

CODE OF CONDUCT AND ETHICS POLICY

For the

*Commonwealth Plan of Adjustment
Pension Reserve Trust*



**Approved
November 14th, 2023**

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I. PURPOSE OF THIS POLICY.

This Code of Conduct and Ethics Policy (the “Policy”) is designed to:

- (i) promote honest and ethical conduct including the ethical handling of any reported or suspected violations of honest and ethical conduct, conflicts of interest, self-dealing, and breaches of confidentiality;
- (ii) promote full, fair, accurate, timely and understandable disclosure in reports and documents in all public communications made by the Pension Reserve Board (the “Board”);
- (iii) promote compliance with applicable governmental laws, rules and regulations;
- (iv) promote the protection of assets of the Commonwealth Plan of Adjustment Pension Reserve Trust (the “Trust”), including confidential information;
- (v) promote fair dealing practices;
- (vi) deter wrongdoing; and
- (vii) ensure accountability for adherence to this Policy.

All Trustees, officers, executive employees of the Trust , investment consultants, investment managers and any person whom the Board has delegated fiduciary functions (“Covered Persons”) are required to be familiar with this Policy, comply with its provisions and report any suspected violations as described below in Section VII, Reporting and Investigation of Violations.

Each existing, newly hired, or newly elected Covered Person shall be required to review a copy of this Policy and to acknowledge in writing that he or she has done so before commencing any duties related to the Trust.

II. STANDARD OF CARE.

A. Covered Persons shall perform their responsibilities with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character with like aims.

B. Covered Persons shall conduct all Trust and Board business in a fair and prudent manner.

III. HONEST AND ETHICAL CONDUCT.

The Trust ’s policy is to promote high standards of integrity by conducting its affairs honestly and ethically. Each Covered Person must act with integrity and observe the highest ethical standards of conduct in his or her dealings with any person whom he or she has contact in the course of performing his or her job.

Bullying, harassment, and discrimination on the basis of race, color, religion, sex, pregnancy, sexual orientation, gender identity, age, national origin, political affiliation, social condition, marital status, disability, armed forces status, etc. are expressly forbidden and a direct violation of

this policy whether the incident occurred during conducting Trust and Board business or outside of such settings.

IV. COMPLIANCE.

Each Covered Person must comply, both in letter and spirit, with all applicable laws, rules and regulations in the Commonwealth of Puerto Rico and the Federal laws of the United States of America. Additionally, each Covered Person must comply with all applicable provisions of policies of the Trust, unless compliance is contrary to the Covered Person's fiduciary responsibilities under the Trust.

Although employees, officers and Trustees are not expected to know the details of all applicable laws, rules and regulations, it is important to know enough to determine when to seek advice from appropriate personnel. Questions about compliance should be addressed to the Board for consultation with the Trust's legal counsel.

V. PROTECTION AND PROPER USE OF TRUST ASSETS.

All Covered Persons should protect the Trust's assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on the value of the Trust and its ability to fulfill its proposed purpose and are therefore prohibited.

All Trust assets should be used only for legitimate business purposes. Any suspected incident of fraud or theft should be reported for investigation immediately to the Trust's legal counsel.

VI. CONFIDENTIALITY.

A. Covered Persons may be provided with or have access to confidential information, including material nonpublic information. It is the duty of covered persons to maintain the confidentiality of information and not misuse confidential information, including material, nonpublic information, belonging to or relating to the Trust, the Board, or the Board committees.

B. Covered Persons may not access, disclose, or use confidential information acquired in their positions without proper authorization.

C. Covered Persons may not access, disclose, or use confidential information for any purpose other than in the performance of Trust or Board duties and responsibilities.

D. Covered Persons may not accept employment or engage in any business or professional activity that will require the disclosure of confidential information they have gained by reason of their covered person status.

VII. REPORTING AND INVESTIGATION OF VIOLATIONS.

Actions prohibited by this Policy involving any Covered Person must be promptly reported to the Executive Director, or in the event the person involved is the Executive Director, to any of the Trustees or the Trust's legal counsel.

After receiving a report of an alleged prohibited action, the Trustees receiving the report or the Executive Director shall refer the same to the chair of the Audit & Compliance Committee of the Board which shall review the report, make such investigation as it considers appropriate, and recommend any appropriate action to the Board.

All Trustees, officers and employees will cooperate in any internal investigation of misconduct.

VIII. ENFORCEMENT.

The Board will ensure prompt and consistent action against violations of this Policy.

If, after investigating a report of an alleged prohibited action by a Trustee, officer or employee of the Trust, the Board (excluding any Trustee whose conduct is being investigated) determines that a violation of this Code has occurred, the Board will prepare a report summarizing the findings of the violation and the preventive or disciplinary action it deems appropriate, including, but not limited to, removal, reassignment, demotion, dismissal and, in the event of criminal conduct or other serious violations of the law, notification of appropriate governmental authorities. The Board may engage a third party to conduct such an investigation and report. Any report prepared under this section shall be kept in a separate file under the custody of the Executive Director or in the event the person involved is the Executive Director, the Trust's legal counsel.

IX. PROHIBITION ON RETALIATION.

The Board does not tolerate acts of retaliation against any Trustee, officer or employee who makes a good faith report of known or suspected acts of misconduct or other violations of this Policy.