



Pension Office

## **Nominee Directorship Policy**

## DOCUMENT CONTROL

### A. Document Information

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## 1. Preamble

The Nominee Directorship Policy (hereinafter referred to as the 'Policy') outlines the hiring process, ethical and professional responsibilities and governance of personnel (hereinafter referred to as "Nominee Directors") appointed by Pension Office to carry out the fiduciary duties and responsibilities of Boards of Investee Companies (hereinafter referred to as Company) in the best interest of the Company whilst balancing the institutional interests of Pension Office.

An Investee Company (Company) is any company the Pension Office holds legal ownership rights from investments it has made on behalf of Maldives Retirement Pension Scheme (MRPS), acting in its capacity as MRPS's administrator.

## 2. Guiding Principles

The Nominee Directors, being representatives of Pension Office should possess the highest level of integrity, moral character, experience, and technical competence to undertake the duties and responsibilities of a Board director.

In carrying out the fiduciary responsibilities of the directorship, all Nominee Director owes his/her fiduciary responsibility to the Company and all its shareholders (and stakeholders), and not one particular nominating shareholder. The Nominee Directors shall act with good care and faith in the best interest of its shareholders.

In the event of a potential conflict of interest between the Company and MPAO, the Nominee Director shall be able to act in the best interest of the Company.

The recruitment, nomination & appointment process of Nominee Directors should be fair, equitable and solely based on merit as determined by this Policy.

## 3. Procedural Matters

The appointment process of Nominee Directors shall be overseen by the Remuneration and Nominations Committee (RNC), hereafter referred to as "Committee". The Committee shall ensure the following;



### **3.1 Preliminaries**

- 3.1.1 Review the Terms of Reference (TOR) and evaluation criteria for selecting candidates for the position of Nominee Director.
- 3.1.2 The TOR and evaluation criteria reviewed by the Committee as stated above shall be sent to the Board of Pension Office for approval before the recruitment process can commence.
- 3.1.3 Opening for application should be publicly disclosed with all relevant information including, job description and job specification and the manner in which the application should be submitted.
- 3.1.4 The secretariat role of the recruitment process; including public announcement of the position, compiling candidate lists for Committee endorsement, and reaching out to candidates for interviews shall be fulfilled by the Secretary of the Committee (hereafter "Secretary").
- 3.1.5 Secretariat shall maintain an up-to-date record of all Nominee Directors, and should report to the Committee on relevant issues on a quarterly basis.

### **3.2 Assessment of Candidates**

- 3.2.1 The Interview panel shall consist of the quorum for the Committee and a member from the Investment Committee.
- 3.2.2 Each member of the interview panel shall provide an independent score.
- 3.2.3 Individual scores shall be aggregated, checked and signed by all members.
- 3.2.4 The Secretary shall send the full score sheet signed by Committee members to the MPAO Board.
- 3.2.5 The Board may select a candidate among the two highest performing candidates. In cases where sufficient number of candidates are not available and at a minimum 02 (two) candidates are not shortlisted, the Committee may decide to re-announce for the position.



- 3.2.6 If the minimum requirement specified in clause 3.2.5 could not be met subsequent to directorship announcement(s), the committee may decide to make nominations from amongst the applied candidates.
- 3.2.7 After the selection, the Secretary shall proceed with informing the management of the Company of the Board's decision to appoint the selected candidate as Nominee Director. The Secretary shall also inform the selected candidate, in writing of his/her selection to the position.

### **3.3 Eligibility for Nominee Directors**

- 3.3.1 Candidates for Nominee Directors at a minimum must hold a Bachelor's degree. The Committee may impose further criteria on a case by case basis to attract specialist skills that may be required for a particular position.
- 3.3.2 Candidates shall not be staff members or Board Members of Pension Office, nor their family members (parent, spouse, child, or sibling) of Executive Management of Pension Office.
- 3.3.3 A Nominee Director shall not at any time hold a political position in a Government or State body or in a political organization.
- 3.3.4 The Nominee Director may at a maximum hold three additional Board Directorship position in an Institution (company or State/Government body or otherwise) which has no conflicts of interest with the Company.
- 3.3.5 In addition, candidates must fulfill any requirement imposed by the Company in internal bylaws or otherwise.

### **3.4 Responsibilities of Nominee Directors**

- 3.4.1 All successful candidates must adhere to any relevant law applicable to perform the duties as a Board Director of a company in the Maldives including the Companies Act, the Maldives Pension Act, Corporate Governance Code by Capital Market Development Authority and other corporate governance rules issued by any relevant regulatory Authority, all internal bylaws of the Company and to the rules stated in this Policy.



3.4.2 In addition, all successful candidates shall agree to the following;

3.4.2.1 To carry out the responsibility of the Nominee Director in the best interest of the Company, abide by all relevant corporate governance practices and codes and disclose any potential and existing conflicts of interests.

### **3.5 Remuneration**

3.5.1 The Nominee Director shall be remunerated in accordance with the relevant remuneration policies of the Company.

3.5.2 In addition, a fixed nominee fee may be paid on a monthly basis by the Pension Office as may be proposed by the Committee and approved by the Board of MPAO.

### **3.6 Tenure**

3.6.1 Tenure of a Nominee Director shall be the tenure as specified for the Board Director by the Company and the tenure duration shall be specified in the TOR for the Nominee Directorship position.

3.6.2 The Committee shall review Nominee Directors' performance annually.

3.6.3 Following the end of tenure, the Committee reserves the right to extend the tenure subject to annual performance review and Board approval.

3.6.4 Failure to attend three or more consecutive Board meetings of the Company without a valid reason will be deemed reasonable grounds for termination of the Directorship by the Committee

3.6.5 Where a Nominee Director is convicted of a criminal offence, or found to be in breach of any applicable rules and regulations, the Committee shall have the discretion to take action against the Nominee Director. Such action may include but is not limited to immediate termination of the Nominee Directorship.

3.6.6 The Committee shall notify the Nominee Director in writing the intent to terminate, with 14 (Fourteen) working days' notice prior to effective termination of the



Directorship. The Nominee Director holds the right to appeal to the Committee this intent to terminate within 07 (Seven) working days of receipt of notice.

3.6.7 Committee shall make a final decision relating to termination of Directorship following an appeal against termination within 10 (ten) working days.

**3.7 Confidentiality**

3.7.1 Nominee Directors have a fiduciary responsibility to maintain confidentiality of the Company's and that of Pension Office's information that they come across in the course of their Directorship during the tenure of the Directorship. A Nominee Director shall not even at anytime after completion of tenure of the Nominee Directorship, disclose such information without written permission from the Company and/or MPAO.

**3.8 Conflict of interest**

3.8.1 The Nominee Director shall promptly report to the Committee any potential or actual conflict of interest that may arise during the tenure of Directorship.

3.8.2 The subsequent action following such disclosure shall be decided by the Committee on a case by case basis.

**3.9 Voting**

3.9.1 The Nominee Director shall act in good faith in the best interest of the Company and Pension Office in voting in all matters as Nominee Director.

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