

APPENDIX A

Respondents to this notice are required to submit detailed responses to these questions, which give insight into the prospective managers' structure and policies. Respondents must indicate if any questions are not applicable. Responses may also include any named third-party entities with which the fund manager will contract.

1.0 Respondent Firm: General Information

- 1.1. Provide a brief overview of Respondent, including information on the founding, subsequent history and information on any predecessor firm and/or parent firm.
- 1.2. Provide an overview (including chart) of the ownership structure of Respondent and any parent organization. Include details on the timing and rationale for each significant ownership change. Include percentage ownership, ownership vesting schedules, and any changes in ownership over the last 10 years as well as any future anticipated ownership changes and vesting schedules.
- 1.3. Provide brief bios for each member of Respondent. Indicate any involvement by members of the management team in any community or business organizations active in New Jersey as well as any SSBCI personnel or professional connections.
- 1.4. Provide an overview (including chart) of the management/organizational structure of Respondent, including key back-office personnel. Discuss Respondent's succession plans.
- 1.5. Provide an overview of all lending, loan participation, investing, advisory or other business activities performed by Respondent. If Respondent entered into any joint ventures with another manager, describe the structure, governance and economics of the relationship.

2.0 Experience

- 2.1. Describe Respondent's experience establishing and/or managing loan participation funds designed to leverage community lending infrastructure to support small businesses.
- 2.2. Describe key differences between Respondent's previous or current loan participation funds, if any, and the Blended Capital Fund model described above, including private capital matching ratio, participation percentage, loan terms, portfolio composition, etc.
- 2.3. Describe the performance of any previous or current loan participation funds, including default rate, private capital leverage, and income from securitizing debt.
- 2.4. Describe Respondent's experience partnering with community lenders, including Community Development Financial Institutions and Minority Depository Institutions, particularly any that lend to New Jersey-based businesses.
- 2.5. Discuss your experience in New Jersey's community lending ecosystem.
- 2.6. Detail Respondent's ability and capability in attracting additional private capital to the Fund. Detail the amount of private capital leveraged in previous or current fund programs. List any current investor/funder relationships (if available, the names and contact details) that you are confident could commit capital to the Blended Capital Fund. Have they invested in any previous funds managed by the Respondent?
- 2.7. Describe the background and experience of Respondent's owners and/or managers in leveraging private capital to support similar models for other state entities.
- 2.8. Describe Respondent's experience working with other state entities on programs similar to the Blended Capital Fund.

2.9. Describe Respondent's experience and familiarity with SSBCI, including compliance and reporting requirements.

3.0 Strategy

3.1. Summarize Respondent's strategy and types of eligible loan participation transactions Respondent will pursue. Include details on anticipated transaction sizes (including averages, minimum, maximum), pace, and other relevant characteristics.

3.2. Discuss Respondent's ability to manage a fund of the targeted size (at least \$100 million) and to deploy funds into loan participations for eligible NJ-based small businesses.

3.3. Describe the background and evolution of Respondent's strategy, including strategies that do not apply to this Fund. Discuss how the NJ Blended Capital Fund strategy compares to Respondent's previous (if applicable) and current fund(s).

3.4. Describe Respondent's ability to invest the capital in small businesses located in NJ. What percentage of current portfolio companies are located in NJ?

3.5. Describe Respondent's plan to raise awareness of the program among NJ small businesses and to connect interested small businesses with potential lenders.

3.6. Describe and list Respondent's direct competitors. What is Respondent's competitive advantage?

3.7. What are possible drivers that determine the percentage of a given loan participation that Respondent would purchase through the Fund?

4.0 Process

4.1. Describe Respondent's capabilities to identify potential borrowers, screen them for eligibility, and match them with qualified community lenders. How are these processes staffed, conducted and documented?

4.2. Describe Respondent's capabilities to screen potential loan purchases for compliance with SSBCI and NJEDA requirements, as described above and in SSBCI materials. How are these processes staffed, conducted, and documented? How are compliance issues handled if found?

4.3. Describe Respondent's capabilities and plan to stand up the Blended Capital Fund in order to meet the U.S. Treasury requirement that within 90 days of signing the SSBCI allocation agreement, SSBCI programs be fully positioned to provide the kind of credit support they were established to provide. This may include but is not limited to producing form agreements and legal documents and establishing policies and procedures for the operation of the Blended Capital Fund.

4.3. Describe any functions performed by third parties in the sourcing, screening and lender matching processes or other aspects of Fund operations. Describe Respondent's decision-making process for determining if a third party is used/not used. If any third parties have already been identified, describe their qualifications and experience.

4.4. Describe Respondent's proposed fee structure for participating CDFIs/MDIs, including origination fees or other fees paid to the CDFIs/MDIs.

4.5. Provide details on Respondent's internal decision-making and approval process.

4.6. Discuss Respondent's policy and process for monitoring its portfolio of loan participations.

4.7. Describe Respondent's processes for protecting against fraud and corruption, post-loan-participation. If applicable, discuss any fraud and/or corruption that were detected in prior loan participations. Describe Respondent's process to resolve problems, noncompliance, etc.

5.0 Reporting

5.1. Provide the name, address, and email of the audit firm(s), along with a contact's name and email address, that you have used for Respondent (plus the Firm's owners and/or managers) and its fund(s) over the last 3 years. Also discuss if the audit firm(s) is affiliated with Respondent or any of its current or former owners and/or managers.

5.2. Discuss Respondent's standard investor reporting package and confirm if it will meet SSBCI reporting requirements. Please provide examples of your reporting packages.

5.3. Discuss Respondent's familiarity and experience with SSBCI and/or other federal reporting requirements.

6.0 Fund Management

6.1. Provide an overview of the individuals that would be involved in managing the Fund, including the shared work history of Respondent's owners and managers. Also, provide a description of each job title, detailing the responsibilities held by junior, mid-level and senior staff.

6.2. Detail the background and experience of the Respondent's owners and managers in small business/community lending or related work.

6.3. Describe any organizations, associations, groups or clubs that any of the members of the proposed individual fund managers are involved in that will help facilitate a pipeline of New Jersey small business borrowers.

6.4. Discuss Respondent's approach to staff retention and training. Discuss Respondent's historical experience in this area. Discuss any promotions that took place over the last year and any that are expected to happen in the next six months.

6.5. Describe any known conditions (health, financial, litigation, personal, etc.) of any of Respondent's owners and managers that might influence their ability to execute their duties to Respondent. Are there any known conditions affecting the firm (litigation, financial difficulties, etc.)?

6.6. Describe any significant staff departures (partner in Respondent or director-level employee (or higher) with more than five years of history with the Firm) over the past five (5) years.

6.7. Describe any significant staff departures (as noted above) that are expected to occur between now and the end of the Fund period.

7.0 Fees

7.1. Describe the fee structure Respondent has used for any previous or current loan participation funds, including fees covered by program income. Description must include any one-time fees, such as fees for establishing the SPV and leveraging private capital, legal services, marketing, onboarding and training CDFIs/MDIs, creating and administering a technology platform directly or through a partner to source and direct leads, as well as any ongoing fees per loan and/or for servicing of loans, fund administering of loans, and any other fee that may be necessary to set up and administer this fund effectively.

8.0 Diversity and Inclusion

- 8.1. Detail Respondent's previous experience ensuring that state-run funds are used fairly and equitably and to businesses representative of the corresponding state's diversity.
- 8.2. Detail Respondent's formal Diversity, Equity, and Inclusion ("DE&I") policy or initiative. Has the Respondent been successful in implementing DE&I policies? If not, please provide details.
- 8.3. Detail Respondent's Code of Conduct that covers harassment, discrimination and/or workplace violence.
- 8.4. Have there been any claims of sexual or general harassment, misconduct or discrimination against any current or former Respondent employees (while employed by Respondent) within the last 5 years? Please explain.
- 8.5. Does Respondent work with organizations that promote the attraction and retention of women and minorities within community lending? If "yes", provide a list of these organizations, as well as any additional programs you have embraced. SSBCI data definition identifies ethnic minorities as the following: Black Americans, Hispanic Americans, Native Americans, Asian Pacific Americans, and Sub Continent Asian Americans.

9.0 ESG (Environmental, Social, Governance)

- 9.1. Describe the role of Respondent's internal advisory board(s). Detail all matters referred to the advisory board(s), including any currently unresolved matters. Describe any additional governing/advisory bodies that impact the management or investment activity of Respondent (e.g., CEO Circle, operating committee, management affiliate, etc.).
- 9.2. Detail any conflicts of interest (potential, current and historic) within Respondent, and explain how they have been/are identified, managed, disclosed (to LPAC or otherwise) and resolved. Please identify any committees in place to help with the resolution of conflicts (conflict committee, etc.).
- 9.3. Is Respondent a registered investment advisor (RIA)?
- 9.4. What are Respondent's ESG-related policies and how do ESG factors influence Respondent's investment beliefs?
- 9.5. What is the current implementation status of Respondent's responsible investment policy? Does Respondent have any firm plans to develop your approach towards the management of ESG factors?
- 9.6. How does Respondent contribute to portfolio companies' management of ESG-related risks and opportunities?
- 9.7. What monitoring processes would Respondent have in place to assess portfolio companies' management of ESG factors?

10.0 Administrative and Legal

- 10.1. Describe the activities of Respondent's support functions (Finance and Fund Administration, Human Resources, Compliance/Legal, etc.).
- 10.2. Describe Respondent's internal accounting. What accounting principles does Respondent operate under? Has Respondent established an internal audit (IA) function? If so, how often are internal control audits performed? What level in the organization does the IA report to?
- 10.3. Provide an overview of the third parties providing services to Respondent (e.g., law firms, custodians, fund administrators, prime brokers, consultants, banks, etc.). How does Respondent manage counterparty risk related to these third-party arrangements?

10.4. List and describe any software that Respondent uses for business functions like portfolio management, administration, and risk.

10.5. Describe any litigation/investigation against Respondent, its affiliated entities and/or its current or former owners and managers that is pending, ongoing, or closed in the last three years.