



PRODUCERS' HEALTH BENEFITS PLAN

Participation Agreement

Participation Agreement by and between the undersigned Member (“Contributing Employer”) of the Association of Independent Commercial Producers, Inc. (“AICP”) and **The Producers’ Health Benefits Plan** (“PHBP” or the “Plan”) effective as set forth herein. In consideration of the mutual promises herein contained, the Contributing Employer and the Plan agree as follows:

1. Contributing Employers, Trust Agreement, Employees, Working Owners

a. “Contributing Employer” means a General Member Production Company (including Post Production and Commercial Music) in good standing of AICP; or an Associate Member in good standing of AICP; who is eligible to maintain and sponsor this Plan as provided in the Trust Agreement referred to in paragraph (b) and under the eligibility provisions of the AICP Bylaws. The terms “General Member”, “Associate Member”, “Production Company Member”, “Commercial Music Member,” and “member in good standing” shall have the same meaning as set forth in the AICP Bylaws. All of the foregoing AICP Members share by virtue of their active membership in AICP governance and programs, and in addition to participation in this Plan, substantial, common business interests and purposes in advancing, promoting and benefitting the integrated advertising live action and digital commercial production industry in the United States.

b. (ii) Employer. The Contributing Employer warrants and represents that, except as provided in paragraph d. below, it is an “employer” within the meaning of Section 3(5) of the Employee Retirement Income Security Act of 1974, as amended, (herein “ERISA”) of employees within the meaning of Section 3(6) of ERISA who are employed by the Contributing Employer in employment as described in Subsections 7(a), (freelance common law Covered Categories employed in a Covered Production) and/or (b) staff employees, where staff coverage is elected by a Production Company Contributing Employer or is provided by an Associate ,Post-Production, or Working Owner Contributing Employer. Participation in the Plan and its Plan of Benefits is conditional upon the Contributing Employer completing all applicable waiting periods under the AICP Bylaws and the Plan’s rules.

c. Trust Agreement and Bona Fide Employer Association. Contributing Employer has been offered the opportunity to review, via posting on the Plan’s website, a copy of the Agreement and Declaration of Trust (the “Trust Agreement”) establishing the Producers’ Health Benefit Plan (“the Plan”) and a copy of the Plan’s Audit, Delinquency and Collection Procedures, as amended. The Contributing Employer, as a member of the bona fide employer association that

establishes and maintains the Plan and Plan of Benefits through the sponsorship of the Board of Trustees of the Plan, adopts and agrees to be bound by the Trust Agreement and the Plan's Audit, Delinquency and Collection Procedures and all future amendments to such documents. The Contributing Employer ratifies the selection, designation and appointment of the Board of Trustees of the Plan and their successors. Amendments to the Trust Agreement or the Audit, Delinquency and Collection Procedures that increase the Contributing Employer's obligations to the Plan will be posted on the Plan's website and comments thereon may be submitted by Contributing Employers and, unless the Trustees decide to delay the effective date, the amendment(s) shall become effective on the thirtieth (30th) day after posting to the Plan's website.

(ii) Associate Member Requirements. Where a Contributing Employer is an Associate Member of AICP, it warrants and represents to the Plan that it meets, and at all times while a Contributing Employer shall meet, the sale of commercial production related goods and services and annual gross revenue tests set forth in the Trust Agreement which are incorporated herein by reference. At the request of the Plan, the Contributing Employer shall promptly provide the Plan with such documents and information as it reasonably requests in order for the Plan to effectively verify compliance including but not limited to, in the case of the gross revenue test financial reports and information certified by an independent auditor. Without limiting any other remedy that the Plan has, if the Associate Member breaches its contractual warranty and representation in this paragraph, the Plan in its sole discretion may elect to repay all contributions received from the Associate Member and the Associate Member shall be liable for and shall pay to the Plan's insurance carrier or to the Plan as the Plan directs the value of the medical costs that have been included in the Plan's claims experience in addition to interest, all collection costs, audit costs and reasonable attorney's fees.

d. Working Owners. Notwithstanding paragraph a. above, the working owner of a trade or business (in the form of a corporation, limited liability company, limited partnership or other legal entity) that is an AICP Member referred to in paragraph a. without common law staff employees may qualify as covered employee (provided that the working owner, while working for such trade or business, is not covered by a collective bargaining agreement) and shall be covered for staff coverage (i.e. staff coverage is mandatory for a working owner as a Contributing Employer) and such working owner's trade or business may qualify as a Contributing Employer. If the working owner also works on Covered Productions in a Covered Category for his/her trade or business as a Contributing Employer, then freelance contributions under paragraph 7 (a) shall be made, in addition to staff coverage contributions, by the trade or business as the Contributing Employer: Provided, however, that the individual meets on an annual basis the requirements applicable to worker owners as set forth in U.S. Department of Labor regulations, 29 Code of Federal Regulations Section 2510 (e) as limited by 29 Code of Federal Regulations Section 2510 (b) (6) (ii): And further provided, that the trade or business meets the eligibility requirements applicable to employers (other than the requirement of having common law employees) as set forth in the AICP Bylaws and the Trust Agreement. The undersigned Contributing Employer, where claiming to be a Working Owner, warrants and represents to the Plan that he/she meets all the terms and conditions set forth in the aforementioned Department of Labor regulations, and as amended, and will continue to meet such terms and conditions for the entire period covered by the term of this Participation

Agreement and shall promptly provide the Plan with such documents and information as it reasonably requests to effectively verify compliance including but not limited to financial reports and information certified by an independent auditor. Without limiting any other remedy that the Plan has, if the putative working owner breaches its contractual warranty and representation in this paragraph, the Plan in its sole discretion may elect to repay all contributions received from the putative working owner and the putative working owner shall be liable for and shall pay to the Plan's insurance carrier or to the Plan as the Plan directs the value of the medical costs that have been included in the Plan's claims experience in addition to interest, all collection costs, audit costs and reasonable attorney's fees.

e. Independent Contractors and Misclassification By Contributing Employer. The Plan does not accept contributions on behalf of, and does not cover under the Plan of Benefits, persons who are deemed to be independent contractors under applicable law. Where contributions to the Plan are based on gross earnings for work in Covered Categories (See paragraph 7 (a)) such earnings must be reported on Form W-2. Earnings by covered Staff Employees must likewise be reported on Form W-2, except as otherwise permitted in the case of Worker Owners under paragraph c. under Department of Labor Regulations. Where a Contributing Employer misclassifies, in the judgment of the Plan, an employee as an independent contractor (as evidenced by issuance of a Form 1099) or misclassifies a staff employee as freelance or vice versa, the Plan has the right to require the Contributing Employer to make all contributions for all work in employment covered by the Plan and may treat the person as if he/she had been properly classified by the Contributing Employer ab initio.

2. Payment of Contributions

Payment of contributions for employees of the Contributing Employer covered hereunder shall commence with the effective date of this Participation Agreement or other contribution effective date set forth herein and shall continue to be made as provided in paragraph 7 and as contained in any amendments, renewals or successor participation agreements.

3. Records, Audits and Reports

a. Fiduciary Audit Requirements. The Contributing Employer acknowledges that applicable Federal law requires the Plan's Trustees to maintain and enforce Contributing Employer audit and collection procedures to ensure collection of required contributions to the Plan.

b. Tolling. The Contributing Employer agrees that all applicable limitations of time applicable to any collection or audit suit by the Plan with respect to any contributions or other monies due under this or any prior participation agreement shall be tolled, and without further action by or agreement between the Plan and the Contributing Employer, as of the date of the letter to the Contributing Employer announcing the audit by the Plan's auditors. Such period(s) shall resume as of the date the Plan notifies the Contributing Employer in writing that the Plan does not intend to take further action with respect to the specific audit that has been initiated.

c. Employee Data In order for the Plan to properly determine eligibility and benefits for employees working in employment covered by the Plan and to otherwise implement and administer the Plan of Benefits, the Contributing Employer shall regularly and from time to time as the Plan directs, collect and promptly transmit, in such form as the Plan designates subject to privacy protection requirements under applicable law, to the Plan, its Administrator, its designated insurance Carrier or other designated professional, historic and continuing employment data and other employee specific data (collectively, "Employee Data"). By way of example and not limitation, Employee Data includes wages, days/hours worked, full social security account number, name, address, marital status, insurance status, dependents and other employee specific information requested by the Plan, to the fullest extent permitted by applicable law. The Contributing Employer shall use reasonable efforts to obtain any legally required written employee authorization in order for it or its payroll service to comply with the preceding obligation and shall distribute to its employees or direct its payroll service to distribute enrollment forms and other Plan communications as provided to the Contributing Employer or its payroll service from time to time by the Plan, its Carrier(s) or their representatives.

4. Contributions and Enforcement

a. Interest. Should the Contributing Employer fail to make timely contributions to the Plan, interest shall be assessed to delinquent Contributing Employer, and shall accrue at the rate specified in Section 6 of the Plan's Audit, Delinquency and Collection Procedures (i.e. 1% per month). In addition to interest and to all other remedies which the Trustees may have at law and in equity, the Trustees shall have the right to take whatever steps are necessary to secure compliance with the provisions of this Participation Agreement.

b. Actions. The Contributing Employer agrees that the Trustees shall have standing to bring any action, suit or proceeding in either a Federal or State Court to enforce the terms of this Participation Agreement. The Contributing Employer agrees that, in any action by the Trustees hereunder, service of process on the Contributing Employer by registered or certified mail shall be deemed to constitute personal service on the Contributing Employer within the jurisdiction of the Federal and State Courts in the State of California, City and County of Los Angeles; and that the County of Los Angeles, which is the situs of the principal office of the Plan, shall constitute proper venue for such action. Alternatively, where the Contributing Member has an office in the State and County of New York, the Plan may elect to place venue in the Federal or State Courts in New York, County of New York, and the Contributing Employer consents to the personal jurisdiction of such courts and to the manner of personal service as stated herein.

c. Judgment, Interest and Liquidated Damages. The Contributing Employer further consents that in any action, suit or proceeding against it hereunder in which Contributing Employer is found to be delinquent, judgment may be entered against it for the full amount of any and all unpaid contributions owed by the Contributing Employer together with (a) interest at 1% per month on each contribution making up such total from the due date of each such contribution; (b) all expenses reasonably incurred by the Trustees in securing such judgment including, without limitation, court costs, reasonable outside legal and audit fees and disbursements; and (c) an amount equal to the greater of (i) interest as specified in(a) or (ii) liquidated damages of twenty

percent (20%) of the amount of unpaid contributions.

d. Reports. The Contributing Employer shall make such reports, and provide such documents, ledgers, statements, and information to the Plan with respect to the work performed, jobs, the amount and calculation of any contributions remitted or required to be remitted to the Plan as the Trustees may deem reasonably necessary or desirable.

e. Audits. The Trustees may at reasonable times and during normal business hours of the Contributing Employer, audit or cause the audit or inspection and copying of the books and records of the Contributing Employer which the Plan's auditors reasonably determine to be pertinent or desirable in connection with the contributions, remittance reports and the Contributing Employers obligations under this Participation Agreement and in order to accomplish the purposes of the Plan. If outside legal fees are expended to compel such an audit or inspection or to collect amounts outstanding from a Contributing Employer, the Contributing Employer involved shall pay all reasonable attorneys' fees, all reasonable costs of the audit or inspection subsequently conducted, interest penalties or liquidated damages, and court costs incurred by the Plan in connection with any litigation necessary in this regard. In a case in which the Contributing Employer has complied with the audit, cooperated with the auditors and where no delinquency, underpayment or erroneous reporting has occurred the costs of the audit or inspection shall be borne by the Plan. If delinquent contributions for productions selected for testing by the auditors exceed 10% of the aggregate of the contributions paid and received by the Plan for the selected projects, audit fees incurred by the Plan will be charged to the Contributing Employer. Notwithstanding the preceding sentence, the Trustees shall have, to the extent permitted under ERISA, the power to waive or reduce such audit or inspection costs and legal fees in a particular case upon good cause shown, such as, but not limited to, a case in which the delinquency is de minimis in amount.

f. Projected Contributions. Should the Contributing Employer fail to submit required Remittance Reports when due, or fail to make its payroll records or other records available after demand, the Trustees may, in addition to all other remedies which may be available to them at law, in equity or by statute, compute the sum due for any work period in the following manner: the largest gross earnings or the largest number of work units (or portions of work units) reported by the Contributing Employer for any work period during the preceding twelve (12) months for which reports were submitted shall be increased by 10%, rounded up to the next higher whole number, and then multiplied by the current contribution rate. The resulting figure shall be deemed the amount of contributions due for the work period in question, be binding on the Contributing Employer and be payable by it together with such additional amounts as are provided for in this section.

g. Indemnification. The Contributing Employer shall indemnify, defend and hold the Plan, its Trustees, the Trust and the agents and employees of all of them harmless from any claim, damage, liability or expense arising out of or relating to Contributing Employer's breach of any obligation it has under this Participation Agreement or under applicable law. The foregoing is not intended to relieve the Trustees of any duty which they may have under Title I of ERISA.

5. Plan of Insured Benefits, Compliance Testing and IRS Section 125 Plan

a. Fully Insured Benefits. The Plan of Benefits, eligibility and all other rules and regulations of the Plan including the terms and conditions of the Contributing Employer participation shall be determined, and amended from time to time, by the Trustees and currently consists of health, medical, dental, vision, short/long term disability and life insurance coverage on a fully insured basis. Unless contributions as required herein are paid to and received by the Plan, it shall have the absolute right to decline to permit participation by the Contributing Employer and deny, limit or revoke (to the extent permitted under applicable law) any coverage for benefits under its policies with carriers and decline to credit any employment for eligibility or other purposes. The Trustees shall have the right, among others, and without limitation to alter, amend, revise, terminate, merge, modify, eliminate, discontinue, condition, administer, curtail, manage and direct the Trust and/or Plan of Benefits and any type or level or coverage or eligibility. As provided in the Trust Agreement any and all benefits provided by the Plan of Benefits shall be on a fully insured basis only: the Plan of Benefits does not provide any benefits on a self-funded or self-insured basis.

b. Compliance Testing. The Contributing Employer shall perform all required periodic discrimination testing with respect to benefits provided to covered staff employees and to promptly remedy any conditions required to be remedied as a result of any test failure. The Contributing Employer shall determine if and to what extent such testing is required and shall promptly report to the Plan any test results that indicate non-compliance and proof of prompt remediation.

c. IRC Section 125 Plan. Where the Plan of Benefits, or any component or program thereof, covering the staff employees of the Contributing Employer offers staff employees the ability to obtain coverage by making pre-tax payments or contributions, the Contributing Employer shall adopt and maintain a qualified Internal Revenue Code Section 125 plan to enable such payments to be made.

6. Term of Participation Agreement, Termination and Amendments

a. Term. Unless sooner terminated by the Plan or by the Contributing Employer as provided in this Participation Agreement and except with respect to Staff Coverage under Paragraph 7(b) which must be renewed annually, this Participation Agreement shall remain in force until terminated by either party as herein provided. This Participation Agreement succeeds any prior Participation Agreement between the Plan and the Contributing Employer on and after the effective date of this Agreement but all claims in favor of the Plan under any prior participation agreement are preserved.

b. Amendments. The Plan may amend any of the terms of this Participation Agreement at any time as follows: (i) The Plan shall give Contributing Employers thirty (30) days' notice of any proposed amendment including but not limited to a successor or replacement participation agreement to this Participation Agreement, renewal terms, rates for staff coverage

and Staff Coverage Form terms, percentage contributions for freelance covered categories, additional covered categories and amendments to any language or other terms of this Agreement (collectively herein “Proposed Amendment”). The Plan notice of Proposed Amendment shall contain the following legend: **“THIS PROPOSED AMENDMENT [SUCCESSOR PARTICIPATION AGREEMENT] AMENDS [REPLACES] YOUR COMPANY’S CURRENT PARTICIPATION AGREEMENT EFFECTIVE _____ 201_. THE TERMS OF THE PROPOSED AMENDMENT [SUCCESSOR PARTICIPATION AGREEMENT] SHALL BECOME LEGALLY BINDING UPON YOUR COMPANY IN ACCORDANCE WITH PARAGRAPH 6 (b) OF THE CURRENT PARTICIPATON AGREEMENT.**

Unless the Proposed Amendment is rejected in writing by the Contributing Employer and notice of rejection is received by the Plan not later than the end of such thirty (30) day period, the Proposed Amendment shall become effective and legally binding upon the Contributing Employer in accordance with its terms and as stated by the Plan in its notice to the Contributing Employer.

Termination of Staff Coverage Only. Notwithstanding paragraph 6(b), where the Contributing Employer employs freelance production categories in paragraph 7 (a) on Covered Productions and has elected staff coverage, this Participation Agreement may not be terminated only with respect to Freelance Coverage and continued as to Staff Coverage, however, the Contributing Employer may discontinue Staff coverage at the end of any policy year (calendar year) or on sixty (60) days’ written notice to the Plan and may continue its Freelance Coverage and participation in the Plan.

c. Termination by the Contributing Employer:

(i) The Contributing Employer shall be deemed to have elected to terminate this Participating Agreement by giving notice of rejection of any Proposed Amendment under paragraph b. effective when such Proposed Amendment would have become effective.

(ii) For any reason, upon sixty (60) days prior written notice to the Plan: Provided that such notice may not be given by the Contributing Employer for the first sixty (60) days after the effective date of this Agreement.

d. Termination by the Plan:

(i) The failure of the Contributing Employer (or where applicable its Payroll Service) to fully and timely comply with any provision, condition, covenant, promise, term, obligation representation, warranty, payment, delinquency (including liquidated damages, interest, audit and collection fees) required by or contained in this Participation Agreement (or any under any prior Participation Agreement) whether expressly recited or incorporated by reference; or to fully comply with any provision of the Trust Agreement or other Plan rule applicable to the Contributing Employer; or to or fully comply with any applicable provision of the Plan’s Audit, Delinquency and Collection Procedures (as all of the foregoing may be amended from time to time): shall be deemed a material breach of this Participation Agreement. In the event of such

breach, the Plan, by its Trustees, shall have the right (in addition to all legal and equitable rights and remedies all of which the Trustees expressly reserve) to terminate this Participation Agreement and all coverage under the Plan of Benefits effective on thirty (30) days prior written notice to the Contributing Employer, unless in the sole judgment of the Trustees the Contributing Employer has completely cured such breach.

(ii) Where the Trustees, as fiduciaries, deem it in the best interests of the Plan and its participants, in their sole judgment, or as otherwise required or permitted under the Trust Agreement, applicable law or in the event the Plan or its Plan of Benefits is terminated, upon sixty (60) days prior written notice to the Contributing Employer.

(iii) Failure or refusal of the Contributing Employer to execute and return any Proposed Amendment where the time to reject such Proposed Amendment has passed without notice of rejection having been given to the Plan in accordance with paragraph 6(b).

(iv) Loss of AICP Membership. In the event the Contributing Employer ceases, by resignation, non-payment of dues or termination of its operations or otherwise ceases to be a Member in good standing in the AICP, and as certified by, the AICP upon request of the Plan, this Participation Agreement shall automatically terminate on the last day of the month in which the Contributing Employer's membership terminates. In the event that the Contributing Employer ceases, by expulsion for any reason other than non-payment of dues, to be a Member in good standing of the AICP (as certified by the AICP in writing to the Plan with a courtesy copy to the Contributing Employer), this Participation Agreement shall terminate within thirty (30) days after the Plan gives the Contributing Employer written notice of its intention to terminate the Participation Agreement due to the AICP terminating the Contributing Employer's membership, provided that the Contributing Employer has not remedied the cause of the AICP's termination of the Contributing Employer's membership before the end of the thirty (30) day notice period.

e. Survival The Contributing Employer's obligation to pay all contributions and other obligations due and owing to the Plan accrued prior to any termination date, including the Plan's rights to audit and for indemnification under paragraph 4 shall survive termination of this Participation Agreement for any reason indefinitely.

f. Forbearance. The forbearance of the Trustees from exercising any or all of their rights under this Agreement and the Trust Agreement in the case of a breach or failure of the Contributing Employer to adhere to any deadline or the granting of any extension shall not be deemed a waiver, precedent or practice nor require future forbearance in the event of a subsequent breach or failure.

7. Contribution Rates and Covered Employment

The Contributing Employer shall commence contributions on the Effective Date of this Participation Agreement or as otherwise set forth on the execution page of this Participation Agreement.

(a) Coverage of Freelance Employees:

(i) The Contributing Employer shall contribute to the Plan nine percent (9%) of “gross earnings” (as defined in paragraph 7(a)(iii)) of the freelance, common law employees (within the meaning of Section 3(6) of ERISA, herein “employee” and “employees”) employed in Covered Categories whose employment on Covered Productions is not covered by a collective bargaining agreement to which the Contributing Employer is a party/signatory.

“Covered Productions” means commercials. As used in this Participation Agreement, a “commercial” means a moving picture work regardless of method, means or medium of production (whether film/tape/digital or other) that promotes or advertises a brand, product or service to the general public, regardless of the distribution format/medium/platform/channel ---but excluding music videos.

With respect to all Covered Categories, except where the modifier is the term “post” meaning post-production, and where the core job title is followed or preceded by, a modifier (e.g. adjective, prefix, suffix or descriptive term) that is included as part of the core job title, the Plan treats the modifier only as a general descriptive term which does not change the coverage requirement of the core job title nor does the Plan treat the modified core title as a different, non-covered job category. For example, the core job title of Producer when combined with a modifier such as Associate, Assistant or interactive is the same Covered Category of “Producer”.

For all Contributing Employers, whether the Contributing Employer is a signatory to the then current IATSE Commercial Production Agreement, the following core freelance job titles are PHBP Covered Categories and work by freelance employees in those job categories is deemed covered employment by PHBP for which contributions to PHBP are required by this Agreement:

- Producer
- Production Manager
- Production Supervisor
- Production Coordinator
- Bidder
- Production Assistant

(ii) Additional Freelance Categories. As the Plan identifies additional, different or new terms used to describe employees working in the same or similar capacity as the positions listed above, or as job titles covering the same work change through custom and usage, the Plan shall have the right, on notice to the Contributing Employer to add to, or delete terms from, the above Covered Categories list. The “additional, different or new terms” referred to herein are limited to job titles used (or which develop through custom and usage) to describe persons employed in production or post production working in the same or similar capacity as the positions listed above and who may be described by different job titles by different Contributing Employers at different times.

(iii) Gross Earnings. As used in Paragraph 7 (a) in this Participation Agreement, “gross earnings” means total gross compensation, in any form, received by the employee for, or in conjunction with, or relating to his/her services for the Contributing Employer in a Covered Production including but not limited to all earnings, salary, wages, fees, charges, paid time off, cancellation pay, postponement pay, financial gifts or awards, bonuses of any kind, profit participation and expenses, except for reimbursement of actual, documented out of pocket expenses incurred by the employee in the performance of work in a Covered Production. The eligibility for benefits of employees for whom contributions are made under this Paragraph 7(a) shall be determined in accordance with the Plan’s eligibility and coverage rules as amended from time to time by the Trustees.

(iv) Payment. Until the Plan notifies the Contributing Employers that it requires automated clearing house (“ACH”) on line transfers to a designated bank, payment of contributions as required above shall be made by check mailed to the Plan’s third party administrator designated herein by the end of each month in respect to all employment during the preceding month, on which contributions were payable. The Plan’s right to contributions attaches on the date covered employment was performed (i.e., the work date) and not the date the employee is paid for such work. Each payment of contributions shall be accompanied by a Remittance Report in the form supplied by the Plan.

(v) Loan-out Companies. Where, as part of Commercial Production a Contributing Employer borrows/leases the services of a freelance employee from a loan-out company and such employee renders services to a Contributing Employer in a freelance Covered Category covered by this Participation Agreement, the Contributing Employer shall make contributions directly to the Plan with respect to the services performed by the borrowed/leased employee. In its agreement with the loan-out company, the Contributing Employer shall separately state the compensation applicable to services covered by this Participation Agreement. Contributions to the Plan shall be based on the amount the Contributing Employer pays the loan-out company for borrowing/leasing the freelance employee’s covered services. As used herein the term “loan-out company” shall (A) have the same meaning as it does under the commercial production industry multiemployer employee welfare benefit plans where such plans cover persons working as loaned out freelance employees under their plan of benefits; (B) is owned solely by the employee and (C) loans/leases the employee/owner’s special skills and services to the Contributing Employer; (D) the borrowing/leasing Contributing Employer exercises supervision and control over the borrowed/leased employee ; and (E) there are other indicia of employment between the Contributing Employer and the borrowed/leased employee. A loan-out company is a corporation, Limited Liability Company or other legal entity. A loan-out company is not regarded by the Plan as an independent contractor in relation to the Contributing Employer. The Plan does not enter into participation agreements with loan-out companies nor permit them to become contributing employers. The Trustees have the right, at any time on notice to the Contributing Employer, to decline to accept contributions on behalf of loaned-out/borrowed employees and to not cover such persons as participants under the Plan of Benefits where the Trustees in their sole judgment determine to be in the best interests of the Plan and/or to comply with applicable law.

(b) Coverage of Staff Employees:

General application of paragraph 7 (b): For Contributing Employers that employ Freelance Production categories on Covered Productions as described in paragraph 7 (a), coverage of staff Employees is optional by the Contributing Employer and requires completion and execution of the Staff Coverage Form provided by PHBP. For other Contributing Employers, that do not employ the covered freelance categories in Covered Productions under paragraph 7(a) (e.g. Associate Member Contributing Employers, Commercial Music Employers and Working Owners), coverage under the Plan of Benefits is limited to staff coverage, is not optional and requires completion and execution of the Staff Coverage Form provided by PHBP.

(i) “Staff” employees means the permanent, common law employees (within the meaning of Section 3(6) of ERISA) of the Contributing Employer hired for an indefinite period of employment (i.e. are not employed on a freelance, project by project or temporary basis), who are normally and regularly scheduled to work at least thirty (30) hours per week.

(ii) The required Contributing Employer and participant (including COBRA) monthly contribution rates to the Plan applicable for staff individual, spouse and dependent coverage shall be determined by the Trustees for a calendar or policy year based on the policy rates negotiated with the Plan’s insurance carrier(s) plus such administrative expense component, if any, as Trustees may determine in their sole judgment.

(iii) The Contributing Employer shall enroll and cover all its staff employees for individual medical coverage and pay the full monthly individual contribution rate directly to the Plan via check to the Plan’s third party administrator until the Plan notifies the Contributing Employer that contributions are required to be made by ACH online transfer to the Plan’s designated bank. Staff coverage hereunder shall not be required where a staff employee otherwise eligible for coverage has medical coverage elsewhere and affirmatively declines individual medical coverage in writing in the manner that the PHBP prescribes. If the Contributing Employer requires its staff employees to reimburse it for a portion of the total monthly contribution rate it pays for individual medical coverage or medical/dental/vision coverage (if that option package is elected), the portion paid by the staff employee may not exceed fifty percent (50%) of the Contributing Employer’s total monthly contribution rate for the level of coverage that the Contributing Employer has elected. Where a higher coverage level may be elected by an eligible staff employee under the Plan of Benefits, the excess cost shall be paid 100% by the electing staff employee unless the Contributing Employer elects to pay a portion thereof as a matter of policy for all electing staff employees. Payment of medical coverage for family, spouse and dependents shall be optional on a group basis for the Contributing Employer who, as in the case of individual coverage, shall make full monthly payment of applicable carrier premium to PHBP and may require reimbursement by the staff employee in such amount as the Contributing Employer may establish for a calendar or policy year, subject to applicable law.

(iv) New staff hires must be enrolled and benefits for the new hire will begin the first of the month following thirty (30) days from date of hire. A freelance employee under paragraph 7(a)(i) above who is hired as a staff employee and was eligible and covered by PHBP at the time of hire, shall be covered as staff immediately upon commencement of employment by the

Contributing Employer. Furthermore, if a new employee was covered by PHBP as a staff employee with another participating Contributing Employer at the time of hire, he/she shall also be covered immediately upon commencement of staff employment by the Contributing Employer.

(v) Payment for staff coverage shall be billed to the Contributing Employer by the Plan's third party administrator by the first day of each month and payment must be received by the Plan's third party administrator (until such time as the Plan notifies the Contributing Employer that payment is to be made by ACH online transfer to the Plan's designated bank after which payment must be received by such designated bank) by the fifteenth (15th) day of that month for coverage effective the first day of the following month. If payment in full as required is not received, the Plan may terminate staff coverage effective on such first day of the following month when coverage would otherwise have commenced. Reinstatement, if permitted, shall be in the sole discretion of the Plan and upon such terms as it determines. The Contributing Employer's payment shall be accompanied by a Remittance Report in the form supplied by the Plan. The Plan shall provide invoices for all staff coverage elected by the Contributing Employer, including any contributory spouse, dependent and/or family coverage based on the most current enrollment data that the Plan has. The Plan may revise/correct/supplement any invoice to conform to the proper covered staff employees, dependents, spouses and dependents. As used in the Participation Agreement including the attached Staff Coverage Form, the terms, "individual," "spouse," "dependent" and "family" shall have such meaning as they have in the contract of insurance between the Plan and its medical insurance and dental/vision insurance carrier(s).

(vi) Dental and Vision Coverage. Dental and Vision coverage, as a package, is optional and may be provided as the Contributing Employer determines e.g. through its own selected carrier, by self- insurance or not at all. If the Contributing Employer elects to provide such coverage through the Plan, it is on a combined dental and vision basis only, on a group basis for all staff employees of the Contributing Employer and the individual coverage rate must be paid for entirely by the Contributing Employer that elects such coverage.

(vii) Staff Coverage Rates. The 2019 monthly Contributing Employer contribution rates have been provided to the Contributing Employer in the Plan's Staff Coverage Form, the terms of which are incorporated herein by reference. Upon renewal, extension of or other changes the Plan's medical coverage policy with its carrier, the Contributing Employer will be advised in writing of the contribution rates for the successive calendar or policy year(s) by means of a new Staff Coverage Form for each new calendar or policy year. The Contributing Employer may continue to elect staff coverage or decline to elect staff coverage by so indicating on the Staff Coverage Form and returning it signed to the Plan within the time specified by the Plan. The terms of an executed Staff Coverage Form shall be incorporated in this Participation Agreement by reference instead of a successor participation agreement, unless the Plan requires execution of a successor participation agreement. Failure to timely return the executed Staff Coverage Form or successor participation agreement for any renewal period shall be treated by the Plan as a Contributing Employer election to decline to renew and continue staff coverage. Failure to timely deliver the fully executed Staff Coverage Form or successor Participation Agreement to the Plan will cause termination of the Contributing Employer's staff coverage at the conclusion of the current policy year and as indicated in the Staff Election Form. Once staff coverage has been

elected for a calendar or policy year, it may only be terminated effective at the end of a calendar month, and on thirty (30) days prior written notice to the Plan. Additional elements of Staff coverage including benefits and eligibility are governed by the Plan's Rules as they may be amended by the Board of Trustees from time to time.

8. Payroll Service

Where freelance contributions are made to the Plan through a payroll service, the Contributing Employer authorizes and directs each payroll service company that it uses as part of its payroll operations to comply with its obligations under paragraphs 2, 3, 4, 5 and 7 of this Participation Agreement, as applicable. The Contributing Employer shall issue such additional written directives and/or authorizations to its payroll service or services as the Plan determines are reasonably necessary to effectuate the terms of this Participation Agreement. In the event that the Plan issues a directive to a payroll service company directly, the Plan will give the Contributing Employer prior written or electronic notice, and the content, of any directive to the Contributing Employer's Payroll Service. Nothing contained in this paragraph 8 shall relieve the Contributing Employer of any obligation it has under this Participation Agreement, the Trust Agreement or applicable law.

9. Governing Law

The interpretation and enforcement of this Participation Agreement shall be governed by the laws of the State of California, without regard for the choice of law rules of that state, but only to the extent not otherwise preempted by ERISA.

10. Conditions to Coverage, Plan of Benefits and Termination of Plan

The Contributing Employer acknowledges that coverage and maintenance of a fully insured Plan of Benefits is conditional upon issuance and continuation by the Plan's underwriting insurance carrier of the group health insurance policy. The carrier has conditioned coverage and maintenance of a policy on the attainment and maintenance of specified minimum levels of Contributing Employers participation and eligible freelance employee group size. If, for any reason, the carrier or any successor carrier cancels or does not renew any policy issued to the Plan, the Trustees may terminate the Plan, the Trust, the Plan of Benefits and/or this Participation Agreement or if the Trustees for any reason determine to terminate the Plan, the Trust or the Plan of Benefits, the Trustees may, in their sole discretion, terminate this Participation Agreement. No portion of Contributing Employer contributions or other monies made to the Plan shall be returned.

Agreed and Accepted By:

(Full Name of AICP General Member, herein the “Contributing Employer”)

(Address)

(State of incorporation)

(Company EIN)

By: _____ (Signature of
 Authorized Officer) (Title) (Print Name)

Signing Date: _____

➤ Completion of the following chart is required for all Contributing Employers. PHBP will not countersign this Participation Agreement unless this chart is completed.

| CONTROLLING PARTNER/ OFFICER/SHAREHOLDER INFORMATION | | | |
|---|---|---|--|
| Please fill in all officer/shareholder information. | | | |
| PARTNER/OFFICER/SHAREHOLDER/LLC MEMBER NAME | TITLE | % OF SHARES OR OWNERSHIP INTEREST | |
| | | | |
| | | | |
| | | | |
| | | | |
| ADDITIONAL INFORMATION | | | |
| Company Type: (check one) | <input type="checkbox"/> SOLE PROPRIETORSHIP (Ownership) | <input type="checkbox"/> A Partnership: <input type="checkbox"/> General <input type="checkbox"/> Limited | Company Identification Numbers: |
| | <input type="checkbox"/> LIMITED LIABILITY CORPORATION (List ALL Members) | | Fed ID: |
| | <input type="checkbox"/> A CORPORATION (List ALL Officers and Principals) | | State Employer ID #: |
| Does this Company have any affiliated/related entities? (e.g., parent company, subsidiaries, siblings, etc.) | | | <input type="checkbox"/> Yes (Please List Below) <input type="checkbox"/> No |
| | | | |
| | | | |
| | | | |

List all trade names (i.e. “DBAs”) for the Company and all entities listed as affiliated entities above

| Entity Name | Trade Name (DBA) |
|--------------|------------------|
| 1. (Company) | |
| 2. | |
| 3. | |
| 4. | |
| 5. | |

Names, Titles, Phone Numbers and Email Addresses of Contact Persons at the Contributing Employer’s office:

- | | |
|-------|----|
| 1. | 4. |
| 2. | 5. |
| <hr/> | |
| 3. | 6. |

List of the Contributing Employer’s Payroll Service(s):

- | | |
|-------|----|
| 1. | 4. |
| <hr/> | |
| 2. | 5. |
| <hr/> | |
| 3. | 6. |
| <hr/> | |

EFFECTIVE DATE OF PARTICIPATION AGREEMENT:

THIS PARTICIPATION AGREEMENT SHALL NOT BE LEGALLY BINDING UPON PHBP UNTIL COUNTERSIGNED BY PHBP AT THE PLACE PROVIDED. THE DATE OF COUNTERSIGNATURE BY PHBP IS THE “EFFECTIVE DATE” OF THIS PARTICIPATION AGREEMENT UNLESS PHBP DESIGNATES THE ALTERNATIVE EFFECTICE DATE OF _____ 201_ FOR PURPOSE OF THE COMMENCEMENT OF CONTRIBUTIONS AND THE TERMS CONTAINED IN THIS PARTICIPATION AGREEMENT.

Agreed and Accepted by:

PRODUCERS' HEALTH BENEFITS PLAN:

By: _____
Sean Cooley
Executive Director

Signing Date: _____

ADDRESSES OF PLAN OFFICES:

California:
c/o Raleigh Studios
650 N. Bronson Avenue, Suite B-138
Los Angeles, California 90004-1404

New York:
3 West 18th Street (5th Floor)
New York, New York 10011

NAME AND ADDRESS OF PHBP's THIRD PARTY ADMINISTRATOR:

BeneSys Administrators, Inc.
7180 Koll Center Parkway, Suite 200
Pleasanton, California 94566
Attention: Barry Osharow



STAFF COVERAGE FORM

Thank you for choosing the PHBP. Please fill out and sign this form and return it with your signed Participation Agreement. All documents can be found at www.phbp.org

Participating Company is primarily:

Live Action Production Digital Production Post Production Associate Member

I decline Staff coverage and will participating in Freelance Production contributions only.

I elect Staff coverage.

Section I: Election of Staff Coverage Benefit Offerings:

The PHBP offers two Staff Coverage Packages.

Please check and initial one of the following staff coverage options. All terms and conditions apply as per the Participation Agreement :

| | | Check: | Initial: |
|------------------|--|--------|----------|
| Option 1: | Medical and Pharmaceutical Benefits Only | _____ | _____ |
| Option 2: | Medical/Pharmaceutical AND Vision/Dental | _____ | _____ |

Monthly Premium Amounts

*Your specific employer provided medical coverage plans will be selected on your staff employees' enrollment forms.

Option 1- Medical and RX Only:

| | PHBP Classic Premier PPO | PHBP Classic Plus PPO | PHBP Health Savings Account (HSA) | PHBP California Classic HMO (CA Only) |
|----------------------------|--------------------------|-----------------------|-----------------------------------|---------------------------------------|
| Employee Only | \$ 612.13 | \$. 576.35 | \$ 408.19 | \$. 441.26 |
| Employee + Spouse | \$1,359.63 | \$1,280.20 | \$ 906.67 | \$. 980.12 |
| Employee + Children | \$1,112.42 | \$1,047.44 | \$ 741.83 | \$. 801.92 |
| Employee + Family | \$1,912.93 | \$1,801.18 | \$1,275.65 | \$1,378.98 |

Option 2- Medical PLUS the following Dental and Vision bundle:

** If elected, this bundle must be provided to all covered staff employees. It cannot be purchased individually per employee.

| | |
|--------------------------|-----------|
| Employee Only | \$ 44.36 |
| Employee + Spouse | \$ 85.52 |
| Employee + Child | \$. 93.86 |
| Employee + Family | \$132.83 |

PHBP will be offering a short and long term disability package that will be available on April 1, 2019. If you are interested, we will need employee income data by February 1, 2019.

Check here if interested and more information will be provided in January 2019.

Date Agreed, Accepted, and Signed: _____

Full Name of Contributing Employer: _____

Address of Contributing Employer: _____

Authorized Signature: _____

Printed Full Name: _____

Staff Coverage Point of Contact: _____

Phone Number: _____

Email Address: _____

The above signed Contributing Employer agrees to cover all staff employees for individual coverage, and to pay in full each month all individual staff and dependent contribution rates directly to the PHBP via its online secure payment portal or by check. Upon receipt of this signed Election Form, BeneSys Administrators will provide you with all needed Staff Enrollment forms. All forms are also available at www.PHBP.org

No coverage will be provided to, nor payment due for, staff employees who decline coverage in writing as prescribed by PHBP.

The purpose of this form is to elect staff coverage along with any additional benefits. All other details are informational only. Your signed Participation Agreement shall govern all Plan policies and details. If you have any questions, please call Sean Cooley, Executive Director of PHBP, at 323-960-4781 or inquire by email to seanc@phbp.org.