

TEXAS NATURAL GAS SECURITIZATION FINANCE CORPORATION

REQUEST FOR PROPOSALS FOR UNDERWRITING SERVICES

Approximately \$3.4 Billion
Customer Rate Relief Bonds, Taxable Series 2022

RFP ISSUE DATE: April 8, 2022

RESPONSE DUE: April 22, 2022, 3:00 PM CT

Please see TIMELINE OF EVENTS ON PAGE 4, and INSTRUCTIONS FOR SUBMITTING PROPOSALS ON PAGE 4

BACKGROUND

The Texas Public Finance Authority (“TPFA” or the “Authority”) is a public authority and body politic and corporate created in 1984 by an act of the Texas Legislature to provide financing for the construction or acquisition of facilities for State agencies. Pursuant to Texas Government Code, Chapters 1232 (the Authority's enabling law), 1401, and 1403, the Authority issues bonds for designated State agencies.

On February 12, 2021, Governor Greg Abbott declared a state of disaster in Texas for all Texas counties in response to the unprecedented cold winter weather event that began in Texas on Thursday, February 11, 2021 (“Winter Storm Uri”). During Winter Storm Uri, the supply of natural gas was reduced while demand skyrocketed. As a result, gas utility local distribution companies (“LDCs”) incurred high natural gas costs while continuing to provide the necessary gas to customers using the gas to also heat homes and business. LDCs are authorized to directly pass-through gas costs, without a markup, to customers.

To mitigate the effect of the extraordinarily high gas costs on customers, the Texas Legislature enacted, and the Governor signed House Bill 1520 (“HB 1520”), which authorizes securitization financing to provide certain LDC customers with rate relief by extending the period over which the extraordinarily high gas costs related to Winter Storm Uri will be paid for by customers. Pursuant to HB 1520, the TPFA and the Railroad Commission of Texas (“RRC” or the “Commission”) are directed to work together to issue customer rate-relief bonds, the proceeds of which gas utilities would use to pay for the extraordinary cost of natural gas due to high demand during Winter Storm Uri.

On November 10, 2021, the RRC adopted a Regulatory Asset Determination Order pursuant to HB 1520, which determined the maximum regulatory asset amount to be recovered upon application by a gas utility requesting recovery of a regulatory asset related to Winter Storm Uri. Eight gas utilities have pursued customer rate relief bond applications with the RRC, including Atmos Energy, Bluebonnet, CenterPoint, Corix, EPCOR, SiEnergy, TGS and UniGas (collectively the “Participating Gas Utilities” or “PGUs”). On February 8, 2022, the RRC adopted a Financing Order which requests that the Authority direct the Issuer Entity to issue the Customer Rate Relief Bonds in accordance with the terms of HB 1520 and the Financing Order.

The total regulatory asset amount for the companies is approximately \$3.4 billion. Copies of the [Regulatory Asset Determination Order](#) and the [Financing Order](#) adopted by the RRC, along with other documents submitted during the RRC’s administrative hearing on this matter, can be found on the RRC’s website at <https://rrctx.force.com/s/case/500t000000oPYFYAA4/detail>.

To facilitate the proposed securitization and pursuant to HB 1520, the Authority caused a certificate of formation to be filed with the Texas Secretary of State to form the “Texas Natural Gas Securitization Finance Corporation” (the “Issuer Entity” or the “Corporation”) as a special purpose, bankruptcy-remote issuing financing entity for the purpose of issuing Customer Rate Relief Bonds approved pursuant to the Financing Order. Per HB 1520, ownership of the Customer Rate Relief Property will vest with the Corporation *ab initio*. The Issuer Entity is a duly constituted

public authority and instrumentality of the State of Texas and a non-profit corporation organized under and governed by the Texas Business Organizations Code. The Customer Rate Relief Bonds are limited obligations of the Issuer Entity payable solely from Customer Rate Relief Property and any other money pledged by the Issuer Entity to the payment of the Customer Rate Relief Bonds.

SOLICITATION FOR UNDERWRITING SERVICES

The Corporation is seeking proposals from investment banks for the purpose of underwriting the Customer Rate Relief Bonds pursuant to HB 1520 and the Financing Order transmitted to the TPFA by the RRC on February 24, 2022. It is anticipated that the Customer Rate Relief Bonds will be issued by mid-August 2022. Firms may indicate whether they wish to be considered for a senior managing role or a co-managing role. Firms that submit a proposal for senior manager, and that are not selected for that role, may be subsequently evaluated for inclusion as a co-manager. Firms that submit a proposal for co-manager will only be considered and evaluated for this role.

To be considered qualified, firms must demonstrate their skills and experience necessary to provide the services listed in this Request for Proposal (“RFP”). Services shall be undertaken in a manner consistent with prevailing accepted standards for similar services with respect to projects of comparable function and complexity and in compliance with the applicable laws and regulations published and in effect at the time of performance of the services.

The firm(s) chosen will be expected to work with the Corporation’s financial advisor, legal counsel and other members of a working group to execute the proposed financings. Proposers must be willing to work with the Corporation on a contingency fee basis. No fee or other compensation will be paid unless the Corporation successfully closes on the Customer Rate Relief Bonds.

The Corporation will not preclude consideration of a firm that has previously served as financial advisor, structuring agent or in a similar capacity to any of the Participating Gas Utilities with respect to a potential financing by the Corporation pursuant to HB 1520. However, each investment bank shall independently determine their eligibility from a regulatory perspective to serve as financial advisor, structuring agent, or in a similar capacity to a PGU and underwriter of indebtedness issued by the Corporation pursuant to HB 1520 for the benefit of such PGU.

The Corporation will make a good faith effort to include participation of Historically Underutilized Business (“HUB”) firms in its contracts. A HUB is a for profit business that meets the requirements of Texas Government Code §2161.001(2) and 34 TAC §20.282(11). Provide a statement as to whether your firm is currently certified as a HUB pursuant to Texas Government Code §2161.061 and Subchapter D of 34 TAC Chapter 20 and if applicable attach a copy of your current HUB certificate as an Appendix to your firm’s response. (For further information on the State’s HUB program, please refer to <https://comptroller.texas.gov/purchasing/vendor/hub/>.) If your firm possesses a substantially similar certification from another jurisdiction, attach a copy of that certificate as an Appendix.

By responding to this RFP, the respondent understands and acknowledges that under the provisions of HB 1520, the commissioners, directors, officers and employees of the Railroad Commission of Texas, the Corporation and the Authority are immune from personal liability resulting from an exercise of a duty or responsibility established under HB 1520.

By responding to this RFP, the respondent certifies and affirms that it is currently in compliance with each of the prohibited practices statements contained in Exhibit A to this RFP and further that the respondent understands and acknowledges that the agreement to purchase the Customer Rate Relief Bonds will include the affirmation statements contained in Exhibit A.

SCOPE OF SERVICES

- **Assessment of Financing Structure:** The Senior Managing Underwriter(s) will be expected to provide a detailed assessment of the financing structure to execute the proposed plan of finance.
- **Structuring of Proposed Issue:** The Senior Managing Underwriter(s) selected will assist with the evaluation of a variety of structural options and will be expected to describe the advantages and disadvantages of each approach.
- **Assist with Development of Legal Documentation:** The selected investment bank firm(s) will be expected to work with the designated representatives of the Corporation, the Corporation's financial advisor, and legal counsel to develop all required legal documentation. Emphasis will be on development of a framework that offers the bond issuance favorable terms and conditions.
- **Assist with Development of Disclosure Materials:** The selected firm or firms will work closely with the working group in the preparation of all disclosure materials.
- **Participate in the Acquisition of Credit Ratings and/or Credit Enhancements:** The Senior Managing Underwriter(s) may be called upon to participate in the solicitation of credit ratings and/or, credit enhancement.
- **Preparation of Pre-Pricing Information:** The Senior Managing Underwriter(s) will be required to provide certain market information prior to the pricing of any proposed issue.
- **Negotiate the Pricing of the Offering:** The Senior Managing Underwriter(s) will negotiate the pricing and will be required to provide justification for the proposed pricing and any proposed re-pricings.
- **Assist with Development of a Marketing Plan:** The Senior Managing Underwriter(s) will be expected to assist with the development of a marketing distribution and sales plan including targeted investors and rules that clearly describe designations and priority of orders. During the order period, the Senior Managing Underwriter(s) will be required to provide regular reports on order activity, with such information broken down by firm, priority of order, size and maturity.
- **Work with Corporation and its Financial Advisor on Bond Allotments:** The Senior Managing Underwriter(s) will be required to coordinate the allotment of debt with the Corporation and its financial advisor.
- **Prepare a Post-Sale Analysis:** The selected Senior Managing Underwriter(s) will be expected to prepare a post-sale analysis that includes, at a minimum, the following: (i) a debt schedule for the issue that includes principal and interest requirements, as well as the true interest cost; (ii) a comparison of orders and allotments by maturity and by firm; (iii) a comparison of the coupon rates and reoffering yields with issues of similar term and credit quality marketed at or about the same time; and (iv) a discussion of any circumstances relating to the market or the Corporation's offering that may have impacted the sale results.
- **Compliance with TPFA Underwriting Policies and Procedures for Negotiated Bond Sales:** The selected underwriting firms will be expected to adhere to the TPFA policies and procedures (http://www.tpfa.state.tx.us/PDF/UPPs_Oct_2021.pdf) and any applicable policies and procedures subsequently adopted by the Corporation.

TIMELINE OF EVENTS

The Corporation anticipates that this RFP process will proceed in accordance with the following schedule:

RFP for Underwriters distributed	April 8, 2022
Indications of Intent to Respond	April 13, 2022
Deadline for submission of Questions from Respondents	April 15, 2022
Responses to submitted questions to be posted	April 20, 2022
RFP due	April 22, 2022 (3:00 PM CT)
Interview period	April 29 to May 2, 2022
Board Selection	Corporation Board meeting. Date to be determined.

INTENT TO RESPOND

By the date referenced in the Timeline of Events, firms are requested to e-mail Mr. Paul Jack at Estrada Hinojosa (paulj@ehmuni.com) and TPFA staff (RFP@tpfa.texas.gov) if they intend to respond to this RFP. Failure to so notify Mr. Jack and TPFA staff does not prevent a firm from otherwise responding to this RFP in accordance with its terms.

INQUIRIES

All questions in connection with this RFP should be submitted by email to Mr. Paul Jack at Estrada Hinojosa (paulj@ehmuni.com) and TPFA staff (RFP@tpfa.texas.gov) no later than April 15, 2022. It is anticipated that responses to questions received will be posted on <http://www.tpfa.state.tx.us/rfp.aspx>. **Contact with members of the Corporation Board, the TPFA Board, or the TPFA staff regarding this RFP is prohibited and will result in the disqualification of your firm from consideration.**

INSTRUCTIONS FOR SUBMITTING PROPOSALS

Firms must submit their proposal by email to TPFA staff (RFP@tpfa.texas.gov) with a copy to Mr. Paul Jack at Estrada Hinojosa (paulj@ehmuni.com) no later than 3:00 PM Central Time on April 22, 2022. Proposals must be clearly marked "Proposal to Provide Underwriting Services for the Texas Natural Gas Securitization Finance Corporation". Proposals received after the deadline will be rejected and joint proposals will not be considered.

The Corporation reserves the right to (i) reject any and all proposals, (ii) waive irregularities in any proposal, (iii) request clarification of any information submitted, (iv) negotiate with the firm submitting the "best" proposal to obtain more favorable terms and conditions, and (v) change or terminate the selection process at any time without prior notice. Notice of any changes will be posted on the TPFA's website at <http://www.tpfa.texas.gov/rfp.aspx>. The Corporation assumes no liability for expenses incurred by firms in the preparation of their responses to this RFP. Once received, all proposals become the property of the Corporation.

Proposals are limited to 30 pages, excluding appendices and the cover letter. Font size for the body of the narrative should be no less than 12-point font, excluding graphs, charts and restated questions from the RFP. Proposals should be submitted in word-searchable, unlocked PDF. Each question should be restated prior to each response. Conciseness in responses is appreciated. Please summarize results and recommendations where appropriate.

CRITERIA FOR EVALUATION

Selection process for underwriters will include an evaluation of the criteria indicated below and of the responses to the questions indicated in the below section.

- Capabilities and structure of the firm, including capitalization, location and diversity
- Experience with ratepayer-backed and asset-backed securitization

- Experience with Texas municipal bond issuances
- Marketing, distribution, and sales plan, including targeted investors
- Proposed structuring and ratings approach (Senior proposals only)
- Takedown and Fee proposal (Senior proposals only)
- Compliance with all laws and restrictions
- Corporation reserves the right to interview selected respondents as part of the evaluation process

REQUIRED RESPONSES

Firms submitting a proposal in response to this RFP will be evaluated based on the following questions. Firms who wish to be considered for senior managing underwriter should respond to all of the questions. Firms who wish to be considered for co-managing underwriter only should include a statement to that effect and respond to questions 1 through 12. Please restate each question in your response and fill out the related Excel Exhibit B as applicable.

Cover Letter: Submit a cover letter summarizing your proposal. The cover letter should specify that the signatory is legally authorized to commit the firm to all terms and conditions contained in the proposal, and whether the firm is seeking consideration as a senior or co-managing underwriter. Please limit the cover letter to no more than two (2) pages.

Use the following Preliminary Structure Assumptions when responding to the following questions:

1. \$3.4 billion in proceeds
2. Level debt service

All firms should respond to the following questions and the relevant sections of the Exhibit:

1. Provide a brief description of the firm, including ownership, organizational structure, size, and diversity. Refer to excel spreadsheet "Exhibit B".
2. Describe the firm's business presence in the State of Texas, including the number of employees employed in the State.
3. Provide a chart of the firm's capitalization, specifically indicating (i) total capital, (ii) equity capital and (iii) excess net capital for the most recent reporting period and for the last 5 fiscal years (or corresponding equity information if a bank). Refer to excel spreadsheet "Exhibit B".
4. List the individuals who will be assigned to the transaction and identify the lead Underwriter who would be responsible for pricing the transaction. Describe the role of each individual and include their respective telephone number, e-mail address, and office location. Refer to excel spreadsheet "Exhibit B". Summarize and highlight relevant experience of the lead bankers and underwriters with similar transactions – specifically as it relates to securitization financings. Resumes and biographies of the entire team may be provided as an Appendix.
5. Describe your firm's experience with similar transactions to the one described in the Financing Order.
6. Provide at least one case study (but not more than three) of your firm's experience with securitizations and/or large underwriting transactions. For all case studies, provide the issuer's contact information as a reference. For each reference, provide the individual's name, title, mailing address, email, and telephone number.
7. For **each** of the last five years, provide a table summarizing (total par and number of issues) of the firm's experience with the following: (i) senior managed securitization financings; (ii) co-managed securitization financings; (iii) senior managed issues over \$1 billion; (iv) co-managed issues over \$1 billion; (v) senior managed transactions in the State of Texas; and (vi) co-managed transactions in the state of Texas. For items (i)-(iv), provide the detail for each transaction. Refer to excel spreadsheet "Exhibit B".

8. Describe the approach your firm would use to market the bonds, including the recommended length of the marketing period, the use of investor presentations and investor “roadshow” meetings. As part of your response, comment on both your domestic and international distribution. Outline and discuss any marketing issues that have developed in other recent and similar transactions in which your firm was involved and your plan to resolve such issues. Provide a sample marketing timeline in an Appendix.
9. Provide an analysis of proposed targeted investors.
10. Disclose any conflicts of interest and state the firm’s ability to affirm that it is currently in compliance with each of the prohibited practices statements contained in Exhibit A to this RFP and further that the respondent understands and acknowledges that the agreement to purchase the Customer Rate Relief Bonds will include the affirmation statements contained in Exhibit A.
11. Provide a summary of any inquiries, investigations or litigation over the past five years (including those in progress) that concern your firm’s (or any employee’s) underwriting, investment banking or financial advisory activities, including but not limited to guaranteed investment contracts, interest rate swaps, and other derivative products. Include a description of any inquiries or actions taken against your firm or employees by any court or regulatory authority, including fines, suspensions, censure, etc.
12. Part A: If selected to participate in the underwriting syndicate, would your firm be willing and able to agree to a provision in the agreement to purchase the bonds requiring each syndicate member to severally and not jointly indemnify, defend and hold harmless the Corporation and the Authority, as well as their respective directors, officers, employees, and agents (each such person an “Indemnified Party”), from and against any and all losses, claims, damages and liabilities (or actions in respect thereof) joint or several, to which they or any of them may become subject under the Securities Act of 1933, as amended, or any other statute or common law and shall reimburse the Indemnified Parties for any reasonable legal or other expenses (including, to the extent hereinafter provided, reasonable counsel fees) as and when incurred by such Indemnified Party in connection with investigating any such losses, claims, damages or liabilities or in connection with defending any actions, insofar as such losses, claims, damages, liabilities, expenses or actions arise out of or are based upon any claim or liability arising from the negligent or intentional wrongful conduct of the underwriters, or any underwriter, or any of the respective directors, officers or employees of any underwriter, in the marketing or sale of the Customer Rate Relief Bonds? (Please respond Yes or No)

Part B: If your response to “Part A” of this question is “No”, would your firm agree to accept the above indemnity provision with modifications? Please provide an alternate proposal that would be acceptable to your firm.

Firms who wish to be considered for a Senior Manager position should also provide responses to the following questions including the additional tabs in the Exhibit:

13. Provide your proposed timeline for major events related this transaction.
14. Identify any issues or concerns relating to the proposed issuance and describe how each could be addressed by the Authority and the Issuer Entity. Also, assuming the financing uses municipal CUSIPs, comment on the techniques or ideas that could be utilized to attract investors that primarily invest in corporate CUSIPs.
15. Provide your thoughts with respect to the rating methodology and the steps that the Authority and the Issuer Entity should consider in setting the financing structure to achieve the highest possible rating. Also comment on the number of ratings recommended and which agencies you would recommend using.
16. Describe what you would consider to be the optimum structure of the underwriting syndicate. Include a description of the characteristics of the firms that you would include as co-managers.

17. Provide your views on the following: (i) length of an order period; (ii) order priority; (iii) retention; (iv) designation policy; (v) liability; and (vi) bond allocation. Describe your firm's process for allocating bonds.
18. Provide your firm's recommendation for structuring the proposed transactions. As part of the discussion, describe your opinions of investor demand and liquidity for the structure, your views regarding how different terms (length of maturity dates) would impact the marketability of the bonds, and how annual scheduled principal amortization would be received versus semi-annual scheduled principal amortization.
19. Provide a breakdown of your proposed underwriting gross spread including detailed expenses and takedowns for the hypothetical securitization structure provided. Refer to excel spreadsheet "Exhibit B".
20. Identify two law firms from which your firm would select to serve as underwriter's counsel. Include an attestation of whether you have knowledge of such firm representing any PGU. Indicate whether, to your knowledge, either of such firms represents a PGU. The Corporation reserves the right to approve any firm proposed to serve as underwriter's counsel. Payment of underwriter's counsel will be made from the underwriting spread – expense component. Refer to excel spreadsheet "Exhibit B".
21. If your firm was not chosen to be the book-running Senior Manager for the proposed financing, what firm would you recommend to be the book-running Senior Manager. Provide rationale.
22. Discuss your firm's evaluation of the key duties and responsibilities of the "Central Servicer" established by the Financing Order in accordance with HB 1520. Provide your firm's views on the ideal qualifications of a Central Servicer.
23. Would your firm propose that the bond sale be conducted remotely or on-site at the offices (state location) of the book-running Senior Manager? Provide rationale.

RELEASE OF INFORMATION AND OPEN RECORDS

All responses shall be deemed, once submitted, to be the property of the Corporation and/or the Authority. Information submitted in response to this RFP will not be released to the public by the Corporation or the Authority during the evaluation process or prior to Corporation's designation of an underwriting syndicate. After the evaluation process is completed by the Corporation's designation of an underwriting syndicate, responses and the information included therein may be subject to public disclosure under the Public Information Act ("PIA"), Texas Government Code, Ch. 552. Respondents may assert a claim of confidentiality of financial and trade information included in a response to this RFP. Any information considered by your firm to be confidential under the PIA must be clearly marked in bold capital letters *on each page and only on each page* containing such information:

"CONFIDENTIAL PURSUANT TO [RESPONDENT MUST INCLUDE CITATION TO THE RELEVANT EXCEPTION TO DISCLOSURE UNDER THE PIA]."

Further, if the respondent asserts that certain information in its response is confidential under the PIA, the cover page of the response must contain the follow statement at or near the bottom of the cover:

"THIS DOCUMENT CONTAINS CERTAIN ITEMS OF INFORMATION FOR WHICH THE RESPONDENT HAS ASSERTED A CLAIM OF CONFIDENTIALITY UNDER THE TEXAS PUBLIC INFORMATION ACT"

Neither the Corporation nor the Authority is responsible for the release of confidential information after the award of a contract pursuant to this RFP if the document is not clearly marked as specified about. If a request for disclosure

of a response is made for information marked confidential in accordance with this section, the Corporation or the Authority will notify the Respondent so as to provide the respondent with an opportunity to present its argument and evidence for protection from disclosure to the Office of the Attorney General, in accordance with the provisions of the PIA.

CONFIDENTIALITY OF INFORMATION AND DATA

All financial, statistical, personal, technical and other data and information relating to the operations of the Corporation, the Authority, or the Commission that are designated confidential by the Corporation, the Authority, or the Commission and made available to the underwriter in order to carry out a contract executed as a result of this RFP, or which becomes available to the underwriter in carrying out such a contract, shall be protected by the underwriter from unauthorized use and disclosure through the observance of effective procedural requirements. The underwriter shall not be required to keep confidential any data or information, which is or becomes publicly available, is already rightfully in the underwriter's possession, or is independently developed by the underwriter outside the scope of a contract.

Additionally, under no circumstances is the underwriter to discuss and/or release information to the media without prior express written approval of the Executive Director of the Authority or his designee.

EXHIBIT A - REQUIRED VERIFICATIONS AND AFFIRMATIONS

Section [A]. OAG Standing Letter Compliance: Each Underwriter hereby represents that it has provided a standing letter confirming the verifications made in Sections [A]-1, [A]-2, [A]-3 and [A]-4 hereof in a form acceptable to the Attorney General of the State of Texas and in compliance with the “All Bond Counsel” letter issued by the Office of the Attorney General of the State dated September 22, 2021. Such letters have not been revoked, withdrawn or revised and the Issuer Entity and the Attorney General of the State can continue to rely on them as written. The Representative is expressly authorized to make the verifications set forth in Sections [A]-1, [A]-2, [A]-3, and [A]-4 on behalf of each Underwriter.

Section [A]-1. No Boycott of Israel: In accordance with section 2270.002 of the Texas Government Code (as added by H.B. 89, 85th Leg., RS, 2017) and by signing this Agreement, [Respondent] certifies that it does not boycott Israel and will not boycott Israel through the term of this Contract. For purposes of this certification, “boycott Israel” shall mean refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

Section [A]-2 Foreign Terrorist Organizations Prohibited: [Respondent] certifies, by signing this Agreement, that neither [Respondent], nor any of its affiliates, is a company (as defined by section 2270.0001(2) of the Texas Government Code) with which a Texas governmental entity would be prohibited from contracting pursuant to section 2252.152 of the Texas Government Code. [Respondent] agrees to take all necessary steps to ensure this certification remains true during the term of this Contract.

Section [A]-3. No Boycott of Energy Companies: In compliance with the provisions of Section 2274.002 of the Texas Government Code as added by Senate Bill 13, 87th Legislature, R.S., 2021, [Respondent] hereby verifies and affirms that it and its parent company, wholly owned or majority owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to enable the Issuer Entity to comply with such Section and to the extent such Section does not contravene applicable federal law or the Texas constitution. The definitions established by Section 2274.001 of the Texas Government Code, as added by Senate Bill 13, 87th Legislature, R.S., 2021, shall govern the construction of this section. For the purpose of this Section XXIV, [Respondent] understands ‘affiliate’ to mean an entity that controls, is controlled by, or is under common control with [Respondent] within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

Section [A]-4. No Discrimination Against Firearm Entities and Firearm Trade Associations: In compliance with the provisions of Section 2274.002 of the Texas Government Code as added by Senate Bill 19, 87th Legislature, R.S., 2021, [Respondent] hereby verifies and affirms that it and its parent company, wholly owned or majority owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. The foregoing verification is made solely to enable the Issuer Entity to comply with such Section and to the extent such Section does not contravene applicable federal law or the Texas constitution. The definitions established by Section 2274.001 of the Texas Government Code, as added by Senate Bill 19, 87th Legislature, R.S., 2021, shall govern the construction of this section. For the purpose of this Section XXV, [Respondent] understands ‘affiliate’ to mean an entity that controls, is controlled by, or is under common control with [Respondent] within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

EXHIBIT B – EXCEL RESPONSE FORM

Provided as a separate file.