



**Code of Conduct for  
Members of the National  
Asset Management Agency  
Board and its Committees**

**Approved By Board of NAMA – 16.11.17**

## APPENDIX 3

### CODE OF CONDUCT FOR MEMBERS OF THE NATIONAL ASSET MANAGEMENT AGENCY BOARD AND ITS COMMITTEES

AS APPROVED BY THE BOARD AT ITS MEETING ON 16 NOVEMBER 2017<sup>1</sup>

#### 1. INTRODUCTION

This Code of Conduct (“Code”) applies to members of the National Asset Management Agency Board (“Board”) and members of the committees established under Sections 32 and 33 of the National Asset Management Agency Act 2009 (the “Committees”). The Code underscores the Board’s commitment to the highest standards of ethical conduct.

While it is not possible for a set of rules or guidelines to provide for all situations that may arise, Board/Committee members are expected to ensure that all their activities are governed by the ethical standards reflected in this Code in letter and in spirit.

#### 2. OBJECTIVES

The objectives of this Code of Conduct are as follows:

- The establishment of an agreed set of ethical principles;
- The promotion and maintenance of confidence and trust including the protection of the good name of the National Asset Management Agency (“NAMA”);
- The prevention of the development or the acceptance of unethical practices.

#### 3. COLLECTIVE RESPONSIBILITY

Board/Committee members must observe and uphold the collective responsibility of the Board and/or respective Committee(s) of which they are a member.

#### 4. GENERAL CONDUCT

Board/Committee members must always be guided in their actions by the provisions of the National Asset Management Agency Act, 2009 (“NAMA Act 2009”) as well as by their general responsibilities to act lawfully, faithfully, competently and in the best interests of NAMA.

Board and Committee members should be loyal and committed to NAMA while mindful that the organisation itself must at all times take into account the interests of its shareholder and its statutory duties under the NAMA Act.

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<sup>1</sup> Supersedes the version adopted by the Board at its meeting on 15 December 2016.

Board/Committee members should use their reasonable endeavours to attend all Board/Committee meetings.

Board/Committee members are required to discharge their duties and responsibilities with the highest standards of integrity, including:

- disclosure of outside employment/business interests in conflict with or in potential conflict with the business of NAMA;
- avoidance of the giving or receiving of corporate gifts, hospitality, preferential treatment or benefits of any kind which might affect or appear to affect the ability of the donor or the recipient to make independent judgement on business transactions or which might be harmful to the reputation of NAMA;
- ensuring a culture within NAMA of claiming expenses only as appropriate to business needs and in accordance with good practice in the public sector generally;
- avoidance of use of confidential information and NAMA's resources for personal gain or for the benefit of persons/organisations unconnected with NAMA or its activities.
- commitment not to acquire information or business secrets by improper means and to fairness in all business dealings; and
- commitment to compliance with employment equality and equal status legislation and to NAMA promoting and preserving the health and safety of staff.

## 5. OBLIGATIONS

Board/Committee members must at all times act in utmost good faith with care, skill and diligence in the performance of their functions<sup>2</sup>. In this regard, Board/Committee members should take all reasonable steps to ensure that:

- all regulatory and statutory obligations imposed on NAMA are fulfilled;
- all applicable tendering and purchasing procedures are complied with;
- there are adequate controls in place to prevent fraud;
- NAMA's accounts/reports accurately reflect its performance and are not misleading or designed to be misleading.

## 6. CONFIDENTIALITY

Board/Committee members should take all reasonable steps to ensure that information is handled responsibly, including:

- supporting the provision of access to general, non-commercially sensitive information relating to NAMA's activities in a way that is open and enhances its accountability to the general public;
- respecting the confidentiality of sensitive information held by NAMA;
- taking particular care to safeguard adequately all NAMA documents;
- observing appropriate prior consultation procedures with third parties where, exceptionally, it is proposed to release sensitive information in the public interest;
- complying with relevant statutory provisions.

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<sup>2</sup> Section 18(3) of the NAMA Act provides that "in performing its function, the Board shall act in utmost good faith with care, skill and diligence."

In relation to the latter, the attention of Board/Committee members is drawn to their obligations under the NAMA Act 2009, the Data Protection Act, 1988 and 2003 and the Market Abuse Regulation (2014/596).

Board/Committee members must treat all information obtained in the course of performing their duties on behalf of NAMA as strictly confidential unless there is clear and unambiguous evidence, instruction or indication to the contrary. Specifically, information relating to NAMA, the NTMA, the State or any organs of the State or State bodies, whether or not such information relates directly to NAMA, to which Board/Committee members become privy and which is not in the public domain, is to be treated as confidential.

Board/Committee members should be aware that the non-disclosure obligation in respect of privileged or confidential information does not cease when their membership of the Board/ its committees has ended<sup>3</sup>.

## **7. DISCLOSURES OF INTERESTS**

In order to maintain public confidence, Board/Committee members must be seen at all times to be beyond reproach in the area of actual, potential or perceived conflict of interest situations. It is also important that Board/Committee members act, and be seen to act, objectively and independently. To this end, Board/Committee members should ensure that they comply with their statutory obligations with regard to actual and potential conflicts.

The statutory obligations of Board/Committee members in respect of conflicts of interest derive from the Ethics in Public Office Act 1995 as amended by the Standards in Public Office Act 2001 and Sections 30 and 31 of the NAMA Act, 2009. In addition, Section 5 of the Code of Practice for the Governance of State Bodies contains a number of supplementary obligations in relation to conflicts of interest.

In summary, these obligations require Board/Committee members to:

1. On appointment as a Board/Committee<sup>4</sup> member and annually thereafter, provide a statement of interests as prescribed in the Code of Practice for the Governance of State Bodies.
2. Provide an annual statement of interests to the Standards in Public Office Commission and the Chairperson of the NAMA Board (the Chief Executive Officer of NAMA in the case of the Chairperson)<sup>5</sup>;
3. By 31 January each year give notice to NAMA of his/her registrable interests (within the meaning of the Ethics in Public Office Act 1995)<sup>6</sup>.
4. On an ongoing basis, disclose material interests to fellow Board/Committee members in respect of any matter that falls to be considered by the Board/Committee.

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<sup>3</sup> Section 5.6 of the Code of Practice for the Governance of State bodies and Section 202(2) of the NAMA Act 2009.

<sup>4</sup> Applies to new appointments to Committees, where the member has not previously submitted a statement of interests on appointment to the Board or another Committee.

<sup>5</sup> This obligation applies to members of the Board and Committees established under Section 32(1) or 33(1) of the NAMA Act 2009.

<sup>6</sup> Applies to Board members only under Section 31 of the NAMA Act. This section does not apply to Committee members who are not members of the Board.

Procedures have been put in place to assist Board/Committee members in meeting their disclosure of interest obligations. Board/Committees members are required to comply with these procedures.

In respect of these procedures Board/Committee members should note the following:

- NAMA is required to ensure that a Register of Members' Interests is maintained in respect of interests disclosed by Board members under Section 31 of the NAMA Act 2009. In addition, interests disclosed by Board/Committee members under the Code of Practice for the Governance of State bodies are required to be recorded in a special confidential register.
- The ongoing obligation to disclose interests as they arise applies even though the interest may have been already disclosed in the annual statement of interests or at a previous meeting;
- Disclosures of interests to fellow Board/Committee members must be in writing;
- The Chairperson of the meeting has a determining role where an issue in regard to a disclosure of interest arises. Where the interest relates to the Chairperson, he/she must retire from the chair and the issue will be determined by the majority vote of the remaining Board/Committee members.
- If a Board/Committee member is deemed to have a material interest, he/she must cease to be involved in any consideration/decision in relation to the matter and to absent him/herself from the meeting or that part of a meeting during which the matter is discussed.

Board/Committee members should take particular care when dealing with third parties not to suggest or to imply that they are prepared to intervene with NAMA on their behalf in any unusual or abnormal fashion. Section 221(1) of the NAMA Act 2009 makes it an offence (subject to the exceptions provided for in Sections 221(3) and 221(4)) for a person to lobby NAMA "with the intention of influencing the making of a decision in relation to the performance of the functions of NAMA or the NAMA group entity." Furthermore, it is an offence for a person, who believes that he/she has been communicated with in contravention of 221(1), not to make a report, as soon as may be, to the Gardaí.

As a general principle Board/Committee members should avoid the giving or receiving of corporate gifts, hospitality, preferential treatment or benefits which might affect, or appear to affect, the ability of the donor or the recipient to make an independent judgment on business transactions. Under Section 16 of the NAMA Act 2009 Board members are subject to the provisions of the Prevention of Corruption Acts 1889 to 2001. In particular, Board members should note that, where it is shown in proceedings for an offence under the Public Bodies Corrupt Practices Act, 1889 or the Prevention of Corruption Act, 1906, that any gift, consideration or advantage has been given to or received by a person performing a function for NAMA from a debtor or an associated debtor in relation to an eligible bank asset, the gift shall be taken, unless the contrary is proved, to have been given and received corruptly.

Former Board/Committee members should give due consideration before taking up any position or role, as to whether it might give rise to a conflict of interest in respect of their continuing obligation to respect the confidentiality of information obtained as a member of the NAMA Board/Committee and in particular, whether a sufficient amount of time has elapsed so as to remove any perception of such conflict of interest. In this regard, Board and Committee members must comply with the provisions of the Board-approved *Policy for post-*

*retirement/resignation employment, appointments or consultancy by former appointed members of the Board of NAMA and Board Committees of NAMA.*

## **8. INSIDE INFORMATION AND MARKET ABUSE LEGISLATION**

Board/Committees members may potentially have access from time to time to “inside” or “confidential price sensitive” information regarding financial instruments and the issuers of such instruments. As such, Board/Committees members should be aware that it is a criminal offence for a person who is in possession of “inside information” to:

(a)

- (a) Engage or attempt to engage in insider dealing*
- (b) Recommend to another person or induce another person to engage in insider dealing,*
- (c) Unlawfully disclose inside information.*

The relevant legislation is the Market Abuse Regulation (2014/596) (“MAR”), which from 3 July 2016 established a regulatory framework on market abuse, and measures to prevent market Abuse, and replaced, expanded and developed the EU market abuse regime under the Market Abuse Directives.

“Inside information” is defined as information of a precise nature, which has not been made public, relating to one or more financial instruments or to one or more issuers, and which, if it were made public, would be likely to have a significant effect on the price of those financial instruments or as the case may be the financial instruments of those issuers. Inside information is likely to have “a significant effect” on price if it is information that a reasonable investor would be likely to use as part of the basis of his or her investment decisions.

For the purposes of MAR a “financial instrument” includes a broad range of securities including shares, bonds, financial contracts for differences, units in collective investment undertakings and certain derivatives.

Under MAR, insider dealing occurs where a person possesses inside information and uses that information to acquire or dispose of, for his/her own account or for the account of a third person, directly or indirectly, financial instruments to which that information relates. The use of inside information by cancelling or amending an order concerning a financial instrument to which the information relates, where the order was placed before the person concerned possessed the inside information, is also insider dealing.

An offence of recommending or inducing another person to engage in insider dealing arises where a person, who possesses inside information, on the basis of that information recommends to or induces another person to acquire or dispose of financial instruments to which the inside information relates or to amend or cancel an order concerning such financial instruments.

An offence of unlawfully disclosing inside information is committed where a person discloses inside information other than in the proper course of the person’s employment, profession or duties.

Sanctions for breach of MAR can include imprisonment and fines on conviction, civil liability and administrative sanctions imposed by the Central Bank.

The Board has approved a Personal Account (PA) Transaction Policy for its members and members of the Committees, which contains rules and procedures aimed at protecting them from contravening the Market Abuse Regulations in respect of any inside information that comes into their possession in the course of performing their duties on behalf of NAMA. The Policy is also intended to assist Board and Committee members in adhering to high ethical standards in relation to personal account transactions and to preserve the good reputation of NAMA.

On a general basis, Board/Committee members should not engage in personal account dealing, which might in any way endanger or adversely affect the business or the reputation of NAMA or which might conflict with or interfere with the performance of their duties on behalf of NAMA.

## **9. REVIEW**

This Code is reviewed annually by the NAMA Board.