

November 2, 2017

## Corporate Update

### *Financial Oversight and Management Board Adopts a Government Contract Approval Policy*

On October 31, 2017, the Financial Oversight and Management Board for Puerto Rico ("FOMB") established pursuant to the Puerto Rico Oversight, Management and Economic Stability Act of 2016 ("PROMESA"), held its tenth public meeting. In accordance with the provisions of Section 204(b) of PROMESA, the FOMB adopted a Contract Review Policy "to ensure that Government contracts 'promote public competition' and 'are not inconsistent with the approved Fiscal Plan'" of the Commonwealth of Puerto Rico.

The Contract Review Policy provides that all contracts or series of related contracts (including amendments and modifications), with an aggregate value in excess of \$10 million must be submitted for approval of the FOMB prior to its execution. Contracts that are proposed to be entered with the Commonwealth of Puerto Rico or any covered instrumentality must be:

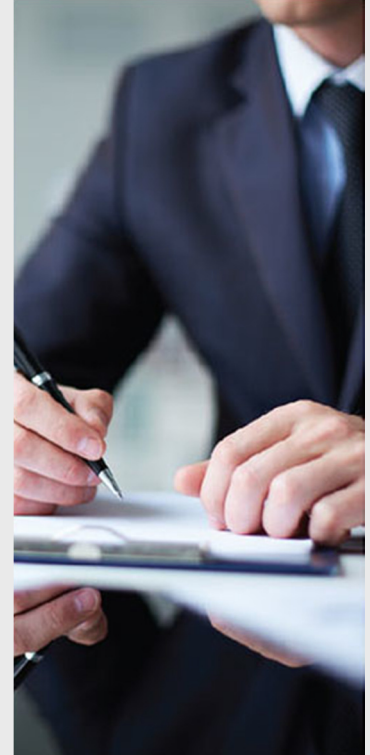
- consistent with the applicable fiscal plan for the contracting party, considering additional spending resulting from Hurricanes Irma and Maria,
- the result of a competitive and transparent procurement and tender process,
- consistent with relevant federal regulations to ensure eligibility for and receipt of federal funding and/or reimbursement.

As noted by the Executive Director of the FOMB, Natalie Jaresko, the Contract Review Policy seeks to ensure fiscal responsibility and reflects that "transparency is an intrinsic component of PROMESA and a guiding principle for the Board's efforts towards Puerto Rico's revitalization".

The Contract Review Policy and the 10th Meeting Press Release are attached.

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