



GOVERNING BOARD
UNIVERSITY OF PUERTO RICO

CERTIFICATION NUMBER 103
2017-2018

I, Luis Berríos-Amadeo, Secretary of the Governing Board of the University of Puerto Rico, DO HEREBY CERTIFY THAT:

RESOLUTION OF THE GOVERNING BOARD OF THE UNIVERSITY OF PUERTO RICO (THE “UNIVERSITY”) AUTHORIZING THE ADOPTION OF THE CONTINUING DISCLOSURE POLICIES AND PROCEDURES OF THE UNIVERSITY (THE “DISCLOSURE POLICIES AND PROCEDURES”), DELEGATING TO THE PRESIDENT OF THE UNIVERSITY TO FIX THE TERMS OF SUCH DISCLOSURE POLICIES AND PROCEDURES AND TO DO ALL ACTIONS IN CONNECTION THEREWITH.

WHEREAS, the University has publicly offered and issued notes, bonds or other types of obligations (the “Municipal Securities”) pursuant to the laws of the Government of Puerto Rico; and

WHEREAS, pursuant to the offerings and issuances of its Municipal Securities, the University has an obligation to meet specific continuing disclosure standards as set forth in the continuing disclosure agreements entered into at the time of such offerings and issuances; and

WHEREAS, it is essential to adopt certain continuing disclosure policies and procedures to be followed in connection with the issuance and on-going administration of the publicly offered or issued Municipal Securities; and

WHEREAS, the staff, officers, agents and employees of the University, as issuer of Municipal Securities, together with the Puerto Rico Fiscal Agency and Financial Advisory Authority (“FAFAA”), in its capacity as financial advisor and fiscal agent to the University and as the coordinator of all debt issuances and disclosure obligations of the University, and FAFAA’s legal and disclosure counsel, have reviewed the University’s continuing disclosure

agreements and filings and have prepared the proposed Continuing Disclosure Policies and Procedures (the “Disclosure Policies and Procedures”) to be adopted and followed by the University; and

WHEREAS, a form of the proposed Disclosure Policies and Procedures of the University are attached hereto as **Exhibit A** (the “Disclosure Policies and Procedures”); and

WHEREAS, the Governing Board of the University of Puerto Rico has determined that it is desirable at this time to adopt the form of proposed Disclosure Policies and Procedures and proceed with their prompt implementation;

NOW, THEREFORE, BE IT RESOLVED, by the Governing Board of the University of Puerto Rico as follows:


Section 1. The President of the University is authorized and directed, in the name and on behalf of the University to execute and deliver the Disclosure Policies and Procedures in the form presented at this meeting with such additional changes, insertions and omissions as may be approved by the President with the approval of FAFAA, his execution of the Disclosure Policies and Procedures to be conclusive evidence of his approval of any such charges, insertions and omissions.

Section 2. The officers, agents and employees of the University and any officer of FAFAA, in its capacity of fiscal agent to the University, and as the coordinator of all debt issuances and disclosure obligations of the University are hereby authorized and directed to take and do all actions and things necessary on behalf of the University to ensure the full, punctual and complete performance of the terms, covenants and provisions of the Disclosure Policies and Procedures, do all acts and things required of them to carry into effect the provisions and purposes of this resolution, and all prior actions taken by the officers, agents and employees of the Authority in connection with the adoption of the Disclosure Policies and Procedures are

hereby ratified and approved.

Section 3. The provisions of this resolution shall become effective immediately upon its adoption.

IN WITNESS WHEREOF, I issue the present Certification, in San Juan, Puerto Rico, today, May 8, 2018.



Luis Berríos-Amadeo
Secretary

Exhibit A
Certification Number 103 (2017-2018)

UNIVERSITY OF PUERTO RICO
CONTINUING DISCLOSURE POLICIES AND PROCEDURES

I. INTRODUCTION

A. Purpose

These Continuing Disclosure Policies and Procedures (as may be modified from time to time, the “Disclosure Policies”) are promulgated to establish a framework for compliance by the University of Puerto Rico (the “University” or “Issuer”) with its disclosure and/or contractual obligations with respect to the municipal securities it issues or that are issued on its behalf, pursuant to the requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), the Securities Act of 1933, as amended, including, in particular, Rule 15c2-12, as amended (“Rule 15c2-12”), promulgated under the Exchange Act, as well as the Puerto Rico Oversight, Management, and Economic Stability Act (“PROMESA”), 28 U.S.C. 2101, as amended, and other applicable rules, regulations, and orders.

The Disclosure Policies have been established by the University, as the issuer of municipal securities, in consultation and collaboration with the Puerto Rico Fiscal Agency and Financial Advisory Authority (“FAFAA”), as financial advisor and fiscal agent to the Issuer and as the coordinator of all debt issuances by the Commonwealth and its instrumentalities. The Disclosure Policies are intended to ensure that the Issuer’s Disclosure Documents (as defined below) are accurate and complete and comply with all applicable federal and state securities laws and existing contracts under the applicable standards, and to promote best practices regarding the preparation of the Issuer’s Disclosure Documents.

The failure to comply with these Disclosure Policies shall not affect the authorization or the validity or enforceability of any municipal securities or other indebtedness that are otherwise issued by the Issuer in accordance with law nor imply a failure to comply with applicable federal or state securities laws. These Disclosure Policies are a work in progress and while the Issuer and FAFAA are taking commercially reasonable efforts to abide by the procedures established herein, these Disclosure Policies are subject to review and modification as they are put in practice.

B. Definitions

In addition to terms defined elsewhere in these Disclosure Policies, the following terms have the meanings assigned to them in this Section I.B.

“Accuracy and Completeness” refers to the standard that there shall be no untrue statement of material fact and no omission of a statement necessary to make the statements made, in light of the circumstances under which they were made, not misleading. References in the Disclosure Policies to accuracy and completeness refer to this standard.

“Bond Counsel” means the law firm engaged by the Issuer to advise the Issuer with respect to the validity and tax-exempt nature of its Municipal securities. Until separate Disclosure Counsel is properly engaged by the Issuer, Bond Counsel to the Issuer in any particular transaction can serve as Disclosure Counsel with respect to the Disclosure Documents related to such transaction, to the extent communicated to the Issuer by the General Counsel of FAFAA.

“Bond Purchase Agreement” means the agreement between the Issuer and an underwriter establishing the terms of the sale of the Issuer’s municipal securities.

“Continuing Disclosure Agreements” or “CDAs” means those certain disclosure agreements entered into by the Issuer in connection with the issuance of its municipal securities, in accordance with the requirements of Rule 15c2-12, for the benefit of the beneficial owners and, generally, the tax owners of its municipal securities.

“CDAs” shall have the meaning set forth in Section III.B.1.

“Covered Sections” means those portions of any University Report applicable to the Issuer as set forth on Appendix C hereto, which are solely included for guidance purposes and may be subject to change from time to time depending on the circumstances surrounding the University.

“Deal File” has the meaning given to such term in Section VI.

“Disclosure Counsel” means the law firm engaged by the Issuer or by FAFAA on the Issuer’s behalf, to advise the Issuer with respect to disclosure obligations and requirements under federal securities laws. Until separate Disclosure Counsel is properly engaged by the Issuer, Bond Counsel to the Issuer in any particular transaction can serve as Disclosure Counsel with respect to the Disclosure Documents generally or to the Disclosure Documents related to a particular transaction, to the extent it has been communicated to the parties by the General Counsel of FAFAA.

“Disclosure Documents” means the (a) offering documents for Issuer municipal securities (e.g., preliminary and final Official Statements, Remarketing Memoranda and Offering Memoranda), (b) annual continuing disclosure reports filed with the MSRB, (c) event notices and any other filings with the MSRB, (d) the Issuer’s audited financial statements, (e) the Issuer’s roadshow presentations and (f) any other documents that, in the judgment of the University and FAFAA, are reasonably likely to reach investors or the securities markets, including but not limited to press releases, web site postings, and other communications to investors or the securities markets, by an official of the Issuer or of FAFAA with respect to the issuer’s financial or operating condition, provided, however, that in the event of doubt, Disclosure Counsel or, if Disclosure Counsel has not been engaged, FAFAA’s General Counsel shall determine whether a particular document constitutes a Disclosure Document.

“Disclosure Working Group” means the Disclosure Practices Working Group as composed in Section II.A.1.

“Disclosure Working Group Confirmation” means, with respect to any Disclosure Document, a written confirmation from (a) each member of the Disclosure Working Group to the effect that he or she has reviewed such Disclosure Document and, to the best of his or her knowledge, such Disclosure Document is accurate and complete, and (b) the Issuer Disclosure Coordinator that (i) he or she has reviewed such Disclosure Document and he or she is not aware of anything in such Disclosure Document that is inaccurate or incomplete and (ii) such Disclosure Document has been prepared in accordance with these Disclosure Policies.

“Dissemination Date” means, with respect to any Disclosure Documents, the date that such document is released to the public, including disseminated to investors, published on EMMA or posted on a website.

“EMMA” shall have the meaning set forth in Section III.B.2.8.

“GDB” means the Government Development Bank for Puerto Rico, together with its successors or assigns.

“FAFAA Disclosure Coordinator” means the person designated as such as provided in Section II.C.1 of these Disclosure Policies.

“Instrumentality Disclosure Document” means offering documents for municipal securities issued by any instrumentality of the Issuer (*e.g.*, preliminary and final Official Statements, Remarketing Memoranda and Offering Memoranda).

“Issuer Disclosure Coordinator” means the person designated as such as provided in Section II.B.1 of these Disclosure Policies.

“Material Nonpublic Information” means information that is (i) material if there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision and would be viewed by a reasonable investor as having significantly altered the total mix of information available and (ii) nonpublic if it has not been disseminated in a manner making it available to investors generally.

“MSRB” means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the U.S. Securities and Exchange Commission to receive filings pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended.

“Municipal Market Disclosure Information Cover Sheet” means the cover sheet to be included with all submissions made with the MSRB, and any applicable state information depository pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended.

“Oversight Board” has the meaning given to such term under PROMESA.

“Periodic Disclosure Documents” has the meaning given to such term in Section II.B.2.b.

“Primary Offering Document” means offering documents for Issuer municipal securities (e.g., preliminary and final official statements, marketing memoranda and offering memoranda). In some instances, only one offering document in final form is prepared for a debt issuance.

“Responsible Persons” initially means the individuals set forth in the table contained in Appendix C. Such chart will be revised from time to time to include the individuals designated as Responsible Persons by the Disclosure Working Group in the future and to reflect changes in the subject matter contained in the University Report. The Disclosure Working Group may designate different Responsible Persons as it deems appropriate.

II. KEY PARTICIPANTS

A. Disclosure Practices Working Group

1. *Composition.* The Disclosure Practices Working Group (the “Disclosure Working Group”) shall consist of the following officials or their duly appointed delegate: (i) the President; (ii) the Director of Finance; (iii) the Director of Legal Affairs; and (iv) the Budget Director.

2. *Responsibilities.* The responsibilities of the Disclosure Working Group include, among others:

a. having general oversight over the preparation and review of each Disclosure Document and any other item related thereto referred to the Disclosure Working Group;

b. reviewing all Disclosure Documents except the event notices and any other filings with the MSRB, which are regularly reviewed by the Issuer Disclosure Counsel, to determine the adequacy and accuracy of the disclosures therein before such document is publicly released;

c. periodically checking to determine that these Disclosure Policies are being followed;

d. evaluating the effectiveness of the procedures contained herein and approving changes to these Disclosure Policies; and

e. assisting the FAFAA Disclosure Coordinator with issues or any investigation related to the disclosure and selling practices in connection with the purchase of municipal securities issued by the University.

3. *Delegation of Responsibilities.* The Disclosure Working Group may delegate some or all of the responsibilities set forth in Section 2(c) and (d) and/or some or all of the responsibilities associated with Continuing Disclosure Filings and the maintenance of the investor relations website, as detailed in Sections III B and IV below, to subcommittees and support staff. Any such delegations must be notified to the Issuer Disclosure Coordinator.

4. *Role of FAFAA Officials.* The involvement of FAFAA officials in the Disclosure Working Group is in observance of FAFAA's role as financial advisor and fiscal agent to the Issuer and as the coordinator of all debt issuance by the Commonwealth and its instrumentalities, such issuance being subject to authorization by the Oversight Board. In its role as financial advisor and fiscal agent to the Issuer, FAFAA, in coordination with the Issuer, will periodically revise the Issuer's disclosure practices to ensure that the Commonwealth and its instrumentalities follow best disclosure practices.

5. *Disclosure Counsel.* The Issuer may engage, in coordination with FAFAA, one or more law firms to serve as Disclosure Counsel to represent the Issuer in connection with the preparation and/or review of the Disclosure Documents.

B. Issuer Disclosure Coordinator

1. *Appointment of the Issuer Disclosure Coordinator.* The Issuer shall maintain, at all times, an Issuer Disclosure Coordinator and selected from time to time by the University on the basis of his or her familiarity with particular aspects of the Issuer's disclosure and reporting matters, and/or on his or her ability to effectively monitor and coordinate such disclosures and reporting based on his or her position within the Issuer.

2. *Responsibilities of the Issuer Disclosure Coordinator.* The responsibilities of the Issuer Disclosure Coordinator include, among others:

- a. serving as the "point person" for the Disclosure Working Group to communicate issues or information that should or may need to be included in any Disclosure Document;
- b. monitoring the Issuer's compliance with these Disclosure Policies, including timely dissemination of and updates to the University Report, and event filings as described in Section III B below (collectively, the "Periodic Disclosure Documents");
- c. recommending changes to these Disclosure Policies as necessary or appropriate;
- d. serving as key contact for the Responsible Persons to communicate issues or information that should or may need to be included in any Disclosure Document;
- e. coordinating with the Disclosure Working Group and the Responsible Persons to make sure that assigned tasks have been completed on a timely basis and making sure that the Periodic Disclosure Documents are filed on a timely basis; and
- f. maintaining records documenting the Deal File and the Issuer's compliance with these Disclosure Policies generally.

C. FAFAA Disclosure Coordinator

1. *Appointment of the FAFAA Disclosure Coordinator.* The FAFAA, in its role as fiscal agent and financial advisor to the Issuer, shall maintain, at all times, a FAFAA Disclosure Coordinator. The FAFAA Disclosure Coordinator shall be selected from time to time by the Executive Director of the FAFAA on the basis of his or her familiarity with disclosure best practices and reporting matters generally, and/or his or her ability to effectively monitor and coordinate such disclosures and reporting based on his or her position within the FAFAA.

2. *Responsibilities of the FAFAA Disclosure Coordinator.* The FAFAA Disclosure Coordinator is mainly responsible for:

- a. serving as key contact at FAFAA for the Issuer Disclosure Coordinator;
- b. serving as “point person” for the Disclosure Counsel to assist in updating or confirming information that should or may need to be included in any Disclosure Document;
- c. recommending to the Disclosure Working Group changes to these Disclosure Policies as necessary or appropriate;
- d. serving as key contact at FAFAA for the Oversight Board related to any investigation related to the disclosure and selling practices in connection with the purchase of municipal securities issued; and
- e. maintaining records documenting the Deal File and the Issuer’s compliance with these Disclosure Policies with the information provided by the Issuer Disclosure Coordinator.

3. *Delegation of Responsibilities.* The FAFAA Disclosure Coordinator may delegate some or all of the responsibilities set forth in this Section and/or some or all of the responsibilities associated with Primary Offering Documents, Continuing Disclosure Filings and the maintenance of the investor relations website to subcommittees and support staff. As a working example, the FAFAA Disclosure Coordinator may delegate on an officer of FAFAA (such as the Director of Finance and Debt Restructuring) which is familiar with the issuer’s obligations to review the accuracy of any financial or continuing disclosure information relating to such issuer. Any such delegations must be notified to the Issuer Disclosure Coordinator.

III. PROCEDURES FOR PREPARATION OF DISCLOSURE DOCUMENTS

The University, through the Issuer Disclosure Coordinator, shall abide by and implement these policies and procedures to ensure compliance with the applicable law and outstanding contracts, in preparing, checking, or issuing the following Disclosure Documents.

A. PRIMARY OFFERING DOCUMENTS

1. Process. At the beginning of the disclosure process and in connection with the Primary Offering Documents, the Issuer Disclosure Coordinator shall:

- a. determine what information should be disclosed in the Primary Offering Documents to present fairly a description of the financial information and operating data of the Issuer, the source of repayment and security for the securities being offered, including related financial and operating information, and contingent risks;
- b. contact the Responsible Persons to assemble and verify the information to be included in each Primary Offering Document;
- c. establish a schedule for the production of information by each Responsible Person to be included in the Primary Offering Documents affording sufficient time for final review by each member of the Disclosure Working Group and the Disclosure Counsel, and the approvals required by these Disclosure Policies;
- d. produce, or cause to be produced, a draft of the Primary Offering Document based on the information and comments received from the Responsible Persons, Disclosure Working Group and Disclosure Counsel; and
- e. confirm the Oversight Board's prior written approval to issue debt or guarantee, exchange, modify, repurchase, redeem, or enter into similar transactions with respect to its debt, in compliance with Section 207 of PROMESA.

2. Review and Analyze Reports and Other Information. The members of the Disclosure Working Group, together with Disclosure Counsel, shall hold one or more due diligence meeting to review and discuss (1) the most recently published budget of the Issuer, (2) the most recently published comprehensive annual financial report or audit of the Issuer and, if applicable, of any retirement system or investment pool of the Issuer, including any letters or communications containing recommendations by the Issuer's independent auditors, (3) the most recent Offering Statement, (4) the most recent Periodic Reports, (5) any contingent risk matters; and (6) any other documents that may contain a material fact that is necessary to be included in each Primary Offering Document in order to prevent such document from being misleading to investors. The Disclosure Working Group, in consultation with Disclosure Counsel, shall determine the appropriate participants of the due diligence meetings which may include any advisor such as, but not limited to, financial advisor, accountants, attorneys and underwriters.

3. Final Approval and Release. The Primary Offering Documents shall not be released to the public until the following written confirmations have been received by the Issuer Disclosure Coordinator as of a date that is no earlier than two (2) business days before the applicable Dissemination Date:

a. Written confirmation of each Responsible Person that he or she has reviewed the Covered Sections of the Primary Offering Documents for which he or she is responsible and that to his or her knowledge the sections are accurate and complete.

b. Written confirmation that each member of the Disclosure Working Group provided it's Disclosure Working Group Confirmation and approved in writing the release of the Primary Offering Document to the public.

c. Written confirmation of Disclosure Counsel confirming that nothing has come to its attention that would lead it to believe that the Primary Offering Document contains any material misstatements or omissions.

d. Written confirmation of the Oversight Board approval to issue the municipal securities or guarantee, exchange, modify, repurchase, redeem, or enter into similar transactions with respect to its debt, provided that the Oversight Board remains in operation¹.

e. In cases where a bank, insurer or other entity is providing credit or liquidity support for the bond issuance, written confirmation of the entity or its counsel confirming that the disclosure concerning the entity and the support is accurate and complete.

f. If the final Primary Offering Document related to an offering of municipal securities of the Issuer, it shall be signed by the President.

g. Written confirmation that the President, after receipt of the appropriate report and recommendation from the Issuer's and FAFAA's officers, signed a certificate to the effect that the Primary Offering Document is deemed final as of its date other than information allowed to be omitted under Rule 15c2-12.

h. Written confirmation of the Issuer Disclosure Coordinator that the Disclosure Counsel may release the Primary Offering Document to the public. The Issuer Disclosure Coordinator shall not provide such notification until he or she has confirmed that all of the applicable procedures set forth in this Section have been followed.

4. Procedures for Closing. Before the scheduled closing for the municipal securities or other debt instruments, the Issuer Disclosure Coordinator shall follow the procedure described in Section III A (3) above and confirm, as of the closing date, that nothing has occurred that makes the final offering document materially inaccurate or incomplete as of the scheduled closing date, unless the final offering document has been amended or supplemented to correct such inaccuracy or incompleteness. The Issuer shall not issue the municipal securities until the Issuer Disclosure Coordinator sends written confirmation that the procedures set forth in Section III A (3) have been followed.

¹ Id. The Primary Offering Documents are prepared in anticipation of a scheduled closing of the municipal securities or other debt instruments. Pursuant to Section 207 of PROMESA, "For so long as the Oversight Board remains in operation, no territorial government may, without the prior approval of the Oversight Board, issue debt or guarantee, exchange, modify, repurchase, redeem, or enter into similar transactions with respect to its debt."

5. Web Posting. After the final offering document is released to the public, copies of such final offering document will be posted by the underwriter of the municipal securities on EMMA and by FAFAA's Communications Department, at the request of the FAFAA Disclosure Coordinator or his/her delegate on the FAFAA Investor website as further established in Section IV A.

6. Supplement to Primary Offering Documents. Should any member or supporting staff of the Disclosure Working Group become aware of anything that might cause the offering document to be inaccurate or incomplete any time between the date the Primary Offering Document is posted and 25 days after the end of the "underwriting period" (usually the closing date for the bond issuance), he or she shall notify the members of the Disclosure Working Group and the latter shall determine whether a supplement or amendment to the offering document is necessary. The Disclosure Working Group, in consultation with Disclosure Counsel, shall determine whether a supplement or amendment to the Primary Offering Document is necessary and shall determine what procedures are appropriate with respect to such supplement or amendment. In any event, any supplement or amendment to a Primary Offering Document shall be available to all purchasers of the municipal securities and shall be made public utilizing the same method of dissemination as the original Primary Offering Document.

B. CONTINUING DISCLOSURE FILINGS

In order to monitor compliance by the University with its continuing disclosure obligations, the Issuer Disclosure Coordinator will, if and as required by each Continuing Disclosure Agreements, entertain the following matters.

1. Continuing Disclosure Agreements

The Issuer Disclosure Coordinator shall compile and maintain a set of all currently effective continuing disclosure agreements ("CDAs", also called continuing disclosure certificates or undertakings) of the University. Continuing Disclosure Agreements are "Currently Effective" for purposes of these Disclosure Policies for so long as the municipal securities to which they relate are outstanding.

2. Annual Report (the "University Report")

a. Annual Review. The Issuer Disclosure Coordinator shall:

- (1) compile and maintain a list of all financial information and operating data required to be filed with the MSRB pursuant to each of the Disclosure Agreements;
- (2) assign responsibilities to each Responsible Person for periodically assembling and verifying the data to be included in the University Report;
- (3) maintain copies of the Issuer's audited financial statements;
- (4) distribute a first draft of the University Report, as well as the deadline by which it must be filed and Appendix A requesting the necessary information, to the

Disclosure Working Group and the Responsible Persons no later than ninety (90) days prior to the Authority Report's Dissemination Date;

(5) distribute, or cause to be distributed, a final draft of the University Report, no later than thirty (30) days before the Dissemination Date;

(6) request that the Responsible Persons assemble, verify, and forward the data to be included in the Authority Report to the Issuer Disclosure Coordinator and confirm in writing, as of a date that is no earlier than two (2) business days before the applicable Dissemination Date, that he or she has reviewed the Covered Sections of the final draft of the University Report for which he or she is responsible and that to his or her knowledge the sections are accurate and complete;

(7) obtain the written approval and confirmation from the Disclosure Working Group with respect to the final draft of the University Report as of a date that is no earlier than two (2) business days before the applicable Dissemination Date;

(8) ensure that the University Report is filed with the MSRB's Electronic Municipal Market Access ("EMMA") system within 305 days after the end of each fiscal year, or the time stated in the Continuing Disclosure Agreement; and

(9) review prior filings made within the past five (5) years and notify the Disclosure Working Group, Disclosure Counsel or Responsible Persons any missing information in such prior filings.

The FAFAA Disclosure Coordinator, or its delegate, shall execute the Municipal Market Disclosure Information Cover Sheet and cause the University Report to be filed on EMMA upon receipt of written confirmation from the Issuer Disclosure Coordinator that all of the applicable procedures set forth above have been completed.

b. ***The Commonwealth Report.*** The Issuer will review the applicable sections of the Commonwealth Report pertaining to its financial results. It is understood that the Commonwealth is responsible for the timely filing of the Commonwealth Report with EMMA. The Commonwealth Report, as filed with EMMA, will be incorporated by reference in the Issuer's Disclosure Documents as necessary.

3. **Audited Financial Statements**

The audited financial statements shall not be finalized for release until the President, or his/her delegate, shall have reviewed the audited financial statements (including the notes thereto and the management's discussion and analysis), and shall have provided to the Issuer Disclosure Coordinator its written confirmation that he or she is not aware of any material inaccuracies or material omissions in such audited financial statements as of a date that is no earlier than two business days before the applicable Dissemination Date.

If the independent auditor's report is not available and/or the audited financial statements are not accepted by the President, by the applicable Dissemination Date, at the discretion of the President, unaudited financial information could be filed by the University Report due date, then the audited financial statements should be filed when available.

4. **Event Notices**

The Issuer Disclosure Coordinator, in coordination with the FAFAA Disclosure Coordinator or his/her delegate, shall monitor the occurrence of any of the events listed below and/or other events set forth in the currently effective CDAs, as applicable, and assess the materiality of any reported event with the assistance of Disclosure Counsel and shall provide notice of the same in the required manner and by the relevant reporting deadline.

1. Principal and interest payment delinquencies;
2. Non-payment related defaults;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity facility providers, or other failure to perform;
6. Adverse opinions, or events affecting the tax-exempt status of the Issuer's municipal securities;
7. Modifications to rights of the holders of the Issuer's municipal securities;
8. Bond calls;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Issuer's municipal securities; and
11. Rating changes.

a. **Identification of Material Events.** The Issuer Disclosure Coordinator, in coordination with the FAFAA Disclosure Coordinator, or his/her delegate, shall:

- (1) send a written reminder to each member of the Disclosure Working Group and each of the Responsible Persons of the requirement of the University to file notices of events listed in this Section, on or before each March 1, June 1, and October 1;

- (2) monitor the occurrence of any significant development related to the Oversight Board or any applicable moratorium act, assess the materiality of such significant development with the assistance of Disclosure Counsel and provide voluntarily notice of the same through EMMA; and
- (3) request the Disclosure Working Group and each of the Responsible Persons to submit a notification if he or she becomes aware of the occurrence of any of the events listed in this Section.

The FAFAA Disclosure Coordinator, or his/her delegate, shall review once a week the six digit CUSIP number for any municipal securities issued by the Issuer with Standard & Poor's Rating Services, Moody's Investors Service and Fitch Ratings to determine if there have been any changes to the ratings on any municipal securities.

b. **Preparation and Filing of Event Notices.** Upon the identification of the occurrence of any event listed in this Section, and in a timely manner, the FAFAA Disclosure Coordinator or his/her delegate, in coordination with the Issuer Disclosure Coordinator and in consultation with Disclosure Counsel, shall prepare and file, or cause to be prepared and filed, the necessary notice by the deadline established by the Continuing Disclosure Agreements or, if the facts cannot be correctly and fairly described by the deadline, then as soon thereafter as possible². The FAFAA Disclosure Coordinator shall notify the Issuer Disclosure Coordinator promptly after such event notice filing has been made. If it is not clear if the occurrence of an event constitutes one of the events listed in this Section, then the FAFAA Disclosure Coordinator in coordination with the Issuer Disclosure Coordinator shall consult with Disclosure Counsel to determine whether the Authority is required to file a notice concerning such event. Furthermore, the FAFAA Disclosure Coordinator may coordinate with any other relevant party to ensure that ancillary disclosure obligations that the University may have pursuant to a CDA are duly complied with.

C. Additional Disclosure Filings

1. Bond Purchase Agreement

Prior to the execution of the Bond Purchase Agreement, the Issuer Disclosure Coordinator shall confirm with the Disclosure Working Group that (i) the Issuer received the prior approval of the Oversight Board for the debt issuance in accordance with Section 207 of PROMESA, and (ii) to such person's knowledge, nothing has occurred that makes the preliminary offering document materially inaccurate or misleading unless the preliminary offering document has been amended or supplemented to correct such inaccuracy. Should any issues be raised, the Bond Purchase Agreement shall not be executed by the Issuer until such issues have been resolved to the satisfaction of the Disclosure Working Group.

2. Roadshow Presentations

In connection with a roadshow presentation for use at an investor roadshow related to an

² Rule 15c2-12 requires: "In a timely manner not in excess of ten business days after the occurrence of the event..."

offering of municipal securities or other debt instruments of the Issuer, the Disclosure Working Group shall provide the Disclosure Working Group Confirmation to the Issuer Disclosure Coordinator at least two (2) business days prior to the applicable Dissemination Date. The Disclosure Working Group may authorize the use and dissemination of the roadshow presentation only upon the receipt of such Disclosure Working Group Confirmation from each member of the Disclosure Working Group.

3. **Communications with Investors**

a. **Press Releases.**

In addition to any Disclosure Documents, no press release containing Material Nonpublic Information shall be made available to the public until the Issuer Disclosure Coordinator in coordination with the FAFAA Disclosure Coordinator and in consultation with the Disclosure Counsel have reviewed and approved the form and content of the information to be released. Only the FAFAA Communications Director has the authority to make a press release available to the public once the FAFAA Disclosure Coordinator or his/her delegate, has confirmed with the Issuer Disclosure Coordinator of the approval of the press release. The FAFAA Disclosure Coordinator or his/her delegate may consult with Disclosure Counsel or Responsible Persons when it deems it necessary prior to approving any press release.

b. **Inquiries from investors.**

- (1) All offering documents and reports and other materials relating to municipal securities or other debt instruments of the Issuer that are made available to investors shall contain the following language: "All investor inquiries relating to the University should be addressed in writing to Investor Relations Department at FAFAA, attention to the Director of Finance and Debt Restructuring at jesus.mattei@aafaf.pr.gov."
- (2) Each and every investor inquiry shall be referred to Investor Relations Department at FAFAA.
- (3) Responses to investor inquiries shall be prepared by, or at the direction of, the Director of Finance and Debt Restructuring of FAFAA or the person designated by the Executive Director of the FAFAA. FAFAA Investor Relations Department, in coordination with the Issuer Disclosure Coordinator and in consultation with Disclosure Counsel, will ensure that the responses to investor inquiries do not contain Material Nonpublic Information and are accurate and complete.

c. **Material Nonpublic Information**

(a) All persons involved in the disclosure process should take precautions to ensure that all press releases, investor presentation, other investor communications or other information that contains Material Nonpublic Information goes through the processes established herein before being made available to the public.

(b) The Issuer Disclosure Coordinator must be informed immediately in the event that the Issuer, or a person acting on behalf of the Issuer, releases Material Nonpublic Information without complying with these Disclosure Policies. The Issuer Disclosure Coordinator will notify the Disclosure Working Group in writing of the release of the Material Nonpublic Information and will work with Disclosure Counsel to promptly make that information available to the general public.

(c) For purposes of determining what constitutes Material Nonpublic Information, information is (i) material if there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision and would be viewed by a reasonable investor as having significantly altered the total mix of information available and (ii) nonpublic if it has not been disseminated in a manner making it available to investors generally.

IV. MAINTENANCE OF INVESTOR RELATIONS WEBSITE

A. Posting of Public Information Material to Investors

The FAFAA Disclosure Coordinator, or his/her delegate, shall request FAFAA's Communications Department to post in the Investor Relations section of the FAFAA website, as applicable, the Disclosure Documents and material information to investors, such as, but not limited to, audited financial statements, rating agency reports, annual disclosure reports and their periodic updates, as well as investor and rating agency presentations. The FAFAA Disclosure Coordinator, or his/her delegate, shall notify such request to post the documents described above after the Disclosure Documents have been approved in accordance with the procedures established in these Disclosure Procedures.

B. Periodic Review and Updates

1. The FAFAA Disclosure Coordinator, in consultation with Disclosure Counsel, shall cause the Investor Relations section of the FAFAA website, as applicable, to be reviewed and updated frequently (at least quarterly) to confirm that the information posted, including but not limited to the Disclosure Documents, is up to date and accurate, and does not contain Material Non-Public Information. The FAFAA Disclosure Coordinator shall confirm in writing to the Disclosure Working Group and the Issuer Disclosure Coordinator that such review has been performed.

2. Visitors to the Investors Relations section of the FAFAA website shall be required to review and acknowledge a disclaimer prior to accessing any information on the website. The form of a website disclaimer is attached as Appendix B hereto. The website disclaimer should be reviewed by Disclosure Counsel at least annually and updated as necessary to ensure that it reflects current market standards and practices.

C. Disclaimers

Unless otherwise approved by the Disclosure Working Group, all investor presentations, press releases, responses to inquiries by investors and other materials provided to investors (other

than offering documents) shall contain the Disclaimer set forth below. The Disclaimer should be reviewed at least annually by Disclosure Counsel to ensure that it reflects current market standards and practices.

FORWARD-LOOKING STATEMENTS

The information included in this presentation contains certain “forward-looking” statements. These forward-looking statements may relate to the fiscal and economic condition, economic performance, plans and objectives of the University of Puerto Rico (the “University”). All statements contained herein that are not clearly historical in nature are forward-looking, and the words “anticipates,” “believes,” “continues,” “expects,” “estimates,” “intends,” “aims,” “projects,” and similar expressions, and future or conditional verbs such as “will,” “would,” “should,” “could,” “might,” “can,” “may,” or similar expressions, are generally intended to identify forward-looking statements.

These statements are not guarantees of future performance and involve certain risks, uncertainties, estimates, and assumptions by the University that are difficult to predict. The economic and financial condition of the University is affected by various financial, social, economic, environmental, and political factors. These factors can be very complex, may vary from one fiscal year to the next, and are frequently the result of actions taken or not taken, not only by the University, but also by entities such as the government of the Commonwealth of Puerto Rico, the United States of America or other nations that are not under the control of the University. Because of the uncertainty and unpredictability of these factors, their impact cannot, as a practical matter, be included in the assumptions underlying the University’s projections.

The projections set forth in this presentation were not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of the officers of the University responsible for the preparation of such information, were prepared on a reasonable basis, reflect the best currently available estimates and judgments, and present, to the best of such officers’ knowledge and belief, the expected course of action and the expected future financial performance of the University, as applicable. However, this information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this presentation are cautioned not to place undue reliance on the prospective financial information. Neither the University independent auditors, nor any other independent auditors, have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability and disclaim any association with the prospective financial information. Neither the University independent auditors, nor any other independent auditors, have been consulted in connection with the preparation of the prospective financial information set forth in this presentation, which is solely the product of the University, and the independent auditors assume no responsibility for its content.

NOT AN OFFERING OF SECURITIES

This presentation does not constitute, nor does it form part of, an offer to sell or purchase, or the solicitation of an offer to sell or purchase, any securities or an offer or recommendation to enter into any transaction. This presentation has been prepared for informational purposes only. Any offer or sale of any security may only be made pursuant to the relevant offering documents and binding transaction document and is subject to the detailed provisions therein, including risk considerations. Prospective purchasers should obtain a copy of the relevant offering materials prior to making any investment decisions.

V. INVESTIGATION OF DISCLOSURE AND SELLING PRACTICES BY THE OVERSIGHT BOARD

PROMESA establishes an Oversight Board appointed by the President of the United States, in collaboration with Congress, that has substantial authority over the finances and debt restructuring process of the Commonwealth and its instrumentalities, beginning with auditing the records of the government, including but not limited to, “the disclosure and selling practices in connection with the purchase of municipal securities issued by the Issuer for or on behalf of any retail investors including any underrepresentation of risk for such investors and any relationships or conflicts of interest maintained by such broker, dealer, or investment adviser as provided in applicable laws and regulations.”³

Upon the request of the Oversight Board, the Issuer Disclosure Coordinator and the FAFAA Disclosure Coordinator shall disclose to the Oversight Board all Primary Offering Documents, Disclosure Documents and Deal File prepared by the Issuer, pursuant to Section 104 (o) of PROMESA, within a reasonable time or as required by any regulation promulgated by the Oversight Board.

VI. RECORD RETENTION

In furtherance of the Issuer Disclosure Coordinator and the FAFAA Disclosure Coordinator’s responsibilities for documenting disclosure processes with respect to each Disclosure Document, they shall retain a file (“Deal File”) that includes evidence that, in connection with each Disclosure Document, (1) proper reviews were conducted; (2) evidence that these Disclosure Policies have been followed; and (3) copy of each Disclosure Document, including copies of the distribution, written confirmation, final versions, letters and legal opinions regarding each Disclosure Document. These Disclosure Policies and any amendments thereto and a list of individuals to whom they have been distributed and the dates of such distributions; copies of training materials; lists of attendees at trainings and the dates of such trainings shall be included in the Deal File.

For Disclosure Documents, the Deal File shall be maintained in a central repository for a period of five (5) years from the later of the date of delivery of the securities referenced in the Disclosure Document, or the date the Disclosure Document is published, posted, or otherwise

³ PROMESA § 104 (o).

made publicly available, as applicable. For periodic reviews of the Investor website and these Disclosure Policies, the Deal File shall be maintained in a central repository for a period of five (5) years from the date such review was performed or relevant distribution of materials or training occurred. The Issuer Disclosure Coordinator and the FAFAA Disclosure Coordinator shall retain this documentation, for each Continuing Disclosure Agreement, for the period that the related municipal securities are outstanding.

VII. TRAINING

A. Personnel to be Trained

The members of the Disclosure Working Group, the Issuer Disclosure Coordinator, the FAFAA Disclosure Coordinator, the Responsible Persons and all personnel likely to be involved in the preparation and review of Disclosure Documents will undergo training regarding disclosure obligations. Upon completion of the training, such persons will provide written attestation that they have completed the disclosure training, reviewed and understand the Disclosure Policies and the applicable law, and that they will comply with the Disclosure Policies. The Issuer Disclosure Coordinator and the FAFAA Disclosure Coordinator, respectively, will provide the form of the attestation to be completed by the person and will maintain a list of those persons that have completed training and provide a certification to such end, including the date, duration and a brief description of the training received.

B. Training Content

The training shall include a complete review of these Disclosure Policies, Rule 15c2-12 of the Exchange Act, and an overview of the University's obligations under the federal securities laws. The disclosure training may include, but is not limited to, attending sessions, teleconferences, or webinars presented by the entity or official designated by the General Counsel of FAFAA. The scope of training will be informed, each year, by the General Counsel of FAFAA and it will be dependent on appropriate factors, such as the extent of previous trainings of personnel, the extent of legal and market developments since the last training and existing disclosure practices.

C. Training Frequency

The training must be completed (a) promptly after being appointed to a position described in Section A and (b) annually as necessary to address any changes in law or these Disclosure Policies.

VIII. UPDATE TO DISCLOSURE POLICIES AND PROCEDURES

The Issuer Disclosure Coordinator shall cause a review of these Disclosure Policies at least once a year. Should the Disclosure Working Group become aware of any issues with these Disclosure Policies, the Disclosure Working Group shall consider whether modifications to the Disclosure Policies are appropriate.

In its role as financial advisor and fiscal agent to the Issuer, the FAFAA will periodically

revise the Issuer's disclosure practices to ensure that the Commonwealth and its instrumentalities follow best disclosure practices. The FAFAA Disclosure Coordinator shall disseminate any modifications to these Disclosure Policies within two weeks after receiving any such modifications.

Pursuant to Section 204 (b)(4) of PROMESA, the Oversight Board has authority to review the rules, regulations and executive orders proposed to be issued by the Governor (or the head of any department or agency of the territorial government) to ensure they are consistent with the applicable fiscal plan, among other considerations. The Issuer Disclosure Coordinator and the FAFAA Disclosure Coordinator shall review these Disclosure Policies, with the assistance of Disclosure Counsel, in light of any policies established from time to time by the Oversight Board under Section 204 (b)(4) of PROMESA.

IX. MISCELLANEOUS

Internal Use Only. The Disclosure Policies are intended for the internal use of the University only and are not intended to establish any duties in favor of or rights of any person other than the University. Any meeting held by the Disclosure Working Group, the Issuer Disclosure Coordinator or the FAFAA Disclosure Coordinator is intended to be internal meetings of Issuer staff and advisors, and shall not be deemed to be public meetings or require minutes, or any other formality.

The failure to comply with these Disclosure Policies shall not affect the authorization or the validity or enforceability of any municipal securities or other indebtedness that are otherwise issued by the Issuer in accordance with law nor imply a failure to comply with federal or state securities laws.

These Disclosure Policies are a work in progress and while the University and the FAFAA are taking commercially reasonable efforts to abide by the procedures established herein, these Disclosure Policies are subject to review and modification as they are put into practice.

Notices. Unless otherwise stated in these Disclosure Policies, a notice or communication required under these Disclosure Policies may be fulfilled by e-mail.

APPENDIX A

FORM OF REQUEST FOR INFORMATION FROM RESPONSIBLE PERSONS

[The following form is provided as an example and can be modified as appropriate.]

The University of Puerto Rico (the “University”), and the Puerto Rico Fiscal Agency and Financial Advisory Authority (“FAFAA”), as financial advisor and fiscal agent of the University, are requesting information from [department or division name] to be included in a detailed disclosure of the Issuer’s financial and operating data for an [official statement] [annual report] to be issued by the Issuer in connection with [the sale of municipal securities or other indebtedness] [federal annual reporting requirements for municipal securities]. This information will be disseminated publicly to the investing public, including bondholders, rating agencies, financial advisors and other members of the investment community.

Federal securities laws require that the information be complete, accurate, and in no way misleading. Note that failure to include relevant material information can make otherwise accurate statements misleading. Please review carefully and critically the information you are providing to be certain, to the best of your knowledge after reasonable inquiry of the appropriate persons, that it is accurate, complete and not misleading. Please be certain that the source documentation is reliable and auditable, should any future inquiry arise. Please provide a copy of all source documentation. Please describe any exceptions or other caveats to the information you are providing.

Please review the information in its entirety, rather than simply updating that which has already been provided, to determine whether any material changes have occurred or if any new or additional information should be included to make the information you are providing not misleading and as complete and accurate as possible.

Please provide the information by no later than [X date], and please advise of any subsequent changes to such information through [Y date].

If you require additional information regarding this request for information, please contact _____, at x _____. Thank you for your assistance.

APPENDIX B

All information contained on this Web site is obtained from sources believed to be accurate and reliable. Due to the possibility of human or mechanical error and other factors, this information is provided as is without warranty of any kind and neither the Commonwealth of Puerto Rico (the “Commonwealth”) nor any of its agencies or instrumentalities (including the Government Development Bank for Puerto Rico (the “Bank”) or the Puerto Rico Fiscal Agency and Financial Advisory Authority (“FAFAA”))⁴, makes any representation, express or implied, as to the accuracy, reliability, completeness or timeliness of this information.

The information contained at this Web site has been included for general informational purposes only and no person should make any investment decision in reliance upon the information contained herein.

The information contained on this Web site is not a summary or a compilation of all information relevant to any particular financial transactions, municipal securities or other obligations. It does not purport to include every item that may be relevant, nor does it purport to present full and fair disclosure with respect to any financial transactions, municipal securities or other obligations related to the Commonwealth or any of its agencies or instrumentalities (including the Bank and the FAFAA), within the meaning of applicable securities laws and regulations.

The information contained on this Web site speaks only as of the date it was posted or, if such information is dated, as of its dated date. Neither the Commonwealth nor any of its agencies or instrumentalities (including the Bank and FAFAA), undertakes to continuously update materials posted on this site. Developments may occur after the dated date or posted date of such information that could render it inaccurate or unreliable. Any of the information on this website may be removed at any time.

Certain information has come from other sources that are not developed by the Commonwealth or any of its agencies or instrumentalities. The Commonwealth, the Bank and/or FAFAA present that information for convenience only. Neither the Commonwealth nor any of its agencies or instrumentalities (including the Bank and FAFAA) guarantees the accuracy of any such information and undertakes no responsibility to verify any of that information. All information on this Web site has been obtained by either the Commonwealth or its agencies or instrumentalities from sources believed to be reliable but no representation or warranty is made by the either the Commonwealth or its agencies or instrumentalities as to its accuracy or completeness and is not responsible for any loss or damage incurred by any party using this information. While all information presented is believed to be accurate and reliable, it is prepared without audit unless otherwise identified as audited financial information.

By choosing to proceed and view the financial information on this Web site, you are acknowledging that you have read and understood this Notice and Disclaimer.

⁴ Will be changed to only FAFAA once the website is established.

THIS IS NOT AN OFFER TO SELL MUNICIPAL SECURITIES. Information contained on this Web site is not an offer to sell securities or the solicitation of an offer to buy securities. Investors wishing to purchase any of the municipal securities of the Commonwealth or any of its agencies or instrumentalities (including the Bank and FAFAA) must do so from a registered broker-dealer, and not from the Commonwealth. Persons considering purchasing any of the municipal securities of the Commonwealth or any of its agencies or instrumentalities (including the Bank and FAFAA) may obtain a copy of the applicable official statement from their broker-dealer.

Viewers acknowledge that: (1) neither the Commonwealth nor any of its agencies or instrumentalities (including the Bank) is now by this Web site and the information shown herein offering any municipal securities or other obligations, nor soliciting an offer to buy any such securities; (2) this site and the information herein shall not be construed as any description of the Commonwealth or any of its agencies or instrumentalities (including the Bank and FAFAA), or the programs of the Commonwealth or any of its agencies or instrumentalities (including the Bank and FAFAA) in conjunction with any offering of municipal securities or other obligations; (3) the information on this Web site is subject to change without notice, and no one shall assume from the availability of this Web site and the information herein that the affairs of the Commonwealth or any of its agencies or instrumentalities (including the Bank and FAFAA) and/or the programs of the Commonwealth or any of its agencies or instrumentalities (including the Bank and FAFAA) have not changed since the date of this information; (4) no representation is made as to the propriety or legality of any secondary market trading of the municipal securities or other obligations of the Commonwealth or any of its agencies or instrumentalities (including the Bank and FAFAA) by anyone in any jurisdiction, and (5) the information on this Web site speaks as of its date, and neither the Commonwealth nor any of its agencies or instrumentalities (including the Bank and FAFAA) hereby obligates itself in any manner to periodically or otherwise update this information or to maintain the availability of this information.

Choice of Law: Construction of the disclaimers above and resolution of disputes regarding such disclaimers are governed by the laws of the Commonwealth of Puerto Rico. The laws of the Commonwealth of Puerto Rico shall apply to all uses of this Web site and the information contained on this Web site.

APPENDIX C

<u>University Report Section</u>⁵	<u>Responsible Person</u>⁶
INTRODUCTION	FAFAA Fiscal Agent, or its delegate
APPENDIX I - Annual Financial Information and Operating Data Report	
The University of Puerto Rico System	
Accreditation of Academic Programs and Services	
Institutional Accreditation	
The University of Puerto Rico Campuses	
Special Programs under the Vice President for Research and Technology Office	
Special Research Programs, Centers or Institutes under UPR Campuses	
UPR Governance	
Administration	
President and Senior Staff	
Faculty and Staff	
Admission Requirements and Academic Standards	
Tuition and Other Fees	
HIGHER EDUCATION IN PUERTO RICO	
Puerto Rico Education Council	
DEBT	
Principal and Interest Requirements	
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION	
SUBSEQUENT EVENTS, if required	

⁵ The University Report sections are solely included herein for guidance purposes and may be subject to change from time to time depending on the circumstances surrounding the University.

⁶ To be provided by the Issuer.

Pension Plan	
PLEDGED REVENUES AND COVERAGE	
COMMONWEALTH SUPPORT TO THE UNIVERSITY	
CAPITAL IMPROVEMENT PROGRAM	
Historical	
LITIGATION	
APPENDIX II	
Audited Financial Statements	