

SCREEN ACTORS GUILD-PRODUCERS HEALTH PLAN
TRUST AGREEMENT

(Including Amendments 1 through 17)

(Amended 11/6/92) This is an agreement entered into as of the 1st day of February, 1960, but amended in its entirety as of the 14th day of February, 1961 and as of the 1st day of February, 1984, all in the County of Los Angeles, State of California. The parties to this agreement, as amended are: first, certain employers of motion picture actors and extras, as more fully described herein, and who will be hereinafter referred to as "Producers"; second, Screen Actors Guild, Inc., being the representative for collective bargaining purposes of members of the motion picture acting and motion picture extra professions; and third, the Health Plan Trustees and the Successor Health Plan Trustees.

The parties hereto contracting do so with reference to the following facts:

Screen Actors Guild, Inc., hereinafter referred to as "SAG" has entered into collective bargaining agreements with various Producers, including the Producers who are members of the Association of Motion Picture Producers, Inc., and including the Producers who had previously entered into collective bargaining agreements with the Screen Extras Guild, Inc., which was formerly a party to this Agreement, and may hereafter enter into collective bargaining agreements with certain other producers, which agreements provide and may provide, among other things, for contributions by each such Producer to the Health Fund hereunder (formerly known as the Welfare Fund) with respect to services subject to such collective bargaining agreements.

In order to effectuate the aforesaid purpose, SAG and the Producers signatory hereto desire to create a Health Fund to be used in the manner hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual promises of the parties, a trust is hereby created and declared and it is mutually understood and agreed as follows:

ARTICLE I

DEFINITIONS

Section 1. (Amended 11/6/92)

- a) SAG. The term "SAG", as used herein, shall mean Screen Actors Guild, Inc., a non-profit corporation.
- b) Guild. The term "Guild", as used herein, shall mean SAG.

Section 2. Producers. (Amended 01/01/02) The term "Producers" as used herein shall mean:

- a) Those member companies of Association of Motion Picture Producers, Inc. (now succeeded by the Alliance of Motion Picture and Television Producers, Inc.) who are original signatories to this agreement; and
- b) Companies that have authorized the A.N.A. - A.A.A.A. Joint Policy Committee on Broadcast Talent Union Relations to represent them in collective bargaining with the Screen Actors Guild; and
- c) Any other motion picture producer who becomes a signatory to the Producer-SAG Codified Basis Agreement or to the Producer-SAG Television Agreement or to the SAG Commercials Contract; and
- d) Any motion picture producer or other employer of actors engaged in the production of motion pictures in the United States, its territories or possessions, (hereinafter referred to as a "U.S. Producer") who is or hereafter becomes a party to a SAG collective bargaining agreement that provides for payments to be made by such U.S. Producer into the Fund created hereby and any producer or other employer of actors engaged in the production of motion pictures outside the U.S. (hereinafter referred to as a "Foreign Producer") whose agent is or hereafter become a party to a SAG collective bargaining agreement that provides for payments to be made by such Foreign Producer into the Fund created hereby; and
- e) Any employer who is permitted by the Plan Trustees to be regarded as an employer hereunder pursuant to Article IV Section 1, subsection u.

Section 3. Employer Associations. (Amended 11/9/84) The term "Employer Associations" shall mean and include the Alliance of Motion Picture and Television Producers, Inc., A.N.A.-A.A.A.A. Joint Policy Committee on Broadcast Talent Union Relations, and any other association organized and existing for the representation of Producers in matters pertaining to a Collective Bargaining Agreement (as defined in Section 11 of this article).

Section 4. Plan Trustees. The term "Plan Trustees" as used herein shall mean those persons who as of any time are properly acting as such.

Section 5. Actors. (Amended 11/9/84 and 11/6/92) The term "Actors" as used herein shall mean the persons employed by Producers to render services as actors in Motion Pictures (as defined in Section 10 of this article) who are covered by and whose services are subject to a collective bargaining agreement with SAG, and with respect to whose services contributions are required thereunder to be made into the Health Fund. Because no substantial separate group of extras and actors exists in the United States and the same persons generally work interchangeably in both capacities, the term "actors" shall also include, for the limited purposes of the Health Plan, the persons employed by Producers to render services as extras in the motion picture industry who are covered by and whose services are subject to a collective bargaining agreement with SAG (including those individuals employed by Producers to render services as extras in the motion picture industry who are covered by and whose services were formerly subject to a collective bargaining agreement with SEG) and with respect to whose services contributions are required thereunder to be made into the Health Plan.

Section 6. Health Fund. The term "Health Fund" (formerly "Welfare Fund") as used herein shall mean the Screen Actors Guild-Producers Health Fund for Motion Picture Actors, a trust fund created hereunder, including the monies and other things of value which comprise the corpus, and all income therefrom and increments thereto.

Section 7. Health Plan. The term "Health Plan" (formerly "Welfare Plan") as used herein shall mean and include this trust agreement, the Health Fund, and any plan or plans of welfare eligibilities and benefits adopted by the Plan Trustees pursuant to this agreement. The Trustees may in their discretion distinguish between actors and extras hereunder or, where reason justifies such distinction, may distinguish between various groups of actors hereunder or between various groups of extras hereunder, and to whatever extent the Trustees deem advisable may adopt separate rules and/or benefits for each group so separately distinguished and provided for. The Welfare Plan as herein defined includes collectively any and all such plans adopted hereunder the Health Plan in its entirety may be referred to as the "SAG - Producers Health Plan for Motion Picture Actors."

Section 8. Fund Trustee. The term "Fund Trustee" as used herein shall mean the bank or trust company, if any, designated by the Plan Trustees pursuant to the provisions hereof as the trustee for the purpose of receiving, holding, investing and paying out all or any part of the monies and other assets of the Health Fund.

Section 9. Trustees. The term "Trustees" as used herein shall mean either the Plan Trustees or the Fund Trustees, or both, as the case may require.

Section 10. Motion Pictures. The term “motion pictures” as used herein shall be deemed to include but is not limited to theatrical motion pictures, television motion pictures, television motion picture commercials and commercial and industrial motion pictures.

Section 11. Collective Bargaining Agreement. **(Amended 11/6/92)** The term “Collective Bargaining Agreement” as used herein shall mean the collective bargaining agreement or agreements in force and effective from time to time between SAG and Producers with respect to the employment and services of actors or extras in the production of motion pictures and which provide for contributions by such Producers into the Health Fund hereunder.

Section 12. Full Complement of Plan Trustees. When ever in this trust agreement reference is made to a full complement of qualified Plan Trustees, such reference shall be deemed to mean the total number of Plan Trustees then authorized to act as the Board of Plan Trustees.

Section 13. Protected Health Information. **(Amended 04/14/03)** Individually identifiable information that is created or received by the Health Plan, or a business associate of the Health Plan, whether in oral, written, or electronic form, that relates to (i) the past, present or future physical or mental health or condition of a Health Plan participant or dependent; (ii) the provision of health care to a Health Plan participant or dependent; or (iii) the past, present, or future payment for the provision of healthcare to a Health Plan participant or dependent. Health information becomes individually identifiable when it either identifies the Health Plan participant or dependent or provides a reasonable basis to believe the information can be used to identify the Health Plan participant or dependent. The following items may cause health information to become individually identifiable: i) name; ii) street, city, county, precinct, zip code; iii) dates directly related to a Health Plan participant’s or dependent’s receipt of healthcare treatment, including birth date, health facility admission and discharge date, and date of death; iv) telephone numbers, fax numbers, and electronic mail addresses; v) social security numbers; vi) medical record numbers; vii) Health Plan participant or dependent numbers; viii) account numbers; ix) certificate/license numbers; x) vehicle identifiers and serial numbers, including license plate numbers; xi) device identifiers and serial numbers; xii) Web Universal Resource Locators (URLs); xiii) internet protocol (IP) address numbers; xiv) biometric identifiers, including finger and voice prints; xv) full face photographic images and any comparable images; and xvi) any other unique identifying number, characteristic, or code.

Section 14. Summary Health Information. **(Amended 4/14/03)** Health information, that may identify a Health Plan participant or dependent, and (i) summarizes the claims history, claims expenses, or type of claims experienced by individuals for whom a plan sponsor has provided health benefits under a health plan; and (ii) from which the information described at 42 CFR § 164.514(b)(2)(i) has been deleted, except that the geographic information need only be aggregated to the level of a five-digit zip code.

ARTICLE II

PLAN TRUSTEES

Section 1. Administration by Plan Trustees. (Amended 11/6/92) The operation and administration of the Health Plan shall be the joint responsibility of thirty-six (36) Plan Trustees, who shall constitute the Board of Plan Trustees. Of these, eighteen (18) shall be Producer Plan Trustees, to be appointed, nine (9) by the Alliance of Motion Picture and Television Producers, Inc., and nine (9) by an Employer Association from the New York area representing the New York signatories to Guild collective bargaining agreements; and eighteen (18) shall be Guild Plan Trustees, to be appointed by SAG.

Section 2. Acceptance of Trusteeship. Any original, substitute, new or additional Plan Trustee shall, either by signing this trust agreement, or by signing a written acceptance of such trusteeship, or by having attended at or participated in a meeting of the Board of Plan Trustees, be deemed to have accepted such trusteeship and to have agreed to act in such capacity strictly in accordance with the provisions hereof.

Section 3. Term of Plan Trustees. Each Plan Trustee at any time or from time to time appointed hereunder shall continue to serve as such until his death, disability, resignation, absence or substitution.

Section 4. Substitution of Plan Trustees. (Amended 11/6/92) The Guild or any Employer Association responsible in the first instance for the appointment of any Plan Trustees may at any time in its discretion by written notice given to the Chairman (who, upon receipt of such notice, shall immediately notify all Plan Trustees then in office thereof) appoint a successor or successors for any one or more of the Plan Trustees theretofore appointed by it (including, with respect to the Guild, the right to appoint a successor or successors for either or both of the Plan Trustees formerly appointed by SEG when it was a party to this Agreement).

Such written notice shall contain the name or names of the Plan Trustee or Trustees to be replaced and the name or names of the new Plan Trustees so appointed, and the effective date or such appointment or appointments.

Section 5. Change in the Allocation of Plan Trustees. The number of Plan Trustees to be allocated to the respective Employer Associations which may be entitled to appointment of the same shall be subject to redetermination and review by the Plan Trustees at the end of each three-year interval following February 1, 1960. Such allocation for the ensuing three-year period shall be determined as nearly as practicable in accordance with the proportion which the total contributions to the Health Fund for the preceding three-year period made by the members of each such Employer Association bears to the total contribution to the Health Fund made by members of all such Employer

Associations during such preceding three-year period. In computing the amount of such contributions there shall be included therein all sums contributed to the Pension Fund by each member, whether for past services or for current services, regardless of how the amount thereof was originally determined or allocated to such member.

When a reallocation of Plan Trustees is made, an Employer Association whose allocation is reduced shall remove, and an Employer Association whose allocation is increased shall appoint, a sufficient number to Trustees to maintain the total number of Producer Plan Trustees at eighteen (18).

Section 6. Resignations. A Plan Trustee may resign by giving notice in writing to the Chairman who upon receipt of such notice shall notify the remaining Plan Trustees thereof. Such resignation shall become effective when a successor to the resigning Plan Trustee has been appointed in the manner provided in Section 4 of this article, as the case may be, and has accepted the trusteeship in the manner provided in Section 2 of this article. The successor Plan Trustee shall thereupon become vested with all of the rights, powers and duties of a Plan Trustee hereunder.

Section 7. Emeritus Trustees. (Added 7/22/05)

The Plan Trustees may appoint Emeritus Trustees as follows:

a) The Board of Plan Trustees may appoint Emeritus Trustees to serve on the Board. In order to be appointed as an Emeritus Trustee, a trustee must have at least twenty (20) years of service as a Plan Trustee. In addition, seventy-five percent (75%) of the full complement of then qualified Plan Trustees must vote in favor of the trustee's appointment as an Emeritus Trustee.

b) The Health Plan shall provide Emeritus Trustees with materials for the regularly scheduled Board of Plan Trustees meetings and Committee meetings held in conjunction with such Board meetings.

c) Emeritus Trustees shall have no voting privileges.

d) An Emeritus Trustee shall observe and maintain all confidentiality requirements under the Health Trust Agreement and as otherwise required by the Health Plan and applicable law.

e) An Emeritus Trustee, by accepting the appointment to serve on the Board of Plan Trustees, shall be deemed to accept his obligations as an Emeritus Trustee in accordance with the provisions herein contained.

f) The Health Plan shall cover Emeritus Trustees under the Health Plan's existing fiduciary insurance policy (as later replaced, amended or modified). The

organization appointing an individual to act as Emeritus Trustee shall pay any waiver of recourse premium required by such for such policy Emeritus Trustee.

g) In accordance with, and subject to, the Health Plan's established reimbursement guidelines, Emeritus Trustees shall be reimbursed for normal expenses they incur in connection with attending full Board of Plan Trustees meetings and Committee meetings held in conjunction with such Board meetings.

h) An Emeritus Trustee shall serve until his death, disability, or resignation.

i) An Emeritus Trustee may resign by giving written notice to the Chairman. The resignation shall become effective upon the Chairman's receipt of such notice. The Chairman shall notify the Plan Trustees of such resignation.

ARTICLE III

CONTRIBUTIONS TO THE HEALTH FUND

Section 1. Rate of Contributions. In order to carry out the purposes hereof, each Producer shall contribute to the Health Fund in the amount and as required by the collective bargaining agreement or agreements with such Producer. Contributions shall also be made by Producers of any amounts deducted from the compensation of employees under collective bargaining contracts which provide for such deductions and payments into the Health Fund. The rate and amount of contribution shall at all times be governed by said collective bargaining agreements. Nothing in this Trust Agreement or in any Plan or trust agreement pursuant hereto shall be deemed to change, alter or amend any of said collective bargaining agreements.

Section 2. Effective Date of Contributions. **(Amended 11/6/92)** All contributions shall be made effective as of the date specified in the respective collective bargaining agreements and said contributions shall continue to be paid so long as a Producer is so obligated pursuant to said collective bargaining agreements. Promptly upon the execution of any new collective bargaining agreement or amendment of any then existing collective bargaining agreement in a way that affects contributions to be made thereunder, SAG shall file an executed or a true copy of such agreement with the Plan Trustees, and the Plan Trustees shall be entitled to treat the copy so filed as determining the obligations of the parties thereto, thereunder and hereunder.

Section 3. Mode and Time of Payment. **(Amended 9/1/84)** All contributions to the Health Fund shall be payable to the Fund Trustee and, except as otherwise provided by resolution of the Plan Trustees, shall be paid by transmitting to the Plan Trustees a check therefor payable to the Fund Trustee. Any such check or checks received by the Plan Trustees shall be processed administratively by them and forwarded to the Fund Trustee. The Plan Trustees shall, by resolution duly adopted, establish the due dates for contributions in conformity with the respective collective bargaining agreements between the Guild and Producers. The Plan Trustees may, by resolution duly adopted, provide for payment with respect to any Producer or Producers upon a different periodic basis if it is shown that such different basis will be administratively convenient and will not cause any material financial disadvantage to the Health Fund.

Section 4. Default of Payment and Liquidated Damages. (Amended 9/1/84) The failure of a Producer to pay the contributions required hereunder at the times and in the manner herein provided shall constitute a violation of such Producer's obligations hereunder. Non-payment by a Producer of any contribution as herein provided shall not relieve any other Producer of his obligation to make payment of his required contributions. A Producer who fails to pay required Producer contributions when due shall be liable for liquidated damages as follows:

<u>Period of Delinquency</u>	<u>Liquidated Damages</u>
Up to 30 days	None
31 days to 60 days	10 percent of contributions due
Over 60 days	20 percent of contributions due

A Producer in default shall also be liable for reasonable attorney's fees and costs incurred in the collection of the delinquent contributions. The Plan Trustees may take or cause to be taken any action deemed by them advisable or necessary to enforce payment of the contributions due hereunder, including actions in law or equity. In addition to all rights to enforce payment of such accrued obligation of a Producer anywhere in this trust agreement provided or given by the law, in the event a Producer has been repeatedly delinquent or has otherwise willfully violated the provisions of this agreement and declaration of trust, the status of such Producer as a party hereto may be terminated by the Plan Trustees in their discretion by a resolution duly adopted, and upon such termination such Producer shall forthwith cease to be a Producer under the provisions of this agreement or a party hereto in any way thereafter. No Producer who has at any time defaulted hereunder and whose status as a part hereto has been so terminated shall be eligible again to become a part hereto except upon such terms as to payment of all past obligations to the Health Fund as the Plan Trustees may require. The provisions of this Section 4 shall be without prejudice to the rights of the Guild, if any, under its collective bargaining agreements, or otherwise, against the defaulting Producer by reason of such default.

Section 5. Report on Contributions. (Amended (9/1/84, 1/1/89, 1/1/96 and 3/12/10) Each Producer shall make such reports and statements to the Trustees with respect to the amount and calculation of any and all contributions as the Trustees may deem necessary or desirable. All contribution reports submitted by each Producer shall specifically designate the project title, name and Social Security number of each Actor for whom the contribution is made. Producers signatory to the Commercials Contract shall designate multi-service contract status on the contribution reports submitted to the Trustees and provide to the Trustees unredacted copies of all contracts related to services provided under such multiple-service agreements at the time of submission of the contribution report to the Plans, except in instances where the Plans agree to examine the underlying agreement in Los Angeles or New York. If the Producer fails to supply the required data, the Producer shall be liable for liquidated damages in the amount of ten percent (10%) of

the contribution amount for each Actor with respect to whom an omission occurs. If the Producer's failure to supply the required data continues for 60 or more days from the due date of the report, the Producer shall be liable for liquidated damages in the amount of twenty percent (20%) of the contribution amount for each actor with respect to whom an omission occurs. Such producer shall also be liable for the reasonable attorney's fees and costs, if any, incurred in collection of the liquidated damages. The Plan Trustees may take or cause to be taken any action deemed by them to be advisable or necessary to enforce payment of the liquidated damages described in this section.

The Trustees may at reasonable times and during normal business hours of any Producer audit or cause the audit or an inspection of the records of any Producer which may be pertinent in connection with the said contributions and/or reports insofar as the same may be necessary to accomplish the purpose of the Health Plan. Should any audit or inspection disclose a delinquency or underpayment, the cost of the audit or inspection shall be borne by the Producer who is found to be delinquent. The Trustees shall have the power to waive such audit or inspection costs in a particular case upon good cause shown, such as, but not limited to, a case in which the delinquency found is small in amount. If litigation is required to compel such an audit or inspection, the Producer involved shall pay all attorney's fees, the cost of the audit or inspection subsequently conducted, interest, and court costs incurred by the Trust in connection with such litigation and the subsequent audit or inspection.

If a Producer fails or refuses to make a substantial portion of such reports and statements as are required by the Trustees, or fails or refuses to permit an audit or inspection of its records sufficient to verify the accuracy of reports or statements, the Trustees may refuse contributions from the Producer beginning with that period of time for which the Trustees determine that adequate or reliable records or statements were unavailable and may deny eligibility for benefits for all employees of the Producer for which contributions were made. This paragraph shall not be in derogation of the remedies provided in this Article III.

Section 6. Advancement of Premium. Upon the failure of any Producer to make all the required contributions when due hereunder, the Plan Trustees shall have the right and power to pay or provide for payments from the Health Fund of any premiums necessary to provide the benefits under the plan of health eligibilities and benefits to be adopted pursuant hereto for the eligible employees of such delinquent Producer, but the Plan Trustees shall not be obligated, either to said employees or said Producer, to make or provide such payments, and the Plan Trustees shall incur no liability whatsoever, either individually or collectively, for their failure or refusal to do so. In the event such payments are made by the Plan Trustees from the Health Fund on behalf of a delinquent Producer, the Health Fund shall be reimbursed by said Producer for such payments, and the fact that the Plan Trustees may have made such payments shall not alter nor diminish the obligations of such Producer or the rights of the Plan Trustees under this Article.

Section 7. Repayment of Benefits For Ineligible Employees. (Amended 1/1/96) If a Producer reports contributions for an employee who did not render bona fide covered services as a result of which contributions the employee receives benefits under the Plan, the Trustees may require the Producer and said employee to repay to the Plans the amount by which the benefits paid on behalf of that ineligible employee exceed the contributions paid by the Producer.

Section 8. Limitation for 25% Ownership Interest. (Amended 07/17/09) A person who owns a 25% or greater interest in a Producer of an Industrial/Educational motion picture or a New Media motion picture shall not be entitled to credit for earnings attributable to employment by such Producer. For purposes hereof, an ownership interest held directly or indirectly by the person, the person's spouse, parent or child or by a trust for the benefit of the person or the person's spouse, parent or child shall be deemed to be owned by the person.

The foregoing paragraph shall not apply if the Trustees determine, upon application by any person described in the preceding paragraph, that the person performed or is performing bona fide services covered by the S.A.G. Industrial/Educational Agreement or bona fide services in connection with a New Media motion picture under the appropriate S.A.G. collective bargaining agreement.

Section 9. Participant Premiums. (Amended 1/1/2003) In their discretion the Plan Trustees may, from time to time, determine that it is advisable to impose the payment of premiums on Plan Participants. If such Participant premiums are imposed the Plan Trustees, in their discretion, may authorize the payment of such premiums through any means they deem advisable, including, but not limited to, payment via the Plan's website, payroll deduction, automatic bank account debit, credit card charge, or authorized by telephone. A decision by the Plan Trustees to authorize any such system of premium payment shall be evidenced in the minutes of the meetings of the Plan Trustees and any Plan Trustee minutes memorializing such decision shall automatically be incorporated by reference into this Trust Agreement.

ARTICLE IV

POWERS AND DUTIES OF TRUSTEES

Section 1. General. In the administration of the Health Fund, the Plan Trustees are authorized and empowered as follows:

- a) To invest and reinvest such part of the assets and the income of the Health Fund as in their sole judgment is advisable, in such securities and other investments, including bonds, common and preferred stocks, notes, mortgages, trust deeds or other property (real, personal or mixed), tangible and intangible, as they may select in their sole discretion, whether or not the same be authorized by law for the investment of trust funds generally.
- b) To sell, exchange, lease, convey or dispose of any property whether real or personal at any time forming a part of the Health Fund upon such terms as they may deem proper, and to execute and deliver any and all authorizations, instruments of conveyance and transfer in connection therewith.
- c) To vote in person or by proxy securities held by the Health Fund, and to exercise or cause to be exercised any other rights of whatsoever nature pertaining to securities or any other property held hereunder.
- d) To exercise options, conversion privileges, or rights to subscribe for additional securities and to make payments therefor.
- e) To consent to or participate in dissolutions, reorganizations, consolidations, mergers, sales, leases, mortgages, transfers or other changes affecting securities held by the Health Fund and in connection therewith, and to pay assessments, subscriptions or other charges.
- f) The Plan Trustees may, if they deem it advisable, appoint a bank or trust company to be designated and to act as Fund Trustee for all or any part of the assets of the Health Fund. Such Fund Trustee shall receive and hold, subject to the provisions hereof and to the provisions of the trust agreement under and pursuant to which it is acting, such portion of the Health Fund as the Plan Trustees see fit to turn over to it. The Plan Trustees shall enter into a trust agreement with such Fund Trustee setting forth the terms and conditions of such trust and providing for the investment and reinvestment of the funds so held by the Fund Trustee in accordance with the directions and instructions of the Plan Trustees, and incorporating such other provisions therein as may be deemed desirable in the Plan Trustees' sole discretion for the management thereof, including such delegation to the Fund Trustee of such of the rights, powers and duties of the Plan Trustees with respect to these assets of the Health Fund and the control and management thereof as the Plan Trustees deem proper. Such trust agreement may provide, in the discretion of the Plan Trustees, for the periodic

withdrawal by the Plan Trustees of the amounts necessary for the payment of health benefits or insurance premiums in connection therewith as the same accrue, and for the withdrawal by the Plan Trustees from time to time of such amounts as may be required in their discretion for the payment of the costs and expenses incurred in establishing and maintaining the Health Plan and for the payment of administrative costs, including, but not limited to rentals, supplies materials and equipment, taxes, the compensation of legal counsel, investment counsel, administrative, accounting, actuarial, clerical and other experts, assistants or employees. Such trust agreement may also provide that all securities held by the Fund Trustee may be registered in the name of a nominee or nominees of the Fund Trustee or held in unregistered or bearer form. The Plan Trustees shall have the right at any time and from time to time to remove any Fund Trustee and to substitute another bank or trust company as such Fund Trustee.

- g) To enter into any and all contracts and agreements to carry out the terms of this Trust Agreement and for the administration of the Health Plan, and to do all acts which they in their discretion may deem necessary or advisable, and such contracts and agreements and acts shall be binding and conclusive on the parties hereto and on the actors and all beneficiaries. Without limiting the foregoing the Plan Trustees shall have the power to make appropriate allocations of common administration expenses and disbursements shared with any other Plan or Fund.
- h) To compromise, settle, arbitrate and release claims or demands in favor of or against the Health Plan on such terms and conditions as the Plan Trustees may deem advisable.
- i) To establish and accumulate reserves up to such amounts as are adequate in the opinion of the Plan Trustees to carry out the purposes of the Health Plan.
- j) To borrow money in such amounts and upon such terms and conditions as shall be deemed advisable or proper by the Plan Trustees to carry out the purposes of the Health Plan and to pledge any securities or other property of the Health Fund for the repayment of any such loans.
- k) To hold or require the Fund Trustee to hold part or all of the assets of the Health Fund uninvested.
- l) To pay or to require the Fund Trustee to pay out of the assets of the Health Fund all real and personal property taxes, income taxes and other taxes of any and all kinds levied and assessed under existing or future laws upon or with respect to the Health Fund or any money, property or securities forming a part thereof.
- m) To do all acts, whether or not expressly authorized herein, which the Plan Trustees may deem necessary or proper for the protection of the Health Fund.

- n) To lease or purchase such premises, supplies, materials and equipment and to hire, employ and retain such legal counsel, investment counsel, administrative, accounting, actuarial, clerical, and other experts, assistants or employees as in their discretion the Plan Trustees may find necessary or appropriate in the performance of their duties, and to pay therefor such amounts as the Plan Trustees deem proper.
- o) **(Amended 1/1/2003)** To maintain a bank account or accounts in a selected bank or banks in the name of the Health Plan for depositing all or any part of the cash monies of the Health Fund and to withdraw monies from such account or accounts as required or convenient. All withdrawals of money from any such account shall be made by any method necessary and convenient, including, but not limited to, wire transfers, electronic debits or upon checks. The Plan Trustees may designate the Plan Administrator, or other individual, as the person or persons having the authority to make withdrawals from such account or accounts.
- p) **(Amended 11/6/92)** To construe the meaning of any doubtful or ambiguous provisions of the Health Plan, and any construction thereof adopted by the Plan Trustees in good faith shall be binding upon SAG, the Producers, the Actors, Extras and all beneficiaries.
- q) To do any and all other matters and things pertaining to or required of the Trustees by the sections and articles of this agreement other than this Section 1 of Article IV.
- r) Generally to do all things, execute all such instruments, adopt and promulgate all such reasonable rules and regulations, take all such proceedings and exercise all such rights and privileges as are necessary in the establishment, maintenance and administration of the Health Plan, and specifically but not limited to the plan or plans or welfare eligibilities and benefits required thereunder.
- s) To keep property or securities in the custody of one or more banks or trust companies.
- t) To pay or provide for the payment of premiums on such policies of insurance as the Plan Trustees may see fit to purchase to provide for the benefits to be provided hereunder; to exercise all rights or privileges granted to the policy holder by the provisions of each such policy or allowed by the insurance carrier of such policy, and to agree with such insurance carrier to any alteration, modification or amendment of such policy, and to take any action with respect to such policy or the insurance provided thereunder which the Plan Trustees in their discretion may deem necessary or advisable, and such insurance carrier shall not be required to inquire into the authority of the Plan Trustees with respect to any such action.
- u) **(Amended 1/6/92)** To the extent permitted by law and governmental regulation, and in order that their employees may be permitted to become eligible for and to receive benefits under the Health Plan established hereunder, the Plan Trustees may permit

the Health Plan itself and/or SAG, to be, for such purpose, regarded as an employer hereunder. In each such event, the Plan Trustees shall determine the eligibility requirements applicable to each such group of employees and the contributions required respectively on account of each such group of employees, and as to each group the contributions so required shall be paid by the respective employer of such group.

- v) **(Amended 1/1/89)** Effective July 1, 1966, the Health Plan shall reimburse any person then eligible for benefits for amounts paid by them as premiums to the Social Security Administrator for voluntary supplemental medical insurance for them or their eligible dependents under the provisions of Part B of Title XVIII of the Social Security Act commonly known as "Medicare". Such reimbursement shall not include, however, that portion of such premiums which is imposed under the Medicare Catastrophic Coverage Act of 1988. An application for such reimbursement shall be made in writing on a form and in the manner prescribed by the Plan Trustees. Reimbursement of the medicare fee shall be made from the beginning of the month for which the person has paid premiums for the supplementary medical insurance, but not earlier than a date eleven (11) months prior to the month in which the Medicare Reimbursement Application is received and shall continue on a calendar year quarterly reimbursement basis for so long as the participant shall continue eligible for participation in the Health Plan.
- w) To invest in units of any present or future common or collective trust fund with respect to which this Trust is eligible to participate and which trust fund has been or is established and maintained by the Fund Trustee.

Section 2. Compensation. The Plan Trustees shall not receive compensation from the Health Plan for the performance of their duties hereunder, but shall be entitled to reimbursement for reasonable actual expenses incurred in the performance of their duties hereunder, including, in the discretion of the Plan Trustees, traveling expenses to attend Plan Trustees' meetings. The Fund Trustee shall be entitled to such compensation as may be mutually agreed upon by the Plan Trustees and the Fund Trustees.

Section 3. Fiduciary Responsibility. Subject to the provisions of Section 5 of Article VIII, the Plan Trustees and any other fiduciary shall discharge their respective duties set forth in the Health Plan solely in the interest of the Participants and their beneficiaries, and:

- a) For the exclusive purpose of providing benefits to Participants and their beneficiaries and defraying reasonable expenses of administering the Health Plan.
- b) With the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

- c) By diversifying the investments of the Health Fund so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.
- d) The Plan Trustees shall not be liable for the proper application of any part of the funds of the Health Plan or for any other liabilities arising in connection with the administration thereof.
- e) The Plan Trustees may from time to time consult with the Health Plan's Legal Counsel and shall be fully protected in acting upon the advice of said counsel with respect to legal questions.
- f) Nothing herein contained shall exempt any Plan Trustee from liability arising out of his own willful misconduct, fraud or bad faith.

Section 4. Books of Account. (Amended 11/6/92) Both the Fund Trustee, if any, and the Plan Trustees, shall keep true and accurate books of account and records of all their transactions, which shall be open to the inspection of each of the Plan Trustees at all times and which shall be audited annually or more often, as the Plan Trustees may determine, by a certified public accountant selected by the Plan Trustees. A statement of the results of such audits shall be available at all times for inspection by SAG, the Producers, the Actors and Extras at the principal office of the Health Plan.

Section 5. Execution of Documents. The Plan Trustees may authorize the Chairman or the Vice Chairman and the Secretary or the Assistant Secretary, or any group of two or more Plan Trustees composed equally of Producer and SAG Plan Trustees to jointly execute on behalf of the Plan Trustees any certificate, notice or other instrument in writing, and all persons, partnerships, corporations or associations may accept such notice or instrument as having been duly authorized by and being binding upon the Plan Trustees.

Section 6. Deposits and Withdrawals. (Amended 1/1/2003) All monies received by the Plan Trustees hereunder shall be deposited by them in such bank or banks as the Plan Trustees may designate for that purpose. All deposits to, and withdrawals from, such account or accounts shall be made by any method necessary and convenient, including, but not limited to, wire transfers, electronic debits or upon checks. The Plan Trustees may designate the Plan Administrator, or other individual, as the person or persons having the authority to make withdrawals from such account or accounts.

Section 7. Committees. (Amended 7/24/87) The Plan Trustees may establish such committees as they in their discretion deem proper and desirable for the proper administration of the Health Plan. The appointment, operation, and authority of such committees shall be governed by the following rules:

- a) Standing Committees. The standing committees of the Board of Trustees shall be as follows:

Administrative Committee
Benefits Committee
Collections Committee
Finance Committee

- b) Ad Hoc Committees. Other committees for special purposes may be created from time to time by resolution duly adopted by the Board of Trustees.
- c) Committee Membership. Each committee shall have an equal number of members who are Producer Trustees and members who are Guild Trustees. Committee members shall be appointed by the Chairman of the Board and shall serve until their successors are appointed.
- d) Committee Chairman and Vice Chairman (Amended 7/24/87 and 7/1/90) A chairman and vice chairman of each committee shall be appointed by the Chairman of the Board. Of the four (4) standing committees the chairmen and vice chairmen of the two of them shall be Producer Plan Trustees and the chairmen and vice chairmen of the other two (2) shall be Guild Plan Trustees. The term of office of a committee chairman shall not exceed three (3) years. For committee chairmen in office on the date of adoption of these Rules, said terms shall be measured from the date of adoption of these Rules, said terms shall be measured from July 1, 1987. Effective with respect to the chairman and vice chairman of a committee appointed for a term commencing on or after July 1, 1990, the term of office of such individuals shall not exceed two years.
- e) Subcommittees. The chairman of a committee may from time to time create one or more subcommittees and appoint the members and chairmen thereof from among the members of the committee.
- f) Committee Authority. The general purpose of a committee is to study and debate issues that arise in the administration of the Health Plan and to make recommendations thereon to the Board for action by the Board. Notwithstanding this general limitation, the Board may, by resolution duly adopted, delegate to a committee the authority to take final action in specified areas; and in such instances the action of the committee shall have the same binding effect as an action by the full Board.

The following delegations of authority to committees are now in effect:

- (i) To the Benefits Committee the authority to render decisions on claims appeals under the Health Plan.

- (ii) To the Collections Committee the authority to refer to arbitration any disputed issue of liability for contributions or liquidated damages.
 - (iii) To the Finance Committee the authorization to make decisions regarding the appointment of an Investment Manager as is more fully described in Section 9 of Article IV.”
- g) Voting. In all matters where the Board has delegated to a committee the authority to take final action, the unit voting rules of Article V, Sections 5 and 6 of the Trust Agreement shall be applicable. In the event of a deadlock as defined in Section 6 of Article V, no action shall be taken and in the matter shall be reported to the Board for further consideration. In matters where only a recommendation to the Board is involved, a majority vote in favor of the recommendation shall be sufficient.
 - h) Quorum for Meetings. To have a quorum for the conduct of committee business in a meeting, there must be present at the meeting at least two (2) members who are Producer Trustees and two (2) members who are Guild Trustees.
 - i) Participation of Non-members in Committee Proceedings. All Trustees shall be given notice of committee meetings. Trustees who are not members of a committee may attend meetings of the committee and shall be entitled to participate in the discussions of issues; but only members of the committee shall be entitled to make or second motions and to vote on motions.
 - j) Minutes. Each committee shall keep written minutes of its proceedings, which minutes shall be distributed to all Trustees.

Section 8. Bonding. The Plan Trustees shall be bonded by a duly authorized surety company in such amounts as may be determined from time to time by the Plan Trustees and in any case in at least as large an amount as that required by any applicable federal or state law. Each employee employed by the Plan Trustees who is empowered to sign checks or who may be engaged in handling the monies or securities of the Health Plan shall also be similarly bonded by a duly authorized surety company. The premiums for all bonds shall be paid by the Health Plan.

“Section 9. Appointment of Investment Manager. (Amended 9/19/75) Notwithstanding any other provisions of this Article IV, the Finance Committee may appoint an Investment Manager or Managers to manage (including the power to acquire and dispose of) any assets of the Health Fund. As used in this Section 9, the term “Investment Manager” shall have the meaning given to it in Section 3 (38) of the Employee Retirement Income Security Act of 1974 (hereinafter referred to as the “Act”), and shall refer to any Investment Manager or Managers who may be appointed in the manner hereinafter described. If the Finance Committee appoints an Investment Manager, the following provisions shall apply:

- a) The appointment shall be effective upon written notice thereof being given by the Finance Committee to the Fund Trustee.

- b) The Fund Trustee is authorized and entitled to rely upon the fact that said Investment Manager is at all times a qualified Investment Manager, as defined in Section 3 (38) of the Act, until such times as the Fund Trustee has received a written notice from the Finance Committee to the contrary, as well as to rely upon the fact that said Investment Manager is authorized to direct the investment and management of the assets of the Health Fund until such time as the Finance Committee shall notify the Fund Trustee in writing that another Investment Manager has been appointed in the place and stead of the Investment Manager named, or, in the alternative, that the Investment Manager named has been removed and the responsibility for the investment and management of the Trust assets has been assumed by the Plan Trustees.
- c) The Fund Trustee shall not be liable or responsible in any way for any losses or other unfavorable results arising from the Fund Trustee's compliance with investment or management directions received by the Fund Trustee from the Investment Manager. All directions concerning investments made by the Investment Manager shall be given in such manner and by such person or persons, acting on behalf of the Investment Manager as may be duly authorized by the Investment Manager in writing. The Fund Trustee shall be entitled to rely upon directions which it receives that are so given and shall in no way be responsible for the consequences of any unauthorized use of such method which use was not, in fact, known by the Fund Trustee at the time to be unauthorized. The Fund Trustee shall be under no duty to question any directions of the Investment Manager nor to review any securities or other property of the Health Fund constituting assets thereof with respect to which an Investment Manager has investment responsibility nor to make any suggestions to such Investment Manager in connection therewith. The Fund Trustee shall, as promptly as possible, comply with any written directions given by the Investment Manager. The Fund Trustee shall not be liable, in any manner nor for any reason, for the making or retention of any investment pursuant to such directions of the Investment Manager, nor shall the Fund Trustee be liable for its failure to invest any or all of the Health Fund in the absence of such written directions."

In accordance with Section 1 of Article VIII of the Trust, the above Amendment No. 16 to the Trust has been approved by the affirmative vote of not less than 75% of the full complement of then qualified Plan Trustees.

Section 10. Uses and Disclosure of Protected Health Information. (Amended 04/14/03)

The Health Plan may disclose Protected Health Information to the Plan Trustees in order for the Plan Trustees to carry out any of the powers or duties enumerated under this Article IV. Notwithstanding anything to the contrary, in no event shall the Plan Trustees be permitted to use or disclose Protected Health Information in a manner that is inconsistent with the HIPAA Privacy Regulation. Specific duties for which the Plan Trustees are permitted access to Protected Health Information include the following:

- a) To perform Health Plan activities on behalf of the Health Plan, including activities that would meet the definition of treatment, payment or healthcare operations. Health Plan activities for which Protected Health Information may be disclosed to Plan Trustees would also include, but are not limited to, quality assurance, claims processing and appeals, eligibility processing and appeals, auditing, monitoring, and management of the Health Plan.
- b) To obtain bids from insurance companies or health plan vendors for providing health insurance coverage or health benefits under or on behalf of the Health Plan.
- c) To modify, amend, or terminate the Health Plan.

Section 11. Conditions of Disclosure. **(Amended 04/14/03)** The Plan Trustees agree that with respect to any Protected Health Information disclosed to them by the Health Plan Trustees shall:

- a) Not use or further disclose the Protected Health Information other than as permitted or required by the Health Plan, or as required by law.
- b) Ensure that any agents, including independent contractors and subcontractors to whom they provide Protected Health Information, agree to the same restrictions and conditions that apply pursuant to this Trust Agreement to the Plan Trustees with respect to Protected Health Information.
- c) Not use or disclose the Protected Health Information for employment-related actions and decisions, or in connection with any other benefit or employee benefit plan of the Plan Trustee.
- d) Report to the Health Plan any use or disclosure of Protected Health Information that is inconsistent with the uses or disclosures permitted by the Health Plan, of which they become aware.
- e) Make available, to an individual Health Plan participant or dependent who request access to the participant's or dependent's Protected Health Information, such information as may be requested, to the extent provided by 45 CFR §164.524.
- f) Make available, to an individual Health Plan participant or dependent who request an amendment, to the participant's or dependent's Protected Health Information, and incorporated any amendments to the participant's or dependent's Protected Health Information, to the extent required and/or permitted by 45 CFR § 164.526.

- g) Make available to an individual Health Plan participant or dependent who request an accounting of disclosures of the participant's or dependent's Protected Health Information, the information required to provide an accounting of disclosures in accordance with 45 CFR § 164.528.
- h) Make the internal practices, books and records of Plan Trustee meetings relating to the use and disclosure of Protected Health Information received from the Health Plan, available to the Secretary of Health and Human Services for purposes of determining compliance by the Health Plan with 45 CFR §164.504(f).
- i) If feasible, return or destroy all Protected Health Information received from the Health Plan that the Plan Trustee maintains in any form, and retain no copies of such information, when no longer needed for the purposes for which the disclosure was made, except that, if such return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction of the information feasible.

Section 12. Permitted Uses and Disclosure of Summary Health Information. (Amended 04/14/03) The Health Plan may disclose Summary Health Information to a Plan Trustee, provided such Summary Health Information is only used by the Plan Trustee for one of the following purposes:

- a) Obtaining bids from insurance companies or health plan vendors for providing health insurance coverage or health benefits under the Health Plan; or
- b) Modifying, amending, or terminating the Health Plan.

ARTICLE V.

Section 1. Officers. (Amended 1/1/91) As soon as possible after the execution of this agreement, the Plan Trustees shall meet and shall elect a Chairman and a Vice Chairman, each of whom shall be a Producer Plan Trustee, and a Secretary and an Assistant Secretary, each of whom shall be a SAG Plan Trustee. The terms of such officers shall commence on the date of their election and shall continue to December 31, 1961. Prior to December 31, 1961, and prior to December 31 of each year thereafter, the Plan Trustees shall select from among them a Chairman and a Vice Chairman and a Secretary and an Assistant Secretary to serve for a term of one year, commencing January 1 then next following. To serve during each odd numbered year (and for the original remaining fraction of the year 1960) the Chairman and Vice Chairman shall be selected by and from among the Producer Plan Trustees and the Secretary and Assistant Secretary shall be selected by and from the SAG Plan Trustees. To serve during each even numbered year commencing with the year 1962 the Chairman and Vice Chairman shall be selected by and from among the SAG Plan Trustees and the Secretary and Assistant Secretary shall be selected by and from among the Producer Plan Trustees. Effective for officers elected to serve commencing on or after January 1, 1990, the term of office shall be increased from one year to two years. Prior to December 31, 1991, and prior to December 31 of each odd numbered year thereafter, the Plan Trustees shall select from among them a Chairman and a Vice Chairman and a Secretary and an Assistant Secretary to serve for a term of two years, commencing January 1 next following. The selection of the Chairman and Vice Chairman for the two-year period commencing January 1, 1992 shall be made by and from among the Producer Plan Trustees and the selection of the Secretary and Assistant Secretary for the two-year period commencing January 1, 1992 shall be made by and from among the SAG Plan Trustees. Thereafter, the SAG Plan Trustees shall alternate with the Producer Plan Trustees with respect to which group selects the Chairman and Vice Chairman and which group selects the Secretary and Assistant Secretary. For example, the SAG Plan Trustees will select the Chairman and Vice Chairman for the two-year periods commencing January 1, 1994 and January 1, 1998, whereas the Producer Plan Trustees will select the Chairman and Vice Chairman for the two-year periods commencing January 1, 1996 and January 1, 2000. The Producer Plan Trustees will select the Secretary and Assistant Secretary for the two-year periods commencing January 1, 1994 and January 1, 1998, whereas the SAG Plan Trustees will select the Secretary and Assistant Secretary for the two-year periods commencing January 1, 1996 and January 1, 2000.

Section 2. Meetings of Plan Trustees. Meetings of the Plan Trustees shall be held at the principal office of the Health Plan or at such other place or places as may at any time or from time to time be agreed upon by the then Chairman and Secretary and may be called by either of said officers or by any two Plan Trustees upon seven days' written notice to the other Plan Trustees; provided that where matters of an urgent nature arise which make it impractical to give such seven (7) days' advance notice of meeting, the Chairman and Secretary may call a meeting on twenty-four (24) hours' telegraphic notice to the other Plan Trustees.

Section 3. Action by the Plan Trustees Without Meeting. Action by the Plan Trustees may also be taken by them without a meeting provided that action is evidenced by an instrument in writing to which all of the Plan Trustees shall consent by unanimous written concurrence.

Section 4. Quorum. Fourteen (14) Plan Trustees shall constitute a quorum for the transaction of business, provided that not less than seven (7) of those present and acting shall be Guild Plan Trustees and not less than seven (7) shall be Producer Plan Trustees. During the absence of a quorum at any time during a meeting, the Plan Trustees shall have no power to transact any business other than to adjourn. If the quorum is lacking because of the failure to attend of the minimum required number of either Producer Plan Trustees or Guild Plan Trustees, but the minimum required number of one such group is present, then the group so present may require any proposal or proposals properly on the agenda of such meeting in accordance with the provisions of Section 2 of this Article V to be specifically placed upon the agenda for the next meeting of the Plan Trustees and to be specifically included in the notice calling such next meeting. If at such next meeting a quorum again shall not be present because of the absence of the minimum required number of Plan Trustees from the same group which caused the failure of a quorum at the first meeting, then upon adjournment of the second meeting as in this section provided and required, the vote of the absent group of Plan Trustees shall be deemed cast automatically in opposition to the vote of the group which has been present at such meetings, so as to cause thereby a deadlock vote between the groups, which deadlock vote may be determined in accordance with the provisions of Section 6 of this Article V.

Section 5. Majority Vote of Trustees. Except where specifically provided differently elsewhere herein, all action by the Plan Trustees at a meeting at which a quorum of the Plan Trustees are present shall be by a majority of those present and voting.

Section 6. Action in the Event of Deadlock. (Amended 11/6/92) In the event of a deadlock between all of the Producer Plan Trustees who cast a vote on the one hand and all of the Guild Plan Trustees who cast a vote on the other hand, and provided that the question or resolution so deadlocked is presented for a second time at the next succeeding meeting of the Plan Trustees and again the Plan Trustees are deadlocked because of a continued existence of the same sort of deadlock, then an impartial umpire to cast the deciding vote shall be chosen, if possible, forthwith by the Plan Trustees. If the Plan Trustees are unable to agree among themselves upon a person to act as such impartial umpire, then within 72 hours after the adjournment of the meeting at which subsequent deadlock and failure to designate an impartial umpire occurred, the Chairman and the Secretary shall attempt to agree upon the selection of such impartial umpire. If upon the expiration of such 72-hour period the Chairman and the Secretary have failed to select such impartial umpire, then either group of Plan Trustees or any Producer party hereto or SAG or any employer association that has appointed one or more of the then Plan Trustees may petition the District Court of the United States, Southern District of California, Central Division, for the appointment of such impartial umpire. When an impartial umpire has been selected in any of the manners aforesaid a meeting of the Plan

Trustees shall be held as soon as practicable, which meeting shall be attended by such impartial umpire, and at that time the entire matter of the question or resolution in dispute shall be presented and reargued and the umpire shall hear any evidence or arguments presented by either group of Plan Trustees upon the question or resolution upon which such deadlock has occurred. Such umpire may, if he so desires, make direct inquiries to the Plan Trustees with respect to any information which he deems to be relevant or material to a proper determination of the question, and any such information as is not then immediately available shall be furnished to such umpire by the Chairman and the Secretary jointly as soon as practicable. As soon as practicable, and in any event within 14 days after the date of such meeting or the date upon which the last of such requested information is furnished to him, whichever is the later date, the impartial umpire shall by written instrument cast his vote for or against the question or resolution upon which the deadlock has occurred. The vote so cast by such umpire shall be determinative of the question or resolution, and in casting such vote the umpire may but need not specify his reasons for so voting. The vote so cast by the umpire shall be in writing and shall be delivered by him to the Chairman and a copy thereof shall be delivered by him to the Secretary. All costs and expenses incident to any such proceeding, including costs incurred in the appointment of the umpire, the holding of proceedings before him, the fee, if any, charged by him for his services, shall be a proper charge against the Health Plan and the Plan Trustees are authorized to pay or direct the payment of such charge.

In the event of a deadlock within the unit of Producer Plan Trustees or within the unit of Guild Plan Trustees, the deciding vote shall be cast by the Plan Trustee in the deadlocked unit who is the current Chairman or the current Secretary of the Board of Trustees, as the case may be.

Section 7. Minutes of Meetings. The Plan Trustees shall keep minutes of all meetings but such minutes need not be verbatim. Copies of the minutes of each meeting shall be sent to Plan Trustees, whether or not such Plan Trustee was actually present at the meeting. The keeping of such minutes shall be the responsibility of the Secretary and it shall be the duty of the Secretary to cause such minutes to be distributed as aforesaid as soon as practicable after the adjournment of each meeting. In the absence of the Secretary, the Assistant Secretary shall have such duties. Such minutes shall be subject to approval by the Plan Trustees.

ARTICLE VI

PLANS OF HEALTH ELIGIBILITIES AND BENEFITS

Section 1. Preparation of Plans. As soon as possible after the execution of this agreement the Plan Trustees shall formulate and adopt a written plan or plans which shall provide all of the provisions, regulations, terms and conditions for the establishment of a program or programs of Health eligibilities and benefits. Such plans shall conform to the applicable provisions and requirements of the respective collective bargaining agreements herein elsewhere referred to and of this agreement. In voting upon the adoption of any such plan or of any amendment thereto, the Producer Plan Trustees collectively shall have one vote and the Guild Plan Trustees collectively shall have one vote, and the adoption of the plan or amendment shall require the affirmative concurrence of both such votes. The vote of the Producer Plan Trustees shall be determined by a majority of the Producer Plan Trustees present, and the vote of the Guild Plan Trustees shall be determined by the vote of a majority of the Guild Plan Trustees present. For the purposes of determining whether or not a proper type of deadlock exists to invoke the provisions of Section 6 of Article V, the vote of the majority of Plan Trustees on each side shall be deemed to be the vote of all of the Plan Trustees who cast a vote on that side. Subject to the provisions hereof the Plan Trustees shall have the sole and entire power and authority to decide upon, agree to, and set forth and determine such provisions, regulations, terms and conditions, and likewise the Plan Trustees shall have the full power and authority and right to amend such plan at any time and from time to time provided that the amendments comply with the purpose stated above. The Plan Trustees shall have full authority to determine the form, nature and amount of Health benefits to be provided and the rules of eligibility therefor and the effective dates thereof except that said benefits must be limited to one or more of the following: Death, accidental death, injury, disability, hospitalization, surgical expenses and medical expenses, and any other similar types of benefits permitted by law to be paid with the same tax and over-time consequences, and shall in no event include any pension benefits.

Section 2. Compliance with Applicable Laws. It is the intention of the parties that the Health Plan and any and all amendments thereto shall at all times:

- a) Be and remain in compliance and conformity with all applicable laws and regulations, including but not limited to all applicable provisions of the Labor Management Relations Act and any other applicable valid federal or state laws or rules or regulations, and
- b) Be and remain such that all contributions of Producers thereto will be fully deductible by the Producers for federal income and franchise tax purposes, and

- c) Be and remain such that contributions to the Health Fund satisfy the requirements of the Fair Labor Standards Act to the extent, if any, that such Act is applicable to the employments covered hereby, in order that contributions by Producers are excluded from employees' regular rate for overtime computation purposes, and
- d) Be and remain such that contributions of Producers to the Health Fund shall not be subject to deductions under and for the purposes of the California Unemployment Insurance Act, the Federal Unemployment Tax Act, the Social Security Act, or the Federal Insurance Contributions Act, or any similar legislation.

To these ends the Plan Trustees shall from time to time promptly amend this Trust Agreement and the plan of health eligibilities and benefits and any other part of the Health Plan in any respect necessary or appropriate to make the provisions conform and comply with these laws, rules and regulations. Any such amendment shall be made effective retroactive, if necessary, to such date as the circumstances require in order to obtain and maintain the continuity of such compliances and conformities. The Health Plan and all amendments thereto shall be submitted to the United States Treasury Department or other authorized agency for approval under the applicable provisions of the Internal Revenue Code so that all contributions of Producers thereto will qualify for deduction by the Producers for tax purposes, and in the event of failure to obtain approval of the Health Plan as so qualified under said Internal Revenue Code the Plan Trustees shall immediately, and retroactively if necessary, make revisions as are necessary to obtain such approval.

Section 3. Appellate Procedure.

- a) No employee, pensioner, dependent, or other person shall have any right or claim to benefits under the Health Plan other than as specified in the rules of the Plan. If any such claimant shall have a dispute as to eligibility, type, amount, or duration of such benefits, the dispute shall be resolved by the Board of Trustees under and pursuant to the Health Plan and Trust Agreement, and its decision regarding the dispute shall be final and binding upon all parties thereto.
- b) Any person whose application for benefits under the Health Plan has been denied in whole or in part shall be notified of such decision, in writing and may petition the Board of Trustees to reconsider the decision. A petition for reconsideration shall be in writing, shall state in clear and concise terms the reason or reasons for disagreement with the decision, and shall be filed with or received by the Administrative Office within sixty (60) days after the date shown on the notice to the petitioner of the decision denying the claim, or within sixty (60) days after August 31, 1975, whichever is later.

Upon good cause shown, the Board of Trustees may permit the petition to be amended or supplemented. The failure to file a petition for reconsideration within such 60-day period shall constitute a waiver of the claimant's right to reconsideration

of the decision. Such failure shall not, however, preclude the applicant or claimant from establishing his entitlement at a later date based on additional information evidence which was not available to him at the time of the decision on his application for benefits.

- c) Upon receipt of a petition for reconsideration the Board of Trustees shall proceed to review the administrative file, including the petition for reconsideration and its contents. A decision by the Board of Trustees shall be made promptly and not later than sixty (60) days after the receipt of the petition by the Administrative Office unless special circumstances require an extension of time for processing, in which case a decision shall be rendered as soon as possible, but not later than 120 days after receipt of the request for review. The petitioner shall be advised of the decision of the Board of Trustees in writing.
- d) The Board of Trustees shall adopt procedural rules under which a full and fair review of the application and its denial may be obtained. Such procedure (i) shall afford the petitioner or his duly authorized representative an opportunity to review pertinent documents and submit issues and comments; (ii) may, but shall not be required to, provide for referral of the petition for reconsideration to a committee of the Board of Trustees for review and investigation. If a petition is referred to such a committee, the Board of Trustees may either direct the committee to make a recommendation to the Board of Trustees for disposition of the petition or may delegate to such committee the authority to decide the petition. If such authority is delegated to the committee, then the decisions of the committee shall be deemed to be the decision of the Board of Trustees for all purposes.
- e) The decision of the Board of Trustees with respect to petition for reconsideration shall be final and binding upon all parties, including the petitioner and any person claiming under the petitioner. The provisions of this Section shall apply to and include any and every claim to benefits from the Trust Fund, and any claim or right asserted against the Trust Fund, regardless of the basis asserted for the claim and regardless of when the act or omission upon which the claim is based occurred.

ARTICLE VII

PARTIES TO THE HEALTH PLAN

Section 1. Original Parties. This agreement and trust shall be executed by SAG, those Producers who are members of Association of Motion Picture Producers, Inc., the Plan Trustees originally designated by SAG, and the Plan Trustees originally designated by Association of Motion Picture Producers, Inc., and thereby each such party becomes a party to the Health Plan.

Section 2. Additional Parties. **(Amended 11/6/92)** Any Producer (as defined herein) who is not an original party to the Health Plan may adopt and become a party to the Health Plan by executing and delivering to the Plan Trustees, in duplicate, a sufficient written instrument in form approved by the Plan Trustees, wherein it agrees to become a party thereto, and upon acceptance thereby by the Plan Trustees. Such instrument may, by reference, include the terms of any then existing collective bargaining agreement. SEG, which was formerly deemed to have become a party of the Health Plan by virtue of having executed the February 14, 1961 amendment to this agreement and trust, shall no longer be deemed a party of the Health Plan effective as of the date that SAG assumed jurisdiction over the collective bargaining rights of those extras whose collective bargaining rights formerly were under the jurisdiction of SEG.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 1. Amendment. This trust agreement may be amended at any time and from time to time at a meeting by the affirmative vote of not less than 75% of the full complement of then qualified Plan Trustees.

Section 2. Limitation on Right of Amendment. No amendment of or change in the Health Plan may be adopted which will alter the basic principles hereof or be in conflict with the then existing collective bargaining agreements or contrary to any applicable law or governmental rule or regulation. No amendment may be adopted which will cause any of the assets of the Health Fund to be used for or diverted to purposes other than those herein authorized or which will retroactively deprive any person of any vested benefit; except any amendment may be made which is required as a condition to obtaining or retaining the approval of the Health Plan by the Internal Revenue Service under the Internal Revenue Code or the Franchise Tax Board under the California Revenue and Taxation Code as either are now in effect or hereafter amended to the end that any contributions made to the Health Fund by the Producers are deductible for federal income tax and California state franchise tax purposes.

Section 3. Notification of Amendment. Whenever an amendment is adopted in accordance with this Article, a copy thereof shall be distributed to each Plan Trustee and the Plan Trustees shall notify any other necessary persons or parties thereof and shall execute any necessary instrument or instruments in connection therewith.

Section 4. Termination. (Amended 11/6/92) This trust agreement may be terminated by an instrument in writing executed by all of the Plan Trustees when there is no longer in force and effect a collective bargaining agreement between SAG and any Producer requiring contributions on the Health Fund, or it may be terminated at any time by an instrument in writing executed by SAG, and by all Producers having collective bargaining agreements with SAG who are Producers under this trust agreement. In the event of any such termination hereof, the Plan Trustees shall apply the Health Fund solely for the purpose of paying or providing for the payment of obligations created pursuant to the Health Plan, and in no case shall any part of the corpus or income of the Health Fund be used for diverted to purposes other than for the exclusive benefit of persons entitled thereto under the terms of the plan of welfare eligibilities and benefits or the administrative expenses of the Health Plan or for other payments in accordance with the provisions of this trust agreement. Under no circumstances shall any portion of the corpus or income of the Health Fund directly or indirectly revert or accrue to the benefit of any contributing Producer or to SAG. Upon any such termination, the Plan Trustees and the Fund Trustees, if any, shall continue as trustees for the purpose of winding up the affairs of the trust and of the Health Plan.

Section 5. Reversion. No portion of any contribution may be paid or reverted to any Producer.

Section 6. Use of Funds. The Plan Trustees shall use and apply the assets of the Health Fund for the following purposes only:

- a) To pay all reasonable and necessary expenses incurred in the establishment and administration of the Health Plan, and
- b) To pay for the benefits or for the cost of insurance to provide the benefits provided for in any plan of welfare eligibilities and benefits to be adopted pursuant hereto.

Section 7. Situs. This agreement and the entire Health Plan shall be deemed to have been executed in the City of Los Angeles, State of California, and such place shall be deemed the situs thereof. All questions pertaining to validity and construction shall be determined in accordance with the laws of such state.

Section 8. Notification to Plan Trustees. The address of each of the original Plan Trustees shall be that stated following his signature hereto. Any change of address shall be effected by written notice to the Plan Trustees.

Section 9. Severability. Should any provision the Health Plan or rules and regulation adopted thereunder or any collective bargaining agreement be deemed or held to be unlawful or invalid for any reason, such fact shall not adversely affect the other provisions thereof, unless such illegality shall make impossible or impractical the functioning of the Health Plan. In the event the functioning of the Health Plan becomes impossible or impractical for such reason, all the then parties, including the Plan Trustees, shall endeavor to devise and adopt an amendment which will permit, if possible, the functioning of the Health Plan as nearly as possible in accordance with the true spirit and intent thereof.

Section 10. Encumbrance of Benefits. No monies, property, or equity of any nature whatsoever, in the Health Plan or in the Health Fund, or policies or benefits or monies payable therefrom, shall be subject in any manner by any actor or extra or other person claiming through such actor or extra to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, garnishment, mortgage, lien or charge, and any attempt to cause the same to be subject thereto shall be null and void.

Notwithstanding the foregoing provisions, benefits provided by the Health Plan may, if permitted by the appropriate insurance carrier, be assigned to the physician or other purveyor of services for which benefits are payable, if specifically authorized, in writing, by the Actor or Extra Player or other person entitled to receive such benefits, upon a form approved by and delivered to the Plan Administrator.

Section 11. Validity of Action. No action determined by the vote of the Plan Trustees, directly or through the vote of an umpire as herein contemplated, shall be valid or effective which shall interpret or apply any provisions of the Health Plans in any manner or to any extent so as to be contrary to any applicable law or governmental rule or regulation or which would exceed the powers given to the Plan Trustees as set forth hereunder or change or enlarge the express purpose hereof.

Section 12. Headings No Part of Agreement. Headings and subheadings in this agreement are inserted for convenience of reference only and are not to be considered in the construction of the provisions hereof.

Section 13. Counterparts. This trust agreement may be executed in one or more counterparts. The signature of a party on any counterpart shall be sufficient evidence of his execution hereof.

Section 14. Persons Dealing with Trustees. All persons dealing with the Plan Trustees or the Fund Trustee, except any person who is also fiduciary, shall have no obligation to inquire into the decisions and authorities of the Trustees or to see to the application of any funds paid to the Trustees.