



UTILITY REGULATION AND COMPETITION OFFICE

BOARD OF DIRECTORS

CODE OF ETHICS AND BUSINESS CONDUCT

Code of Ethics and Business Conduct

The Board of Directors (“the Board”) of Utility Regulation and Competition Office (“OfReg”, or “the Office”) has adopted this Code of Ethics and Business Conduct (“this Code”) for the members of the Board. This Code is intended to focus the Board and each Director on areas of ethical risk, provide guidance to Directors to help them recognize and deal with ethical issues, and provide mechanisms to report unethical conduct. Every Director must be familiar with and comply with this Code, with the understanding that no code or policy can anticipate every situation that may arise.

This Code is intended to serve as a source of guiding principles for the Directors, and to ensure that OfReg is committed to being a leader in regulatory excellence, demonstrating our commitment to the public, to the companies we regulate, and our colleagues by building an environment of mutual respect, professionalism, and diversity, while promoting competition and innovation. Directors should therefore bring questions to the Board about particular circumstances or matters involving any Director that may implicate one or more of the provisions of this Code. This Code is subject to modification by the Board as/when necessary.

This Code is intended to be compliant with the Utility Regulation and Competition Law, 2016 (“the Law”) and other applicable laws of the Cayman Islands.

It is implied that there shall be no waivers of this Code. However in such rare and exceptional circumstances where a waiver is considered, such waiver shall be granted only by the Board of Directors in consultation/conjunction with the Risk and Audit committee of the Board.

1. Legal Obligation

All Directors are under a legal obligation at all times to act honestly, in good faith, with care and skill and in the best interests of the Office.

2. Treatment of Directors and Members of Staff

The Office expects professional and ethical conduct from its Directors. They should treat one another and staff with openness, respect, courtesy and co-operation. This includes proper use of authority and appropriate behaviour when acting as a Director.

Directors shall not interfere with or exercise authority over staff of the Office, except where expressly authorised by the Board.

3. Decisions of the Board

All Directors should promptly review materials presented to the Board. This will enable decisions of the Board to be made in an informed, efficient and timely manner.

In reaching decisions, Directors must:

- act in accordance with the best interests of the Cayman Islands and not in their own private interests; the directors are responsible for carrying out the functions, powers and general administration of the affairs of OfReg as prescribed by the Law;
- implement Government policy to the best of their ability and in accordance with the directions given to them by the Cabinet;
- act prudently and consider what is in the best interests of the Office;
- take into account all relevant matters and make decisions on an informed basis; and
- ignore personal or other factors which might improperly affect their judgement.

4. Communication with Third Parties

Communications with third parties on behalf of the Board will generally be through the Chairman or the Deputy Chairman in his absence. Other Directors who are interacting with third parties shall emphasize that they do not speak the Board, unless specifically authorised to do so by the Board.

5. Corporate Opportunities

Directors owe a duty to OfReg to advance its legitimate interests when the opportunity to do so arises. Directors are prohibited from: (a) taking for themselves personal business or investment opportunities that are discovered through the use of OfReg's property, information, or their position as a Director; (b) using OfReg's property, information, or their position for personal or professional gain for themselves; (c) engaging in any conduct or activities that disrupt or impair OfReg's relationship with third parties; or (d) accepting compensation, in any form, for services performed for OfReg from any source other than OfReg. The Board discourages Non-Executive Directors from applying for Executive Director positions in OfReg. Similarly, the Board discourages Executive Directors from applying for Non-Executive Director positions.

6. Participation in Political Activities

The Board has a duty to implement the policies of the sitting Government. Members should therefore refrain from public statements or acts which clearly show support for, or bias toward one party or individual over another, to the extent that such actions could compromise their ability to impartially discharge the functions of the Board.

7. Fair Dealing

Directors should endeavour to ensure safe, reliable, economic public utilities to businesses and the people of the Cayman Islands. Directors must not take unfair advantage of anyone through manipulation, concealment, abuse of privileged or

confidential information, misrepresentation of material facts, or any other unfair dealing practice.

8. Protection and Proper Use of Company Assets

Directors should protect OfReg's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on OfReg's financial viability. A Director's use of company assets should be for legitimate business purposes related to OfReg.

9. Compliance with Laws, Rules and Regulations

The Directors shall be familiar with:

- The Law;
- All sectoral legislation;
- The Office's regulations, rules and policies;
- The Office's organizational and management structure; and
- The rules of procedure for proper conduct of meetings.

10. Gifts and Gratuities

The Directors shall not accept gifts and gratuities from those who have an interest in the outcome of decisions of the Office. The Board shall comply with the written policy of OfReg on the acceptance of gifts and gratuities.

11. Encouraging the Reporting of Illegal or Unethical Behaviour

Directors must practice ethical behaviour. Through the adoption of this Code, the Board hereby (a) affirms its expectation that employees communicate with supervisors, managers and other appropriate personnel when in doubt about the best course of action in a particular situation; (b) encourages employees to report violations of any laws, rules, regulations or this Code, as well as the non-compliance with the terms and conditions of OfReg's Employee Policy Handbook; and (c) will not condone retaliation for reports made in good faith.

12. Confidentiality

All Directors of the Board owe a fiduciary duty of care to OfReg. This includes a duty of confidentiality. The Members of the Board of OfReg shall not reveal in any manner or communicate to any other person, except as authorised or required by Law, any information for which the Office has granted confidential treatment. In addition, all Directors of the Board are required to treat with strict confidentiality all information and documentation he or she receives from OfReg and others in connection with his or her service on the Board. All Directors will direct any questions regarding his or her confidentiality obligations to OfReg's Chairman of the Board.

A Director shall, on ceasing to hold office, immediately destroy or return to the Secretary of the Board all confidential documents (including those held in electronic form) in their possession, custody or control as a Director that belong to or relate to the Office, staff, licensees, consumers of the licensees or otherwise.

13. Conflict of Interest

The Directors must follow the conflict of interest provisions in the Law. Directors have a fiduciary duty to conduct themselves without conflict to the interests of OfReg. In their capacity as Directors, they must subordinate personal, individual business, third-party, and other interests to the welfare and best interests of OfReg. A conflict of interest is conduct, a transaction or a relationship that presents a conflict or that might conflict with a Board member's obligations owed to OfReg. All conflicts of interest are not necessarily prohibited or harmful to OfReg. However, full disclosure of all actual and potential conflicts, and a determination by the disinterested Board members – with the interested Board member(s) recused from participating in debates and voting on the matter – are required.

- Any situation that involves or may reasonably be expected to involve a conflict of interest with OfReg, should be promptly disclosed to the Chair or Secretary to the Board and resolved by the Board.
- If a Director has a personal interest in a matter before the Board, the Director will disclose the interest to the Board prior to discussion on such matter, excuse himself or herself from participation in the discussion, and will not vote on the matter.
- While any material matter relating to or an agreement with an entity is before the office, and of which a Director is aware, he shall not acquire or dispose of any holdings in such an entity.
- The Chairman or Chief Executive Officer shall notify a Director immediately if he becomes aware of a matter before the office that may give rise to a conflict of interest for that Director.
- All disclosable interests shall be kept confidential by the Chairman and the Chief Executive Officer, and shall be disclosed to other Directors only with the consent of the relevant Director or as required by this Code.

In January of each calendar year, all Directors are required to complete an Annual Declaration of Interests form, and submit it to the Secretary of the Board. In addition, all Directors of the Board will sign a Confidentiality and Conflicts of Interests Statement to reflect his or her acknowledgment of the above sections.

14. Compliance Procedures

Directors should communicate any suspected violations of this Code promptly to the Board. Potential violations of this Code reported to the Board will be investigated by the Board or by a select committee designated by the Board, and appropriate action will be taken in the event it is determined that any violation of this Code has occurred. A failure by any Director to comply with the laws or regulations governing OfReg's business, this Code or any other policy or requirement may result in disciplinary action.

15. Availability of Code of Ethics and Business Conduct

This Code will be published on the OfReg's website and will be made available upon request sent to the Secretary of the Board.