REQUEST FOR PROPOSAL FOR SETTLEMENT AGENT SERVICES

For Services in Connection with the Settlement of Securities to be Issued Upon Confirmation and Effectiveness of the Eighth Amended Title III Joint Plan of Adjustment of the Commonwealth of Puerto Rico, Et Al

Issue Date: November 8, 2021

Documents will only be received electronically. Refer to Section 6 herein for instructions. Hand delivery and postal mailed documents will not be accepted.

Submission Time:
Responses to be received at the submission email addresses on or prior to:
6 pm (AST), November 12, 2021

No Telephone Queries Will Be Accepted

THE AUTHORITY RESERVES THE RIGHT TO REJECT ANY AND ALL PROPOSALS, TO FURTHER NEGOTIATE ANY PROPOSAL AND TO WAIVE ANY IRREGULARITIES OR NON-COMPLIANCE WITH THE INSTRUCTIONS SET FORTH HEREIN, AT ITS SOLE DISCRETION. ALL PROPOSALS BECOME PROPERTY OF AAFAF UPON SUBMISSION.
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Introduction
The Puerto Rico Fiscal Agency and Financial Advisory Authority ("AAFAF") is an independent public corporation and governmental instrumentality with separate legal existence, fiscal and administrative autonomy, and independence from the Government of Puerto Rico. AAFAF was created for the purpose of acting as fiscal agent, financial advisor and reporting agent of the Government of Puerto Rico, its agencies, instrumentalities, subdivisions, public corporations and/or municipalities (hereinafter collectively referred to as the "Government"), and to assist such entities in confronting the grave fiscal and economic emergency that Puerto Rico is currently experiencing. AAFAF has assumed the majority of the fiscal agency and financial advisory responsibilities that were previously held by the Government Development Bank for Puerto Rico.

AAFAF’s powers include, among other things, sole responsibility to renegotiate, to restructure and/or to reach an agreement with creditors on all or part of the public debt or any other debt issued by any government entity. AAFAF also has authority to monitor compliance with the budget certification and tax plans approved under the Puerto Rico Oversight, Management and Economic Stability Act of 2016 ("PROMESA" or the "Act") and to review matters such as, but not limited to, contracts, transactions and regulations of agencies and instrumentalities of the Government. In addition, Act 2 empowers AAFAF to negotiate and execute any type of contract, including all those instruments and agreements necessary or convenient to exercise the powers and functions conferred to AAFAF by its enabling act.

The activities and responsibilities of AAFAF are separate and distinct from those of the Financial Oversight and Management Board for Puerto Rico (the "Oversight Board"), which was established by PROMESA.

1. Purpose of the Request for Proposal ("RFP")
AAFAF is seeking proposals on behalf of the Commonwealth for settlement services to comply with all preparatory work required by the Depository Trust Company ("DTC"), as clearing agent on behalf of each registered owner of all bonds being restructured/exchanged through the CWPOA that has undertaken a Deposit/Withdrawal at Custodian at DTC, upon confirmation and effectiveness of the CWPOA.

In addition, AAFAF is seeking information from respondents regarding investor outreach strategies and capabilities, secondary market support for Puerto Rico Government securities and proposed fees and expenses.

Based on a review of the proposals received, AAFAF may select one or more respondents to serve as settlement agent. The Authority reserves the right to amend, modify or cancel this RFP. This Request for

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1 Please refer documentation related to the CWPOA for complete descriptions of all securities being restructured as part of the CWPOA. Relevant documentation is available at the Oversight Board’s website (https://oversightboard.pr.gov/).
Proposals does not constitute a promise or guarantee of engagement by AAFAF and in no way limits AAFAF’s authority to engage any other organization, as needed.

2. Scope of RFP
AAFAF will only consider proposals that are responsive to the scope included herein and any deviation from the requested scope may result in disqualification. Responses must address the following:

a. **Settlement Services:** In accordance with DTC procedures, the selected settlement agent will prepare and submit to DTC the applicable DTC eligibility documentation, including all necessary work in connection with obtaining and qualifying under DTC CUSIP numbers for all securities being issued under the CWPOA (including new general obligation bonds, contingent value instruments and certificates of participation in custodial trusts), and any other documents requested by DTC in order for the securities to be eligible, transferred and maintained in book-entry form with DTC. Please provide a description of your firm’s experience executing transactions as described herein.

b. **Flow of Funds and Initial Issue Price Certificates:** Prepare a closing memorandum setting forth the flow of funds on the Settlement Date. Assist in the preparation of and approve disbursement directions delivered on the Settlement Date. Execute and deliver issue price certificates and provide additional assistance to bond counsel (Nixon Peabody LLP) as needed to determine issue price.

c. **Investor Outreach:** Provide your recommendations for investor outreach efforts which should be undertaken to generate maximum investor understanding of the CWPOA and the “to be issued” securities, upon confirmation (and prospectively by the Commonwealth) by the Title III Court.

d. **Secondary Market Trading Capabilities / Historical/Prospective Support to Commonwealth Obligations:** Provide a detailed description and statistical backup of your firm’s secondary market capabilities and historical and prospective support for Commonwealth credits, with emphasis on the Commonwealth’s General Obligations bonds. Please specify if you intend to make a market in the contingent value instruments to be issued as part of the CWPOA. If so, provide explanation of what your firm’s strategy will be.

e. **Fees and Expenses:** Provide a detailed explanation of your proposed fees and expenses, inclusive of any legal expenses your firm may need to incur in the course of providing the services requested herein.

f. **Liability Management Experience:** Provide a description of your firm’s experience and capabilities in executing liability management transactions, including transactions involving exchanges of bonds as a result of municipal bankruptcy proceedings.

3. Preparation of Proposals
Proposals shall be clear and concise, avoiding the use of promotional materials and focused on completeness and responsiveness. For ease of review, the proposals must be limited to 20 pages or less (inclusive of appendices, and exclusive of disclaimers, conflicts of interest and cover pages) with a
minimum font size of 11 pts. Excess pages and extraneous materials or appendices will detract from the overall evaluation of the proposal.

4. Key Dates
   1. RFP Due Date: November 12, 2021 @ 6:00 p.m. AST
   2. RFP Award Date: At the discretion of the Authority

5. Conflicts of Interest
   In order to allow AAFAF to conduct an assessment of potential conflicts of interest, please identify any existing or potential conflict of interest, or any relationships that might be considered a conflict of interest, that may affect or involve transaction(s) for the Oversight Board, AAFAF or the Commonwealth, including but not limited to conflicts with financial advisors or law firms providing services to the Oversight Board, AAFAF or the Commonwealth. Please include description of any work you have performed for the Government, any of its entities or instrumentalities or any creditors thereof or any guarantors of indebtedness in relation to their activities in the Commonwealth. Indicate whether this activity is ongoing, and if not, when the prior assignment was concluded.

6. Submission of Proposals
   Proposals must be emailed to Alfredo Guerra at rfp@aafaf.pr.gov with a copy to cwpoa@ankura.com. Ankura is AAFAF’s financial advisor and Independent Registered Municipal Advisor.

7. Inquiries/Questions
   Any inquires or requests for clarification shall be submitted by email to the addresses indicated in Section 5 above. No telephone queries will be accepted.