Capital Market Development Authority
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Guideline on the Appointment of Public Interest Directors to Stock Exchange Boards

First Draft

Market Regulation and Enforcement Department | November 2026

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PART I – PRELIMINARY

1. Introduction

1.1. This Guideline is issued by the Capital Market Development Authority (the "Authority") pursuant to the Maldives Securities Act (2/2006) and section 9(a) of the Stock Exchange Regulation.

1.2. This Guideline shall be cited as the Guideline on the Appointment of Public Interest Directors to Stock Exchange Boards.

1.3. This Guideline shall take effect from the date of its publication on the Authority's website.

2. Purpose

2.1. This Guideline sets out how Public Interest Directors are to be nominated, assessed, approved and appointed to the board of an Exchange, the criteria they must meet, and their role on the board.

2.2. The purpose of this Guideline is to ensure that the board of every Exchange includes directors who are independent of the Exchange, its shareholders, trading participants and management, and who act in the interests of investor protection, market integrity and the orderly development of the capital market.

3. Application

3.1. This Guideline applies to every Exchange licensed under the Stock Exchange Regulation.

4. Relationship with other instruments

4.1. This Guideline shall be read together with the Act, the Stock Exchange Regulation and the Guidelines on Fit and Proper Requirements for Capital Market Intermediaries and Market Institutions (the "Fit and Proper Guidelines").

4.2. Where this Guideline is inconsistent with the Act or the Stock Exchange Regulation, the Act or the Regulation shall prevail.

4.3. The term and reappointment of a Public Interest Director are governed by sections 10 and 11 of the Stock Exchange Regulation.

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PART II – NUMBER AND ELIGIBILITY OF PUBLIC INTEREST DIRECTORS

5. Number of Public Interest Directors

5.1. At least two (2) directors on the board of an Exchange shall be Public Interest Directors appointed in accordance with this Guideline, as required by section 9(a) of the Stock Exchange Regulation.

6. Independence

6.1. A Public Interest Director shall be independent of the Exchange, its shareholders, trading participants and management, and shall have no material relationship with any of them.

6.2. A person is not independent, and shall not be appointed as a Public Interest Director, if that person or an immediate family member, at present or at any time during the preceding twelve (12) months:

(a) is or was an , executive director or key management person of the Exchange or any of its subsidiaries;

(b) is or was a director, partner, or substantial shareholder of a trading participant;

(c) holds or held shares in the Exchange, or is or was a director or a member of a key management person, of a shareholder of the Exchange, including, where the Exchange is owned by the Government, a senior official of the ministry or agency holding the shares; or

(d) has or had substantial financial dealings with the Exchange, including as an adviser, auditor or supplier, or receives or received remuneration, commissions or fees from the Exchange other than fees as a Public Interest Director.

6.3. In addition to section 6.2, and extending section 12(d) of the Stock Exchange Regulation to the preceding twelve (12) months, a person shall not be appointed as a Public Interest Director if that person is, or was at any time during those twelve (12) months:

(a) a director, or a member of senior management, of a listed company; or

(b) a member of the board, or of senior management, of the Authority.

6.4. The circumstances in sections 6.2 and 6.3 are not exhaustive. The Authority may treat any other relationship that could impair a person's independent judgement as a material relationship, including interests in other licensed or registered intermediaries or listed companies.

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7. Fitness, propriety and competence

7.1. A Public Interest Director shall meet the fit and proper requirements in Parts II and III of the Fit and Proper Guidelines at all times.

7.2. In assessing competence under section 5.2 of the Fit and Proper Guidelines, the Authority shall consider whether the candidate has substantial experience relevant to the role, and whether the Public Interest Directors together bring a mix of expertise suited to the Exchange's regulatory functions, such as capital markets or securities regulation, law, accounting or audit, risk management, and technology or cyber security.

PART III – NOMINATION, APPROVAL AND APPOINTMENT

8. Nomination

8.1. The nomination committee of the Exchange, established under section 17(c) of the Stock Exchange Regulation, shall identify candidates for appointment as Public Interest Directors and assess them against sections 6 and 7 of this Guideline.

8.2. The Exchange shall submit to the Authority brief profiles of at least two (2) candidates for each position, where practicable, in the form set out in Annex 2:

(a) for a vacancy arising on the expiry of a term, at least three (3) months before the term expires; and

(b) for any other vacancy, within thirty (30) days of the vacancy arising.

9. Assessment and approval by the Authority

9.1. On receipt of the profiles under section 8.2, the Authority may shortlist one (1) candidate and notify the Exchange of its in-principle no-objection.

9.2. The Exchange shall then submit, in respect of the shortlisted candidate:

(a) the Fit and Proper Declaration Form in Annex 1 of the Fit and Proper Guidelines;

(b) the Public Interest Director Independence Declaration in Annex 1 of this Guideline; and

(c) such supporting documents as the Authority may require.

9.3. The Authority may approve the appointment, approve it subject to conditions, or refuse it. Where the Authority refuses approval, it shall notify the Exchange in writing of the decision and the reasons for it, in accordance with section 12(c) of the Stock Exchange Regulation.

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9.4. No person shall take office as a Public Interest Director before the Authority's prior written approval is obtained under section 12(a) of the Stock Exchange Regulation.

10. Appointment

10.1. Following the Authority's approval, the Exchange shall appoint the Public Interest Director in accordance with its articles of association. Where the law requires a resolution of shareholders, that resolution shall follow the Authority's approval.

10.2. The Exchange shall notify the Authority of the appointment within five (5) business days, in accordance with section 6.3 of the Fit and Proper Guidelines.

10.3. An Exchange that has fewer than two (2) Public Interest Directors remains in breach of section 9(a) of the Stock Exchange Regulation until the required appointments are made, and the Authority may take such supervisory action as it considers appropriate under its existing powers.

11. Re-designation of a sitting director

11.1. A sitting director of an Exchange proposed for re-designation as a Public Interest Director shall meet the requirements of sections 6 and 7 and shall be approved by the Authority in accordance with this Part.

12. Public Interest Director of more than one Exchange

12.1. A person shall not hold office as a Public Interest Director of more than one Exchange at the same time.

PART IV – TERM AND REAPPOINTMENT

13. Term

13.1. A Public Interest Director shall hold office for a term of five (5) years and may be reappointed for one (1) further consecutive term, in accordance with section 10 of the Stock Exchange Regulation.

13.2. A Public Interest Director who has held office for ten (10) consecutive years may be reappointed only after at least one (1) year has elapsed, in accordance with section 11 of the Stock Exchange Regulation.

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14. Reappointment

14.1. Reappointment is not automatic. An Exchange seeking the reappointment of a Public Interest Director shall apply to the Authority at least three (3) months before the term expires, together with:

(a) a record of the Public Interest Director's attendance at meetings of the board and its committees;

(b) the most recent performance evaluation of the Public Interest Director under section 20, including any interim evaluation required by section 20.5; and

(c) an updated Independence Declaration.

14.2. Where the board decides not to put forward a Public Interest Director for reappointment, the Exchange shall record the reasons and inform the Authority.

PART V – ROLE AND DUTIES

15. Rights and duties

15.1. A Public Interest Director has the same rights, powers, duties and obligations, liberties and privileges as any other director of the Exchange, in accordance with section 9(c) of the Stock Exchange Regulation.

15.2. In carrying out those duties, a Public Interest Director shall act in the interests of investor protection, market integrity and the orderly development of the capital market, consistent with the Exchange's duty to act in the public interest under section 16(c) of the Stock Exchange Regulation, and should:

(a) give precedence to investor protection, market integrity and orderly market development where these conflict with the Exchange's commercial interests;

(b) give particular attention to listing, market surveillance, supervision of trading participants, risk management, technology resilience and investor complaints; and

(c) ensure that any dissent on a matter affecting the public interest is recorded in the minutes.

16. Board committees

16.1. In accordance with section 17(d) of the Stock Exchange Regulation, at least one (1) Public Interest Director shall be appointed to each of the Audit and Risk Committee and the Rules Committee established under section 17(c) of the Stock Exchange Regulation.

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Committee and the Rules Committee established under section 17(c) of the Stock Exchange Regulation, and any listing or disciplinary committee.

16.2. An Exchange is encouraged to appoint Public Interest Directors to any listing committee or disciplinary committee that it establishes.

17. Engagement with the Authority

17.1. Where a Public Interest Director considers that a decision of the board is materially prejudicial to the public interest, the Public Interest Director may bring the matter to the Authority's attention in writing.

17.2. Public Interest Directors are encouraged to meet without executive directors and management at least once a year.

17.3. The Authority may meet the Public Interest Directors, separately from management, as part of its supervision of the Exchange.

PART VI – REMUNERATION, ATTENDANCE AND EVALUATION

18. Remuneration

18.1. A Public Interest Director shall be remunerated by a fixed fee and sitting allowances only, and shall not receive profit-linked remuneration, share options or commissions.

19. Attendance

19.1. Where a Public Interest Director is absent from three (3) consecutive meetings of the board without leave, or attends fewer than seventy-five per cent (75%) of the board meetings held during a financial year while that person is in office, the Authority may reassess the Public Interest Director's fitness and propriety and may consider removal or refuse reappointment.

19.2. Removal of a Public Interest Director under this section requires the Authority's prior written approval under section 12(a) of the Stock Exchange Regulation.

20. Performance evaluation

20.1. The board of an Exchange shall evaluate the performance of each Public Interest Director annually and shall submit the results to the Authority.

20.2. The evaluation period is the financial year of the Exchange. Each evaluation shall cover the Public Interest Director's performance during that financial year and shall be completed, and

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its results submitted to the Authority, within three (3) months after the end of the financial year.

20.3. Where a Public Interest Director is appointed during a financial year:

(a) if the Public Interest Director has held office for six (6) months or more by the end of that financial year, the first evaluation shall cover the period from the date of appointment to the end of that financial year; and

(b) if the Public Interest Director has held office for less than six (6) months by the end of that financial year, that period shall be included in the evaluation for the following financial year.

20.4. No evaluation is required for a Public Interest Director who ceases to hold office before the end of a financial year, unless the Authority requires otherwise.

20.5. Where the reappointment of a Public Interest Director is sought under section 14 and more than six (6) months have passed since the end of the period covered by the most recent evaluation, the board shall carry out an interim evaluation covering the period since then and submit it with the application.

20.6. The evaluation shall consider, among other things, the Public Interest Director's attendance, contribution to the board and its committees, independence of judgement and discharge of the duties in section 15. The Public Interest Director being evaluated shall not take part in that evaluation.

PART VII – RESIGNATION, REMOVAL AND VACANCIES

21. Removal

21.1. A Public Interest Director shall not be removed from the board of an Exchange without the Authority's prior written approval under section 12(a) of the Stock Exchange Regulation.

21.2. The Authority may require the removal of a Public Interest Director under section 9.1(f) of the Fit and Proper Guidelines.

22. Resignation

22.1. A Public Interest Director who resigns shall inform the Authority in writing of the reasons for the resignation within five (5) business days.

22.2. The Exchange shall notify the Authority of the resignation within five (5) business days, in accordance with section 6.3 of the Fit and Proper Guidelines.

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23. Vacancies

23.1. Where a vacancy arises in the office of a Public Interest Director, the Exchange shall notify the Authority within five (5) business days and shall nominate candidates within the period in section 8.2(b).

PART VIII – MISCELLANEOUS

24. Ongoing obligations

24.1. A Public Interest Director shall notify the Exchange and the Authority in writing, within five (5) business days of becoming aware of it, of any change in circumstances that may affect the Public Interest Director's independence or fitness and propriety.

25. Transitional provisions

25.1. An Exchange licensed before this Guideline takes effect shall comply with it within the transition period granted by the Authority under section 4(d) of the Stock Exchange Regulation, as extended under section 4(e), where applicable.

26. Interpretation

26.1. Words and expressions used but not defined in this Guideline have the meanings given in the Act, the Stock Exchange Regulation and the Fit and Proper Guidelines.

26.2. In this Guideline:

(a) **"Act"** means the Maldives Securities Act (2/2006).

(b) **"Authority"** means the Capital Market Development Authority.

(c) **"Exchange"** means a stock exchange licensed under the Stock Exchange Regulation.

(d) **"immediate family member"** means the spouse and children of the person concerned.

(e) **"key management person"** has the meaning given in the Fit and Proper Guidelines.

(f) **"Public Interest Director"** has the meaning given in section 50(e) of the Stock Exchange Regulation.

(g) **"Stock Exchange Regulation"** means the Stock Exchange Regulation [No.] issued by the Authority.

(h) **"substantial shareholder"** means, in relation to a trading participant, a person who holds, directly or indirectly, ten per cent (10%) or more of the ownership interests or

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voting rights of the trading participant, consistent with section 3.4(a) of the Fit and Proper Guidelines.

(i) **"trading participant"** has the meaning given in the Stock Exchange Regulation.

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ANNEX 1

Public Interest Director Independence Declaration

This Declaration shall be submitted together with the Fit and Proper Declaration Form (Annex 1 of the Fit and Proper Guidelines) at the time of nomination, reappointment or re-designation, and at such other times as the Authority may require.

SECTION A: CANDIDATE AND APPOINTMENT

Item	Details
Name (as per NIC / passport)	
NIC / passport number	
Name of Exchange	
Nature of appointment	☐ New ☐ Reappointment ☐ Re-designation
Proposed date of appointment	

SECTION B: INDEPENDENCE

Each question applies to you and your immediate family members (spouse and children), at present or at any time during the preceding twelve (12) months.

No.	Question	Response
1	Are you, or were you, an , executive director or key management person of the Exchange or any of its subsidiaries?	☐ No ☐ Yes (please provide details)
2	Are you, or were you, a director, partner, or substantial shareholder of a trading participant?	☐ No ☐ Yes (please provide details)
3	Do you, or did you, hold shares in the Exchange, or are you, or were you, a director, or a member of key management person, of a shareholder of the Exchange (including, for a Government-owned Exchange, a senior official of the ministry or agency holding the shares)?	☐ No ☐ Yes (please provide details)
4	Do you, or did you, have substantial financial dealings with the Exchange, including as an adviser, auditor or supplier, or receive	☐ No ☐ Yes (please provide details)

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	any remuneration, commissions or fees from the Exchange other than as a Public Interest Director?	
5	Do you have any other relationship or interest that could impair your independent judgement as a Public Interest Director, including interests in other licensed or registered intermediaries or listed companies?	☐ No ☐ Yes (please provide details)

SECTION C: ELIGIBILITY

No.	Question	Response
6	Are you, or were you during the preceding twelve (12) months, a director, or a member of senior management, of a listed company?	☐ No ☐ Yes (please provide details)
7	Are you, or were you during the preceding twelve (12) months, a member of the board, or of senior management, of the Authority?	☐ No ☐ Yes (please provide details)
8	Are you a Public Interest Director of, or proposed as a Public Interest Director of, another Exchange?	☐ No ☐ Yes (please provide details)

SECTION D: DETAILS

Provide details of any "Yes" response above, or attach them as a supporting document.

Details

SECTION E: DECLARATION

I solemnly, sincerely and truly declare that:

(a) the information provided in this Declaration is true, complete and accurate;

(b) I understand that, as a Public Interest Director, I am to act in the interests of investor protection, market integrity and the orderly development of the capital market; and

(c) I will notify the Exchange and the Authority in writing within five (5) business days of becoming aware of any change that may affect my independence.

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Signature	
Name	
Date (dd mmm yyyy)	

SECTION F: CONFIRMATION BY THE NOMINATION COMMITTEE

We confirm that the nomination committee has reviewed this Declaration against sections 6 and 7 of the Guideline and is not aware of any relationship or interest that has not been disclosed.

Name of Committee Chair	
Signature	
Date (dd mmm yyyy)	

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ANNEX 2

Public Interest Director Nomination – Candidate Profile

To be submitted by the Exchange for each candidate under section 8.2 of the Guideline. Full documents are required only for the candidate shortlisted by the Authority (section 9.2).

Item	Details
Name of Exchange	
Position to be filled	☐ New position ☐ Expiry of term ☐ Other vacancy
Date vacancy arises / arose	
Candidate name	
Nationality and country of residence	
Academic and professional qualifications	
Relevant experience (summary, last ten years)	
Area(s) of expertise	☐ Capital markets / securities regulation ☐ Law ☐ Accounting / audit ☐ Risk management ☐ Technology / cyber security ☐ Other
Current directorships and significant positions	
Nomination committee's assessment of independence (sections 6.2 to 6.4)	
Nomination committee's assessment of fitness, propriety and competence (section 7)	
Name and signature of nomination committee chair, and date	

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