

**COMMONWEALTH PLAN OF ADJUSTMENT PENSION BENEFITS
COUNCIL CORP.**

CONSEJO DE BENEFICIOS DE PENSIONES

**Política sobre la Revisión de Conflictos de Intereses para Nuevos Contratos y
Transacciones**

I. PROPÓSITO

Esta Política establece los procedimientos y requisitos que el Consejo de Beneficios de Pensiones (“**CBP**” o “**Consejo**”) debe seguir antes de entrar en cualquier nuevo Contrato o Transacción, en cumplimiento con la Sección V(2) de la Política de Conflicto de Intereses que es un anejo a las Guías que regulan la operación del Consejo. Esta Política sirve de complemento a la Política de Conflicto de Intereses y los Estatutos del CBP.

II. ALCANCE

Esta Política aplica a todos los Miembros del Consejo; a todos los oficiales del CBP; a cualquier Persona Responsable según definida en la Política de Conflicto de Intereses; y a cualquier consultor, asesor, proveedor de servicios o tercero que asista con el proceso de adquisición, selección o negociación de un Contrato o Transacción. Aplica a todos los nuevos Contratos o Transacciones, incluyendo enmiendas o renovaciones que conlleven cambios materiales.

III. DEFINICIONES INCORPORADAS

Para fines de esta Política, aplican las siguientes definiciones de la Política de Conflicto de Intereses, las cuales se incorporan por referencia:

- “**Persona Responsable**” significa cualquier persona que sirva como Fiduciario, miembro del Consejo, oficial, empleado ejecutivo, asesor, consultor y cualquier contratista independiente contratado por el CBP cuya compensación exceda los \$5,000 por año.
- “**Miembro de la Familia Inmediata**” significa un padre, cónyuge, suegros, hijo o hermano de una Persona Responsable.
- “**Interés Financiero Material**” significa un interés financiero en una sola transacción o en el agregado de \$5,000 o más en un solo año, o cualquier interés que una persona prudente en posición similar razonablemente concluiría que puede afectar su juicio con respecto a un Contrato o Transacción.
- “**Contrato o Transacción**” significa todo negocio jurídico voluntario, lícito y bilateral mediante el cual una o más partes, con capacidad para obligarse y

includes, without being understood as a limitation, any agreement or relationship that involves:

- contracts for professional or consulting services;
 - the sale, purchase, or lease of goods or services of any nature;
 - the creation, transfer, or encumbrance of rights of any kind;
 - the granting or receipt of donations, subsidies, contributions, or loans; or
 - the establishment, modification, or termination of any kind of pecuniary or economic relationship with the PBC.
- **“Conflict of Interest”** For the purposes of this Policy, a “Conflict of Interest” occurs when an individual’s private interest or the interest of a member of his or her Immediate Family Member interferes, or even appears to interfere, with the interests of the PBC. A Conflict of Interest can arise when a Responsible Person takes actions or has interests that may make it difficult to perform his or her work for the PBC or receives improper personal benefits as a result of his or her position with the PBC. The following circumstances shall be deemed to create Conflicts of Interest:
 - A. Direct Interests. A Contract or Transaction between the PBC and a Responsible Person or Immediate Family Member, including compensation from the PBC to a Responsible Person or Immediate Family Member.
 - B. Indirect Interests. A Contract or Transaction between the PBC and an entity in which a Responsible Person or Immediate Family Member has a Material Financial Interest or of which such person is a compensated or uncompensated director, officer, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator, or other legal representative.
 - C. Gifts, Gratuities and Entertainment. Payment, gifts, or other things received with a value of \$75 or more in any 12-month period from any party seeking or having responsibility to invest the PBC’s funds or provide goods or services for compensation to the PBC directly, or indirectly by subcontractor, affiliate, or other such relationship with a professional or vendor.

IV. GENERAL POLICY

Before the PBC enters into any new Contract or Transaction, the Council must conduct a review of any actual, potential, or perceived Conflicts of Interest related to that Contract or Transaction. No Contract or Transaction may be executed until all relevant conflicts have been disclosed, evaluated, and addressed in accordance with this Policy and the Conflict of Interest Policy.

V. DISCLOSURE REQUIREMENTS

1. Duty to Disclose:

Any Responsible Person who is involved in, or who may influence, the evaluation, recommendation, or approval of a new Contract or Transaction must promptly disclose any actual, potential, or perceived Conflict of Interest related to the proposed Contract or Transaction. This duty extends to any Material Financial Interest or personal or professional relationship that could reasonably be perceived as affecting impartiality.

2. Ongoing Obligation:

If, at any stage of the procurement, negotiation, or approval process, a Responsible Person becomes aware of new facts or relationships that may give rise to a Conflict of Interest, the Responsible Person must update his or her disclosure within ten (10) days of becoming aware of the new information.

VI. REVIEW PROCEDURE FOR NEW CONTRACTS OR TRANSACTIONS

1. Preliminary Screening:

- a. The PBC's Legal Counsel or designated representative shall conduct an initial screening of the proposed Contract or Transaction to identify any actual, potential, or perceived Conflicts of Interest.
- b. Prior to formalizing a Contract or a Transaction, the Legal Counsel or designated representative will send to the service provider a copy of the Code of Conduct and the Ethics Policy and the Conflict of Interest Policy (the "**Policies**") and the acknowledgement receipt form for the Policies.
- c. The service provider will provide the signed acknowledgement receipt of Policies and certify that: (a) they have received the Policies, (b) that they have reviewed and familiarized themselves with the Policies, (c) that previous to the execution of the Contract or Transaction that they have no knowledge of the existence of a conflict of interest, and (d) agree to inform the PBC of any suspected violation of the Policies on an ongoing basis.

2. Screening by the Council:

- a. If the preliminary screening identifies a Conflict of Interest or potential Conflict of Interest, the matter shall be submitted to the Council for formal evaluation. The Council shall review the disclosures, any supporting documents, and, as appropriate, seek advice from legal counsel or other advisors.
- b. Regardless of the outcome of the preliminary screening, if a Council Member personally identifies a potential or actual conflict of interest related to a Contract or Transaction, the Member shall submit the matter to the Council for formal evaluation.

3. Determination and Conditions:

Following review, the Council shall determine whether: (a) the Conflict of Interest requires recusal and exclusion from participation; (b) the Contract or Transaction

may proceed with appropriate safeguards; or (c) an alternative vendor or structure should be selected to avoid the conflict. Any conditions or safeguards must be clearly documented in the minutes.

4. Prohibition on Participation:

A Responsible Person with an actual or potential Conflict of Interest in a proposed Contract or Transaction shall not intervene, directly or indirectly, in any matter related to that Contract or Transaction, shall not participate in deliberations, and shall abstain from voting. The Responsible Person shall leave the meeting while the matter is being discussed and decided, and the minutes shall reflect the recusal and abstention.

5. Execution of Contract or Transaction:

If, after the preliminary evaluation or the Council's evaluation, as applicable, no conflict of interest exists, or, if one does exist, appropriate safeguards have been adopted, the Contract shall be executed, or the Transaction shall be carried out.

VII. AMENDMENTS

This Policy may be amended by formal resolution of the Council.

VIII. EFFECTIVE DATE

This Policy becomes effective upon adoption by the PBC and applies to all Contracts and Transactions executed thereafter.

Certification

I, Carlos Cabán García, President of the Pension Benefits Council, certify that the *Policy on Conflict of Interest Review for New Contracts and Transactions*, was approved by the Pension Benefits Council during the regular meeting of December 4, 2025.

In San Juan, Puerto Rico on December 4, 2025.



Carlos Cabán García
President