



MIAMI-DADE EXPRESSWAY AUTHORITY CASHBACK TOLL DIVIDEND POLICY

Purpose

The purpose of this policy is to recognize the financial commitment made by Miami-Dade Expressway Authority (MDX) customers and to provide a financial incentive for their continued use and investment into MDX's five (5) expressways.

MDX's Board of Directors ("Board") may approve a Cashback Toll Dividend (CBTD) payment that reflects the Authority's expected operating performance, financial condition, and cash position, as well as consideration for the MDX's planned capital needs.

This Policy sets forth the objectives, evaluation factors and terms and conditions by which the MDX Board will evaluate and declare a CBTD to eligible MDX customers.

Impact to Toll Customers

The CBTD program is a component of MDX's customer value initiative and one of the unique benefits of investing in the mobility of the community. CBTD is a way to promote on-going equitable tolling among MDX's loyal customers who have successfully registered for the program. The results of the program will lower the eligible commuter/customer's effective toll rate.

The CBTD program will not affect MDX's continued dedication to complete much-needed capital projects while meeting its financial obligations. MDX will achieve the CBTD through efficiencies such as; lower borrowing costs, competitive construction pricing.

Evaluation Factors

MDX will make its best effort to declare a CBTD on an annual basis. In determining the CBTD, the Board of Directors will consider the following factors including, but limited to:

- Operating results such as revenue forecast, expenses, debt payments, financial ratio/coverage
- Cash flow from operations and/or liquidity position
- General business outlook for traffic and other operational growth
- Capital expenditure requirements and potential capital needs
- Overall debt obligations and forecasted debt coverage
- Credit ratings and capital markets status
- Legal constraints, uncertainties or other risks



Explanation of the above factors:

Liquidity position – ensures that MDX can meet its short term obligations and planning for future capital growth.

Debt obligations – when debt is outstanding, there are trust indenture covenants that may have restrictions.

Capital expenditure requirement – impact the amount of current cash available needed to fund ongoing projects, financing future projects and potential impact on credit rating.

Terms and Conditions

MDX customers are subject to the program's terms and conditions in order to qualify for a CBTD. The CBTD shall be payable by check to eligible MDX registered customers only.

Registration

Registration can be completed by visiting the MDX website and registering under the tab for "Dividend Program."

Eligibility Requirements

In order to qualify, an MDX customer must have a Sunpass account in good standing and spend one hundred dollars (\$100) on tolls per fiscal year on MDX's five (5) expressways. The fiscal year runs from July 1 to June 30. The program

Payment Frequency & Notification

CBTD may be payable annually subject to Board approval. CBTD customers will receive an email notification several weeks prior to mailing of the checks.

Administration Cost

Costs associated with the Program will be budgeted on an annual basis. Costs will be included as part of the Public Communication department budget.

CBTD Declaration Amount

The Authority will comply with all of its debt obligations and reserve requirements, as well as consideration for the funding of its current and future capital program(s).

CBTD Payout Percentage to Customers



The CBTD amount shall vary depending on the current year's financial results and the financial position of the organization. The cash back percentage paid to the respective customers shall not exceed 30% of the total amount of tolls paid by that customer in any given year.

MDX Staff Recommendation

MDX staff shall evaluate and consider the evaluation factors before recommending a CBTD amount to the Finance, Policy & Planning Committee. At no time will a CBTD be declared if MDX's senior debt coverage falls below 1.5x coverage. The CBTD shall be tied to the current year's financial factors and forecast results. MDX shall present the fiscal year preliminary financial results prior to the declaration of any CBTD.

Financial Obligations

Payment of CBTD shall not impair or impede MDX's ability to meet any of its financial obligations or operations requirements. Bondholders shall always remain in senior lien position in accordance with trust indenture.

Authorization

The Finance, Policy & Planning Committee will endorse the total amount of the CBTD and percentage of distribution for approval by the Board.

Communication to Customers

Customers who do not qualify for a CBTD distribution due to not meeting the minimum threshold of \$100 or any other disqualifying event will be notified.

Reporting and Legal Requirements

Staff shall notify the Board of all reporting and legal requirements associated with declaring the CBTD. Termination of the CBTD Program shall require a public hearing and a Resolution of the Board.

Policy Review

This Policy will be reviewed no less than once annually. Staff shall review the policy and provide and recommended changes the Finance, Policy & Planning Committee.

Adopted by the Governing Board on the 27th day of October 2015 edited on December 12, 2018.