

POLICIES AND PROCEDURES FOR REVIEWING, UPDATING AND MAINTAINING DISCLOSURE DOCUMENTS

ISSUED BY THE STATE TREASURER

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1.0 INTRODUCTION

When the State of New Jersey issues general obligation bonds, notes or other obligations or an independent authority issues bonds, notes or other obligations (collectively, the “Obligations”) which are paid by a contract or a lease whose payment is subject to annual appropriation by the New Jersey State Legislature (the “State Legislature”), a preliminary official statement or other preliminary offering documents (referred to herein as a “Preliminary Official Statement”) and a final official statement or other final offering document (referred to herein as a “Final Official Statement”) are prepared. Each of these offering statements contains “Appendix I – Financial and Other Information Relating to the State of New Jersey” (the “State Appendix”). The State Appendix provides disclosure to buyers of the Obligations on financial and other information relating to the State. In order for the State Treasurer to have a reasonable basis, and to provide certifications to the effect, that the State Appendix does not contain an untrue statement of material fact or omit to state any material fact necessary to make the statements contained therein, under the circumstances under which they are made, not misleading, the State Treasurer hereby adopts these policies and procedures for reviewing, updating and maintaining the State Appendix (collectively, the “Disclosure Policy”).

The State Treasurer has engaged disclosure counsel (“Disclosure Counsel”) to advise the State with respect to disclosure obligations and requirements under the federal securities laws.

In addition to the State Appendix, the State makes filings under its continuing disclosure certificates (the “Continuing Disclosure Certificates”), consisting of an annual report and event notices (collectively, “Continuing Disclosure Filings”), and may consider making voluntary disclosures (each, a “Voluntary Disclosure”) on the Electronic Municipal Market Access (“EMMA”) system of the Municipal Securities Rulemaking Board. The State Appendix, the Continuing Disclosure Filings and the Voluntary Disclosures are collectively referred to herein as the “Disclosure Documents”).

In order for the State Treasurer to have a reasonable basis that the Continuing Disclosure Filings and Voluntary Disclosures are accurate and complete, under their circumstances and given their subject matter, the State Treasurer also provides for procedures in this Disclosure Policy relating to those Disclosure Documents.

2.0 GENERAL PRINCIPLES

- 2.1 All participants involved in the disclosure process are responsible for raising potential disclosure items at all times in the process.
- 2.2 All participants involved in the disclosure process should err on the side of raising issues to the next level of the review chain.
- 2.3 All participants in the process should raise any issue with the Disclosure Practices Working Group at any time.
- 2.4 While care should be taken not to shortcut or eliminate any steps outlined in the Disclosure Policy on an *ad hoc* basis, the disclosure procedures are a “work in progress” and recommendations for improvement shall be solicited and regularly considered.
- 2.5 The process of revising and updating the State Appendix should not be viewed as a mechanical insertion of more current numbers. While it is not anticipated that there will be major changes in the form and content of the State Appendix at the time of each update, everyone involved in the process should consider the need for revisions in the form and content of the sections for which they are responsible at the time of each update.

3.0 KEY PARTICIPANTS:

- 3.1 **Disclosure Practices Working Group.** To further ensure compliance with the procedures set forth in this Disclosure Policy, the State Treasurer will appoint a committee (the “Disclosure Practices Working Group”) which will have general oversight of the entire disclosure process and the process and review of all Disclosure Documents.
 - 3.1.1 *Composition of the Disclosure Practices Working Group:* The membership of the Disclosure Practices Working Group shall consist, at a minimum, of the Director of the Office of Public Finance (“OPF”) (who shall serve as the Chairperson of the Disclosure Practices Working Group), the Disclosure Coordinator, and representative(s) from each of: the Office of the State Treasurer, the Office of Management and Budget (“OMB”), the Office of the Attorney General (“AG”), the Office of Revenue and Economic Analysis (“OREA”), the Division of Pensions and Benefits (“Pensions”) and Disclosure Counsel. The State Treasurer may amend the Disclosure Policy to change the composition of the Disclosure Practices Working Group from time to time.
 - 3.1.2 The duties of the Disclosure Practices Working Group shall include:
 - (i) Reviewing and providing oversight of the preparation and review of all Disclosure Documents;

- (ii) Evaluating the effectiveness of the procedures contained in the Disclosure Policy and making recommendations to the State Treasurer as to whether revisions or modifications to the process are appropriate;
 - (iii) Reviewing all data and items referred to the Disclosure Practices Working Group; and
 - (iv) Reviewing the State Appendix and other disclosures before the State Appendix or any other disclosure is provided to the State Treasurer for review.
- 3.2 **Disclosure Coordinator.** To further ensure administrative compliance with the procedures set forth in this Disclosure Policy, the State Treasurer hereby appoints a coordinator (the “Disclosure Coordinator”).
- 3.2.1 The Disclosure Coordinator shall be the Deputy Director of OPF.
 - 3.2.2 The Disclosure Coordinator shall have the following duties:
 - (i) Serving as a “point person” for personnel to communicate issues or information that should be or may need to be included in any State Appendix or other Disclosure Document;
 - (ii) Coordinating compliance by the State and the Disclosure Practices Working Group with this Disclosure Policy, including timely dissemination of the annual report and event filings as described in this Disclosure Policy;
 - (iii) Annually, distribute a letter or memoranda memorializing the membership of the Disclosure Practices Working Group and the selection of the Subject Matter Reviewer, as determined by the Disclosure Practices Working Group;
 - (iv) Coordinating periodic training provided for by Section 10; and
 - (v) Maintaining the documentation provided for by Section 11.
- 3.3 **Subject Matter Reviewers.** Various individuals will be designated and will be designated from time to by the Disclosure Practices Working Group who have special knowledge, experience or responsibility in a particular area of the State’s finances or operations (as designated by the Disclosure Practices Working Group from time to time, the “Subject Matter Reviewers”). The Disclosure Practices Working Group may identify different or additional Subject Matter Reviewers as it deems appropriate. Subject Matter Reviewers shall be responsible for reviewing those portions of the State Appendix as the Disclosure Practices Working Group may direct from time to time.

4.0 REVIEW OF THE TRANSMITTAL LETTER AND MANAGEMENT'S DISCUSSION AND ANALYSIS CONTAINED WITHIN THE STATE'S COMPREHENSIVE ANNUAL FINANCIAL REPORT

Before OMB releases the Comprehensive Annual Financial Report of the State of New Jersey ("Comprehensive Annual Financial Report"), OMB shall provide the Disclosure Practices Working Group with a draft copy, in substantially final form, of the Transmittal Letter and Management's Discussion and Analysis and be given the opportunity to review, ask questions and suggest revisions before OMB finalizes the Transmittal Letter and Management's Discussion and Analysis for inclusion in the Comprehensive Annual Financial Report. The Comprehensive Annual Financial Report is incorporated into the State Appendix by reference to the State's filing of the Comprehensive Annual Financial Report on EMMA.

5.0 REGULAR UPDATE OF THE STATE APPENDIX

The information in the State Appendix will be updated, revised and reissued in connection with the first issuance of Obligations following the adoption of the Annual Appropriations Act. In addition, the information in the State Appendix may be updated, revised and reissued at other points in times during the year as determined by the Disclosure Practices Working Group.

No Preliminary Official Statement that includes the State Appendix shall be posted until the following procedures have been followed:

- 5.1 Each Subject Matter Reviewer shall have confirmed to the Disclosure Coordinator that the Subject Matter Reviewer has reviewed the relevant portions of the State Appendix and that to the Subject Matter Reviewer's knowledge the portions are complete and accurate in all materials respects.
- 5.2 Each member of the Disclosure Practices Working Group shall have reviewed the State Appendix, and the Disclosure Practices Working Group shall have held a meeting (which may be telephonic) to discuss the State Appendix and shall have resolved any issues to the satisfaction of all members of the Disclosure Practices Working Group. Each member of the Disclosure Practices Working Group shall have reviewed the State Appendix and determined that to such member's knowledge the State Appendix is complete and accurate in all material respects.
- 5.3 Disclosure Counsel, as a member of the Disclosure Practices Working Group, shall confirm that it is not aware of any information that would cause the State Appendix to have an untrue statement of material fact or omit a material fact necessary to avoid the statements therein to be misleading.
- 5.4 The State Treasurer shall (a) confirm that he or she has reviewed the State Appendix and that to his or her knowledge it is complete and accurate in all material respects and (b) approve the State's use of the State Appendix.

6.0 REQUIRED PROCEDURES BEFORE THE PUBLICATION OF A PRELIMINARY OFFERING STATEMENT

With respect to any Preliminary Official Statement that is disseminated more than two weeks after the finalization of the State Appendix, in order to determine whether there are any material changes which may require a supplement to the State Appendix in connection with the offer and sale of any related Obligations, the following procedure will be followed before publication of any Preliminary Official Statement:

- 6.1 The Disclosure Practices Working Group will meet (which may occur by teleconference) and evaluate whether, in light of developments in the financial and operating condition of the State, the State Appendix, as of the date of such meeting, contains a misstatement of material fact or omits a material fact necessary to make the statements therein, under the circumstances made, not misleading.
- 6.2 If the Disclosure Practices Working Group determines that a supplement to the State Appendix is necessary or advisable, then the State shall follow the procedures set forth in Section 5.0 with respect to such supplement (provided, that only those Subject Matter Reviewers who have responsibility with respect to information presented in the supplement will be required to provide confirmations).

7.0 EMAIL CONFIRMATIONS BEFORE PRICING AND CLOSING OF OBLIGATIONS

- 7.1 Before the State enters into a bond purchase agreement or similar agreement with respect to any Obligations covered by a Preliminary Official Statement or Final Official Statement and, again, before the State delivers any such Obligations, the Disclosure Coordinator will email each member of the Disclosure Practices Working Group requesting each such member to confirm that they are not aware of any material developments that warrant a supplement to the Preliminary Official Statement or Final Official Statement.
- 7.2 If, based on the responses, the Disclosure Practices Working Group determines that a supplement to the Preliminary Official Statement or Final Official Statement is advisable, then the State shall follow the procedures set forth in Section 5.0 with respect to such supplement (provided, that only those Subject Matter Reviewers who have responsibility with respect to information presented in the supplement will be required to provide confirmations).

8.0 CONTINUING DISCLOSURE FILINGS

8.1 Overview of Continuing Disclosure Filings

Under the Continuing Disclosure Certificates it has entered into in connection with its Obligations, the State Treasurer is required to file an annual report (an "Annual Report") on EMMA between March 15 and April 1 of each year. Such

annual reports are required to include certain updated financial and operating information and the State's Comprehensive Annual Financial Report. The annual report may include the updated financial and operating information and financial statements, or may incorporate a recent Official Statement by reference.

The State is also required under the Continuing Disclosure Certificate to file notices of certain events with EMMA.

8.2 Annual Report

- 8.2.1 The Disclosure Coordinator shall establish a procedure to ensure that the State's Annual Reports are timely filed each year.
- 8.2.2 If the State does not satisfy the Annual Report requirement through a filing or incorporation by reference of the then-current State Appendix, then the Disclosure Practices Working Group shall meet and develop an appropriate procedure for completing and reviewing the Annual Report.

8.3 Event Filings

- 8.3.1 Each member of the Disclosure Practices Working Group shall notify the other members of the Disclosure Practices Working Group if he or she becomes aware of any of the events listed in the Continuing Disclosure Certificates (the "Listed Events"). The Disclosure Practices Working Group shall meet to discuss the event or correspond via email, as appropriate, and determine in consultation with Disclosure Counsel whether a filing is required or is otherwise desirable.
- 8.3.2 Should the Disclosure Practices Working Group determine that a filing is required or is otherwise desirable, the procedures set forth in Section 8.2 above shall be followed.
- 8.3.3 The Director of OPF and the Disclosure Coordinator will monitor the financial obligations (as defined in the Continuing Disclosure Certificates) to determine whether events occur that require a filing of an event notice pursuant to items 15 and 16 of the Continuing Disclosure Certificates, and ensure that such filings are timely made. For determination of materiality under item 15, any financial obligation with an outstanding principal amount less than \$300 million will be deemed to be not material.

8.3.4 Filing Mechanics

The Disclosure Coordinator shall establish reasonable procedures for ensuring the proper and timely filing on EMMA of any filing required by a Continuing Disclosure Certificate, including, without limitation, a process for ensuring that all appropriate CUSIP numbers are included with any filing, ensuring that appropriate written confirmations are received, and a process of reviewing any filings to ensure that the filings were properly made.

9.0 INTERIM UPDATES

During the course of the year, and between intervals when no Obligations are being issued, if any member of the Disclosure Practices Working Group becomes aware of (a) a significant fact, trend or development that is not disclosed in the State Appendix and which (b) could reasonably be expected to significantly affect the trading value of Obligations, then:

- 9.1 The Disclosure Practices Working Group shall meet (which may occur by teleconference) and determine whether the State Treasurer should publish a voluntary disclosure (a “Voluntary Disclosure”) on EMMA.
- 9.2 If, in any such meeting, the Disclosure Practices Working Group determines not to publish any Voluntary Disclosure, then the Disclosure Coordinator shall make a record of such determination.
- 9.3 If the Disclosure Practices Working Group determines to publish a Voluntary Disclosure, then the following procedures shall be used before publication of the Voluntary Disclosure:
 - 9.3.1 OPF and Disclosure Counsel will compile a draft of the Voluntary Disclosure.
 - 9.3.2 The draft of the Voluntary Disclosure will be distributed to any applicable Subject Matter Reviewers, depending on the subject matter of the Voluntary Disclosure.
 - 9.3.3 Each member of the Disclosure Practices Working Group shall review the Voluntary Disclosure, and the Disclosure Practices Working Group shall hold a meeting (which may be telephonic) to discuss the Voluntary Disclosure and shall resolve any issues to the satisfaction of all members of the Disclosure Practices Working Group. Each member of the Disclosure Practices Working Group shall review the Voluntary Disclosure and determine that to such member’s knowledge the Voluntary Disclosure is complete, given the circumstances and subject matter of the Voluntary Disclosure, and accurate in all material respects.
 - 9.3.4 Disclosure Counsel, as a member of the Disclosure Practices Working Group, shall confirm that it is not aware of any information that would cause the Voluntary Disclosure to have an untrue statement of material fact or omit a material fact necessary to avoid the statements therein to be misleading.
 - 9.3.5 The State Treasurer shall (a) confirm that he or she has reviewed the Voluntary Disclosure and that to his or her knowledge it is complete, given the circumstances and subject matter of the Voluntary Disclosure, and accurate in all material respects and (b) approve the State’s posting of the Voluntary Disclosure.

10.0 TRAINING AND REVIEW

- 10.1 Annual training will be conducted regarding disclosure obligations for the State Treasurer, members of the Disclosure Practices Working Group, Subject Matter Reviewers, the Disclosure Coordinator and such other persons as the Disclosure Practices Working Group shall determine. It is intended that this training shall assist these staff members in identifying significant items that may need to be included in the State Appendix.
- 10.2 Each year, as reasonably after the preparation of the State Appendix following the adoption of the Appropriations Act, the Disclosure Practices Working Group shall review this Disclosure Policy and evaluate the appropriateness and effectiveness of the procedures contained in this Disclosure Policy and any practical difficulties with compliance with this Disclosure Policy, and make a recommendation concerning any potential changes to the State Treasurer for consideration.

11.0 DOCUMENTATION

11.1 Disclosure File

The Disclosure Coordinator shall maintain a file (which may be electronic or contained in an email folder) that documents from time to time the compliance by the State with this Disclosure Policy. The Disclosure Coordinator shall ensure that the Disclosure File contains a folder or subfile (each, a “Deal Folder”) with respect to each Disclosure Document. Each Deal Folder shall contain those documents relating to the related Disclosure Documents that are referenced in Section 11.2 below, including, with respect to each Disclosure Document, a written confirmation, memorandum, log or checklist documenting that the Disclosure Coordinator received verbal confirmation for each of the confirmations required by this Disclosure Policy with respect to such Disclosure Document.

11.2 Retention of Documents

The Disclosure Coordinator shall be responsible for retaining the following records demonstrating compliance with this Disclosure Policy: final versions of Disclosure Documents; written confirmations, certifications, letters and any other documents related to the policies and procedures described in this Disclosure Policy; copies of this Disclosure Policy 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; and a written record of the dates of meetings of the Disclosure Practices Working Group. Such records shall be maintained in a central depository for a period of five years from the later of the date of delivery of the Obligations referenced in the Disclosure Document, or the date of the Disclosure Document is published, posted, or otherwise made publicly available, as applicable. Any records not

directly related to a Disclosure Document shall be retained for a period of five years from the time such records are created.

11.3 Review of Disclosure File

Each year, within 45 days following the completion of the State Appendix following the Annual Appropriations Act, the Director of OPF shall review the Disclosure File to confirm that the documents placed in the Disclosure File comply with this Disclosure Policy.

12.0 SUSPENSION

The Disclosure Practices Working Group may waive or suspend any of the procedures set forth in this Disclosure Policy for a particular transaction or event, should the Disclosure Practices Working Group determine that compliance with such procedure is not practical or necessary to ensure the accuracy and compliance of the State Appendix or any Voluntary Disclosure.