

METROPOLITAN TRANSPORTATION AUTHORITY CORPORATE GOVERNANCE GUIDELINES WITH RESPECT TO LABOR RELATIONS MATTERS

These Corporate Governance Guidelines for Labor Relations have been adopted by the Board of the Metropolitan Transportation Authority (“MTA” and the “Board”) and apply to the MTA and the other public benefit corporations under common control of the MTA (collectively the MTA, the “MTA Agencies”). The MTA Agencies consist of:

- Metropolitan Transportation Authority
- Triborough Bridge and Tunnel Authority
- New York City Transit Authority (“NYCT”)
- Manhattan and Bronx Surface Transit Operating Authority
- The Long Island Rail Road Company
- Metro-North Commuter Railroad Company
- Staten Island Rapid Transit Operating Authority
- Metropolitan Suburban Bus Authority
- MTA Bus Company
- MTA Capital Construction Company
- First Mutual Transportation Assurance Company

Purpose

These Labor Relations Corporate Governance Guidelines are established to ensure that the Board is kept apprised of material developments affecting collective bargaining and in furtherance of the Board’s oversight of MTA management with respect to the collective bargaining matters of the MTA Agencies.

Pursuant to the Public Authorities Law §2824(1)(a), the members of the Board are charged with executing direct oversight of the CEO and the senior management of MTA Agencies in the effective and ethical management of the MTA Agencies. Given the significance of labor relations to the performance and financial stability of the MTA Agencies, it is appropriate to set forth the roles of the Board and management with respect to labor matters.

Chief Executive Officer Functions and Responsibilities

Pursuant to Public Authorities Law §1263(4)(a), the Chairman is the chief executive officer of the MTA and as such is responsible for the discharge of the executive and administrative functions and powers of the MTA Agencies. Those executive and administrative functions and powers include management of labor relations at the MTA Agencies.

Board Member Functions and Responsibilities

The MTA Board is responsible for:

1. oversight of the Chair/CEO and other MTA senior management in the effective and ethical management of the labor relations of MTA Agencies;
2. considering, and determining whether to ratify, collective bargaining agreements negotiated by MTA management.

To carry out these responsibilities, the Board must be properly informed. Toward that end, below are Governance Guidelines with respect to labor matters.

Responsibilities of the MTA Chairman/CEO, MTA Director of Labor Relations and Agency Presidents to the Board with Respect to Labor Matters

1. The Chairman/CEO, as the official with executive and administrative responsibility for labor matters, shall serve as the principal liaison between management and the Board with respect to labor matters. The Chairman/CEO may act through his designee, the MTA Director of Labor Relations, in connection with providing the Board with information regarding the labor matters of the MTA Agencies that is relevant both to specific decisions that the Board is required to make and to the Board's effective fulfillment of its oversight responsibility.

2. The Chairman/CEO shall assure that members of the Board receive regular and timely briefings or communiqués concerning significant developments with respect to labor matters. Such briefings or communications, which customarily shall be made by the MTA Director of Labor Relations, shall be provided as needed to keep members of the Board apprised of significant developments with respect to labor matters. Significant developments shall include, but not be limited to:

- the forthcoming expiration of a major collective bargaining agreement (CBA) ;
- key bargaining objectives;
- the status of negotiations with respect an impactful CBA, including the parties' negotiating positions;
- proposed agreement to interest arbitration or public interest arbitration;
- the status of impasse proceedings, if any, leading to Taylor Law public interest arbitration or, in the case of the commuter rail lines, the status of bargaining-related proceedings under the Railway Labor Act;
- pending contract modifications or interpretations with a substantial cost.

3. Contracts reached by management and ratified by the Union, shall customarily be presented to the relevant Board operating committee(s) and the Finance

Committee by the Director of Labor Relations, prior to being presented to the Board for action. There may be instances, however, where time constraints require direct briefing of the Board without prior Committee briefings.

4. The Director of Labor Relations shall work with the MTA Agency Presidents to ensure that members of the Board are furnished with all material information pertinent to labor matters scheduled before the Board. In the event either the President of an MTA Agency or the Director of Labor Relations believes a labor matter not already on the Board agenda should be added, the chairman shall be informed.

5. Collective bargaining matters shall be managed by MTA headquarters through the Chair/CEO and the Director of Labor Relations. The Presidents of the MTA Agencies are primarily responsible for the general management and operations of their respective organizations, and shall be responsible for day-to-day matters affecting labor relations.