DART Capital Accumulation Plan and Trust
Summary Plan Description

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June 2017
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INTRODUCTION

The Dallas Area Rapid Transit (DART) is pleased to provide you with this Summary Plan Description of the DART Capital Accumulation Plan and Trust, also referred to as your 401(k) Plan. If you are willing to take the first step by making salary deferrals to the Plan, DART can help you save towards retirement with this savings plan. This booklet describes the basic features of the Plan. Please read it carefully. In it, you will learn how the Plan can benefit you and when you are eligible to receive these benefits.

Because this booklet is only a summary, it may not answer all your questions about the Plan. You can become more familiar with the Plan by reading the actual Plan document, which is available on DARTnet and in the Human Capital Department. This summary explains many key terms, but where capitalized terms are used, their exact meaning is defined in the Plan document. If there is an inconsistency between this summary and the Plan document, the Plan document will govern.

DART's retirement plans are intended to help you build your retirement security by providing an opportunity for additional savings so that you can achieve your retirement goals. This is why your 401(k) should be an important part of your financial planning.

Your 401(k) plan is an employer-sponsored 401(k) retirement savings plan that offers you an opportunity to save for the future while reducing today's tax burden. Participation in this Plan offers many advantages not found in many other savings programs:

• You save by making contributions through easy payroll deductions. Your contributions may be before-tax salary deferrals or after-tax “Roth” deferrals.

• You control your contribution amount, from 2% to 50% of your Compensation (subject to a dollar ceiling imposed by the Internal Revenue Code).

• DART contributes to your Account for each pay period in which you make a deferral, by matching 50% of the amount you contribute (that's 50 cents for every dollar that you contribute to the Plan) up to 6% of your Compensation, for a total maximum Matching Contribution of 3% of your Compensation.

• You pay no federal income tax on your before-tax contributions, the DART Matching Contribution, or the investment earnings on your Account if they stay in the Plan.

• All salary deferral contributions you make are 100% vested, which means you have a right to their full value when you are eligible for a Plan distribution.

• You receive a statement of your Account activity each quarter.

• You have daily access to your Account balances on Vanguard’s participant website, www.vanguard.com, or by calling Vanguard’s 401(k) Phone Line at 800-523-1188.
ELIGIBILITY AND PARTICIPATION

You are an “Eligible Employee” for Plan participation if you are a regular, full-time employee (certain temporary or part-time employees who began employment before March 1, 2002 may also be eligible). Union employees are Eligible Employees only if their union contract provides for Plan participation. If you are an Eligible Employee, you may make salary deferral contributions to the Plan when your employment starts. You become eligible for the DART Matching Contribution after completing 180 days of employment as an Eligible Employee.

If you are not eligible to participate, you will become eligible to make salary deferral contributions immediately after your status changes to eligible (for example, by changing from a part-time to a full-time position, if the other requirements above are also met). If you are eligible to participate but later become ineligible, your ability to contribute to the Plan ceases, but your Account remains in the Plan and continues to share in investment gains and losses until you are eligible for a distribution.

ENROLLMENT

If you are eligible, we encourage you to enroll in the Plan after your first paycheck by going on-line to www.Vanguard.com or by calling the 401(k) Phone Line.

Your salary deferral contributions may be in the form of before-tax salary deferrals or after-tax “Roth” deferrals. Both types of contributions are deducted from your paycheck before you receive it. Before-tax deferrals are deposited in your Before-Tax Deferral Account. They are not subject to federal income tax when they are deducted from your pay and the earnings are also not taxed while they remain in the Plan. Your Before-Tax Deferral Account is subject to federal income tax when later distributed.

In contrast, after-tax Roth deferrals are subject to federal income tax when deducted from your pay. They are deposited in your Roth Deferral Account. The entire Roth Deferral Account – the after-tax Roth deferrals and associated earnings – is not subject to federal income tax when distributed if certain IRS requirements are met. If you withdraw any portion of your Roth Deferral Account within five years of making your first contribution to the Roth Deferral Account, the pro rata portion of the amount withdrawn that is attributable to earnings will be subject to federal income tax and possibly an “early withdrawal” federal tax penalty of 10% if you are under the age of 59 ½.

Before you enroll on-line or call to enroll, please be sure you've read all the investment fund materials that you received during orientation. You will be asked to make choices that will (1) instruct DART to deposit a percentage of your paycheck as either before-tax contributions or after-tax Roth contributions (or a combination of the two) to an Account in your name, and (2) instruct the Plan’s Trustee to invest the money in your Account into the investment funds that you select. Your contributions will be deducted from your paycheck and your savings will commence as soon as administratively feasible.
If you do not enroll within the first thirty days of your employment, you will be automatically enrolled in the Plan with a before-tax salary deferral equal to 4% of your payroll period Compensation. This is referred to in this summary as "automatic enrollment." If you are automatically enrolled, your before-tax salary deferral amount automatically increases each of the following two subsequent Plan Years, as described below. The automatic percentage of Compensation at which a Participant is enrolled is described in this summary as the "default" deferral percentage.

For purposes of the Plan, your "Compensation" is generally the taxable income reported on your Form W-2. It includes a “cash-out” payment you may receive after terminating employment for any accrued, unused sick leave or vacation leave. It also includes your salary deferrals under this Plan, pre-tax contributions to the DART Flexible Benefits Plan, and any deferrals under a "457" plan. If you are on qualified military service leave and receive differential wage payments from DART, “Compensation” for Plan purposes will include your differential wage payments. It excludes employee recognition awards and allowances. Some highly compensated employees are subject to a mandatory limit on the amount of compensation that may be considered for Plan purposes.

**SALARY DEFERRAL AND "CATCH-UP" CONTRIBUTIONS**

If you are enrolled in the Plan, DART is authorized to contribute the amount of your salary deferral directly into the applicable Plan Account—either a Before-Tax Deferral Account or a Roth Deferral Account. Your salary deferral is the percentage of Compensation you have elected to contribute on either a before-tax or after-tax basis or, if you have been automatically enrolled, the applicable default percentage as a before-tax deferral. Your salary deferrals are automatically deducted by DART from each paycheck that you receive during the year.

If you have been automatically enrolled, your deferrals are before-tax deferrals and the first default percentage is 4% of Compensation for the pay period. Before or after you have been automatically enrolled, you may go online to [www.Vanguard.com](http://www.Vanguard.com) or call the 401(k) Phone Line to increase or decrease this percentage, to allocate your deferrals between before-tax and after-tax Roth contributions, or to elect not to contribute any amount at all. If you have been automatically enrolled at 4% and take no action, then on the next following January 1, your default salary deferral percentage will increase to 5% of Compensation; on the following January 1, your default percentage will increase to 6% of Compensation. While it will not automatically increase beyond 6%, contributions of up to 50% of compensation are permitted, subject to limits set by the Internal Revenue Service, currently $18,000 per year for individuals under the age of 50, and $24,000 for individuals 50 and older in 2017 (the additional amount represents a “catch-up” contribution of $6,000). These limits will increase in subsequent years based on future IRS guidance. If your salary deferrals reach this dollar limit during the year, your payroll deductions will stop automatically.
If you select a salary deferral amount, it must be at least 2% and not more than 50% of Compensation. In addition, the government places limits on the total dollar amount you may contribute each year.

As noted above, if you are age 50 or older (or will turn 50 during the year) you may make additional “catch-up” contributions each year, after you have reached the salary deferral dollar limit for that year. The maximum catch-up contribution is $6,000 for 2017. Catch-up contributions may be before-tax deferrals or after-tax Roth deferrals, as you choose. Call Human Capital for more information.

If you are gone from DART for qualified military service leave and return at the end of your leave, you have a period of time in which you may make “extra” salary deferrals (and receive Matching Contributions) to make up for the opportunity to make salary deferrals while you were on leave. Call Human Capital for more information.

You may increase, decrease, or stop your salary deferrals at any time by going on-line to www.Vanguard.com or by calling the 401(k) Phone Line. Keep in mind, DART’s Matching Contributions apply to the salary deferrals you make each pay period. If you reach your contribution limit early in the year, or stop your contributions, you will receive no further Matching Contributions for the remainder of the year.

ROLLOVERS INTO THE PLAN

If you are eligible to receive a distribution from another employer’s plan—before-tax accounts or designated after-tax Roth accounts—it may be "rolled over" into this Plan if the Retirement Committee determines that such a rollover qualifies under applicable IRS rules. Before-tax rollovers and after-tax rollovers are maintained in separate Accounts, to ensure they are taxed correctly when later distributed.

You can receive a rollover form by going on-line to www.Vanguard.com or by calling the 401(k) Phone Line. You must sign and return the completed form and attach any additional documentation indicated on the form. Your application is subject to the approval of the Retirement Committee.

DART'S MATCH

DART encourages you to participate in the Plan by matching part of your salary deferrals. These contributions are referred to as DART’s Matching Contributions. You become eligible for DART Matching Contributions one hundred and eighty (180) days after your first day of employment as an Eligible Employee. For every dollar you save in any pay period, up to 6% of your pay period Compensation, DART will contribute 50 cents to your Account for that pay period.

If you terminate employment and are later rehired in an Eligible Employee position, you may elect to make before-tax contributions right away (or you will be automatically enrolled thirty days after your re-hire date) and you will be eligible for the DART Matching Contribution beginning with the first payroll period 180 days after your re-hire.
ADDITIONAL LIMIT

The Internal Revenue Code limits the total amount that may be allocated to you under this Plan and any other qualified defined contribution plans adopted by DART, which includes the DART Retirement Plan. This "annual addition" limitation includes your before-tax and after-tax contributions, DART Matching Contributions, and any DART Retirement Plan contributions. Plan earnings and rollover contributions are not included in determining annual additions. You will be notified if this limit affects you.

VESTING

Of course, you are always 100% vested, or entitled to the full value of, your own contributions (your before-tax contributions, after-tax contributions, and rollover contributions). You also are 100% vested in any voluntary after-tax contributions that you were permitted to make up until June 30, 1987.

You become vested in your DART Matching Contribution Account according to a vesting schedule. You earn one Year of Vesting Service for each Plan Year that you work 1,000 or more hours regardless of whether you elect to save money in the Plan that year.

If you are first employed or are re-employed on and after January 1, 2006, your DART Matching Contribution Account is vested according to the following schedule:

<table>
<thead>
<tr>
<th>Years of Vesting Service:</th>
<th>Percent vested:</th>
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<tbody>
<tr>
<td>Less than 5 years</td>
<td>0%</td>
</tr>
<tr>
<td>5 years or more</td>
<td>100%</td>
</tr>
</tbody>
</table>

If you were employed or re-employed before January 1, 2006, your DART Matching Contribution Account is vested according to the following schedule:

<table>
<thead>
<tr>
<th>Years of Vesting Service:</th>
<th>Percent vested:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 2 Years</td>
<td>0%</td>
</tr>
<tr>
<td>2 Years</td>
<td>25%</td>
</tr>
<tr>
<td>3 Years</td>
<td>50%</td>
</tr>
<tr>
<td>4 Years</td>
<td>75%</td>
</tr>
<tr>
<td>5 Years or more</td>
<td>100%</td>
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If you were first employed before January 1, 2006 and are later re-employed after January 1, 2006, the 5-year graduated schedule will apply to the portion of your DART Matching Contribution Account that accumulated prior to your termination of employment and the 5-year 0%/100% cliff vesting schedule will apply to the portion that accumulates after you were re-employed.

Your eligible Years of Vesting Service determines vesting, not the timing of each DART Matching Contribution. Unless the immediately preceding paragraph applies, the same vested percentage applies to all of DART's Matching Contributions, regardless of how long particular amounts have been in your Account. Once your DART Matching Contribution Account becomes 100% vested, any future DART Matching Contributions you receive are also 100% vested.
You automatically become 100% vested, regardless of your Years of Vesting Service, in the following cases:

- you die while employed with DART;
- you become permanently disabled (as defined by the Plan) while employed with DART;
- you are employed by DART and have attained age 60; or
- you die while on leave for qualified military service

If you end your employment with DART before you are 100% vested and opt to take a distribution of your vested Account at that time, you forfeit—or lose the right to—the non-vested part of your DART Matching Contribution Account. DART applies the forfeited balances to pay the administrative expenses of the Plan, reinstate forfeitures as described below, and reduce DART's future Matching Contributions. If you leave DART but come back to work before you have five consecutive one-year Breaks in Service, you will be able to have the forfeiture restored to your Account if you pay back the distributions you received. If you are eligible to leave your Account in the Plan after terminating employment and opt to do so, the non-vested portion of your Account is forfeited when you have incurred five consecutive one-year Breaks in Service. A “Break in Service” is any Plan Year in which you are credited with 500 or fewer hours of service. In counting your hours of service, we count periods of approved, paid leaves of absence and qualified military service leave, if you return to employment following your leave.

INVESTMENTS

You control the investment of your 401(k) Account. DART provides you with a description of the available investment funds and we encourage you to carefully review this information. The money in your Account will be invested based upon your choice of investment funds. For all funds offered, a descriptive booklet known as a prospectus describes the investment objectives of the fund and the types of investments the fund makes. The prospectus will describe risk factors associated with the investment and the fees your Account may incur if you invest in the fund. It is important that you review the prospectus if you are considering directing your Account balance to the fund. Copies of the prospectus are available on-line at www.Vanguard.com or without charge by calling Vanguard’s toll-free number, 1-800-523-1188. Since you are making the investment decisions, you are responsible for the financial consequences of those decisions. Vanguard offers several levels of investment management support, including options ranging from free on-line tools, to investment advice at a small quarterly charge to full investment advisor management services.

You may go on-line at www.vanguard.com or call Vanguard at 1-800-523-1188 at any time to change the way in which your Account is invested. You may also set up automatic rebalancing of your Account investments. More information is available on the www.vanguard.com site.
If you do not make choices about how your Account will be invested, your Account will be invested in the "default" investment fund selected by the Retirement Committee. The "default" fund is a Target Date Retirement Fund that is based on your current age and expected retirement date. With this fund, as your expected retirement date nears, your Account automatically shifts to more conservative investments.

ACCOUNT STATEMENTS

You will receive a statement each quarter either via U.S. mail or electronically. It will show your beginning Account balance, your contributions during the period, DART's Matching Contribution during the period, your investment earnings, any outstanding Plan loan, and your Account balance as of the end of the period. You may also go on-line to www.Vanguard.com or call Vanguard’s toll-free number, 1-800-523-1188, to access your Account balance at any time.

Please be sure to keep your address current with DART so that you continue to receive your statements. After you terminate employment, if your Account balance exceeds $5,000 and you opt to leave your Account in the Plan, you must continue to keep DART Human Capital informed of your current address so that we may continue to communicate with you about the Plan.

LOANS AND WITHDRAWALS

Your 401(k) Plan is designed to be a long-term savings program. The Internal Revenue Service (IRS) allows the advantage of delaying taxes through plans like this to encourage people to save for the future. In return, the IRS has set limits on taking the money out while you are an active DART employee. There are four ways to withdraw money while you are actively employed: loans, withdrawal of voluntary after-tax contributions, hardship withdrawals, and withdrawals if you are age 60 or older.

PLAN LOANS

If you have a vested balance of at least $1,000, you may apply for a general-purpose loan with a maximum loan term of 5 years or a home purchase loan with a maximum loan-term of 15 years. For home purchase loans, you will need to submit a copy of your purchase agreement with your loan application. Repayment of loans, with interest, will be made through payroll deductions that are in addition to your regular before-tax contributions.

The minimum loan amount is $500. The maximum loan amount is the lesser of half your vested Account balance or $50,000. By law, the $50,000 maximum is further reduced by the highest outstanding amount of any other 401(k) loan you had during the previous 12 months.

You may have only one outstanding loan from the Plan at a time and you may not take a loan to repay an existing loan. You may take out only one loan in a 12-month period from the date your last loan was initiated, even if your prior loan has been repaid.

You can request a loan on-line at www.Vanguard.com or request paperwork for a 401(k)
loan by calling the 401(k) Phone Line. A lower origination fee will apply for loans initiated online at www.Vanguard.com or by using the 24-hour automated VOICE Network at 1-800-523-1188. To receive your loan check, you must sign and return the disclosure statement, promissory note, and spousal consent form, as instructed in the loan package, to indicate that you have agreed to the repayment terms of the loan.

WITHDRAWAL OF VOLUNTARY AFTER-TAX CONTRIBUTIONS

If you made any voluntary after-tax contributions, which were permitted by the Plan up until June 30, 1987, you may withdraw these contributions from your voluntary after-tax contribution Account. The maximum amount you may withdraw from this Account is limited to the amount of your actual voluntary after-tax contributions. That is, you may not withdraw any earnings on your after-tax contributions while you are still employed.

You can request a withdrawal of your voluntary after-tax contributions on-line at www.Vanguard.com or by calling the 401(k) Phone Line.

HARDSHIP WITHDRAWALS

If you have a severe financial need, you may qualify for a hardship withdrawal of all or part of your salary deferral contributions and your Rollover Accounts, if any. (Generally, earnings on before-tax deferrals are not available for a hardship withdrawal.) Unlike a Plan loan, a hardship withdrawal cannot be repaid. The portion that is attributable to before-tax contributions is subject to federal income tax when withdrawn and, if you are under age 59 1/2 at the time, a 10% "early withdrawal" penalty tax.

If your hardship withdrawal is taken from your Roth Deferral Account, it will not be subject to income tax or the 10% penalty tax if at least 5 years have elapsed since you began contributing to the Roth Deferral Account and you are at least age 59 1/2 or are disabled at the time of the withdrawal. If fewer than 5 years have elapsed, the distribution will be treated for tax purposes as a pro rata return of your Roth contributions and earnings (although earnings are not actually distributed). This means a portion will be subject to federal income tax and, if you are under age 59 1/2 at that time, the 10% penalty tax.

To qualify for a hardship withdrawal, you must (1) be a current employee of DART with at least one Year of Vesting Service, (2) prove your financial need and the amount required to meet the need with appropriate documents, bills or invoices and (3) certify that all other sources reasonably available have been exhausted (such as obtaining a Plan loan, borrowing from a commercially available source, or compensation from insurance). Under the Plan, the following situations are considered as possible "hardships":

- The purchase of a principal residence for yourself;
- Payment of medical expenses for you, your spouse, or your dependents, when the expenses are not covered by insurance;
- Prevention of eviction from your principal residence or foreclosure of a mortgage on your principal residence;
• Payment of tuition for the next year, next semester or quarter of post-secondary education for you, your spouse, or other dependents;

• Payment of funeral or burial expenses related to the death of your spouse, parent, child or other dependent; or

• Payment of expenses to repair "casualty damage" to your principal residence (such as might occur due to severe weather).

You can request a hardship withdrawal by going on-line to www.Vanguard.com or by calling the 401(k) Phone Line. You must sign and return to Vanguard the completed form with documentation attached to the application. If you are married, spousal consent to the distribution is required. The amount requested cannot be more than the amount of the financial need, but it may include the amount you will need to pay the anticipated taxes and penalties due to the withdrawal. If you receive a hardship withdrawal, you will not be permitted to make salary deferral contributions to the Plan for the following six months, which means you will not receive any Matching Contributions for the same period of time. Your application is subject to the approval of the Retirement Committee.

WITHDRAWAL AT OR AFTER AGE 60

If you are 60 years old or older, you may request a distribution of any portion of your Account while you are employed. This type of withdrawal is subject to the following limits: (i) if you are married, your spouse’s written consent to the withdrawal is required; (ii) you may take no more than two withdrawals in any one year; and (iii) the minimum amount that may be withdrawn is $1,000.

DISTRIBUTIONS

You are entitled to a distribution of your vested Account balance upon:

• your retirement from DART at any time after you reach age 60;

• your separation of employment with DART;

• your becoming permanently Disabled (as defined by the Plan) while employed with DART; or

• your death.

You can request a distribution on-line at www.Vanguard.com or by calling and requesting a distribution request form by calling the Vanguard 401(k) Phone Line. You must sign and return the completed form. Before your distribution is processed, it will be reviewed by the Human Capital Department to verify that you are no longer employed with DART. Your application will then be processed as soon as administratively feasible. (Typically within 1-2 weeks of your final pay date.)

Tax laws are complex and change often. They also affect different people in different ways, depending on personal circumstances. The best source of tax information is a qualified tax
advisor. DART is not authorized to give tax advice. Always consider tax laws before you make a withdrawal or receive a distribution from the Plan.

You may request a distribution in any one of the forms described below or a combination of one or more of these forms.

(1) **Lump Sum Distribution**: One lump sum payment. Your before-tax salary deferral Account, your before-tax Rollover Account, and your DART Matching Contribution Account are taxable when you receive a lump sum because you accumulated the money on a before-tax basis. Also, if you are under age 59½, you may be required to pay a 10% "penalty" tax for early distribution. In addition, a distribution that is eligible for tax-free rollover is subject to mandatory 20% federal income tax withholding if you receive the distribution rather than roll it over.

Your after-tax Roth Deferral Account, your Roth Rollover Account, and any pre-1988 voluntary after-tax contributions are generally not subject to income tax when you receive them. However, the portion of the Roth Accounts attributable to earnings will be subject to federal income tax and possibly the 10% penalty tax if you receive the distribution within 5 years of making your first contributions to those Accounts.

(2) **Direct Rollover**: Tax-deferred rollover of a portion or all your Account. You may delay taxation of both the 20% federal income tax withholding and the 10% early distribution tax by instructing the Plan to distribute your Account directly into an Individual Retirement Account (IRA) or another employer's qualified plan. Roth contributions may only be rolled to a designated Roth Account in another employer’s plan or to a Roth IRA.

(3) **Installment Payments**: A series of payments made periodically (annually, semi-annually, quarterly, or monthly) over a period you select, not exceeding your life expectancy or the joint life expectancy of you and your beneficiary. To the extent the distribution is taxable, the installments are taxed in the year paid. Also, if you are under age 59½, you may be required to pay a 10% tax for early distribution. Each installment that is eligible for tax-free rollover will be subject to mandatory 20% federal income tax withholding if you receive the payment rather than roll it over.

Alternatively, you may roll over the money yourself within 60 days of receiving your distribution from the Plan. Your distributions will usually be eligible for rollover if you receive your entire interest in a single payment or in several payments over a period of less than ten (10) years. However, if you receive a distribution and intend to roll it over, it will be subject to the mandatory 20% federal income tax withholding. Although the amount withheld could be refundable once your annual individual income tax return is filed showing that the money has been rolled into a qualified plan, you would need to use other sources of funding to replace the 20% withheld in order to roll 100% of your distribution into a new plan or IRA.
DART Capital Accumulation Plan and Trust
Summary Plan Description

If your vested Account balance is $1,000 or less and you do not request a distribution or make a rollover of your Account within 90 days of your termination of employment date, we will send your vested Account balance to you in one lump sum. The Plan allows the Plan to "cash out" small Account balances without your consent. If your vested balance is greater than $1,000 but less than $5,000, and you do not return your distribution forms within the 90-day window, the Plan requires that your Account be rolled to an IRA that will be established at Vanguard on your behalf. Once that rollover is complete, you are the owner of that IRA and you are considered as having received your entire Plan benefit. You may inquire about an IRA the Plan establishes for you by contacting Vanguard’s Retail Group at 1-800-662-2739.

If your Account exceeds $5,000, you may opt to take your distribution, roll it over, or leave your Account in the Plan until a later date, as late as April 1st of the year after you turn age 70½. If you leave your Account in the Plan, distribution must commence no later than age 70½. Your Account will continue to share in investment gains and losses while it remains in the Plan. After you terminate employment, you may continue to adjust how your Account is invested by going on-line to www.Vanguard.com or by calling the 401(k) Phone Line.

Benefits in the Event of Your Death

If you should die while employed by DART, your death benefit will be the total amount in all your Accounts, even if you were not 100% vested before your death. You may designate a beneficiary or beneficiaries (or change a prior beneficiary designation) to receive your benefits in the event you die prior to receiving your Plan benefit on-line at www.vanguard.com. If you have previously made an online beneficiary designation on DART’s Employee Self-Service portal, that designation will continue to be honored. If you fail to designate a beneficiary, your benefits will be paid to your spouse, but if your spouse is not then living, your benefits will be paid to your estate. If you are married and wish to designate someone other than your spouse as your Plan beneficiary, you must have your spouse’s written notarized consent to the specific beneficiary you designate.

Reduction or Denial of Benefits

The following circumstances could cause a delay, reduction, or denial of your Plan benefit.

- There is a decline in value of the funds in which your Account is invested.
- You terminate employment before completing enough service to receive any vesting credit in your DART Matching Contribution Account.
- You move and do not leave a forwarding address.
- You die after you terminate employment and your Beneficiary does not notify the Committee.
You do not return to work from any authorized leave of absence or after service in the U.S. Armed Forces within the period in which your reemployment rights are guaranteed by law, resulting in a Break in Service. If a Break in Service occurs, you will be entitled to your vested interest in your DART Matching Contribution Account as determined by the Vesting schedule described in this summary.

HIGHLIGHTS: QUESTIONS AND ANSWERS

WHY SHOULD I START PLANNING FOR MY RETIREMENT NOW?

No matter your age, beginning a savings plan for retirement is important. Pension benefits and Social Security were never intended to provide 100% of your retirement income. Everyone must assume increased responsibility for planning the level of retirement security they desire. By offering the 401(k) Plan, DART provides you with an opportunity to save and to defer current taxes on the money you save toward retirement.

HOW CAN MY PARTICIPATION IN THE PLAN SAVE ON MY TAXES?

If you participate in the Plan, your before-tax contributions are deducted from your paycheck first, then federal income taxes are withheld on the remaining amount. You will pay federal income taxes at the time you withdraw the funds, usually after retirement when your tax bracket may be lower. Before-tax contributions are subject to Social Security taxes (FICA) at the time of deferral.

In addition, your savings grow tax-deferred. This will potentially provide you with larger savings at retirement than may have been saved through similar investments outside of a qualified retirement plan.

Participating in the Roth deferral feature of the Plan may also provide tax savings in the long run. Although Roth deferrals are taxable when deferred, the earnings in your Roth Deferral Account will grow tax-free. If you participate in the Roth portion of the Plan for more than five years without accessing the Roth funds, the earnings on your Roth contributions, as well as the contributions themselves, will be tax-free when distributed. This may appeal to you, and may be more likely to save overall tax dollars, if you prefer to pay taxes on your contributions currently in exchange for reducing the amount of tax you pay when you receive a distribution from the Plan in the future.

In addition, if you qualify for the federal “Savers’ Tax Credit,” you may be able to reduce your federal taxes even further by participating in the Plan. The Savers’ Tax Credit is a special federal tax incentive for low-income and moderate-income taxpayers who participate in a 401(k) plan. You must meet certain requirements to qualify for the Credit and the amount of the Credit varies depending on your individual circumstances. To claim the credit, consult a tax advisor and use IRS Form 8880, "Credit for Qualified Retirement Savings Contributions."
WILL PARTICIPATING IN THE 401(K) PLAN IN ANY WAY REDUCE THE AMOUNT OF
SOCIAL SECURITY BENEFITS TO WHICH I WILL BE ENTITLED AT RETIREMENT BECAUSE
MY PAY APPEARS TO BE LOWER DUE TO MY 401(K) CONTRIBUTIONS?

No. You pay FICA taxes on your full eligible Social Security wages, so your Social
Security benefit at retirement will be based on all your pay, including any amounts you
derfer into the Plan.

WILL I PAY LESS SOCIAL SECURITY TAX IF I PARTICIPATE IN THE 401(K) PLAN?

No. Your Social Security tax, like your Social Security benefits, will be figured on your
pay before anything is taken out for the Plan. Therefore, your Social Security tax (unlike
your income tax) will be the same, regardless of whether you participate.

WILL MY SALARY DEFERRAL CONTRIBUTIONS REDUCE IN ANY WAY ANY DART
BENEFIT TO WHICH I MAY BE ENTITLED?

No. Your DART fringe benefits, such as health care and life insurance, are based on your
total pay, including 401(k) contributions. Your decision to make 401(k) contributions will
in no way reduce any of these benefits, nor will it in any way reduce the retirement benefits
to which you will be entitled under the DART Retirement Plan or the DART Employees' Defined Benefit Retirement Plan. However, you will not be eligible for DART's Matching Contribution if you opt not to make salary deferrals.

WHAT HAPPENS IF I CHANGE JOBS?

If your employment with DART ends and your new employer has a qualified retirement
plan and that employer's plan permits rollover contributions, you may be able to transfer
your DART 401(k) vested Account balance directly to the new plan. You also may roll
over your 401(k) assets into an IRA. By keeping your assets in an IRA or in a qualified
retirement plan, you will be able to maintain the tax-deferred status of the assets.

You may also request distribution of your Account or, if your vested balance exceeds
$5,000, you may leave your Account invested in the Plan and request a distribution or
rollover at a later date.

QUESTIONS ABOUT THE PLAN

If you have any questions about your Plan, please contact the Human Capital Department
at (214) 749-3239. We are happy to answer any questions you may have. However, DART
and its employees are not legal advisors, investment advisors, or tax advisors. You should
also consult qualified tax counsel if you have specific tax questions related to your Plan
participation or Plan distributions.
CLAIMING YOUR BENEFITS

If you (or your beneficiary) do not receive the distribution to which you believe you are entitled or disagree with any determination related to your Plan benefit, please call the Human Capital Department for assistance. If the issue is not resolved to your satisfaction, you must present a claim to the Retirement Committee in accordance with the procedures described below.

All claims for benefits under the Plan should be submitted to:

Retirement Committee
DART Capital Accumulation Plan
Dallas Area Rapid Transit
PO Box 660163
Dallas, Texas 75266-7240
(214) 749-3383

Claims must be in writing and must be signed by you or your beneficiary.

If, for any reason, your claim for a benefit is denied, the Committee will provide you with written notice that your claim has been denied, no later than 60 days after having received your claim. This notice will include the reason your claim was denied, reference to the pertinent Plan provisions upon which the denial is based, a description of any additional material or information necessary for you to better document the claim, together with an explanation of why such material or information is necessary, and an explanation of the Plan's claim review procedure.

You may appeal any claim denial by writing to the Retirement Committee at the above address. If you do not submit a written appeal within the timeframe indicated, the initial denial of your claim is considered final.

You or your representative(s) are entitled to review any documents relevant to the benefit claim and to submit issues and comments in writing if you appeal. The Retirement Committee determines what documents are relevant to the benefit claim. You must submit your appeal no later than 90 days after having received a denial of your claim.

The Retirement Committee will send you a final decision, in writing, no later than 60 days after receipt of your appeal. Before making its final decision, the Committee may determine that a hearing is necessary to complete a full and fair review, and if a hearing is held, the Committee will send you a final decision no later than 120 days after receipt of your appeal. The decision will state specific reasons and specify the plan provision(s) on which it is based.
IMPORTANT COMPANY AND PLAN INFORMATION

PLAN NAME AND IDENTIFICATION NUMBER

The full name of the Plan is the DART Capital Accumulation Plan and Trust. DART's federal Employer Identification Number ("EIN") is 75-1813169. The Plan's "Plan Number" is 001.

TYPE OF PLAN

This Plan is a defined contribution plan. It is administered by the Plan Administrator (DART).

PLAN SPONSOR AND ADMINISTRATOR

This Plan is sponsored for the benefit of its eligible employees by Dallas Area Rapid Transit, PO Box 660163, Dallas, Texas 75266-7240, telephone: (214) 749-3383.

The Plan is administered by a Retirement Committee consisting of not fewer than five (5) persons appointed by DART's Executive Director. The Executive Director himself cannot serve on the Committee. The Committee has the exclusive right and sole discretion to interpret and administer the terms of the Plan, and its decisions are conclusive and binding.

TRUSTEES

The Plan assets are held by the Plan's Trustee or Custodian in accordance with a Trust Agreement. The name and address of the Trustee or Custodian may be obtained from the DART Human Capital Department.

INVESTMENT MANAGER

You choose how to invest your Account from among the investment alternatives made available to Plan participants. The funds offered by the Plan are chosen based upon information from and the recommendations of investment advisors. Because you choose how to invest your Account, you are responsible for the financial results of your investment decisions.

FUTURE OF THE PLAN

DART expects to continue the Plan indefinitely. However, DART reserves the right to amend, discontinue, or terminate the Plan at any time for any reason. Under no circumstance will any assets of the Plan, or income therefrom, be used for any purpose other than the exclusive benefit of the participants of the Plan and the payment of reasonable Plan administrative expenses.

NON-ASSIGNMENT OF BENEFITS

Under this Plan, you may not assign, sell, transfer, or use your benefits as collateral. Furthermore, creditors may not attach your benefits in the Plan as a means of collecting...
debts. However, if you owe unpaid taxes to the Internal Revenue Service, it can take steps to use funds in your Plan Account to pay the amount due.

Your benefits may be divided and applied to benefit someone else—such as a former spouse or your child—if the Plan receives a valid Qualified Domestic Relations Order (QDRO). A QDRO is an order or judgment from a state court directing the Plan Administrator to pay all or a portion of a participant's benefits to a spouse, former spouse or dependent. If a court issues a QDRO that divides your Account, an administrative fee will be deducted from the Account to pay the cost of processing the QDRO.

**Effective Date of Plan**

The Plan became effective on October 1, 1984, and has been amended and restated at various times since then. The Plan was last restated effective in 2016.

**No Right to Employment**

Your participation in the Plan does not give you a right to be retained in employment by DART.

**Plan Year**

The Plan Year is the calendar year.

**Agent for Service of Legal Process**

The General Counsel of DART, or the Executive Director, is the agent responsible for receipt of service of legal process at:

Dallas Area Rapid Transit
1401 Pacific Avenue
Dallas TX 75202

**Pension Benefit Guaranty Corporation ("PBGC")**

Plan benefits are not insured by the PBGC, a governmental corporation.