

**PENSION BENEFITS COUNCIL
BOARD MEETING MINUTES
January 18, 2023**

I. CALL TO ORDER

- A. Location: Bennazar, García & Milián C.S.P. & videoconference
- B. Time: The meeting began at 2:07 p.m.

II. ATTENDANCE

PENSION BENEFITS COUNCIL MEMBER	ATTENDANCE
Financial Oversight and Management Board for Puerto Rico	
Mr. Jason Fichtner	Present
Official Committee of Retirees of the Commonwealth of Puerto Rico	
Mrs. Carmen H. Núñez Rodríguez	Present
Mrs. Blanca E. Paniagua Adorno	Present
Mr. Juan Ortiz Curet	Present
Mrs. Wanda G. Santiago López	Present
Carlos A. Cabán García, Esq.	Present
American Federation of State, County and Municipal Employees	
Genoveva Valentín Soto, Esq.	Present
Mrs. Sandra Pacheco Santiago	Present
Commonwealth of Puerto Rico	
Rita González, Esq. in representation of Omar Marrero Díaz	Present

Guests: Desirée Mieses and María López from the Pension Reserve Board; Héctor Mayol and Francisco del Castillo from Bennazar, García & Milián C.S.P.; Sean Gumbs and Jean Paul Balzac from FTI Consulting; Craig Johnson and Mariah Dubin from Kroll Restructuring Administration LLC; Jorge Marchand, María Schell and Male Noguera from Marchand ICS Group.

III. AGENDA

A. Quorum:

1. Wanda Santiago, Secretary, certified the quorum with the attendance of all the members of the Pension Benefits Council.

B. Presentation from FTI Consulting:

1. Sean Gumbs indicated that the Government of Puerto Rico made by the end of September 2022, the first contribution to the Pension Reserve Trust (the "Trust") in the amount of \$1.421 billion. FTI Consulting confirmed that the contribution represents the maximum amount established in the formula under the 2022 Certified Fiscal Plan and the Guidelines.
2. Sean Gumbs and Jean Paul Balzac also explained the formula for making deposits to the Trust, detailed the components of the first contribution of \$1.421 billion, explained the process for withdrawing funds from the Trust, the performance of collections, and the economy of Puerto Rico from July to November 2022. In addition, they presented a comparison of the collections and budget for fiscal year 2023, the cash flow of the Treasury Single Account of the Department of the Treasury and the collections of the PayGo charge.
3. Carlos Cabán asked if FTI Consulting had any objections to sharing the presentation with other parties. Sean Gumbs indicated that they have no objections but requested that they allow him to review the presentation before it was published, because it has certain projections and estimates.
4. The Pension Benefits Council received the report from FTI Consulting and agreed to discuss with the communications team the process to disseminate the report, explain who the firm is and that the Government of Puerto Rico made the established contribution to the Trust.
5. Desirée Mieses and María López participated on behalf of the Pension Reserve Board.

C. Reading and Approval of Previous Minutes:

1. The Pension Benefits Council approved the minutes of December 14, 2022.

D. Presentation from Kroll Restructuring Administration LLC ("Kroll"):

1. Craig Johnson provided the background of Kroll, their experience running the election process. Then he explained the stages to carry out the election process.
2. Stage 1 would include advising the Pension Benefits Council, obtaining the voter's information, finalize the nomination and voting process, establishing the voting rules, the forms and calendar. Stage 1 would run from January 2023 to April 2023 and would cost \$25,000 in fees and zero expenses.
3. Stage 2 of implementation would be from May 2023 to September 2023 and during that period they will work on the nomination process, voting process, creation of ballots, collecting and processing ballots, and opening of the collection centers on the island. The cost would be \$160,000 in fees and \$225,000 in expenses.
4. Stage 3 on verification and certification would take place in October 2023 and it includes the quality control review and reconciliation of votes, certifying and reporting the final vote. The cost would be \$130,000 in fees and zero expenses. The cost of fees is \$315,000 and \$225,000 in expenses for a total of \$540,000 for the Election Administrator's contract.
5. Members of the Pension Benefits Council posed multiple questions to the representatives from Kroll regarding the assumptions for establishing expenses, the election process, returned mail, the call center, and logistics of the election. Also, Jorge Marchand from Marchand ICS Group, participated in the presentation and answered questions from the members of the Pension Benefits Council.

E. Presentation from the Elections Committee:

1. Jorge Marchand provided a background of the meetings by the Elections Committee, the meetings with Kroll to review the premises for participation and the voting alternatives. After this process, Kroll presented a revised proposal with new premises for participation and eliminating certain forms of voting.
2. After receiving Kroll's presentation and the Elections Committee's report, the Pension Benefits Council agreed that the voting process would be by sending a ballot to each person entitled to vote. That person can return the ballot by mail with their vote or personally deliver the ballot to a collection center. Also, they will have the opportunity to vote electronically from a web page established by Kroll. Each participant will have the right to only one vote.
3. In addition, the Pension Benefits Board unanimously agreed to hire Kroll as

Election Administrator.

4. On the other hand, the Pension Benefits Council requested that the board of directors meet with Marchand ICS Group and Bennazar, García & Milián C.S.P., to work on a new budget that includes the estimated expenses of the election process, including the costs of the Election Administrator, legal, arbitrator and publicity. In addition they requested to review the costs of establishing the entity to also be included in the budget.

F. Presentation from the Communications Committee:

1. Jorge Marchand provided a background of the Communications Committee meetings and the evaluation of the content to be included on the Pension Benefits Council web page.
2. Male Noguera made a presentation of all the parts and sections of the Pension Benefits Council Web page, explaining each of the components and content.

G. Meeting with the Retirement System:

1. The Pension Benefits Council agreed that all members participate in the January 24, 2023, meeting with the Retirement System by teleconference. After that presentation, the Pension Benefits Council would hold a meeting to conclude all the pending items on the agenda.

H. Selection of Accounting Services Firm:

1. The Pension Benefits Council reviewed the amended proposal for NMA Certified Public Accountants PSC and unanimously approved their engagement as accountants for the corporation.

I. Other Matters:

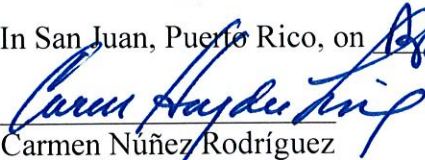
1. The Pension Benefit Council ratified the subcontracting of the Tamarindo Group by the Marchand ICS Group.

IV. CLOSING

- A. The meeting adjourned at 5:30 p.m.



In San Juan, Puerto Rico, on April, 12, 2023.


Carmen Nuñez Rodríguez
President


Wanda Santiago López
Secretary