A. PURPOSE:
To establish a policy to assist the Commission in maintaining its compliance with federal securities laws pertaining to the issuance of municipal securities (Commission bonds).

B. SCOPE:
This policy shall apply to all publicly offered Commission municipal securities which are subject to federal securities laws and/or continuing disclosure agreements (defined below).

C. GENERAL POLICY:
It is the policy and objective of the Commission to ensure that the Commission’s financial and other Commission Disclosures (defined below) comply with all applicable securities laws, satisfy in a timely manner all contractual obligations undertaken by the Commission pursuant to Continuing Disclosure Agreements (defined below) or otherwise, and adhere to best practices for disclosure.

D. DEFINITIONS:
“Annual Financial and Operating Information” means the financial information and operating data (other than the CAFR or the Commission’s audited financial statements), relating to the applicable bond program of the Commission (e.g., senior Mainline Turnpike Revenue Bonds, Subordinated Turnpike Revenue Bonds, Motor License Fund Enhanced Bonds, Oil Franchise Tax Revenue Bonds, Registration Fee Revenue Bonds) required to be filed by the Commission at least annually with EMMA pursuant to one or more CDAs (defined below).

“Bonds” means bonds, notes or other obligations constituting securities payable from funds of the Commission (which may include, without limitation, funds appropriated by the Pennsylvania Legislature or other non-toll revenues pledged as security for such obligations).

“CAFR” means the Comprehensive Annual Financial Report of the Commission which contains the Commission’s audited financial statements.

“Commission Disclosure” means the Commission Primary Disclosure and/or the Commission Secondary Disclosure, as the context may require.
“Commission Disclosure Contacts” is defined in Section E.2.(i) hereof.

“Commission Disclosure Counsel” means, an outside attorney, or firm of attorneys, with a reputation for expertise in disclosure matters related to municipal securities, who may advise the Commission in connection with the preparation of Commission Disclosure.

“Commission Primary Disclosure”\(^1\) means the Commission’s documents and materials prepared, issued, or distributed in connection with the Commission’s disclosure obligations under applicable securities laws in connection with the offer and sale of Bonds, including, any preliminary offering statement, final offering statement, any amendments or supplements thereto (including any post-issuance amendment or supplement disseminated during an underwriting period), any registration statement or other filing by the Commission with a securities regulator and any related investor presentation.

“Commission Secondary Disclosure” means the Commission’s documents and materials, other than Commission Primary Disclosure, prepared, issued, filed or distributed, as applicable, in connection with the Commission’s contractual obligations under CDAs or disclosure obligations under applicable securities laws or that could potentially subject the Commission to liability under applicable securities law consisting of any: (i) Annual Financial and Operating Information, (ii) CAFR (or financial statements), (iii) Event Notice, (iv) Voluntary Filing, (v) posting by the Commission on the investor relations page of the website of the Commission; and (vi) other disclosure document, other than Commission Primary Disclosure, that is reviewed and approved in accordance with the Disclosure Procedures.

“Continuing Disclosure Agreement” or “CDA” means the continuing disclosure agreement or undertaking to provide Annual Financial and Operating Information and Event Notices as described in Rule 15c2-12.

“Disclosure Procedures” is defined in Section E.1 hereof.

“EMMA” means the Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board or any successor entity.

“Event Notice” means one or more of the events described in a CDA of which notice is required to be filed with EMMA.

“Rule 15c2-12” means Securities Exchange Act Rule 15c2-12, as amended from time to time.

“Voluntary Filing” means a notice or information filing made relating to Bonds or the Commission which is not required to be filed by Rule 15c2-12, but is voluntarily filed with EMMA.

\(^1\)In the event the Commission prepares other disclosure documents (e.g., in connection with a tender offer made for the purchase of Bonds by, or on behalf of, the Commission), such documents shall be addressed by the Disclosure Procedures.
E. PROCEDURES:

1) OVERALL IMPLEMENTATION RESPONSIBILITY.

The Commission’s Chief Financial Officer (“CFO”) is hereby designated to oversee the development, establishment and implementation of written procedures necessary or convenient to implement this Disclosure Policy (“Disclosure Procedures”). The Disclosure Procedures may be amended or supplemented from time to time as set forth therein.

2) KEY PARTICIPANTS: COMMISSION DISCLOSURE CONTACTS; THE DISCLOSURE OFFICERS GROUP; COMMISSION DISCLOSURE COUNSEL.


ii) Disclosure Officers Group. The Disclosure Procedures shall provide for a “Disclosure Officers Group,” composed of Commission officials and employees specified in accordance with the Disclosure Procedures, which, under the direction of the CFO (or such other officer as set forth in the Disclosure Procedures), shall have general oversight of, and responsibility for implementation of, the entire disclosure process. The duties of the Disclosure Officers Group shall be specified in the Disclosure Procedures and, at a minimum, shall include: (i) organizing and coordinating diligence meetings of a Commission internal diligence working group whose members shall be specified in accordance with the Disclosure Procedures; and (ii) overseeing the preparation and review of Commission Disclosure prior to dissemination.

iii) Role of Commission Disclosure Counsel. Commission Disclosure Counsel will be consulted in connection with the Commission’s preparation and dissemination of Commission Disclosure to the extent specified by the Disclosure Procedures and at the discretion of the CFO.

3) COMMISSION PRIMARY DISCLOSURE: UPDATES OF COMMISSION DISCLOSURES FOR THE ISSUANCE OF BONDS.

The Disclosure Procedures shall address the preparation of Commission Primary Disclosure including the collection, review and internal certification of information for the Commission Primary Disclosure and the approval and public dissemination thereof.

4) COMMISSION SECONDARY DISCLOSURE: CONTINUING DISCLOSURE (ANNUAL FINANCIAL AND OPERATING INFORMATION, CAFR, EVENT NOTICES), VOLUNTARY FILINGS.

The Disclosure Procedures shall address the preparation of the Commission’s Secondary Disclosure, including: (i) the collection, review and internal certification of information for the Annual Financial and Operating Information and the approval and public dissemination thereof; (ii) the review and
approval of the Letter of Transmittal and the Management’s Discussion and Analysis to be included in the CAFR; (iii) the process for Commission officials and employees to monitor the occurrence of, and identify, events that may give rise to the need to file an Event Notice and the preparation, approval and public dissemination of Event Notices; and (iv) preparation, approval and public dissemination of Voluntary Filings.

5) TRAINING.

The Disclosure Procedures shall address training of applicable Commission officials and employees as determined by the CFO (which may be conducted internally or by outside providers, including, without limitation, any Commission Disclosure Counsel) regarding the purposes of this Disclosure Policy, the Disclosure Procedures and securities laws disclosure obligations.

6) DOCUMENT RETENTION.

The Disclosure Procedures shall address record keeping and the retention of documents necessary or convenient to document the Commission’s compliance with this Disclosure Policy, the Disclosure Procedures and related disclosure obligations.

7) MISCELLANEOUS AND GENERAL PRINCIPLES.

i) Commission Use Only. This Disclosure Policy and the Disclosure Procedures are intended for the use of the Commission and are not intended to create any rights in any person other than the Commission. No expectation, however, should be established that the provisions of this Disclosure Policy or the Disclosure Procedures will not be altered, supplemented, waived, replaced, or repealed, in whole or in part, if, in the sole discretion of the Commission or if applicable, its officials, any such action is in the Commission’s interests.

ii) Periodic Review of Disclosure Procedures. The Disclosure Procedures shall provide for their periodic review by the Disclosure Officers Group to evaluate the effectiveness of the Disclosure Procedures, and make recommendations to the CFO as to whether revisions or modifications to the Disclosure Procedures are appropriate.

This Policy Letter supersedes all previous Policy Letters on this subject.