

## RESOLUTION NO. 19-20

### Adopting a Policy on Emerging Underwriting Firms

WHEREAS, In connection with the issuance of Metropolitan Washington Airports Authority (Airports Authority) Airport Systems and Dulles Toll Road revenue bonds, the Airports Authority forms pools of investment banking firms ("Pools") from which individual firms are later selected to form syndicates of firms which provide underwriting services for one or more specific bond issues ("Syndicates");

WHEREAS, Over the years, these Pools and Syndicates have tended to be comprised of large, well established investment banking firms;

WHEREAS, The Finance Committee has considered a proposed policy that would expand the opportunity to participate in Airports Authority Pools and Syndicates to small, less-established investment banking firms that have demonstrated a capability of performing underwriting services and that have excess net capital available for underwriting purposes ranging from \$1 million to \$50 million;

WHEREAS, The Finance Committee has approved this proposed policy and has recommended its approval and adoption by the Board of Directors (Board); and

WHEREAS, The Board has reviewed the proposed policy and the Finance Committee's recommendation, and has determined that adoption of the proposed policy is in the best interests of the Airports Authority; now, therefore, be it:

RESOLVED, That the proposed policy addressing the participation of "Emerging Underwriting Firms," as defined in paragraph 3 below, in Airports Authority pools and syndicates of investment banking firms, which has been recommended by the Finance Committee and is described in the following paragraphs of this Resolution, be and hereby is adopted and established as the "Policy on Emerging Underwriting Firms" of the Airports Authority;



2. That this policy of the Airports Authority is intended to expand the opportunities of Emerging Underwriting Firms to participate in pools and syndicates of investment banking firms which the Airports Authority establishes in connection with its issuance of Airports Authority Aviation System and Dulles Toll Road revenue bonds and other forms of debt ("Bond Transactions");

3. That Emerging Underwriting Firms shall mean investment banking firms capable of performing underwriting services for the Airports Authority that have excess net capital available for underwriting purposes ranging from \$1 million up to, but not exceeding, \$50 million;

4. That the Board will establish an Emerging Underwriter Pool of up to five Emerging Underwriting Firms, which will be selected through a competitive process in accordance with the Airports Authority Contracting Manual, and will maintain the Emerging Underwriter Pool for a defined period of time ("Pool Term"); provided, that the Pool Term of the initial Emerging Underwriter Pool shall expire on the same date as the Airports Authority's primary underwriting pool of investment banking firms, approved by the Board in January 2019, will expire;

5. That, following the establishment of the initial Emerging Underwriter Pool, the Board of Directors, or the Co-Chairs of the Finance Committee if authorized by the Board, will select up to two Emerging Underwriting Firms from the Emerging Underwriter Pool to serve as co-managers in each syndicate of investment banking firms which, as of the time of such selections, has been established to underwrite Bond Transactions;

6. That, at the expiration of the Pool Term of the initial and any other Emerging Underwriter Pool, the Airports Authority will establish a new Emerging Underwriter Pool and, using a competitive process, will select up to five Emerging Underwriting Firms for inclusion in the new pool. The Pool Term of any such new Emerging Underwriter Pool will be set, to the extent feasible, to run concurrently with the term of the Airports Authority's then-existing primary underwriting pool of investment banking firms. The selection of Emerging Underwriting Firms from any new Emerging Underwriter Pool to serve as co-managers in investment banking firm syndicates created to underwrite Bond Transactions shall occur as provided in paragraph 5;

7. That investment banking firms which are members of the Airports Authority's primary underwriting pool approved by the Board in January 2019 and which meet the definition of an Emerging Underwriting Firm shall be allowed to voluntarily transfer into the initial Emerging Underwriter Pool established pursuant to this policy and to be among the five (or fewer) firms making up that initial pool; and

8. That this Resolution shall be effective upon its adoption.

Adopted October 16, 2019

  
Monica R. Hargrove  
Monica R. Hargrove, Secretary