CLIMATE BONDS STANDARD VERIFICATION LETTER

Issuing Entity: The Metropolitan Transportation Authority
Kind of engagement: Second Party Verification
Period engagement was carried out: 12-21-2015 to 01-07-2016
Approved verifier: Sustainalytics US Inc,
Contact for engagement: 24 School Street, Suite 803, Boston, MA, 02108, U.S.A.
Engagement team leader: Vikram Puppala, vikram.puppala@sustainalytics.com +1 647 317 3694

Scope:
The Metropolitan Transportation Authority (“MTA”), has engaged Sustainalytics to review and verify that the Nominated Project Categories in the MTA’s 2010-2014 Capital Program meets the requirements of the Climate Bond Standard- Low Carbon Transport.

Criteria
Climate Bond Standards – Low Carbon Transport Criteria 3: All infrastructure, infrastructure upgrades, rolling stock and vehicles for electrified public transport including electrified rail, trams, trolleybuses and cable cars.

Issuing Entity’s Responsibility
MTA is responsible to provided information and documents relating to:
- The details about the nominated low-carbon transit project categories;
- The process of management and disbursement of funds;
- The details about the reporting commitments.

Independence and Quality Control
Sustainalytics, a leading provider of ESG and corporate governance research and ratings to investors, conducted the second party review of MTA’s 2010-2014 Capital Plan Project Categories and provided an independent opinion informing the conformance of the Project Categories with Climate Bond Standards. Sustainalytics makes all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight over the assessment of the bond.

Verifier’s Responsibility
The work undertaken as part of this engagement included conversations with relevant MTA employees and the review of relevant public and internal documents to assess the following:
- Conformance with the Nominated Projects and Assets requirement
  - Nominated Projects Categories compliance with Part B of Climate Bond Standards Version 2.0.

- Conformance with the Internal Processes & Controls requirements.
- Conformance with Reporting Prior to Issuance requirements.

Restriction on Distribution and Use of Report
This report along with the information provided is for the use of MTA and Climate Bond Standard Board only and not for the use of any other external parties.

Opinion
Based on the reasonable assurance procedures conducted, nothing has come to Sustainalytics’ attention that causes us to believe that, in all material respects the MTA’s 2010-2014 Capital Plan Project Categories identified in Appendix 1 of this document, is not in conformance with the Climate Bond Standard’s Pre-Issuance Requirements including Part B Eligible Projects and Assets.

Vikram Puppala
January 7th, 2016
215 Spadina Ave, Suite 300,
Toronto ON M5T 2C7, Canada.
### Part B: Detailed Findings

<table>
<thead>
<tr>
<th>Procedure Performed</th>
<th>Factual Findings</th>
<th>Error or Exceptions Identified</th>
</tr>
</thead>
<tbody>
<tr>
<td>Verification for Project Categories by reviewing the 2010-2014 Capital Program Amendment as approved by the MTA Board July 2013.</td>
<td>Project Categories listed in Appendix 1 of the document comply with Climate Bond Standards – Low Carbon Transport Criteria 3: All infrastructure, infrastructure upgrades, rolling stock and vehicles for electrified public transport including electrified rail, trams, trolleybuses and cable cars.</td>
<td>None</td>
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</table>
| Verification of management and disbursement of funds by reviewing the following documents  
  - Spreadsheet containing the Requisitions related 2010 - 2014 Capital Plan as of 12-18-2015  
  - Confirmation from MTA of maintaining a spreadsheet to track net bond proceeds and spend related nominated project categories in 2010-2014 Capital Plan. | Confirmation of the process and system allowing the net proceeds arising from the issue of the bond to be allocated to Capital Projects that meet the Project Categories listed in Appendix 1.  
  Confirmation that the Requisitions related to 2010 -2014 Capital Plan will be greater than the proceeds raised from bond issuance.  
  Confirmation that MTA has the necessary tracking processes to conform to Climate Bond Standards 2.0 tracking requirements. | None |
| Verification that MTA commits to maintain a spreadsheet to track the net bond proceeds and spend related to the nominated project categories in 2010-2014 Capital Plan. | Confirmation that MTA has necessary reporting processes to conform to Climate Bond Standards reporting requirements. | None |
## Appendix 1: Nominated Project Categories

**MTA 2010-2014 Capital Plan Categories that meet the Climate Bond Low-Carbon Transport Standard**

**Criterion 3: Emissions threshold for public passenger transport.**

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<th>Category</th>
<th>Agency</th>
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The client is fully responsible for ensuring its commitments’ compliance, implementation and monitoring.