

FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO

Code of Conduct

This Code of Conduct (the “Code”) sets out the ethical standards applicable to The Financial Oversight and Management Board for Puerto Rico (the “Board”), its members, its ex officio member, its Executive Director and all other of its full-time staff (“Covered Persons”). The Board is committed to fulfilling the duties and responsibilities assigned and granted to it by the United States Congress under the Puerto Rico Oversight, Management, and Economic Stability Act (the “Act”), 48 U.S.C. §§ 2101-2241, in accordance with the highest ethical standards.

The Code mandates not only that Covered Persons avoid misconduct, but that they also take proactive steps to avoid acts or omissions that might create an appearance of misconduct or impropriety and to seek early guidance from the Board’s Ethics Advisor when potential conflict of interest or ethics concerns arise. Covered Persons are prohibited from undertaking any conduct that would compromise the Board’s high ethical commitments. Moreover, Covered Persons should consult this Code of Conduct and related policies and protocols, and make use of the support of the Board’s Ethics Advisor for assistance on any ethics or related issues.

1. ***Standards Guiding Service to the Board:*** In all activities conducted on behalf of the Board, Covered Persons shall conduct themselves as follows:
 - a. Covered Persons shall maintain the highest standards of loyalty to the Board and not pursue the furtherance of their personal interests at the expense of the Board.
 - b. Covered Persons shall act in good faith in performing all work for the Board and shall exercise the appropriate amount of care in their decision-making processes that an ordinarily prudent person would exercise under similar circumstances. Embedded in this duty is the concept of reasonable inquiry, which requires that Covered Persons make appropriate and reasonable inquiries to obtain information necessary to satisfy their duty of care.
 - c. Covered Persons shall be faithful to the purpose of the Board, as set out in Sections 101(a) and 701 of the Act, 48 U.S.C. § 2121(a), and shall not act inconsistent with its goals.
2. ***Conflicts of Interest:*** All Covered Persons shall comply with Bylaw 11.4(b), which states in part:

“In accordance with section 109(a) of the Act, all members and the ex officio member of the Board, the Executive Director and all other staff shall be subject to the Federal conflict-of-interest requirements described in section 208 of title 18, United States Code.”¹

- a. It shall be the responsibility of each Covered Person to proactively bring to the Ethics Advisor’s attention any concerns regarding actual or potential conflicts of interest as soon as practical (and in advance of taking any official action that could be perceived as raising ethical concerns), including, without limitation, the following:
 - i. Matters that are subject to the annual and quarterly Financial Disclosure obligations specified in Section 4 below and Bylaw 11.4(c);
 - ii. Matters concerning any contract proposed to be entered into by the Commonwealth of Puerto Rico or any covered instrumentality as further defined and described in the “FOMB Policy: Review of Contracts,” as amended from time to time (the “Contract Policy”), in which a Covered Person, his/her spouse, minor child, general partner, organization in which he/she is serving as an officer, director, trustee, general partner or employee, or any person or organization with whom he/she is negotiating or has any arrangement concerning prospective employment, may have a financial interest.

A Covered Person shall refrain from participating in any action that falls under the Board’s mandate implicating a potential conflict of interest unless and until the Ethics Advisor specifically authorizes such involvement (including the scope of such involvement) in writing after an opportunity for a thorough review and vetting of such potential conflict.

¹ Section 208 of Title 18 of the U.S. Code prohibits certain federal officials from “participat[ing] personally and substantially” in their official capacities in “a particular matter in which, to his knowledge, he, his spouse, minor child, general partner, organization in which he is serving as an officer, director, trustee, general partner or employee, or any person or organization with whom he is negotiating or has any arrangement concerning prospective employment, has a financial interest...”

3. **Financial Disclosure:** All Board members, its Executive Director, its ex officio member and any other staff who are designated by the Board shall comply with Bylaw 11.4(c).
4. **Confidentiality:** During and after serving as a Covered Person, any such person shall not knowingly disclose to third parties, or appropriate for his or her own use or the use of others, any Confidential Information obtained during his or her tenure with the Board. “Confidential Information” means any information that the Covered Person learns as a member, ex officio member, Executive Director or other staff of the Board that is not public information including, for example, information concerning the work, deliberations or activities of the Board or information concerning the Commonwealth of Puerto Rico’s financial circumstances (including, but not limited to, its assets, revenues and liabilities). Each Covered Person shall, upon termination of his or her tenure with the Board, return all Confidential Information to the Board, including originals and copies, whether in electronic or hard copy, and permanently destroy any electronic copies of such materials from their electronic devices and accounts (including, but not limited to, cloud storage accounts); provided, however, such person may retain a copy of his or her own work product that is based on Confidential Information so long as its confidentiality is maintained.
5. **Trading in Securities:** During and after service as a Covered Person, any such person shall not trade directly or indirectly any security based upon material non-public information regarding the security or its issuer obtained by the Covered Person during his or her tenure with the Board or provide any material non-public information to any other person or entity for that person’s or entity’s use in trading in the security. During service, no Covered Person shall trade directly or indirectly any security issued by any governmental unit or instrumentality of the Commonwealth of Puerto Rico, regardless of whether the Covered Person has material non-public information in respect thereof.
6. **Fair Dealing:** Covered Persons shall conduct the work of the Board fairly and in accordance with the highest ethical standards. Accordingly, no Covered Person shall:
 - i. use unfair techniques, such as misrepresentation of material facts or improper omission of material information, to gain an advantage;
 - ii. offer or accept a bribe, kickback or improper favor; or
 - iii. ask for or accept, either directly or indirectly, any gift, gratuity, favor, loan, entertainment or anything else of value from a person who may be affected

by the Covered Person's performance of his or her official duties for the Board.

7. **Objectivity:** Any Covered Person involved in conducting any investigation, audit, evaluation or review in connection with his or her work for the Board shall do so objectively and without personal bias, and shall present any findings resulting from such investigation, audit, evaluation or review without regard to his or her personal beliefs or concerns for personal, professional or political consequences.
8. **Respectful and Unbiased Treatment:** All Covered Persons shall treat all individuals with dignity and respect, and without preference or discrimination based on (without limitation) age, ethnicity, citizenship status, color, race, creed, physical or mental disability or serious medical condition, sex, gender, identity or expression, marital status, national origin, religion, sexual orientation, pregnancy, status as a parent, or political beliefs, protected genetic information, status as a veteran, or any other characteristic protected by applicable law.
9. **Reporting of Violations of this Code:** All Covered Persons shall report any actual, attempted, potential or apparent violation of this Code as follows:
 - i. If the report pertains to conduct of a Covered Person other than a Board member, or ex officio member, the report shall be made to the members of the Board and the Ethics Advisor;
 - ii. If the report pertains to conduct of a member or ex officio member of the Board other than the Chair of the Board, the report shall be made to the Chair of the Board and the Ethics Advisor; and
 - iii. If the report pertains to conduct of the Chair of the Board, the report shall be made to the members of the Board (other than the Chair) and the Ethics Advisor.

In no event shall the Board take or threaten to take any action against any Covered Person for making a complaint or disclosing information in good faith concerning an actual, attempted, potential or apparent violation of this Code.

10. **Anti-Retaliation:** No Covered Person may take any action to impede any individual from communicating directly with any federal, state, territorial or local authority or the Ethics Advisor regarding actual, attempted, potential or apparent misconduct or violations of law by Covered Persons or the Board. Nor may any Covered Person engage in any form of reprisal or retaliation against any individual for engaging in such communication(s) in good faith.

11. ***Relationships with Creditors of Puerto Rico Debt:*** Any Covered Person who has, had, or expects to have any type of relationship (either directly or indirectly) with any entity or person that he or she knows (i) to currently own debt issued by the Commonwealth of Puerto Rico or any of its instrumentalities or (ii) has come to own such debt during the time the Covered Person is a member, ex officio member, the Executive Director or other staff member of the Board, shall so advise the Board and the Ethics Advisor (as identified in the Bylaws) of that relationship as follows:
- i. If the Covered Person is other than a Board member or ex officio member, he or she shall so advise the members of the Board and the Ethics Advisor;
 - ii. If the Covered Person is a member or ex officio member of the Board other than the Chair of the Board, he or she shall so advise the Chair of the Board and the Ethics Advisor; and
 - iii. If the Covered Person is the Chair of the Board, he or she shall so advise the members of the Board (other than the Chair) and the Ethics Advisor.

If advised of such a relationship by a Covered Person, the Ethics Advisor shall determine the steps to be taken to ensure that the relationship does not in any way disadvantage the Board with the relevant creditor or otherwise create a conflict of interest or the appearance of a conflict of interest. The Covered Person with the relationship shall not have any involvement on behalf of the Board with the relevant creditor unless the Ethics Advisor specifically authorizes such involvement (including the scope of such involvement) in writing.

12. ***Third-Party Vendors and Contractors:*** In retaining third-party vendors and contractors to work for the Board, the individual charged with documenting such retention shall ensure that each such third-party vendor has agreed to comply with the Board's Vendor/Consultant/Representative Code of Conduct. In such third-party contracting process, any actual or potential conflicts of interest with any Covered Person shall be disclosed to the Ethics Advisor.

As of December 5, 2017.