

November 30, 2012

Frank Karpinski
Executive Director
Employees' Retirement System of Rhode Island
50 Service Avenue, 2nd floor
Warwick, RI 02886-1021

Dear Mr. Karpinski:

In accordance with your request, we have attached an updated Cost Proposal for RFP 2011-001 Pension Administration System Modernization.

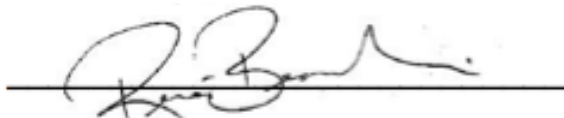
We propose a solution hosted from our Atlanta data center; the costs provided in the proposal are the same whether you choose to have Ariel hosted from either the Atlanta or the Toronto data center.

We are able to preserve the fee structure originally presented in 2011. Our cost proposal represents an effective reduction in fees due to:

1. The absorption of operating cost increases since the original bid;
2. The absorption of costs related to additional configuration needed to support the 2012 pension reform changes;
3. Enhancements in the product since the original bid, such as the new content management framework / employee portal.

We are excited to have the opportunity to work with ERSRI on this project.

Yours truly,



René Beaudoin
Executive Vice President, US Region