

AURORA RETIREE HEALTH INSURANCE TRUST AGREEMENT

DESCRIPTION OF TRUSTEE POSITION AND RESPONSIBILITIES

Primary Responsibility

Each Trustee is a fiduciary responsible for the governance and oversight of the Aurora Retiree Health Insurance Trust. Trustees are obliged to act solely for the exclusive benefit of those retirees and their beneficiaries who are covered by the City of Aurora Comprehensive Medical Plan and the City of Aurora Comprehensive Dental Plan (the "Plans"). As such, each trustee is required to act prudently under the circumstances. If a Trustee lacks education, experience or skill required to make a Board of Trustees decision, the Trustee has a duty to seek expert guidance or counsel. Trustees may delegate duties to other professionals such as investment managers, but retain oversight responsibilities.

Although some members of the Board of Trustees are elected, upon taking office they represent all retirees and beneficiaries covered by the Plans. Trustees with conflicts must either avoid the conflict in advance or terminate it when it arises. A Trustee cannot ignore breaches of fiduciary duties by co-Trustees and must report breaches or potential breaches to the Mayor of the City of Aurora and also to the President of the Board of Trustees.

Commitments

Each Trustee must be willing and able to devote the necessary time to fulfill his or her duties on the Board. This commitment includes the responsibility to:

- (1) Act as a member of a five-member Board of Trustees to provide leadership and set the strategic direction for the Trust.
- (2) Prepare for and attend scheduled Board meetings and Committee meetings to which you are appointed.
- (3) Be an informed and active member of the Board, fully participating in the decisions and actions of the Board by making independent assessments and reasonable judgments.
- (4) Acquire and maintain the knowledge necessary to perform the duties of a Trustee.
- (5) Follow policies and procedures established by the Board.
- (6) Be accurate in communicating with other Trustees, City staff, retirees and their beneficiaries, other interested parties and the public.
- (7) Qualify statements made to third parties as either your own personal opinion, as appropriate, or the official position of the Board of Trustees, once taken.
- (8) Act with respect towards other Trustees and staff in the conduct of Trust business.
- (9) Bring to the attention of the Board matters of concern that affect the conduct or the business of the Board.

- (10) Comply with any travel policy, code of ethics, and other policies officially adopted by the Board.
- (11) Adhere to State law regarding confidentiality and privacy of records and benefits of the retirees and their beneficiaries who are covered by the Plans.
- (12) Adhere to the Illinois Open Meetings Act requiring public access to Board agendas, meetings and minutes.
- (13) Assume responsibility for evaluating the Trustee's own performance and the overall performance of the entire Board.
- (14) Evaluate the performance of the investments made by the Trustees.
- (15) Seek the advice of the Mayor of the City of Aurora (or designee), the President of the Board of Trustees and other Trustees, and other professionals employed by the Board when necessary to fulfill your fiduciary duties.
- (16) Continuously monitor others, such as investment managers, which have been delegated co-fiduciary duties.

Trustee Access to Health Benefits under the Plans

The Aurora Retirees Health Insurance Trust is operated for the benefit of its retirees and their beneficiaries who are covered by the Plans. A Trustee should seek no advantage in the acquisition of resources or information over other Trustees, covered retirees or their beneficiary.

- (1) In pursuit of his or her fiduciary duties, a Trustee has a right to request and receive information; to ask questions; and to receive full information and answers before being required to vote on a matter pending before the Board.
- (2) A Trustee shall not give instructions or assign tasks to individual staff of the Board of Trustees or the City.
- (3) A Trustee should make every effort to access information related to the Trust through action of the full Board and not on the individual initiative of the Trustee.
- (4) A Trustee may request from the President of the Board of Trust any information or assistance necessary to meet the Trustee's responsibilities.
- (5) The President of the Board may seek advice of or refer the matter to the full Board before complying with individual Trustee requests that, in the President's opinion, would require a significant amount of resources or cause disruption to the regular administration of Trust.
- (6) The President shall share any vital or useful information resulting from a Trustee request with other Trustees.
- (7) The President may refuse requests of individual Trustees that are in conflict with Trust policy.

- (8) Fiduciary counsel work for the Board and may be contacted directly regarding fiduciary matters.

APPROVED on August 2, 2007.

Dean W. Caputo

Byron G. Sauer

Alvin J. Alexander
Trustees

Stephen W. Wenzel

Jinda Blead
Trustees