of the Committee.
  - 116.2. Be up to date about developments in areas related to the Committee mandate.
  - 116.3. Inform the Committee and/or the Board regarding any conflict of interest that may affect their work.
  - 116.4. Committee chairpersons shall report committee activities, recommendations, and findings to the Board on a regular basis.

### **Committee Meetings**

117. Board Committee meetings shall be held on a regular basis, but not less than once in every 3 (Three) months. Under normal circumstances, Board Committee meetings shall precede regular Board meetings.

### **Standard Operating Procedure for Committees**

118. Procedural matters related to agenda, notice, minutes, reviewing composition, and timelines applicable to Board Committees shall be specified in a standard operating procedure formulated for the purpose.

### **Committee Evaluation**

119. The Board shall conduct annual evaluation of Committee performance to assess effectiveness and adherence to assigned responsibilities.
120. The evaluation process may include feedback from Committee Members, Board Members, and other relevant stakeholders.

### **3.6: Secretariat**

#### **Administrative Support**

121. The Pension Office shall provide all and every administrative support required by the Board and this shall be ensured by the Chief Executive Officer.

#### **Board Secretary**

122. The Board Secretary shall be appointed by the Board based on the recommendation of the Chief Executive Officer.

123. In general, the Board Secretary shall perform all duties required of the Secretariat and such other duties as may be assigned by the Board or is required by this Code including but not limited to the following.

123.1. Provide efficient administrative support to the Board including planning, calling, and record-keeping of meetings.

123.2. Observe requirements related to the Board meeting agendas as specified in this Code.

123.3. Draft and circulate electronically for Board comments after confirmation of the Chief Executive Officer, the minutes of every Board meeting, and submit the final draft of the minutes for signature via email to Board Members within the time specified in the relevant standard operating procedure.

123.4. Ensure that the minutes are signed by the Chairperson and Board Members present at the meeting, and the Board Secretary shall also sign the minutes.

123.5. Communicate electronically to the Chief Executive Officer any relevant decisions approved by the Board in a timely manner.

123.6. Prepare, file, maintain and protect records of Board meetings.

123.7. Maintain records of all documents approved by the Board such as strategic documents, policies, guidelines, resolutions, minutes and agendas.

### **Committee Secretaries**

124. The Committee Secretaries shall be appointed by the respective Committee based on the recommendation of the Chief Executive Officer.
125. The Committee Secretaries shall perform all duties required of the Secretariat and such other duties as may be assigned by the Committee or is required by the Terms of Reference of the Committee and standard operating procedure applicable to Committees.

### **Induction**

126. The Secretariat shall conduct an induction program for newly appointed Board Members within the time specified in the relevant standard operating procedure. During the induction program, all governing documents and required access should be granted to the newly appointed Board Members.
127. Induction program is not required for Board Members who are reappointed to the Board for a new term.

### **Sitting Fee of the Secretaries**

128. The Board has the authority to determine and revise the sitting fee payable to the Board Secretary and Committee Secretaries.
129. The sitting fee determined by the Board for Board Secretary and Committee Secretaries shall be published.

## Chapter 4: Management Matters

### Chief Executive Officer

130. Following roles and responsibilities shall be undertaken by the Chief Executive Officer.
- 130.1. Overall leadership and management of the Pension Office operations, in accordance with the strategic direction set by the Board.
  - 130.2. Assist the Board in strategy and policy formulation and resource allocation of the Pension Office.
  - 130.3. Provide updates to the Remuneration and Nomination Committee about Board Member nomination processes.
  - 130.4. Ensure the effective implementation of requirements relevant to the operations of Pension Office and Pension Schemes under the Pension Act and Applicable Law.
  - 130.5. Ensure the effective implementation of strategies, policies and decisions approved by the Board.
  - 130.6. Provide necessary support to the Board, assisting in the decision-making process and effective discharge of Board duties.
  - 130.7. Provide regular reports to the Board including any material issues, risks, or developments, presenting updates on the operational, financial and investment performance.
  - 130.8. Ensure investment related matters are implemented in accordance with the law and decisions of the Board.
  - 130.9. Perform oversight of the Pension Office budget and financial matters, and ensure such matters are administered prudently and with integrity.
  - 130.10. Provide leadership and guidance to the Management, fostering a culture of accountability, transparency, and continuous improvement.

- 130.11. Effectively implement segregation of Employee duties to ensure the responsibilities of the Employees are fulfilled without conflict.
  - 130.12. Approve standard operating procedures applicable to various divisions and departments.
  - 130.13. Represent the Pension Office in external engagements and maintain effective relationships with stakeholders.
  - 130.14. Make appointments to various internal committees created under policies of the Board or formed under Applicable Law, and form and make appointments to special internal committees by specifying their scope and composition in writing.
  - 130.15. Foster a culture of innovation and technology to drive operational efficiency and work to enhance the quality of services provided by the Pension Office.
  - 130.16. Promote a culture of ethics, integrity, transparency and professional conduct within the Pension Office.
  - 130.17. Perform all other duties and responsibilities determined by the Board in the terms of reference for the position.
131. The Chief Executive Officer shall report to and be accountable to the Board for the overall performance and administration of the Pension Office.

### **Executive Management**

132. Executive Management is the highest level of management within the Pension Office, entrusted with overseeing the divisions and leading the organization under the direction of the Chief Executive Officer.
133. The Executive Management is responsible for the following.
- 133.1. Propose strategies to the Board in consultation with the Chief Executive Officer, and ensure implementation of strategies, policies and regulations adopted by the Board.



- 133.2. Align the goals and objectives of the respective division with the strategic plan approved by the Board.
- 133.3. Determine goal-setting frameworks that will be adopted by the Pension Office to measure goals and track their outcomes.
- 133.4. Oversee budgeting, financial planning, and human resource planning, and their implementation.
- 133.5. Optimize resource allocation and utilization to achieve operational efficiency and cost-effectiveness.
- 133.6. Create a positive work environment, attract and retain talent, and foster a culture of innovation and collaboration.
- 133.7. Identify and assess risks that may impact the Pension Office and Pension Schemes, and implements risk management strategies to mitigate risks.
- 133.8. Monitor the performance of the divisions and departments against strategic objectives and key performance indicators.
- 133.9. Overall responsibility for providing guidance, and overseeing the operations and activities of the respective division.
- 133.10. Perform any other duty or responsibility assigned by the Chief Executive Officer that is within the scope of the Pension Office.
134. The Executive Management shall report directly to the Chief Executive Officer and provide regular updates on the strategic initiatives, operational performance, and key decisions of their respective divisions, and ensure that the Chief Executive Officer is informed about any significant developments, challenges, or opportunities that may impact the Pension Office.
135. The Executive Management shall be accountable for the performance of the respective divisions, and contribute to the overall assessment of the organizational performance.

## Chapter 5: Fiduciary Duty

### Fiduciaries

136. Based on the responsibilities stated in Section 13 of the Pension Act and definition of Fiduciary provided under Section 33 of the Pension Act, any person or entity having the following responsibilities by virtue of being assigned or accepting the role shall be deemed a Fiduciary for the purposes of the Pension Act and this Code.
- 136.1. Decision-making discretion in any matter related to the administration of MRPS or management and forecast of Pension Assets.
- 136.2. Advising the Board on investment or having such responsibility to advise, regardless of whether advice was rendered.
- 136.3. Power or discretion to manage or deal with pension and Pension Assets.

### Fiduciary Duties

137. Fiduciaries recognised under the Pension Act and this Code shall uphold the following fiduciary duties.
- 137.1. Act solely in the best interests of the participants and beneficiaries of MRPS, ensuring that decisions and actions are free from any conflict of interest or self-dealing.
- 137.2. Possess the necessary knowledge and expertise to fulfill fiduciary duties effectively, and obtain professional assistance from subject matter experts where necessary.
- 137.3. Exercise prudence, care, skill, and diligence in the management and investment of Pension Assets, and matters related to pension.
- 137.4. Monitor the performance of investments, Custodians and other service providers, and additional aspects relevant to Pension Assets regularly.

- 137.5. Ensure compliance with all Applicable Law, guidelines and standards relevant to pension and Pension Assets.
- 137.6. Publish and disclose information about investment proposals in a manner that does not unduly compromise or negatively impact investment opportunities.
- 137.7. Maintain strict confidentiality of Confidential Information obtained in their fiduciary capacity.
- 137.8. Ensure transparency in reporting and disclose all relevant information necessary for participants of MRPS, regulators and stakeholders.

### **Breach of Fiduciary Duties**

138. As stated in Section 23 of the Pension Act, any of the following will amount to a breach of fiduciary duty.
  - 138.1. Violation of applicable regulations including Statement of Investment Principles.
  - 138.2. Utilize Pension Assets for own use or benefit, or for the benefit of an Associated Party of the Fiduciary.
  - 138.3. Conduct any transaction with an Associated Party of the Fiduciary regarding Pension Assets.
  - 138.4. Make any pension related investment or expenditure and authorize such investment or expenditure in violation of the Pension Act.
  - 138.5. Enter into any agreement for the procurement of items or services in violation of the Pension Act.
  - 138.6. Failure to discharge responsibilities under a contract made in connection with MRPS.
139. Fiduciary obligations shall be continuously monitored and potential situations that may compromise the fiduciary duty shall be proactively addressed.

140. In the event of a breach of fiduciary duty by any Fiduciary, a thorough investigation shall be initiated as per the applicable policies, and appropriate remedial actions shall be taken to mitigate harm and recover any losses. Further, breach of fiduciary duty shall be reported to the Securities Market Regulator and other concerned authorities in a timely manner.
141. For breach of fiduciary duties, Fiduciaries shall be held liable and legal action shall be taken as provided for in Section 23 of the Pension Act, and where the Fiduciary is a Board Member, then breach of fiduciary duty will result in removal from the Board as provided for in Subsection 10 (b) of the Pension Act.

## Chapter 6: Code of Conduct

### General Conduct

142. The Board Members, Executive Management staff and Fiduciaries shall for the duration of their term or employment or engagement, and thereafter insofar as necessary under the Pension Act and to give effect to their responsibilities in respect of such prior involvement:
- 142.1. act in good faith and solely in the best interest of the Pension Office;
  - 142.2. comply with the Pension Act and with other Applicable Law;
  - 142.3. avoid conflict of interest and disclose immediately any perceived, potential or actual conflict of interest;
  - 142.4. maintain confidentiality of Confidential Information relating to the Pension Office and Pension Scheme participants;
  - 142.5. refrain from revealing information held at or belonging to the Pension Office, except information that is required or permitted to be disclosed under the Pension Act and Applicable Law or under a contract entered into by the Pension Office or if compelled by a court order;
  - 142.6. obtain prior written approval of the Pension Office if accepting a consultancy or employment or engaging in a business activity that may cause conflict of interest;
  - 142.7. never engage in any form of harassment, discrimination, bullying, workplace violence or other behavior that colleagues or third parties may regard as threatening or degrading;
  - 142.8. respect and maintain gender equality and inclusiveness, and uphold human dignity;
  - 142.9. contribute to a safe and secure work environment by being responsible on safety procedures and report as soon as possible on any incident or unsafe condition;

- 142.10. never engage in, authorize or tolerate corruption at any time for any reason and never offer or accept an improper advantage or gift;
- 142.11. never use information technology systems to perform illegal or unethical activities;
- 142.12. never engage in any transaction based on confidential price sensitive information or insider trading;
- 142.13. utilize time, supplies, equipment and office facilities with due caution solely for the benefit of the Pension office and not for personal use; and
- 142.14. use social media and other public forums responsibly and in a manner that does not affect the reputation of the Pension Office.

### **Gift, Invitation, and Entertainment**

143. Board Members, Executive Management staff and Fiduciaries shall not accept any gifts, invitations, or entertainment that may compromise their objectivity, impartiality, or independence in carrying out their duties and responsibilities. Further, the acceptance of monies and other financial advantages connected with their role in the Pension Office is prohibited under all circumstances.
144. Board Members, Executive Management staff and Fiduciaries shall not offer or provide gifts, invitations, or entertainment to any person or entity or stakeholders with the intention of influencing their decisions or actions.
145. As per Subsection 10 (d) of the Pension Act, a Board Member shall not in any capacity, accept any gift or loan or reward from any Asset Manager or Custodian of the Pension Office or anyone associated with them or from any service provider of the Pension Office. This requirement extends to the Immediate Family of Board Members.
146. Board Members, Executive Management staff and Fiduciaries shall promptly disclose and report any offers or attempts to provide gifts, invitations, or entertainment that could create a conflict of interest to the Competent Authority.

147. All accepted gifts, invitations, or entertainment shall be properly recorded and documented to ensure transparency and accountability. Such records shall be maintained in accordance with the relevant standard operating procedure.
148. For the purpose of this Code, the terms "gifts, invitations, and entertainment" refer to any item, favor, service, benefit, hospitality, or similar provision offered, provided, or received, either directly or indirectly from individuals, organizations, or entities with the intention of influencing or potentially influencing the decision-making, actions, or behavior of the recipients in their official capacity within the Pension Office.

### **Personal Financial Interest**

149. Board Members, Executive Management staff and Fiduciaries involved in the decision-making process of investments shall not:
- 149.1. base their input in the decision-making process of investments, on their personal financial interest, or on that of Associated Parties, persons or entities known to them; and
- 149.2. seek or benefit from insider information in their possession by virtue of their role in the Pension Office, and shall not disclose insider information without written authorization by the Pension Office.
150. Board Members, Executive Management staff and Fiduciaries shall disclose to the Competent Authority any personal financial interest that could potentially influence their objectivity or independence in the performance of their duties. This includes any direct or indirect financial interest, ownership, investment, or other financial relationships with an individual or in entities that may have or has a connection with the Pension Office.
151. Board Members, Executive Management staff and Fiduciaries with a personal financial interest in a matter under consideration shall recuse themselves from participating in the decision-making process or otherwise in the matter. They shall not influence or attempt to influence the outcome of such matters, and shall not participate in discussions or deliberations and abstain from providing any input.

152. The Pension Office shall formulate a policy on disclosure of personal financial interests to monitor and periodically review the personal financial interests of Board Members and Executive Management.

### **Nepotism**

153. The hiring of Immediate Family of the following persons shall be avoided to prevent nepotism and potential conflict of interest:
- 153.1. Board Members;
  - 153.2. Ministers or a higher rank;
  - 153.3. Shareholders, directors or executives of Asset Managers, Custodians and Open-Ended Vehicles; and
  - 153.4. Executive Management staff of the Pension Office.

### **Disclosure of Conflict of Interest**

154. In relation to a party with which, according to their knowledge, the Pension Office intends to enter, or has entered into a contract, or in relation to a party in respect of which the Pension Office intends to buy or sell, or has bought or sold financial instruments, Board Members, Executive Management staff and Fiduciaries shall promptly disclose to the Competent Authority, any situation concerning themselves that may give rise to, or actually constitute, a conflict of interest, including the following:
- 154.1. a substantial financial investment;
  - 154.2. personal business dealings;
  - 154.3. family or personal ties with the owners or or executives or managers or the party itself; and
  - 154.4. an affiliation to a regulatory body.
155. Pursuant to Subsection 8 (f) of the Pension Act, Board Members must throughout their term 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.



156. Board Members, Executive Management staff and Fiduciaries shall promptly disclose any actual, potential, or perceived conflict of interest that may arise in relation to their duties and responsibilities through the designated form to the Secretariat, providing detailed information about the nature and extent of the conflict. In addition, the disclosure shall be updated whenever there is a material change in their personal, financial, or professional circumstances that could give rise to a conflict of interest.
157. The Secretariat shall ensure that conflict of interest disclosures are informed to the appropriate Competent Authority in a timely manner to mitigate any conflicts.

### **Resolving Conflict of Interest**

158. Matters related to conflict of interest or any breach of the Code shall be reported to and resolved or referred to appropriate mechanisms under relevant policies by the Competent Authority specified below.
- 158.1. Board Members (except the Chairperson) shall submit the matter to the Chairperson.
- 158.2. Chairperson shall submit the matter to the Securities Market Regulator.
- 158.3. Executive Management (except the Chief Executive Officer) shall submit the matter to the Chief Executive Officer.
- 158.4. Chief Executive Officer shall submit the matter to the Chairperson.
159. The Competent Authority shall consider the reported information and promptly establish if a perceived, potential or actual conflict of interest exists. Where this is the case, the Competent Authority, in consultation with the concerned Board Member or Executive Management staff or Fiduciary shall promptly take measures to ensure that the potential or actual conflict of interest is removed, or refer the matter for further action through mechanisms established under relevant policies.

160. To resolve conflict of interest, priority shall be given to the following measures in the order listed:
- 160.1. Recusal by the concerned Board Member or Executive Management staff or Fiduciary themselves from any discussions, deliberations, or decisions related to the conflict of interest.
  - 160.2. Exclusion of the concerned Board Member or Executive Management staff or Fiduciary from participation in the decision-making process and in follow-up actions, and replacement in such activities.
  - 160.3. Prohibiting the acceptance of any gifts, invitations or entertainment if conflict of interest cannot be resolved.
  - 160.4. Termination of contracts and transactions involving conflict of interest.

### **Register of Disclosed Conflict of Interest**

161. The Pension Office shall maintain a register of disclosed conflict of interest and resulting actions, which shall be periodically reviewed and updated. This register shall be maintained by the Secretariat.
162. Any disclosures and actions related to conflict of interest or personal financial interests initially received or attended to by the Competent Authority shall be informed to the Secretariat for the purpose of including such disclosures in the register.

### **Cooling-off Period**

163. Following the conclusion of their term or employment or engagement with the Pension Office, Board Members, Executive Management staff and Fiduciaries shall adhere to a 1 (One) year cooling-off period, and shall refrain from the following during the cooling-off period.

- 163.1. Accepting employment, consultancy, or advisory roles with individuals or entities that have a direct or indirect connection with the investment of Pension Assets, or any other role that may give rise to conflict of interest with the Pension Office.
  - 163.2. Engaging in activities that involve the use of insider knowledge gained during their tenure in the Pension Office.
  - 163.3. Participating in decision-making processes or transactions that may influence or benefit from their prior association with the Pension Office.
  - 163.4. Engaging in any actions that could undermine the public trust, reputation, or impartiality of the Pension Office.
164. In addition, Board Members shall not provide service in any professional capacity for a 1 (One) year period from the end date of Board membership to an Asset Manager or a Custodian as specified under Subsection 10 (c) of the Pension Act.
165. A cooling-off period of 1 (One) year shall apply prior to the appointment or employment or engagement of any individual to the Pension Office, who previously held a position associated with an entity directly or indirectly involved in the investment of Pension Assets or was a political appointee or was engaged in a political activity restrained under this Code or in any other role that could potentially result in conflict of interest with the Pension Office.
166. Individuals who violated the post appointment or employment or engagement cooling-off period as stipulated in this Code, shall not be considered for future appointment or employment or engagement in any capacity with the Pension Office for a 5 (Five) year period from the date of violation, and individuals who do not satisfy pre appointment or employment or engagement cooling-off period shall be barred until satisfaction of the requirement.

## **Confidentiality**

167. In performing its duties, Board Members, Executive Management staff and Fiduciaries may be exposed to and will be required to use certain Confidential Information of the Pension Office. Board Members, Executive Management staff and Fiduciaries shall not use, directly or indirectly, such Confidential Information for the benefit of any person, entity or organization other than the Pension Office, or disclose such Confidential Information without the written authorization of the Chief Executive Officer, either during or after the term, for as long as such information retains the characteristics of Confidential Information.

## **Communication of Information**

168. Board Members, Executive Management staff and Fiduciaries shall communicate in an accurate, timely and effective manner, all information that is required or permitted to be disclosed under the Pension Act and Applicable Law or under a contract.

## **Participation in Political Activities**

169. Board Members, Executive Management staff and Fiduciaries are strictly discouraged from engaging in partisan political activity, except as explicitly permitted herein. If such activities are pursued within the scope specified in this Code, they must be done strictly on the individual's personal time and capacity, without any utilization of Pension Office resources and in a manner that does not affect the reputation of the Pension Office.
170. With regards to political activities, the Board Members, Executive Management staff and Fiduciaries shall not:
- 170.1. while on Pension Office premises, campaign, collect funds or distribute material in connection with any political activity; and
  - 170.2. use Pension Office property, equipment and resources including but not limited to email accounts for political purposes.
171. The political activities of Board Members, Executive Management staff and Fiduciaries must not compromise their professional integrity, and shall not abuse their position to promote personal political ambitions or those of a political party.
172. Board Members, Executive Management staff and Fiduciaries shall not accept a political appointment or a position included in the formal organizational structure of a political party or contest in an internal election of a political party or submit to the Election Commission candidacy for an elective political post.

## **Breach**

173. If a Board Member is alleged to have breached any provision hereof, then the alleged breach should be investigated and appropriate action should be taken based on the severity of the breach. Any alleged breach of a Board Member should be investigated by an ad hoc committee of 3 (three) Board Members formed by the Board specially for the purpose. The Board Member who is alleged to have committed the breach should be given a fair opportunity to explain.
174. A majority of the Board Members should approve the decision made by the ad hoc committee regarding an alleged breach. Appropriate and proportionate corrective action should be taken to address the breach, as per the provisions of this Code, and the Securities Market Regulator shall be informed of such matters by the Pension Office.
175. For any alleged breach by an Executive Management staff, action shall be taken as per the relevant disciplinary policies approved by the Board.

## **Code of Conduct for Employees**

176. In addition to the code of conduct stipulated within this Code for the Board, Executive Management and Fiduciaries, the Board has authority to establish an independent code of conduct specifically applicable to the Employees.

## **Chapter 7: Disclosure and Transparency**

### **Public Disclosure**

177. The Pension Office shall ensure timely and accurate disclosure of information to the public regarding its activities, operations, and financial performance, in accordance with the Applicable Law.
178. The Pension Office shall maintain dedicated sections on its official website to provide comprehensive and up-to-date information about its governance and organizational structure, law and regulations, key policies, annual and financial reports, and other relevant disclosures.

### **Financial Reporting**

179. The Pension Office shall annually prepare and submit financial statements and reports to the Securities Market Regulator in accordance with the applicable accounting standards and regulatory requirements.
180. The financial statements shall be audited by independent external auditors, and the financial statements and audit reports shall be published.

### **Annual Report**

181. The Pension Office shall prepare and publish an annual report that provides a comprehensive overview of its activities, performance, and achievements during the reporting period.
182. The annual report shall include information on the governance structure, reports on Board and Board Committee activities, investment strategy and performance, risk management framework, financial statements, and any significant developments or changes in the Pension Office operations.

## **Investment Disclosures**

183. The Pension Office shall publish the Statement of Investment Principles formulated as per the Pension Act, and any other regulation or guideline applicable to investments.
184. Provide regular disclosures on the composition of its investment portfolio, including the asset classes, investment holdings, and their respective proportions.
185. Disclose investment performance on a regular basis, including the returns achieved, benchmark comparisons, and performance attribution analysis. Such disclosures shall provide both quantitative and qualitative information to enable stakeholders to assess the effectiveness of the investment strategy and decision-making.
186. Publish and disclose information about investments of Pension Assets and investment proposals received by the Pension Office as required under Section 13 of the Pension Act subject to the guideline provided herein under Subsection 137.6 of this Code.
187. If the Pension Office plans to engage any external party related to investment such as Custodians, Asset Managers or investment advisors and Open-ended Vehicles, it shall disclose the relevant selection criteria and process. After engagement of parties stated in this provision, the Pension Office shall disclose names of such parties, fees and any potential conflict of interest associated with the engagement.

## **Stakeholder Communication**

188. The Pension Office shall establish effective communication channels to engage with its stakeholders, including participants and beneficiaries of Pension Schemes, employers, regulators and the public.
189. The Pension Office shall respond promptly and transparently to inquiries, complaints, and feedback from stakeholders, ensuring open and accessible communication.

## **Whistleblower Protection**

190. The Pension Office shall establish and maintain a confidential and secure whistleblowing mechanism as specified under the Act Number: 16/2019 (Whistleblower Protection Act) to enable Employees and stakeholders to report any wrongdoing, fraud, or unethical behavior.
191. The confidentiality of whistleblowers shall be protected, and appropriate measures shall be taken to investigate and address reported concerns as per the Applicable Law.

## **Mechanisms to Raise Complaints**

192. The Pension Office shall specify mechanisms to raise complaints, concerns, or grievances related to its operations, decisions, or conduct in the relevant regulations.
193. Following matters shall be ensured by the Pension Office in respect of mechanisms to raise complaints.
  - 193.1. Provide multiple channels through which individuals and stakeholders can raise complaints, including but not limited to written submissions, online platforms, dedicated email addresses, and helpline service, and available channels shall be clearly communicated publicly, ensuring their awareness and ease of access.
  - 193.2. Acknowledge receipt of complaints in a timely manner, providing confirmation to complainants about the submission of their complaints. In addition, reasonable timeframes shall be established in the procedures for responding to complaints and ensure that responses are provided within the specified timeframes, keeping complainants informed of the progress and outcome of their complaints.
  - 193.3. Maintain comprehensive records of all received complaints, including the details of the complainant, nature of the complaint, actions taken, and the final resolution.



## Chapter 8: General Provisions

### Records

194. The Pension Office shall maintain records of the Pension Office, including records of all receipts and disbursements, all investments purchased or sold, all minutes of Board meetings, and all official correspondence. The Chief Executive Officer shall report to the Board on all policy matters pertaining to the maintenance of Pension Office records. Records of individual account transactions received on behalf of MRPS participants shall be retained indefinitely.

### Agents of the Pension Office

195. The Pension Office is an entity separate and independent from the Government of the Maldives and all of its Ministries and other institutions, the Securities Market Regulator, and other stakeholders as provided for under Section 2 of the Pension Act. Accordingly, unless authorized in a motion or resolution of the Board, no individual or organization shall have the authority to act or function for or on behalf of the Pension Office or as an agent thereof. Likewise, unless authorized in a motion or resolution of the Board, no individual Board Member or Chief Executive Officer or Employee or professional adviser shall have any authority to act or function on behalf of the Pension Office or as an agent thereof.

### Applicable Law

196. This Code shall be interpreted, and the Pension Office shall be administered, in accordance with the Pension Act and other Applicable Law in the Republic of Maldives, as such laws and regulations presently exist or as they may hereafter be amended. References herein to any particular sections of the Pension Act shall include any such rules pertinent to such sections as may be promulgated by the concerned authorities and any subsequent amendments.

### Notices

197. Any written notice provided for in this Code shall be delivered in the manner specified herein.

## Severability

198. If any provision in this Code is held to be invalid or unenforceable for any reason whatsoever, it shall not affect validity or enforceability of the remaining provisions.

## Replacement

199. This Code replaces the Rules of Procedure of the Board of Pension Office in effect since 24<sup>th</sup> July 2017.

## Amendment and Revision

200. This Code may be subject to revision and amendment by the Board without compromising its integrity and effectiveness, while ensuring alignment with the spirit and principles of the Pension Act and this governance framework

201. This Code shall be subject to periodic review to ensure its continued relevance, effectiveness, and alignment with evolving best practices. In this regard, the Code shall be reviewed at least once every 5 (Five) years.

## Commencement

202. This Code shall commence from the date of publication on the Gazette of the Government of Maldives.