

## **Annex VII**

### **ManagementCo Costs**

The costs listed below are the costs to be paid by ManagementCo after the Service Commencement Date in accordance with paragraph (i)(A) of Section 7.1(a) (*Service Fee – Generally*) of the main body of the Agreement. Capitalized terms used but not defined in this Annex VII (*ManagementCo Costs*) have the respective meanings set forth in the Agreement. For the avoidance of doubt, these costs shall be the sole responsibility of ManagementCo and shall not be treated as T&D Pass-Through Expenditures, Generation Pass-Through Expenditures, Capital Improvements, Outage Event Costs or other amounts due and owing to Operator under the Agreement.

1. Wages, salaries, bonuses, employer contributions to pension and employee medical plans, any mandatory employment related insurance and taxes, vacation, sick leaves and other mandatory leaves with pay, overtime compensation and associated benefits and other post-employment benefits incurred in connection with the following roles: (i) Chief Executive Officer, (ii) Chief Financial Officer, (iii) Head of Human Resources, (iv) Head of Capital Programs, (v) Head of Information Technology and (vi) Head of Customer Service.
2. Establishment and maintenance of a ManagementCo Board of Directors to provide strategy and oversight.
3. Costs incurred with any 3<sup>rd</sup> party advisors hired by ManagementCo for the purposes of fulfilling ManagementCo's responsibilities set forth in this Agreement.
4. Any costs relating to the Puerto Rico Lineworkers College.
5. Administration of ManagementCo, including bookkeeping, contract administration, filings, financial / operational audits, etc.