

**BYLAWS**  
**OF THE**  
**PORT AUTHORITY TRANSIT CORPORATION**

**I. SEAL**

The seal of the Port Authority Transit Corporation shall be a design bearing a combination of the seals of the State of New Jersey and the Commonwealth of Pennsylvania, in the following form:

**II. DIRECTORS**

The Directors of the Port Authority Transit Corporation shall be those persons who from time to time are the duly qualified Commissioners of the Delaware River Port Authority. The said Directors shall have all the powers, duties, privileges and immunities conferred by law upon the Commissioners of the Delaware River Port Authority in the effectuation of the purposes and in the exercise of the powers contained in the Certificate of Incorporation of the said Port Authority Transit Corporation.

**III. OFFICERS**

The Officers of the Corporation shall be a Chair, a Vice Chair, a Secretary, a Treasurer, a President, and General Counsel. The General Counsel and Corporate Secretary may, in the discretion of the Board of Commissioners, be one and the same person. All officers, excepting the President, shall be elected by the Directors.

The President shall be appointed by the Directors. Subject to the provisions of Article IV (H), below, the President shall be appointed as a vacancy occurs. The President may, in the discretion of the Corporation, be appointed for a period not to exceed three (3) years. The President may also, in the discretion of the Corporation, be appointed to consecutive terms.

The Treasurer and Chief Financial Officer may, in the discretion of the Corporation, be one and the same person.

The Chair and Vice Chair shall be elected from different States and shall serve for terms of three (3) years commencing with the organization meeting of January 1993.

The Secretary and the Treasurer shall serve for terms of three (3) years commencing with the organization meeting of January 1993.

If a vacancy occurs in the office of either Chair or Vice Chair during the term for which they were elected, a successor shall be elected from the same State to complete the unexpired term, such election to be held at any regular monthly meeting.

Election of officers subject to election shall take place at a triennial meeting in January or at a time designated by the Chair and Vice Chair.

The officers listed in this Article III. shall continue to hold office until their respective successors are elected or appointed and qualified.

#### **IV. DUTIES OF OFFICERS**

##### **A. Chair**

The Chair of the Corporation shall preside at all meetings, shall appoint all committees and the Chair and Vice Chair thereof, shall have authority to execute any legal instruments or documents on behalf of the Corporation, may supervise the business of the Corporation where not otherwise provided by these Bylaws and subject to the direction of the Corporation, acting on the advice of the President and General Counsel, the Chair and Vice Chair, acting jointly, may authorize settlement of any claim or suit against the Corporation, its Directors, officers, employees, agents and contractors where the settlement amount exceeds the authority granted to the President in Article XII hereof, and shall notify the Board as soon as practical at a regularly scheduled meeting, and shall perform such other duties as the Corporation may from time to time order.

##### **B. Vice Chair**

The Vice Chair shall act in the absence of the Chair, shall have authority at all times to execute any legal instruments or documents on behalf of the Corporation, acting on the advice of the President and General Counsel, the Chair and Vice Chair, acting jointly, may authorize settlement of any claim or suit against the Corporation, its Directors, officers, employees, agents and contractors, where the settlement amount exceeds the authority granted to the President in Article XII hereof, and shall notify the Board as soon as practical at a regularly scheduled meeting, and shall perform such other duties as the Corporation may from time to time order.

##### **C. Acting Chair**

In the event the offices of Chair and Vice Chair are both vacant, or in the event that the Chair and Vice Chair are both unable to perform the duties of Chair by reason of illness, disability, or absence, the Chairs of the standing committees in the order listed in Section IX, "Committees," shall become the Acting Chair and shall perform the duties of the Chair during the period of vacancy or inability to act continues.

**D. Secretary**

The Secretary, reporting to the Corporation and consulting with the President, shall be the custodian of all records and the seal of the Corporation and shall keep accurate minutes of the meetings of the Corporation and all of the Committees thereof. The Secretary shall, on behalf of the Corporation, certify, when required, copies of records and shall execute legal instruments and documents on behalf of the Corporation when ordered to do so, and affix the seal of the Corporation to the same, and shall perform such other duties as may be directed by the Directors.

**E. Assistant Secretary**

The Corporation may appoint Assistant Secretaries to act in the absence of the Secretary.

**F. Treasurer**

The Treasurer, reporting to the Corporation and consulting with the President, shall be the chief financial officer of the Corporation and shall have custody of the indemnity and surety bonds ordered for the use, benefit and protection of the Corporation and shall be obliged to see that such bonds are at all times in full force and effect, and in the event that such bonds are canceled or are not renewed, the Treasurer shall immediately report the same to the Secretary. The Treasurer shall likewise be the legal custodian of all funds belonging to the Corporation legal documents and other papers as naturally fall within the control of a Treasurer.

**G. General Counsel**

The General Counsel is the legal adviser to the Authority and shall furnish opinions, advice, counsel, and representation in all legal matters, including those required, from time to time, by the Board of Commissioners. In the performance of these duties, the General Counsel is authorized to use such staff and retain such outside counsel in accordance with policies and/or guidelines established by the Board of Commissioners.

**H. President**

The President, except as may be otherwise provided, shall be the Chief Executive Officer of the Corporation and shall be generally in administrative charge of all of the activities of the Corporation. The President shall approve any and all vouchers except as otherwise provided in these Bylaws, shall perform such other duties as may be ordered by the Directors, and shall have authority to sign all legal instruments, documents and deeds of conveyance for transactions authorized by the Board of Directors or by these Bylaws.

**I. Succession of President's Duties and Responsibilities**

In the event the President is absent from the area and/or is incapacitated, disabled, or otherwise

unable to perform the duties of that office, or a vacancy occurs in that office, then, and in any such event, the General Manager shall assume the duties, responsibilities, and authority of the President, and shall perform and act as the President.

## **V. ADDITIONAL STAFF**

The Directors shall name and appoint, from time to time, such additional officers, consultants and employees as may be required, and shall, by resolution or amendment of these Bylaws, designate their general duties and under whose supervision or direction they shall serve.

## **VI. MEETINGS**

### **A. Monthly and Special Meetings**

1. The Directors shall schedule a meeting not less often than once each month. The regular monthly meeting of the Corporation will be held at a location within the Port District at such time as may be designated by the Chair subject to the provision of public notice as required in these Bylaws.
2. Special meetings may be called at any time by the Chair, or in the Chair's absence, by the Vice Chair.
3. The Chair or, in the Chair's absence, the Vice Chair upon written request of two Directors of the Corporation, shall call a special meeting at such time and hour as is therein designated.
4. All notices of such Special Meetings will be sent by facsimile machine, overnight couriers or by an equivalent service that provides rapid transmission with a high degree of reliability, and will be sent at least twenty-four hours in advance of such meeting. The notice will set forth the time and place of the meeting and the names of the persons calling the meeting and will set forth the matters intended to be brought before the meeting. Only business referenced in the call of the Special Meeting may be transacted at a Special Meeting.
5. One or more Directors may participate in any meeting of the Board of Directors, or of any committee thereof, by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear and speak to one another at the same time. Participation in a meeting by such means shall constitute presence in person at the meeting and therefore shall be counted for the purpose of determining a quorum thereof, and shall entitle such Director to exercise all rights and privileges to which such Director might be entitled were they personally in attendance, including the right to vote and any other rights attendant to presence in person at such meeting.

### **B. Open Meeting Requirements**

1. Meetings open to the public; public business.  
Except in the specific instances listed in section 2, all meetings which are open to all

the Directors of the Port Authority Transit Corporation and which are held with the intent, on the part of the Directors in attendance, to discuss or act as a unit on the specific public business of the Corporation are meetings which shall be open to the public. Public business includes all matters which relate in any way to the performance of the Corporation's functions or the conduct of its business.

2. Exclusion of public.

The Board of Directors, or a committee of the Directors, may close its meetings to the public: (1) when it adopts a resolution at a meeting which shall be open to the public stating both the general subject to be discussed and the time when or circumstances under which minutes taken in executive session can be disclosed to the public, and (2) when it discusses:

- (a) Any matter made confidential by federal law, by state statute or by court rule, order or decision.
- (b) Any matter concerning personnel including the appointment, terms and conditions of employment, promotion, disciplining or termination of any of the Corporation's employees unless the individual employee or employees whose rights could be adversely affected request, in writing, that these matters be discussed at a public meeting.
- (c) Any matter concerning collective bargaining with the Corporation's employees.
- (d) Any techniques used in protecting the safety and property of the public when their disclosure would impair such protection. Any matter concerning investigation of violations or possible violations of the law.
- (e) Any matter concerning pending or anticipated litigation involving the Corporation.
- (f) Any matters falling within the attorney-client privilege to the extent that confidentiality is required for the attorney to exercise the attorney's ethical duties as a lawyer.
- (g) Any matter concerning the lease or acquisition of real property by the Corporation.
- (h) Any matter concerning pending or anticipated contract negotiations to which the Corporation is or may become a party.
- (i) Any matter concerning long range planning alternatives including, but not limited to, alternative means available to finance Corporation activities to the extent that such discussions may impact on the competitive position of the PATCO, the Port District, or any business entity that is involved in the matter being considered.

3. Public Notice of Meetings

- (a) The Board shall give public notice of the specific dates, times, and places of its meetings which are open to the public.

- (b) Within 10 days of the beginning of each calendar year, the Board shall establish a schedule of its regularly scheduled meetings during that year. The Board shall give public notice of the established schedule and of any change in it.
- (c) Public Notice means notice of at least 48 hours giving the time, date, and location of any regular meeting of the Corporation which is open to the public. Public notice shall be given by: (1) Posting a copy of the notice prominently in a public place designated by the Board in its principal offices for the posting of such announcements, and (2) Supplying on request copies of the public notice to any newspapers of general circulation in the Port District and to any radio or television station which regularly broadcasts into the Port District.
- (d) Upon the affirmative vote of a majority of the members from each State, the Board may hold a meeting notwithstanding the failure to give public notice if: (1) The meeting is required to deal with matters so urgent and important that the Board could not either reasonably have foreseen the need for the meeting at a time when public notice could have been given or could not have reasonably given public notice of the meeting, or (2) The meeting is limited to discussion of and acting on those urgent and important matters, and (3) Notice of the meeting is given as soon as possible following the call of the meeting.
- (e) At the beginning of every meeting of the Board, the presiding officer shall announce publicly and shall enter in the minutes of the meeting an accurate statement: (1) That public notice of the meeting has been given, or (2) That public notice of the meeting had not been given in which case the announcement shall state the manner in which the Board complied with the provisions of sub-section (d) of this section.

4. Minutes of meetings; availability for public inspection.

- (a) The minutes of the Board's public meetings shall be taken and promptly recorded, shall be a public record, and shall be promptly made available for inspection by the public unless their disclosure is inconsistent with the terms of this Bylaw.

## **VII. QUORUM**

A majority of the Directors from each State presently serving shall constitute a quorum, and no action of the Corporation shall be binding unless a majority of the Directors from each state presently serving shall vote in favor thereof.

## **VIII. ORDER OF BUSINESS**

The order of business at regular meetings shall be:

- (a) Approval of the minutes of the previous meeting
- (b) Reports of officers
- (c) Reports of committees
- (d) Communications
- (e) Unfinished business
- (f) New business

The order of business may be changed at any meeting by the Chair with the approval of the Board.

## **IX. COMMITTEES**

There shall be the following standing committees of the Board of Directors. In addition, the Board of Directors may appoint such committees as the Board deems desirable.

The Chair, Vice Chair and members of all standing committees shall be appointed by the Chair of the Corporation who shall be an ex officio member of each committee of which the Chair is not a regular member, and who, as such ex officio member, shall be entitled to vote if one or more regular members are absent, in which case the Chair shall be counted in determining whether there is a quorum, and shall also be entitled to vote as such ex officio member to decide a tie vote.

The Vice Chair of the Corporation shall likewise be an ex officio member of each committee of which the Vice Chair is not a regular member, and as such ex officio member, the Vice Chair shall be entitled to vote under the same circumstances as the Chair of the Corporation, but only in the absence of the Chair of the Corporation.

The principle of equal representation of both States shall be followed in making appointments to each committee.

A quorum of any committee shall consist of a number equal to a majority of the regular members of the committee, provided that at least one Director from each state shall be present. If there be no quorum present at any regular, special or adjourned meeting of any standing or special committee of the Directors, then any available Directors who are not already members of such committee may be designated as substitute members pro tem to act at such meeting in the place and stead of absent committee members. So far as practicable, in designating Directors to act as substitute committee members, such Directors shall be designated as will result in an equal representation of both states at such committee meeting. Any committee member may designate another Director from the same state as a substitute member to act in the member's place and stead at any meeting at which the member cannot personally be present. In the absence of such advance designation, the following persons, in the order named, are authorized to designate substitute committee members, to wit: The Chair of the Board, the Vice Chair of the Board, the Chair of the Committee, the Vice Chair of the Committee, or the regular members of the Committee who are present.

Directors designated as substitute committee members pro tem shall be treated as regular members

for the purpose of determining whether a quorum is present, and for the purpose of determining whether an ex officio member may vote.

Any Committee by a majority vote, or the Chair of any Committee, or in the Chair's absence or unavailability the Vice Chair of the Committee, is authorized to appoint sub-committees from the committee's regular or substitute members to investigate and to report and to make recommendations on particular matters within the scope of the committee's duties for action by the committee.

Whenever a committee acts pursuant to power vested under these Bylaws, then all third persons are entitled to rely on the Committee's representation that it has power to act.

The powers vested by these Bylaws in the committees shall not be construed or deemed to limit the authority of the Directors to act in any instance, but if such authority is exercised by the Directors it shall not be construed or deemed to affect the power of the committees to act in similar cases thereafter.

There shall be the following standing committees, each of which shall consist of that number of regular members (including a Chair and Vice Chair), in addition to the ex officio members, hereafter specified, and shall perform the duties enumerated for it. When two or more committees have powers relating to the same subject matter, none shall be deemed to have exclusive authority, but such committees shall confer and cooperate in regard thereto.

Any Director shall have the right to attend the meetings of any Committee and to participate in its discussions but shall have no right to vote unless the Director is a member or substitute member of the Committee.

Standing Committees of the Board shall meet as necessary. The Board shall schedule dates and times for regular meetings of Standing Committees when adopting its annual calendar in accordance with Section VI.B.3(b) of these Bylaws.

Notice of all committee meetings shall be given to each Director.

#### **A. OPERATIONS AND MAINTENANCE COMMITTEE**

The Operations and Maintenance Committee shall consist of not less than eight (8) members, four (4) from each state, (including a Chair and Vice Chair), in addition to the ex officio members. It shall have general supervision over the operation and maintenance of all facilities and properties operated by the Corporation, including the repair, rehabilitation, alteration or improvement of any facility, and over all Departments, Divisions, Sub-divisions and Offices of the Corporation, and shall, from time to time, make such recommendations in reference thereto as in its opinion may be desirable. The Operations and Maintenance Committee shall have authority over matters related to technology issues as they may affect the Corporation, over all matters relating to the Federal Transportation Administration or its successors, and over issues related to Affirmative Action and Equal Employment.

Upon the completion of any new project, all matters pertaining to the operation and maintenance thereof shall be under the jurisdiction of this Committee.

1. Whenever a budget adopted by the Directors contains an item relating to maintenance, including repair or rehabilitation, alteration or improvement of any facility, or relating to the acquisition of equipment, tools, materials or supplies for use in connection with the operation or maintenance of any facility or property, or relating to any other expenditure which is properly chargeable as an operating expense, the Operations and Maintenance Committee shall have the following powers:
  - (a) To arrange for contracts to carry out such items upon such terms and conditions and with such contractors as the Committee may determine in compliance with any requirements established by the Directors in connection with the awarding of such contracts, and to make recommendations to the Directors with respect to the award thereof.
  - (b) With respect to any such contracts entered into by the Corporation, to arrange for contracts or agreements amendatory of or supplemental thereto, and to arrange for the placing of extra work orders thereunder, the making of payments thereunder, the compromise or settlement of claims by or against the Corporation under such contracts, and the exercise of any rights and the performance of any obligations vested in or assumed by the Corporation in any such contract, and to make recommendations for final action by the Directors with respect thereto.
  - (c) In addition to the foregoing powers, whenever the budgeted item involved relates to construction which is within the jurisdiction of the Operations and Maintenance Committee, the Committee shall have the same powers with respect to such construction as the Projects Committee has with respect to the construction of new projects.
2. Whenever a budget adopted by the Directors contains an item relating to the acquisition, purchase or lease of real property for any purpose, except for the purpose of a new project, the Operations and Maintenance Committee shall arrange for the acquisition or use of the real property, and the preparation of contracts therefor, and shall make recommendations for final action by the Directors with respect thereto.
3. The Operations and Maintenance Committee shall have power from time to time to recommend for final action by the Directors the adoption, rescission, amendment or modification of rules and regulations for and in connection with the operation of the facilities and properties operated by the Corporation and for the conduct of the users thereof and all other persons in or about such facilities or properties, including the officers, employees, or representatives of the Corporation and of the users of its facilities and properties and people doing business with it or them, provided, however, that if such rules and regulations only pertain to the internal operations of the Corporation, the Operations and Maintenance Committee shall have the power to adopt, rescind, amend and modify such rules and regulations without further action

being taken by the Directors. In all cases where any Corporation facilities or properties are opened to public use, the Committee shall have power to recommend to the Directors the establishment, change or modification of just and reasonable tolls, fees or other charges for such use, and for that purpose to recommend the establishment of reasonable classifications of users and services. In all other cases, the Committee shall have power to recommend the use of Corporation facilities or properties pursuant to leases, permits or other special contracts or agreements upon such terms and conditions and for such rent or other consideration as the Committee may deem proper.

## **B. PROJECTS COMMITTEE**

The Projects Committee shall consist of not less than eight (8) members, four (4) from each state, (including a Chair and Vice Chair), in addition to the ex officio members. It shall initiate, prepare, assemble and recommend new projects to the Directors.

“New Projects” shall mean any activity, program, betterment, facility or structure within the purpose and intent of the Compact, and the amendments thereto, relating to rapid transit, not then implemented or constructed; provided that “New Projects” shall not include the repair, rehabilitation, alteration or improvement of completed facilities, in operation, which shall be under the jurisdiction of the Operations and Maintenance Committee.

All work in connection with any new project shall be assumed by the Committee during and until the new project has either been tabled, abandoned or completed. Upon commencement of operation of any new project, the jurisdiction of the Projects Committee shall cease and the Operations and Maintenance Committee shall be responsible for its operation and maintenance, except that, working in concert with the Operations and Maintenance Committee, the Projects Committee shall be responsible for the completion of all unfinished construction contracts.

1. The Projects Committee shall have supervision over the planning, construction, and property for all new projects and shall, from time to time, make such recommendations in reference to or for such new projects as in its opinion may be desirable.
2. The Projects Committee shall arrange for the employment of experts, consultants and other advisory personnel for the purpose of exploring and studying ideas, suggestions and proposals for new projects and shall make recommendations for final action by the Directors with respect thereto.
3. Whenever a budget adopted by the Directors contains an item relating to planning, construction, or property for any new project, the Projects Committee shall have the following powers:
  - (a) To arrange for the employment of engineering consultants and other consultants, experts and advisory personnel required for, or in connection with, the planning or execution of any new project, and to make

- recommendations for final action by the Directors with respect thereto.
- (b) To arrange for supply and construction contracts for such new projects, upon such terms and conditions and with such contractors as the Committee may deem proper, in compliance with any requirements which may be established by the Directors in connection with the awarding of such contracts, and to make recommendations for final action by the Directors with respect thereto.
  - (c) To arrange for the acquisition and/or use of any real property required for such new projects, preparation of contracts therefor, and to make recommendations for final action by the Directors with respect thereto.
  - (d) With respect to any such contracts entered into by the Corporation, to arrange for contracts or agreements amendatory of or supplemental thereto and to arrange for the placing of extra work orders thereunder, the making of payments thereunder, the compromise or settlement of claims by or against the Corporation under such contracts, and the exercise of any rights and the performance of any obligations vested in or assumed by the Corporation in any such contract, and to make recommendations for final action by the Directors with respect thereto.
4. The Projects Committee shall cooperate with the Operations and Maintenance Committee in planning for the organizational structure for the operation of each new project in such manner as shall be determined by the Chair and Vice Chair of the Corporation.
  5. The Projects Committee shall cooperate with the officers and committees and the Commissioners of the Delaware River Port Authority in all matters and particularly in all cases where action by that Authority is needed or desired.

### **C. EXECUTIVE COMMITTEE**

The Executive Committee shall consist of such number of members (including a Chair and Vice Chair) as shall be appointed from time to time, in addition to the ex officio members.

It shall consider and make recommendations to the Directors pertaining to:

1. The organization of the Corporation.
2. Any changes in its Bylaws or proposed changes in the Compact.
3. Matters involving Strategic Planning, Management and Productivity.
4. Working jointly with the Finance Committee to develop and refer to the Directors the Master Plan required by the Compact.
5. All matters relating to Labor Negotiations and for Personnel matters in general.
6. Matters involving audit of Corporation finances and performance.
7. All Litigation reports and issues shall be within the jurisdiction of the Executive Committee.
8. The dissemination of any and all information concerning, and /or in furtherance of, the functions and activities of the Corporation.

9. Ways and means to improve communication and consultation with other public bodies and the public.

The Executive Committee shall perform such duties not assigned to any other Committee by these Bylaws as may be delegated to it by the Directors or by the Chair or Vice Chair from time to time. In addition, the Executive Committee shall devote particular attention and make recommendations about the overall position and functions of the Corporation in relation to other governmental bodies, to other agencies and persons in the development of transit facilities in the Port District, and shall evaluate from time to time the overall performance of the Corporation and when needed shall suggest methods for the coordination and greater efficiency of the overall performance of the Corporation.

#### **D. FINANCE COMMITTEE**

The Finance Committee shall consist of such number of members (including a Chair and Vice Chair) as shall be appointed from time to time, in addition to the ex officio members.

It shall consider all questions relating to financial affairs of the Corporation which may be submitted to it by the officers or the Board of Directors and shall from time to time make such recommendations in reference thereto as in its opinion may be desirable. It shall review and have general supervision over the financial affairs of the Corporation.

#### **E. AUDIT COMMITTEE**

The Audit Committee shall consist of at least three (3) and no more than six (6) members of the Board who are independent of Authority operations. The Audit Committee shall meet at least four (4) times per year.

Audit Committee members shall be prohibited from being an employee of the Authority or an immediate family member of an employee of the Authority. In addition, Audit Committee members shall not engage in any private business transactions with the Authority or receive compensation from any private entity that has a material business relationship with the Authority, or be an immediate family member of an individual that engages in private business transactions with the Authority or receives compensation from an entity that has material business relationships with the Authority.

The Audit Committee shall have duties and responsibilities related to: (a) the external auditors and required financial and performance audits; (b) the Authority's internal auditors; (c) oversight of management's internal controls, compliance, and risk assessment practices; (d) special investigations, forensic audits, and whistleblower policies; and (e) miscellaneous issues related to the financial practices and performance of the Authority.

The Audit Committee shall have the following duties and responsibilities:

1. Oversee the work of any internal or external auditor employed or retained by the Authority.
2. Recommend to the Board the appointment and compensation of internal and external auditors, experts, and other advisors as the Audit Committee may deem appropriate.
3. Develop objectives for audits of the Authority and pre-approve all auditing services.
4. Conduct or authorize audits or investigations into any matters within its scope of responsibility, including specific approval on an annual audit plan and any amendments to such plan.
5. Resolve any disagreements between the Authority and its internal or external auditors.
6. Ensure that the Audit Committee has unrestricted access to company personnel and documents, while maintaining all applicable privileges.
7. Enact and review the procedures for the receipt, retention, and treatment of complaints received by the Authority regarding accounting, internal accounting controls, or auditing matters that may be submitted by any party internal or external to the organization.
8. Evaluate whether the Authority has in place the necessary and appropriate processes that will provide the Audit Committee members with adequate information from the Authority in order for them to be well informed with respect to the Authority's financial operations and performance.

#### **F. LABOR COMMITTEE**

The Labor Committee shall consist of such number of members (including a Chair and Vice Chair) as shall be appointed from time to time, in addition to the ex officio members.

The Labor Committee shall have general oversight of matters relating to represented and non-represented employees, including but not limited to collective bargaining agreements, labor management negotiations, labor/employee relations and non-represented employee issues.

#### **X. EXPENSES**

The members of the Board of Directors shall serve without compensation, but shall be entitled to be paid expenses in connection with the performance of their duties and said expenses shall be itemized on a form prepared by the Corporation and duly attested to by the Directors submitting same.

#### **XI. SIGNING OF CHECKS**

All Corporation checks shall bear two signatures. The Treasurer and Secretary shall be authorized to sign all Corporation checks, and in the absence or disability of the Treasurer or the Secretary, the Chair or Vice Chair of the Corporation, the Chair of the Executive Committee, the Chair of the Finance Committee, the President, and such other persons as may from time to time be designated by

resolution of the Corporation, are authorized to sign checks in the place of the absent or disabled official.

## **XII. ADMINISTRATIVE POWERS**

The President shall have the following administrative powers which shall be in addition to any other powers conferred upon him by any other provisions of these Bylaws, or by any resolution heretofore or hereafter adopted by the Board of Directors:

### **A. Personnel**

1. To create temporary positions and to make appointments thereto for periods not exceeding six (6) months.
2. To recruit, appoint, discharge, promote, demote, transfer and effect all personnel actions for all personnel other than Officers listed in Article III and those on the Excepted List established by the Board of Directors.
3. To suspend for disciplinary purposes for periods up to thirty (30) days all personnel other than Officers listed in Article III and those on the Excepted List established by the Board of Directors.
4. To grant sick leaves, leaves of absence, merit increases and like actions for all personnel.
5. To recommend to the Executive Committee:
  - (a) Creation of new positions and abolition of existing positions in the staff of the Corporation.
  - (b) The detailed duties and individual qualifications for all existing and new positions.
  - (c) The appointment, discharge, promotion, demotion, transfer or other personnel actions for all personnel on the Excepted List approved by the Board of Directors.
  - (d) Procedures for handling employee grievances.

### **B. Contracts and Purchases**

1. Whenever a budget adopted by the Board of Directors contains an item relating to the maintenance, repair or rehabilitation of any Corporation facility or property which is in operation, or to the making of capital improvements and additions thereto, or the construction of a project, or to major repairs, or major rehabilitation to any project, or any property of this Corporation, or to the purchase of materials and supplies, or to the furnishing of utility or other services, the President (unless otherwise directed by the appropriate committee) shall have the following powers:
  - (a) To make purchases of equipment, supplies and materials in amounts not exceeding \$50,000 in any single transaction, without further authorization or approval, and from \$50,001 to \$100,000 with the approval of the Chair and Vice Chair.
  - (b) To enter into contracts for such maintenance, repairs or rehabilitation or for

the making of capital improvements and additions thereto, and for the performance of construction work, including demolition and excavation, and to arrange for purchase orders or contracts for the purchase of materials and supplies, in amounts not exceeding \$150,000 in any single transaction without further authorization or approval, and from \$150,001 to \$300,000 with the approval of the Chair and Vice Chair, provided that this authorization shall be applied only in the case of those contracts which are publicly advertised for competitive bids and in which the award is being made to the lowest bidder. Contracts or purchase orders for larger amounts, or for awards greater than \$50,000, and from \$50,001 to \$100,000 with the approval of the Chair and Vice Chair, wherein public advertising was not utilized or award is not to low bidder, would be arranged for and recommended to the appropriate committee for action. The limitation set forth above in this subparagraph (b) on the power of the President to execute any such contract or purchase order shall not be construed as imposing on the President a mandatory requirement to execute any contract or purchase order with the lowest bidder.

- (c) Whenever any such contracts or purchase orders have been executed on behalf of the Corporation, pursuant to subdivision (b) hereof, to arrange for, and execute on behalf of the Corporation contracts or agreements on behalf of the Corporation amendatory of or supplemental to such contracts and purchase orders, within funds budgeted for this purpose, provided such contract modifications do not individually exceed in any transaction the amount of \$50,000 or ten percent (10%) of the original contract value, whichever is the lesser, and provided additionally such contract modifications shall not be entered into as to any one contract more than once between any two consecutive meetings of the Board of Directors. Amounts from \$50,001 to \$100,000 or ten percent (%10) require the approval of the Chair and Vice Chair.
  - (d) To require a bond securing the performance of any such contract or purchase order whenever the President deems it advisable under the circumstances.
  - (e) To acquire temporary interests in real property necessary in connection with such construction or maintenance, provided the term of any such interest shall not be in excess of five years.
2. Whenever a budget adopted by the Board of Directors contains an item relating to an expenditure which is properly chargeable as an operating expense or which is for a purpose not mentioned elsewhere under this Article XII, "Administrative Powers," of these Bylaws, the President shall have the power, in the President's discretion, to authorize or arrange for the expenditure thereof, including the power to authorize or arrange for contracts for such purpose, for the exercise of any rights and the performance of any obligations vested in or assumed by the Board of Directors under such contract where the amount or estimated cost of such contract is not in excess of \$50,000, and from \$50,001 to \$100,000 with the approval of the Chair and Vice Chair.
  3. Whenever any construction or maintenance contract or any purchase order has been

executed pursuant to authorization granted by the Board of Directors, other than under this Article XII, "Administrative Powers," the President shall have the power to enter into contracts or agreements on behalf of the Corporation amendatory of or supplemental to such contracts and purchase orders, to place extra work orders, to make payments to vendors and contractors, and to exercise any rights and to perform any obligations vested in or assumed by the Corporation in any such contracts, within funds budgeted for this purpose, provided that the total payments made pursuant to this paragraph 3. shall not exceed \$50,000 or ten percent (10%) of the original contract or purchase order, whichever is the lesser, and amounts from \$50,001 to \$100,000 with the approval of the Chair and Vice Chair, in connection with any one such construction or maintenance contract or purchase order, and provided additionally such contract modifications shall not be entered into as to any one contract more than once between any two consecutive meetings of the Board of Directors.

4. To recommend to the appropriate committee, settlement of claims by or against the Corporation arising under or in connection with construction or maintenance contracts or purchase orders.
5. In the President's discretion, to authorize the payment to contractors and vendors of all or any part of the proportion of their compensation which corresponds to the proportion of work performed when payable under the terms of the contract or purchase order.
6. To arrange for and authorize the disposition of surplus personal property owned by the Corporation, the value of which does not exceed \$50,000 in any single transaction, upon such terms and conditions as the President may deem proper and in the best interest of the Corporation; and to arrange for and recommend to the appropriate committee the sale and/or disposition of Corporation owned personal property having a value in excess of \$50,000.
7. If an emergency arises that may require expenditure of Corporation funds in amounts exceeding the authority granted to the President under this Article XII, and if the nature and timing of the emergency requires, in the reasonable judgement of the President, that action be taken prior to the date on which Board of Directors' consideration can occur and become final, then the President may proceed as follows: the President will consult with the Chair and Vice Chair of the Board of Directors, or with either of them if the other is not available, and will obtain their consent, or the consent of one of them if the other is not available, to proceed to address the emergency without awaiting Board of Directors' consideration. If neither the Chair nor the Vice Chair is available, then the President may proceed without consultation. The President will report to the Board of Directors at the next succeeding meeting regarding any action taken pursuant to this provision.
8. The President shall have the authority to settle claims and lawsuits against the Corporation and its employees, agents, contractors, Directors and officers, after considering the advice of General Counsel and outside counsel, if any be involved, in an amount not to exceed \$100,000 for any one claim or lawsuit and to recommend to the Chair and/or Vice Chair the settlement of claims in excess of that amount.

### **C. General**

1. Whenever the President acts pursuant to power vested under these Bylaws, then all third persons are entitled to rely on the President's representation that the President has the power to act.
2. The powers herein vested in the President shall not be construed or deemed to affect the power of the Board of Directors to act in any case, nor shall any power vested in the President be construed or deemed to affect the power of any committee to act where such power is also vested in a committee, but where either the Board or any committee exercises a power in any such case, such action shall not be construed or deemed to affect the power of the President to act in similar cases in the future.
3. The President may, in the President's discretion, assign the performance, in whole or in part, of any power, authority or discretion conferred upon the President by any of the provisions of these Bylaws, or by any resolution heretofore or hereafter adopted by the Board of Directors to any other officer or member of the staff, provided that this power shall not apply to any case where the President is authorized to sign deeds of conveyance or checks, drafts or commercial paper, or to any case where the President is authorized to have access to safe deposit boxes.
4. The President shall report all action taken pursuant to this Article XII to the appropriate committee at the next meeting after the action is taken and shall include all actions taken pursuant to this Article XII since the preceding monthly meeting in the President's monthly report to the Board of Directors excepting reports of matters that would conflict with privacy laws if publicly disclosed.

## **XIII. CONFLICTS OF INTEREST**

### **A. Code of Ethics**

The code of Ethics for Directors and Employees of the Port Authority Transit Corporation shall be as follows:

1. *Adverse Financial and Personal Interests.* No Commissioner or employee of the Corporation shall engage directly in any personal business transactions, or private arrangement for personal profit which accrues from or is based upon their official position or authority. No Director or employee of the Corporation shall have any substantial interest, of either a financial or personal nature, in any business or transaction or professional activity which is in conflict with the proper discharge of their duties in carrying out the public business of the Corporation. For the purpose of this section, the public business of the Corporation includes all matters concerning the Corporation's contracts or the settlement of claims relating thereto, the procurement of Corporation supplies, equipment or services, the initiation or settlement of litigation to which the Corporation is a party, the grant by the Corporation of any subsidy or privilege, the issuance and placement of Corporation debt obligations, the deposit of Corporation funds, or any other transaction in which

- the Corporation has a substantial financial interests.
2. *Representation of Interests.* No Director or employee of the Corporation shall represent or act as an agent for any private interest, whether for compensation or not, in any matter in which the Corporation has a direct and substantial interest and which could reasonably be expected to result in a conflict between the interest of the - Director or employee and their official responsibility.
  3. *Gifts and Favors.* Directors or employees of the Corporation or members of their family shall not, directly or indirectly, solicit or accept or agree to accept any gift or anything of value for personal benefit under any circumstances which could reasonably be expected to influence the manner in which the Director or employee conducts the public business of the Corporation.  
For the purposes of this section, a member of the family includes a Director's or employee's spouse, children, parents and their children.
  4. *Misuse of Information.* No Director or employee shall use any information gained in connection with the performance of their public duties and not available to the public at large or shall divulge such information in advance of the time prescribed for its authorized release for their own personal gain or for the gain of others.
  5. *Other Employment.* No Director or employee of the Corporation shall engage in or accept private employment or render services for private interests when such employment or service is in substantial conflict with the proper discharge of their official duties.
  6. *Political Contributions.* No Director or employee shall solicit or receive payment or contribution from any Corporation employee on behalf of any candidate for public office, for the campaign purposes of any candidate or for the use of any political party.  
No Director or employee of the Corporation, while physically present on the premises of the Corporation, shall solicit or knowingly assist in the solicitation or acceptance of contributions on behalf of any candidate for public office, or any political organization or committee.

## **B. Abstention**

Any Director or employee of the Corporation who, in the discharge of their official duties, would be required to take an action or make a decision that would be inconsistent with any of the provisions of the Code of Ethics of the Port Authority Transit Corporation shall instead take the following actions:

1. Prepare a written statement describing the matter requiring action or decision and the nature of their interests affected with respect to such action or decision.
2. Cause copies of such statement to be delivered to Chair and Secretary of the Corporation, if they are a Director, or to their superior and the Secretary if they are an employee.
3. If a Director, they shall deliver a copy of such statement to the presiding officer, and to the Secretary of the Corporation and shall abstain from participating in discussion of or vote on the matter. The presiding officer shall cause such statement to be noted in the minutes and shall exclude the Director from any votes, deliberations, and other action on the matter.

4. If not a Director, they shall withdraw from participation in the matter and their superior shall assign it to another employee.

**C. Enforcement**

Any Director or employee of the Corporation who violates the provisions of the Corporation's Code of Ethics shall be subject to immediate dismissal or other disciplinary action by the appointing authority.

**XIV. LEGAL ASSISTANCE AND INDEMNIFICATION OF DIRECTORS, OFFICERS AND EMPLOYEES**

- A. The Corporation, through its counsel, shall defend an action brought against a Director, officer or employee of the Corporation for damages on account of an alleged injury to person or property, or other alleged wrongful act, or omission, if the alleged injury or wrongful act or omission which gave rise to the claim occurred while the said Director, officer or employee was acting on behalf of the Corporation. The Corporation may refuse to provide for the defense and indemnification of the Director, officer or employee in the following situations:
  1. Failure within ten (10) calendar days of the time the Director, officer or employee is served with any summons, complaint, process, notice, demand or pleading to deliver it to the General Counsel.
  2. The act or omission was not within the scope of employment.
  3. The act or omission was because of actual fraud, willful misconduct or actual malice.
  4. The defense of the action or proceeding by the Corporation's counsel would create a conflict of interest between the Corporation and the Director, officer or employee in which case the Corporation will provide separate counsel subject to the provisions of A. 1, 2 & 3 above.
- B. The Chair and Vice Chair of the Corporation shall appoint an ad hoc committee of its members to review and act on a request for indemnification by a Director pursuant to Section XIII. A. The ad hoc committee will consist of a committee of the whole excluding any person seeking indemnification. The committee's meeting will be confidential and closed to the public in accordance with Section VI, B.2(e).
- C. When the Corporation defends an action against a Director, officer or employee, it may assume exclusive control of the defense of the Director, officer or employee, keeping said individual advised with respect thereto, and the Director, officer or employee shall cooperate fully with the defense, provided that in situations where the legal counsel provided by or through the Corporation determines that the interests of the Director, officer or employee and the Corporation conflict, the Corporation shall obtain the express written consent of the

Director, officer or employee for such interested representation, or, in its discretion, shall supply independent representation as stated in A. 4 above.

- D. When an action is brought against a Director, officer or employee of the Corporation for damages to person or property or other alleged wrongful act or omission, and there is a settlement, or a judicial determination that an act or omission of the Director, officer or employee caused the injury and such act or omission was caused while acting on behalf of the Corporation by the Director, officer, or employee, the Corporation shall indemnify the Director, officer, or employee for the payment of any amounts in settlement provided that the entry into terms and amount of any settlement must be approved in advance by the appropriate officers of the Corporation or pursuant to a judgement as a result of the lawsuit.
- E. In the lawsuit against a Director, officer or employee for damages caused by the act or omission of the Director, officer or employee in which lawsuit the Director, officer or employee has not fully cooperated with the Corporation, or its counsel, in the defense of the action, the indemnification provisions of this section shall not apply.
- F. The Corporation shall not provide indemnification to a Director, officer or employee for any damages resulting from the commission of an intentional crime. The Corporation shall provide indemnification to a Director, officer, or employee for an award of punitive or exemplary damages unless it shall be determined by the Board that the act or omission resulting in the award of punitive or exemplary damages was one of knowing and intentional or willful misconduct.

## **XV. PARLIAMENTARY AUTHORITY**

The rules of the current edition of Robert's Rules of Order Newly Revised will govern Board meetings whenever questions of procedure not covered in these Bylaws arise.

## **XVI. AMENDING BYLAWS**

These Bylaws may be amended pursuant to the following procedure:

1. A proposal to amend the Bylaws may be introduced at any regular meeting.
2. If favorable action is taken thereon at such meeting, the proposal shall be recorded in the minutes and a special written notice setting forth such proposal shall be mailed to every Director and to the Chief Executive Officer and to all of the Commissioners of the Delaware River Port Authority at least ten (10) days before the next regular meeting.
3. The amendment shall be finally acted upon at the next regular meeting following the meeting at which it was proposed.
4. No amendment to these Bylaws shall be effective until the same shall have been approved by action of the Delaware River Port Authority at a regular or special meeting of the Delaware River Port Authority.