

**Bylaws of Board of Trustees**

**Chicago Transit Authority Retiree Health Care Trust**

1. **Capitalized Terms.** Capitalized terms used in the Bylaws shall have the same meaning ascribed to those terms in the Trust Agreement unless the context clearly suggests otherwise.
2. **Contributions.** Contributions from Employees and persons receiving coverage from the Plan, including Retirees, Survivors and Dependents, shall be as specified in the Plan or as otherwise established (and changed from time to time) by the Board.
3. **Return and Refund of Contributions.** In the event a contribution is made to the Trust as a result of a good faith mistake of fact, the Board may determine to return such contribution to the extent of the mistake, provided that the return of contributions to the Authority or Unions, acting as conduits for Employee contributions, is made within six (6) months of the date of the discovery of the mistaken contribution, but in no event later than two (2) years after the date of the mistaken contribution. An Employee entitled to a refund of contributions made on the Employee's behalf shall receive such refund without interest, subject to withholding as required by the Internal Revenue Code.
4. **Limitation on Contributions.** The aggregate amount of Retiree, Dependent and Survivor contributions to the cost of their health care benefits shall not exceed forty-five percent (45%) of the total cost of such benefits. The Board shall have the discretion to provide different contribution levels for Retirees, Dependents and Survivors based on their years of service, level of coverage or Medicare eligibility, provided that the total contribution from all Retirees, Dependents and Survivors shall be not more than forty-five percent (45%) of the total cost of such benefits. The term "total cost of such benefits" shall be the total amount expended by the Plan in the prior plan year, as calculated and certified in writing by the Trust's enrolled actuary.
5. **Retiree Eligibility.** To be eligible for retiree health care benefits under the Plan, any Retiree who first retires from the Authority on or after January 18, 2008 must be at least 55 years of age, retire with 10 or more years of continuous service and satisfy the preconditions established by the Act, provided for in the Plan, or as otherwise promulgated by the Board.
6. **Benefits Under the Plan.** The providing and paying of benefits under the Plan shall be subject to and in accordance with such rules and regulations relating to eligibility, amount, and administration as the Board may, from time to time, determine.
7. **Plan Amendments.** The Board may amend the Plan from time to time. A copy of each such amendment shall be filed by the Board as part of the minutes of the Board and records of the Trust, and copies thereof shall be made available to: (a) the Authority, (b) the Regional Transportation Authority, and (c) the Unions.
8. **Resignation.** A Trustee may resign upon thirty (30) days written notice to the remaining Trustees and to the entity which appointed that Trustee, or such shorter notice as may be accepted by both the remaining Trustees and the entity which appointed that Trustee. The

written notice shall specify a date when the resignation shall take effect. The resignation shall take effect on the date specified in the notice (but not earlier than the date of delivery of the notification), unless a successor Trustee shall have been appointed at an earlier date, in which event such resignation shall take effect immediately upon the qualification of such successor Trustee.

9. Incapability, Incapacity and Disqualification. In the event the Board determines by a two-thirds vote that any Trustee is incapable (whether due to proven dishonesty, criminality, or otherwise), incapacitated or no longer qualified to serve as a Trustee as a result of knowingly violating or willfully permitting the violation of any of the provisions of law applicable to the Plan or Trust, including Sections 1-109, 1-109.1, 1-109.2, 1-110, 1-111, 1-114 and 1-115 of Article 1 of the Code, that person shall no longer be a Trustee as of the effective date determined by the Board.

10. Appointment of Successors. In the event any Trustee shall die, resign, become incapacitated or otherwise incapable of acting, or become disqualified, a successor Trustee shall be designated as soon as possible by the entity that had appointed the Trustee and the appointing entity shall notify the remaining Trustees in writing of the identity of the successor Trustee. In addition, any entity which appointed a Trustee may choose to replace that Trustee with a successor Trustee, in which case the Trustee shall be replaced by the successor Trustee as of the effective date of the appointment as reflected in the written notification of appointment provided to the remaining Trustees (but in no event earlier than the date of delivery of the notification).

11. Vesting of Powers in Successor. Each successor Trustee must file with the Board written acceptance of appointment of trusteeship, at which time the successor Trustee shall assume the rights, privileges, authority and obligations of the office.

12. Trustee Officers, Committees, Meetings, Quorum and Alternate Trustees.

(a) Officers. At the first meeting in each year, the Trustees shall select from their number one (1) Trustee to act as Chairman of the Board of Trustees and one (1) Trustee to act as Secretary of the Board of Trustees. In even-numbered years, the Chairman shall be a Trustee who was appointed by the Authority and the Secretary shall be a Trustee who was appointed by the Unions. In odd-numbered years the Chairman shall be a Trustee who was appointed by the Unions and the Secretary shall be a Trustee who was appointed by the Authority.

(b) Committees. The Trustees may appoint committees of the Board from time to time. The number of Trustees serving on any committee shall be determined by the Board; provided, however, that no committee shall consist solely of Trustees appointed by the same party. The powers to be delegated to each committee shall be determined by the Board from time to time. All committee meetings shall be scheduled, held and conducted in accordance with the Illinois Open Meetings Act.

(c) Meetings. The Chairman, or any two (2) Trustees, may call a meeting of the Board at any time by giving at least five (5) days written notice of the time and

place thereof to each Trustee. All Board meetings shall be scheduled, held and conducted in accordance with the Illinois Open Meetings Act.

- (d) Quorum. A quorum of the Board requires the physical presence of at least four (4) Trustees. For purposes of these Bylaws, the term “present” for or at a meeting (open or closed/executive sessions) shall mean that a Trustee is physically present at the location of the meeting. Other Trustees who are not physically present at an open or closed/executive session may participate in the meeting by other means (i.e. video or audio conference) under the following circumstances:
- (i) If a quorum of the Trustees is physically present, a majority of the Trustees may allow a Trustee to attend the meeting by video or audio conference if that Trustee is prevented from physically attending because of:
    - (1) Personal illness or disability; or
    - (2) Employment purposes; or
    - (3) Family or other emergency.
  - (ii) If a Trustee wishes to attend a meeting by video or audio conference, that Trustee shall notify the Executive Director or Chairman of such intended participation before the meeting unless advance notice is impracticable.
- (e) Alternate Trustees. The Chicago Transit Board, the Regional Transportation Authority Board of Directors and the Unions may appoint alternate Trustees who shall subscribe to the oath of office.

13. Arbitration. In the event of a deadlock resulting from the failure of the Trustees to agree on a matter, the dispute shall be decided by an impartial arbitrator selected by the Board from a list provided by the American Arbitration Association (under its Employee Benefits Dispute Rules) and whose decision shall be final and binding upon the Trustees. Each side shall bear its own expenses, costs and attorneys’ fees in connection with the foregoing, but the arbitrator’s reasonable expenses, costs and fees shall be paid by the Trust. The arbitrator shall have no power to alter, delete, amend, add to, take away from or disregard any of the provisions of the Act, or to the extent they are consistent with the Act, any provisions of the Trust Agreement, these Bylaws or the Plan.

14. Reimbursement of Expenses. Each Trustee is entitled to the reimbursement of all reasonable and necessary expenses which the Trustee actually incurs in the performance of the Trustee’s duties with regard to the Trust, when supported by proper proof of payment, in accordance with the policies adopted by the Board. The Board shall review all reimbursements on a quarterly basis.

15. Trustees Not Responsible. The Trustees shall not be responsible for any of the following:

- (a) The validity of the Trust Agreement or Plan.

- (b) The form, validity, sufficiency, or effect of any contract or policy for the payment or provision of benefits under the Plan which may be entered into or purchased.
- (c) The act of any person or persons which may cause the termination, rescission, or other invalidation of any contract or policy for the payment or provision of benefits under the Plan.
- (d) Any delay occasioned by any restriction or provision in the Trust Agreement, rules or regulations adopted by the Trustees thereunder, or any contract procured or entered into in the course of the administration of the Plan and/or authorizing the making of any investment or reinvestment permitted by the Trust Agreement, any loss of, or to, the Trust, or any diminution in the Trust.

16. Books of Account and Records. The Board shall keep true and accurate books of account and records of all its transactions, which shall be open to the inspection of each of the Trustees at all times and which shall be audited at least once a year by a certified public accountant selected by the Board. Such audits, books and records shall be available during normal business hours for inspection by the Authority, the Unions, the Regional Transportation Authority and the Auditor General.

17. Severability of Provisions. If any provision or provisions of the Plan, Trust or Bylaws shall be held to be invalid, illegal or unenforceable for any reason whatsoever (i) the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby, and (ii) to the fullest extent possible, the remaining provisions shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

18. Construction and Interpretation. The words and provisions of these Bylaws are to be interpreted and construed in accordance with the laws of the State of Illinois. No provision of the Trust Agreement, these Bylaws, or the Plan may be interpreted or construed in a manner inconsistent with the Act. If the Board determines in its discretion that provisions relating to contributions and plan design in the Collective Bargaining Agreement are: (a) not inconsistent with the Act, and (b) consistent with the Trustees' fiduciary duties, the Board shall give effect to those provisions, unless such provisions are rejected by the Auditor General in accordance with the Act.

19. Titles. All titles used in the Trust Agreement and Bylaws are for purposes of identification only and shall have no bearing on the meaning, construction, or interpretation of the provision or Article to which it refers.