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**BY ELECTRONIC MAIL**

September 28, 2026

Mr. Arnaldo J. Ortiz Miranda
Executive Director
Retirement Board of the Government of Puerto Rico

**Re: Alight Solutions Caribe, Inc.; Alight Financial Advisors, LLC**

Dear Mr. Ortiz Miranda,

In accordance with the Contract Review Policy (the "Policy") of the Financial Oversight and Management Board for Puerto Rico (the "Oversight Board"), established pursuant to Section 204(b)(2) of PROMESA, we have reviewed the proposed amendment to the contract between the Retirement Board of the Government of Puerto Rico (the "Retirement Board") and Alight Solutions Caribe, Inc. (the "Proposed Amendment").

After reviewing the Proposed Amendment, the Oversight Board concludes "Approved with Observations." Observations related to the Proposed Amendment are set forth in Appendix A attached hereto.

Our review is solely limited to compliance of the Proposed Amendment with Section 204(b)(2) of PROMESA, which seeks to ensure proposed contracts promote market competition and are not inconsistent with approved Fiscal Plans. For the avoidance of doubt, the review performed by the Oversight Board does not constitute a legal review of the contractual documentation or the contracting process, including without limitation: (i) compliance with contracting requirements under applicable laws, rules, and regulations, both federal and local; and (ii) compliance with applicable laws, rules, and regulations governing procurement activities, both federal and local.

In addition, the Oversight Board has not engaged in any due diligence or background check with respect to the contracting parties nor whether the contracting parties comply with the requirements under the applicable contract. Any material changes to the Proposed Amendment or the original contract must be submitted to the Oversight Board for review and approval **prior to execution**.

This letter is delivered as of the date hereof and we reserve the right to provide additional observations and modify this letter based on information the Oversight Board was not directed to when the review was conducted. In addition, during the course of our review, we may receive information that we may refer to the relevant authorities.

This letter is issued only to the Retirement Board and solely with respect to the Proposed Amendment.

Sincerely,



Jaime A. El Koury
General Counsel

RETIREMENT BOARD – ALIGHT SOLUTIONS CARIBE, INC.; ALIGHT FINANCIAL ADVISORS, LLC

**Fiscal Plan Alignment**

This review covers the Proposed Amendment to the contract between the Retirement Board and Alight Solutions Caribe, Inc. ("Alight") for the administration and management of the New Defined Contribution Plan under Act 106-2017.

The original contract (2020-000052) was approved with observations by the Oversight Board on June 29, 2019. It stems from procurement process no. 2018-001 issued on September 28, 2018. It has a term from November 19, 2019 to June 30, 2026, and a maximum payable amount of $28,000,000, plus variable fees to be charged by Alight depending on the total assets of the retirement fund.

The first amendment to the contract was approved with observations by the Oversight Board on May 1, 2020. It established a one-time implementation fee of $220,000, payable with the funds budgeted for the original contract, and allowed the Retirement Board to garnish Plan 106 payments for debts owed. It did not alter the maximum payable amount or the term.

The second amendment to the contract was approved with observations by the Oversight Board on May 7, 2021. It amended the scope of work to include Defined Contribution, Customer Care and Consumer Experience services at a cost of $25,000. It did not alter the maximum payable amount or the term insofar as the cost was covered with the funds budgeted for the original contract.

The third amendment to the contract was approved with observations by the Oversight Board on June 22, 2026. It increased the maximum payable amount by $7,000,000 to $35,000,000 for continuity of services, without altering the term. The increase responded to Alight's projected variable fees based on the total assets of the retirement fund.

The fourth amendment to the contract was approved with observations by the Oversight Board on June 30, 2026. It increased the maximum payable amount by $583,000 to $35,583,000 and extended the term for an additional month, through July 31, 2026, for continuity of services while the Office of Management and Budget ("OMB") concluded its review of a proposed amendment for a seven-year extension to the contract.

The fifth amendment to the contract was approved with observations by the Oversight Board on July 30, 2026. It increased the maximum payable amount by $1,166,000 to **$36,749,000** and extended the term to **September 30, 2026** for continuity of services while the Retirement Board finalized internal revisions and obtained required authorizations for a seven-year extension to the contract.

The Proposed Amendment, which constitutes the sixth amendment to the contract, extends the term to **September 30, 2033** and increases the maximum payable amount by $41,420,000[1] to

[1] The prospective distribution of cost of services per Fiscal Year is as follows:

**$78,169,000** for continuity of services and additional services. The Proposed Amendment also adds Alight's subsidiary, Alight Financial Advisors, LLC as a signee.[2] The additional services contemplated in the Proposed Amendment include: provision of advisory services to participants by Alight Financial Advisors, LLC,[3] address clean-up service, streamlined payment certification and distribution process, three additional onsite financial advisors, enhanced communication support, new local call center number, and doubled data clean-up hours. The Proposed Amendment also incorporates a Special Event Fee that allows the Retirement Board to re-negotiate Alight's fee if the retirement fund's aggregate assets increase materially and due to a Special Event.4 Upon such event, the Retirement Board may require Alight to renegotiate in good faith the fee applicable to the resulting increased assets.

The Office of Management and Budget ("OMB") certified that the Proposed Amendment constitutes a renewal, and the services outlined therein are necessary to comply with the purpose of an original contract.[5] As such, according to the OMB, the Proposed Amendment is exempt from the requirement of a competitive procurement process pursuant to OMB's Circular Letter No. 013-2021.

The Retirement Board indicated to the Oversight Board that the Proposed Amendment contemplates fee reductions across all asset tiers, estimated at $650,000 a year and $4,600,000 over the proposed seven-year term. Additionally, the additional services contemplated under the Proposed Amendment add value at no extra cost. Additionally, the Retirement Board indicated that conducting a procurement process now would risk bringing in a different provider, including a costly extended period of transition for a mandatory retirement plan serving public employees.

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- Fiscal Year 2027: $4,590,000
- Fiscal Year 2028: $6,130,000
- Fiscal Year 2029: $6,140,000
- Fiscal Year 2030: $6,140,000
- Fiscal Year 2031: $6,140,000
- Fiscal Year 2032: $6,140,000
- Fiscal Year 2033: $6,140,000.

[2] In response to a request for information from the Oversight Board, the Retirement Board indicated that it decided to include Alight Financial Advisors, LLC as a signee to the Proposed Amendment to guarantee fiduciary responsibilities for the services it may provide.

[3] Participants that select these services will be charged a fee by Alight Financial Advisors, LLC, but it does not constitute an expense to the Retirement Board.

[4] "Special Event" is defined in the Proposed Amendment as:

> [A]ny state or federal legislative or governmental action, including under PROMESA Title III, approval of a plan of adjustment of debt, consolidation of retirement systems, or transfer of assets from another retirement system or governmental source into the Plan, resulting in an increase of Plan assets not attributable to ordinary contributions, enrollment, or investment performance. If the Parties have not agreed on a fee for the Special Event assets as of the date the Special Event occurs, the lowest bracket rate then in effect under Schedule C - Fee Schedule shall apply automatically from that date until the Parties agree otherwise, at which point the newly agreed fee shall apply.

[5] See OMB's certification dated July 22, 2026.

As you know, the Oversight Board is tasked with ensuring that proposed contracts and amendments promote market competition. The practice of continuing to extend contracts without conducting a procurement process is contrary to best practices that promote market competition. **Accordingly, the Oversight Board will not approve further extensions or renewals to the contract. The Retirement Board must conduct a procurement process for the services and conclude such process well in advance of June 30, 2033, and ensure that any transition to a new provider is completed prior to such date. The resulting proposed contract must be submitted to the Oversight Board for review and approval prior to execution in accordance with the Policy.**

The Retirement Board has certified that the Proposed Amendment shall be covered entirely with General Funds allocated in the following **Account Nos.**:

- **E1l299-111-31200001-006-2027 (PRIFAS)**;
- **3120000-99999998-00010000-2027-006-611032-000000 (ERP)**;
- **E1l299-111-31200001-006-2028 (PRIFAS)**;
- **3120000-99999998-00010000-2028-006-611032-000000 (ERP)**;
- **E1l299-111-31200001-006-2029 (PRIFAS)**;
- **3120000-99999998-00010000-2029-006-611032-000000 (ERP)**;
- **E1l299-111-31200001-006-2030 (PRIFAS)**;
- **3120000-99999998-00010000-2030-006-611032-000000 (ERP)**;
- **E1l299-111-31200001-006-2031 (PRIFAS)**;
- **3120000-99999998-00010000-2031-006-611032-000000 (ERP)**;
- **E1l299-111-31200001-006-2032 (PRIFAS)**;
- **3120000-99999998-00010000-2032-006-611032-000000 (ERP)**;
- **E1l299-111-31200001-006-2033 (PRIFAS)**; and
- **3120000-99999998-00010000-2033-006-611032-000000 (ERP)**.

As such, the Oversight Board's review indicates that the Retirement Board has sufficient budgeted funds in Fiscal Year 2027 to cover the cost of the Proposed Amendment as of the date of this letter.

This determination does not consider the extent to which total available funds will be subsequently encumbered by the Retirement Board throughout the applicable term. Consequently, we rely on the Retirement Board's budget certification for purposes of this review. In the event that the Proposed Amendment causes the Retirement Board to exceed its budget, it must find savings in other areas to cover any overspent amounts and submit a budget reprogramming request in order to ensure compliance with the Certified Fiscal Year 2027 Commonwealth Budget.

Insofar as the Proposed Amendment will be funded with future certified budgets, the Retirement Board must ensure that such budgets incorporate all costs related to the Proposed Amendment.

The Retirement Board is expected to inform the Oversight Board of any budgetary differences other than those specified in Appendix A to the Policy (Contract Submission Questionnaire) and to request a re-review of the Proposed Amendment should any changes occur.

*This review was conducted on the basis of information submitted by the Retirement Board. The Oversight Board has not independently verified the information included in the submission. Should the Oversight Board become aware of any inaccuracies or misrepresentations – whether intentional or not – it would re-evaluate its assessment.*