

PRODUCERS GUILD OF AMERICA, INC.
A California Corporation

Article I
SEAL

The corporate seal of the Producers Guild of America, Inc. (“Guild”) shall consist of two concentric circles and shall contain the name of the Guild and the words and figures “California, Incorporated May 16, 1950.”

Article II
OBJECTS

1. This corporation is a non-profit mutual benefit corporation organized under the Non-profit Mutual Benefit Corporation Law. The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under such law.
2. The principal object of this Guild, set forth as its primary purpose in these Articles, is to represent persons who perform producing functions in the entertainment industry (i.e., the motion picture, television, new media and allied industries); to promote the professional interests of such persons and to improve the quality of their productions; to cooperate, where necessary, with other groups or organizations having objectives or interests in common with this corporation; to promote networking among such persons to enhance the sharing of professional and educational information; to promote the institution of the Guild as a collective bargaining organization for its membership (or a portion thereof); and to protect and preserve the rights and property of such persons and this corporation both at law and under the provisions of the Articles of Incorporation and this Constitution.
3. The Guild shall have the general purposes and powers to do any and all things necessary, desirable or proper to promote the welfare and interests of this corporation and its members, and to carry into effect or to further any of the foregoing purposes.
4. In furtherance of these stated objects, and with the cooperation of relevant companies or copyright holders, the Guild may implement and apply its PRODUCERS MARK, indicated by the lowercase “p.g.a.”, to the screen credits of those producers who, in the Guild’s regard, have exercised responsibility for a majority of producing functions on a given production. In its application, the Producers Mark shall certify the Guild’s determination of the legitimacy of a given credit, and its verification of the work denoted by such credit. The Producers Mark is and shall remain the sole property of the Guild, and may not be added to any screen credit, by any party, without the Guild’s express consent.
5. In determining whether any function or activity engaged in or carried on by the Guild through its officers, directors, key administrative personnel, other authorized employees or agents or professional staff falls within the scope of the foregoing objects, purposes, and powers enumerated in the Guild’s Constitution and/or Articles of Incorporation, the special problems and functions of the Guild as a professional organization shall be taken into account. Any such Guild function or activity which has been (a) duly authorized or ratified hereunder by referendum vote of the membership or (b) duly authorized or ratified hereunder by the National Board of Directors without being nullified by referendum vote of the membership shall be presumed to be solely for the benefit of the Guild and its members.

Article III
MEMBERSHIP

1. **ELIGIBILITY.** The following persons after satisfying such reasonable, additional requirements as may be prescribed by the National Board of Directors, shall be eligible for membership in this Guild if they are part of the producing team responsible for making motion pictures, television programs, theatrical, event and new media productions, or other areas of entertainment or information which may be photographed or recorded on any and all media or other new instruments of communication and exhibition, whether now known or hereafter devised, or performed directly in the presence of the audience, in one of the following classifications: Producers Council, AP Council, New Media Council or Non-Voting Council. New members shall be classified at the time of their admittance to membership. All applicants must have one (1) PGA sponsor to join, provided, however, that this may be waived by Regional Offices for their own Region.
 - A. **PRODUCERS COUNCIL.** The PRODUCERS COUNCIL shall be composed of those individuals whose responsibilities encompass the initiation, coordination and supervision of all creative, financial, technological and administrative functions throughout all phases of production, from inception to completion, including the selection, coordination and supervision of all other talent and crafts. The Producers Council typically encompasses the titles of Producer/“Produced by”, Executive Producer, Co-Producer, Co-Executive Producer and Supervising Producer.
 - B. **AP COUNCIL.** The AP COUNCIL shall be composed of members of the producing team whose essential skills and support allow the primary producers of motion picture and television projects to realize their creative visions and accomplish their logistical goals. Such members will fall into one of five categories, as determined by their historical and current job duties and experience: Associate Producer/Production Manager/Production Supervisor; Segment/Field/Story Producer; Post-Production; Production Coordinator; Visual Effects Producer.
 - C. **NEW MEDIA COUNCIL.** The NEW MEDIA COUNCIL shall be composed of those producers and team members responsible for entertainment production in the field of digital media and other storytelling platforms that may exist outside of traditional motion picture and television models. Such producers will typically distribute their work via one or more of the following platforms: Broadband (Internet/Online); DVD/CD ROM/Blu-Ray; Mobile/Wireless; iTV (Interactive Television); Digital Animation; Digital Visual Effects; Video Games; Special Venue Production; Transmedia. The New Media Council typically encompasses the titles of Executive Producer, Co-Executive Producer, Supervising Producer, Producer, Co-Producer, Associate Producer, Production Coordinator, Post Production Supervisor and Post Production Coordinator.
 - D. **TITLES ALLOWED.** The exact titles allowed for Producers Council, the AP Council and the New Media Council shall be stipulated in the Guild’s Membership Committee Guidelines, as approved by the National Board of Directors.
 - E. **DETERMINING ELIGIBILITY.** The mechanism for determining membership eligibility, as well as placement within a particular Council or category above shall reside with the Membership Committee, and be subject to ratification by the Executive Director. Any contested ratification of membership eligibility shall be resolved ultimately by the National Board of Directors. The Membership Committee Guidelines, as approved by the National Board of Directors shall be used to determine eligibility for membership. In determining applicant eligibility, the Membership Committee shall rely on the standards and guidelines promulgated through the Guild’s Producers Code of Credits.
 - F. **TRANSITION BETWEEN COUNCILS.** For AP Council and New Media Council members, upon receiving their third Producers Council-eligible credit received, a member must transfer to the

Producers Council. For Producers Council members, upon receiving three new AP Council or New Media Council credits, the member may choose to transfer to the relevant Council. All transfers are approved by the Membership Committee and processed by the PGA staff. Dues adjustments shall be prorated from the time of the transfer. Additional initiation fees for moving to transfer to the Producers Council shall be payable at the time of transfer, unless the Member has been a dues-paying member of the Guild for three (3) years or more. No Producers Council initiation fees shall be refunded for Producers Council members transferring to any other council.

G. NON-VOTING COUNCILS. In recognition of the Guild's primary focus on representing all individuals who perform producing functions in the entertainment industry, the Guild shall recognize additional Councils that may be formed to represent individuals who perform producing functions in other forms of media or distribution, whether now known or hereafter devised. In order to maintain equivalent standards of eligibility, new members of such Councils shall have voting rights only with respect to its Council's activities and jurisdiction until such Council's eligibility requirements have been approved by the National Board of Directors.

H. NON-DISCRIMINATION. Any person, regardless of sex, sexual orientation, race, color, religion, national origin, ancestry or age, who presents satisfactory evidence that he or she meets the eligibility requirements of this Article, shall be eligible for membership in the Guild.

2. INACTIVE STATUS.

A. A member in good standing who has not been engaged in the motion picture, television, new media or allied industries as part of the producing team for at least twelve (12) consecutive months may apply in writing to the National Board of Directors for Inactive Status. If the Board accepts the application, the applicant shall be granted an Honorable Withdrawal confirming the applicant's Inactive Status. A member granted Inactive Status shall not be entitled to vote, nor seek nor hold office. However, if an Inactive Status member returns to activity in less than one year after receiving Inactive Status, full Dues shall be payable retroactively and members granted Inactive Status whose Initiation Fee installments have not been fully paid on returning to Active Status shall be required to pay all Initiation Fee installments past due.

B. Any member granted Inactive Status shall immediately notify the National Board of Directors if and when the member resumes services as part of the producing team, and shall, after reinstatement of full membership dues, thereafter enjoy all the privileges of Active membership. No reinstatement fee or charge shall be imposed upon such member upon termination of his/her Inactive Status, unless the member fails to so notify the National Board of Directors in writing within ten (10) working days after resuming services as part of the producing team, as hereinabove required. Any member granted Inactive Status who resumes their function as a member of the producing team without giving the National Board of Directors such timely notification of such resumption of services in writing shall thereby become liable for a Reinstatement Fee in an amount equal to fifty percent (50%) of the Initiation Fee then prescribed for such member's resumed classification by Article IX, Section 1 hereof. Upon termination of Inactive Status, any member previously granted Inactive Status shall become liable to pay Dues as an Active member commencing with the date of resumption of services as part of the producing team.

3. STUDENT MEMBERSHIP. In furtherance of the Guild's efforts to promote the education and training of future members of the producing team, the Guild may offer qualified membership to individuals who are attending a recognized educational institution, at the college or post-graduate level, that has courses of study

focusing on the entertainment industry. Student members shall not be entitled to vote on Guild matters, but shall be entitled to as many other benefits of membership as may be extended, at the discretion of the National Board of Directors.

4. **DEFINITION OF GOOD STANDING.** A member in good standing as that term is used in this Constitution shall include any person accepted for membership who has met all prescribed requirements for membership in this Guild; is not in arrears or delinquent with respect to Dues or other financial obligations to the Guild or any part thereof; has not failed to make earnings reports to the Guild, if required hereunder; and has neither resigned from membership, been granted Inactive Status, nor had their membership duly suspended or terminated pursuant to this Constitution. Each member may be reclassified or transferred from one Council or category to another when their primary occupational producing functions so warrant, and Dues, other financial obligations to the Guild, and voting rights shall be adjusted accordingly.

5. **SUSPENSION AND TERMINATION.** Any member who is delinquent in any respect for a period of one year may be suspended by the National Board of Directors. Any member who has been under suspension for a period of one year may be automatically terminated at the discretion of the National Board of Directors.

6. **REINSTATEMENT OF MEMBERSHIP.** Should any former member, whose membership has been terminated by remaining under suspension for one year or has otherwise resigned, or whose Inactive Status has been terminated for failure to pay the reduced annual dues as required by Section 2 (D) of Article X hereof, desire to return to active membership in good standing in the Guild at any time in the future, such member shall be required to submit an application for acceptance as a new member accompanied by the full Initiation Fee and first semi-annual dues in effect at that time.

Article IV MEETINGS OF MEMBERS

1. **ANNUAL MEETING.** The annual meeting of the members of the Guild shall be held in the month of June of each year in the County of Los Angeles, on such date and at such hour and place as the National Board of Directors may designate, for the purpose of installing newly elected Directors and Officers, considering reports of the affairs of this Guild and transacting such other business as may properly be brought before the meeting. If, in the opinion of the National Board of Directors, the annual meeting cannot be conveniently held in the month of June, it shall be empowered to call said meeting at any time within fifteen (15) months after the last Annual Meeting.

2. **SPECIAL MEETINGS.** Special meetings of the memberships of the Guild shall be held whenever called by the National Board of Directors. Such special meetings also shall be held not less than thirty-five (35) nor more than ninety (90) days after being requested in writing by at least five (5%) of the members in good standing, which request shall specify the purpose of the meeting and shall be addressed to the President or Secretary of the Guild, with a copy to the Executive Director. If, within 20 days of receipt of such request, no officer shall call and give notice of such a special meeting, the members requesting shall have the right to fix a time and place for such a meeting and give notice thereof in the manner hereinafter specified. The notice of a special meeting shall specify the general nature of the business to be transacted and no other business may be transacted at such special meeting of the members.

3. **NOTICE OF MEETINGS.** Notice of the time and place of meetings of the members, whether annual meetings or special meetings, shall be sent to each member of the Guild then in good standing, not less than fifteen (15) nor more than ninety (90) days before the date of said meeting. All such notices shall be addressed to the members at the last address registered with the Guild, and shall be given by personal delivery, fax or

first-class mail or electronic mail. In the case of an annual meeting, such notice shall specify those matters which the National Board of Directors, at the time the notice is given, intends to present for action by the members. In the case of a special meeting, such notice shall state the general nature of the business to be transacted.

4. ADJOURNED MEETINGS AND NOTICE THEREOF. Any members' meetings, annual or special, may be adjourned from time to time by a vote of the majority of the members present, in person or by proxy, and when any members' meeting is so adjourned no notice of adjournment need be given unless the adjournment shall be for a period in excess of forty-five (45) days.

5. QUORUM.

A. The presence in person or by proxy of one quarter of the members in good standing and not in Inactive Status at any annual meeting, or one third of the members in good standing and not in Inactive Status at any special meeting of the Guild shall constitute a quorum for the transaction of business properly brought before the meeting. The members and proxy holders present at a duly called or held annual or special meeting at which a quorum is present may continue to do such business until adjournment notwithstanding withdrawal of enough members to leave less than a quorum if any action taken is approved by at least a majority of the members needed to make a quorum.

B. Every member in good standing entitled to vote at any meeting of the Guild membership who does not elect to be present and vote in person may execute a written proxy authorizing the designated proxy holder to do so on his or her behalf in the form prescribed in subsection (c) hereinbelow and file such proxy by mailing or delivering such proxy to the Executive Director so that is received by him or her prior to the commencement of the meeting.

C. As used in this Article, a proxy must be executed and filed in substantially the following form:

PROXY

I, the undersigned member in good standing of the Producers Guild of America, Inc.,

hereby appoints _____ or, in his/her absence,
(name of designated proxyholder)

_____ to act as proxy for me and with full power to vote for
(name of designated substitute proxyholder)

the undersigned at the _____ meeting of the members of the Guild to be
(regular, annual or special)

held on _____ at _____ at _____ for the purpose of
(date) (place) (hour)

(set forth the purpose of the meeting as called)

DATED: _____, 20_____.

(Signature of Member in Good Standing Appointing Designated
Proxyholder and, if Desired, Designated Substitute Proxyholder)

D. Proxyholders or substitute proxyholders may not cast another member's secret ballot by proxy at any membership meeting where the issue being voted upon is the election of Directors or Officers under Article XI, Section 2 hereof, or levying assessments under Article X, Section 5 hereof or amendment of this Constitution under Article XVI hereof.

6. CONSENT AND ABSENTEES. The proceedings and transactions of any meetings of members, regular or special, however called and noticed, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present or if, either before or after the meeting, each of the members not present at the meeting, signs a written waiver of notice or a consent to holding of such meeting or an approval of the holding thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the Minutes of the meeting.

Article V MEMBERSHIP RIGHTS

Only members in good standing shall be entitled to any of the rights, privileges and prerogatives of active membership in this Guild. Each active member in good standing of the Producers Council, AP Council or New Media Council shall have equal rights and privileges with respect to voting in Guild elections and mail referendums, as well as attendance and participating in the deliberations and voting at Guild membership meetings.

Article VI DIRECTORS

1. REPRESENTATION. The Guild shall have one National Board of Directors, which shall consist of twenty-four (24) voting members ("Directors"), six (6) voting National Officers and one (1) voting Regional Officer for each active Regional Office. Each category of the AP Council shall be represented on the National Board of Directors provided such category is composed of at least one twenty-fourth of the Guild's membership. The National Board of Directors will reflect proportionately the membership of the voting Councils and their categories. The Directors shall be those Council Delegates elected by the Boards of Delegates during the first Board meeting following an election. Directors shall serve their full elected terms as outlined in Article VI, Section 6, and incoming Directors shall only replace those Directors whose terms have expired.

2. POWERS. Subject to the limitations of the Articles of Incorporation, the Constitution and the California Corporations Code, the business, affairs and corporate powers of the Guild shall be exercised and supervised and administered by the National Board of Directors (sometimes referred to as the "Board") it being expressly provided that the powers of said "Board" shall include, but not limited to, the following:

A. To conduct, manage and control the affairs and business of the Guild, and to make such rules and regulations necessary therefor;

- B. To select and remove all employees and agents of the Guild, and prescribe their respective power and duties and to fix their compensations;
 - C. To designate any place within the County of Los Angeles, State of California, for the holding of members' meetings;
 - D. To borrow money and incur indebtedness for the purpose of the Guild and to cause to be executed and delivered therefor, in its corporate name, promissory notes, bonds, debentures, deed of trust or other evidence of debts and securities therefor;
 - E. To request the formation of Committees, as they deem best, and to delegate to such Committees such powers and authority as they deem to be in the best interests of the Guild and its members, excluding, however, any power or authority requiring the act of a majority of the National Board of Directors;
 - F. To explore affiliation with another organization;
 - G. To delegate to the Executive Director the administration of the above powers.
3. **AUDIT.** At its discretion, the Board shall require an independent professional audit of the books of the Guild, and a report thereof shall be given to the membership at the annual meeting, or at such time as is designated by the Board.
4. **CONSTITUTIONAL REVIEW.** The Board shall be empowered to convene, at its discretion, but no less than once every thirty-six (36) months, an ad hoc Committee dedicated to the review of this Constitution and to the submission of such amendments as the Committee sees fit for approval by both the Board and the membership of the Guild.
5. **QUALIFICATIONS OF BOARD MEMBERS.** All Directors, Officers and Regional Officers/Representatives must be active dues-paying members of the Guild in good standing while serving on the Board. Any member of the Guild who is in good standing shall be eligible to be nominated, elected, or designated to fill a vacancy as a Delegate, Director or Officer.
6. **TERM.** In each year, eight (8) Directors shall be elected to each serve a term of three (3) years through a general election conducted in the manner provided by this Constitution.
7. **VACANCIES.** A vacancy or vacancies on the Board shall be deemed to exist in the case of the death, resignation, or removal of any Director, or if the authorized number of Directors shall be increased. Vacancies on the Board shall be filled by designating that person as a Director who received the next highest number of votes after those elected in the most recent general election from the same Council and category, if applicable, and each such Director so designated shall hold office for the balance of the term of the departing Director. If an incumbent Director of the Board is nominated and elected as an Officer, his/her seat on the Board shall be filled by that candidate to the Board receiving the next highest number of votes after those elected in the most recent general election from the same Council, and category, if applicable.
8. **LEAVE OF ABSENCE AND APPOINTMENT OF SUBSTITUTE DIRECTORS.** If any Director shall find it necessary to absent himself/herself from his/her duties as a Director, he/she shall have the right to request a leave of absence from such duties, whereupon the President of the Guild shall grant such leave of absence. If any Director shall absent himself/herself from his/her duties for an extended period of time, which shall not be less than two (2) consecutive Board meetings, the Board shall have the right to direct the

President of the Guild to grant a leave of absence to such Director, whereupon the President shall do so. If a leave of absence shall be granted hereunder, either at the request of the Director, or by action of the Board, the Board shall have the right to appoint a Temporary Director to act in the place of such absent Director. And such Temporary Director shall so act, with full authority of a Director so long as the leave of absence shall be in effect.

9. PLACE OF MEETINGS. Meetings of the National Board of Directors shall be held in any place within the County of Los Angeles, State of California, which has been designated in the notice of meeting or, if not stated in the notice, or if there is no notice, designated by resolution of the National Board of Directors. Members of the Board may participate in a meeting through use of conference telephone or similar communications equipment, so long as all members participating in such meeting can hear one another. Such participation in a meeting constitutes presence in person at such meeting.

10. REGULAR MEETINGS. Following each annual meeting of the members, the Board shall hold a regular meeting for the purpose of organization and the transaction of other business. Other regular meetings of the Board shall be held at such hour of such day, no less than quarterly, as the Directors shall from time to time determine.

11. SPECIAL MEETINGS. Special meetings of the Board for any purpose may be called at any time by the President, or, if he/she is absent or unable or refuses to act, by either Vice President, or, if they are absent or unable or refuses to act, by any eight (8) Directors. Written notice of the time and place of special meetings shall be delivered personally to the Directors or sent to each Director by first class mail or other form of written communication, charges prepaid, addressed to him/her at his/her address as it is shown upon the records of the Guild, or if it is not shown on such records or is not readily ascertainable, at the place in which the meetings of the Directors are regularly held. In case such notice is mailed or telegraphed, it shall be deposited in the U.S. mail four days prior to the time of the holding of the meeting. In case such notice is delivered personally as above provided, or by fax, telephone or email, it shall be so delivered at least forty-eight (48) hours prior to the time of the holding of the meeting. Such mailing, telegraphing or delivery as above provided, shall be due, timely, legal and personal notice to such Director.

12. QUORUM. Twelve (12) Board members must be present to constitute a quorum. The Officers may be counted in determining a quorum. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for such meeting, or such greater number as is required by the Articles of Incorporation or this Constitution.

13. ACTION WITHOUT MEETING. Any action required or permitted to be taken by the National Board of Directors may be taken without a meeting if thirteen (13) or more Directors shall individually or collectively consent in writing or via electronic mail to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as a vote held at a regular meeting of the National Board of Directors.

14. WAIVER OF NOTICE. The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present, and if, either before or after the meeting, each of the Directors not present, signs a waiver of notice or a consent to holding such meeting or an approval of the Minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the Minutes of the meeting. Any Director attending any meeting of the Board without protesting, prior thereto or at its commencement, the lack of a form of notice to such Director, shall be deemed to have waived any such objections.

15. **ADJOURNMENT.** A majority of the Directors present, whether or not a quorum is present, may adjourn any Directors' meeting to another time and place. If the meeting is adjourned for more than 24 hours, notice of any adjournment to another time and place shall be given prior to the time of the adjourned meeting to the Directors who were not present at the time of the adjournment. Notice of the time and place of holding an adjourned meeting need not to be given to absent Directors if the time and place be fixed at the meeting adjourned.

Article VII OFFICERS

1. **NUMBER AND TITLES OF OFFICERS.** The National Officers of the Board of Directors shall be: President; Vice President, Theatrical Motion Pictures; Vice President, Television; Vice President, AP Council; Vice President, New Media Council; President Emeritus; Treasurer and Recording Secretary. The Regional Officers of the National Board of Directors shall be Vice Presidents (of their respective Regions). Each member of the Guild who is nominated and elected as an Officer shall automatically and simultaneously be deemed to be nominated and elected as a Director of the National Board of Directors.

2. **TERMS.** All Officers shall serve a term of two (2) years, and their terms as members of the National Board of Directors shall be for two years. All Officers shall have a vote on the Board. The President shall vote only in case of a tie.

3. **VACANCIES.** A vacancy in any National Office of the Guild because of death, resignation, removal or disqualification may be filled by a majority vote of the members of the Board, though less than a quorum, or by a sole remaining member of the Board, and each Officer so appointed shall hold Office until his/her successor is elected at the next succeeding annual or special meeting of the members following the vacancy in Office; the dual exceptions shall be the Office of Recording Secretary, which shall be appointed by the Board, pursuant to Section 4, Paragraph D, below, and President Emeritus, which may remain vacant until such time as a sitting President completes his/her final term.. Any successor elected to fill a vacancy shall continue in Office for the unexpired term of the Officer who is succeeded. A vacancy in any Regional Office of the Guild for any of the reasons given above may be filled by a majority vote of the elected Regional Representatives of the respective Region.

4. **DUTIES, POWERS AND FUNCTIONS OF THE OFFICERS.**

A. **President.** The President shall be the Chairman of the Board and the Chief Executive Officer of the corporation and shall, subject to the control of the Board, have general supervision, direction and control of the business and affairs of the corporation. The President shall be *ex officio* a member of all committees and shall have the general powers and duties of management usually vested in the Office of the President of a corporation. The President must be a member of the Producer's Council. A pair of members may opt to run as Co-Presidents, pending approval of their candidacy by the National Board of Directors. Such Co-Presidents shall serve an identical term and possess a single tiebreaking vote.

i. **President's Advisory Panel.** Each year, the current President may select a President's Advisory Panel, the members of which may counsel and advise the President in such matters as strategic planning and other issues concerning the long-term health and welfare of the Guild.

Membership on the Panel shall confer no voting or other privileges granted to the Council Delegates or Officers. Panel members may be chosen from outside the membership of the Guild.

B. Vice Presidents. The Vice President, in the absence or disability of the President, shall perform all duties of the President and shall have such other powers and shall perform such other duties as may from time to time be prescribed by the Board. The Vice President, Theatrical Motion Pictures and the Vice President, Television shall alternate in substituting for the President in such circumstances with the Vice President with the longest membership in the Guild being first. Both Vice Presidents must be members of the Producers Council. The Vice Presidents of the AP Council and New Media Council must be members of such Councils. Regional Vice Presidents may be members of any Council.

A pair of members may run as Co-Vice Presidents for either of the National Offices of Vice President (Motion Pictures and Television). Such Co-Vice Presidents shall serve an identical term and possess a single vote.

C. President Emeritus. The office of President Emeritus shall be filled by the departing President of the Guild following the expiration of his/her final term in that office, so as to ensure the continuity of the organization's leadership. The President Emeritus shall hold this office for at least two (2) years; should the succeeding President successfully win re-election, the term of President Emeritus may be extended an additional two (2) years. Should the President Emeritus vacate the office, it shall remain vacant until such time as the sitting President completes his/her final term.

D. Treasurer. The Treasurer shall keep and maintain, or cause to be kept and maintained, accurate books and accounts of all monies, properties and other assets of this corporation, and of all business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, losses capital and surplus. The Treasurer shall deposit, or cause to have deposited all monies and other valuables in the name and credit of the corporation with such depositories as may be designated by the Board. The Treasurer shall disburse, or cause the Executive Director to disburse, the funds of the corporation as may be ordered by the Board or as required by the business needs of the Guild, and shall render to the President and Directors, when they request it, an account of all transactions of the Treasurer, Executive Director, and of the financial condition of the corporation. The Treasurer shall maintain and keep, or cause the Executive Director to maintain and keep, records, and file reports together with other officers, as required by law. The Treasurer may be a member of any voting Council. A pair of members may run as Co-Treasurers. Such Co-Treasurers shall serve an identical term and possess a single vote

E. Recording Secretary. The Recording Secretary shall not be an elected Officer, but an Officer appointed by the National Board of Directors. The Recording Secretary shall keep, or cause the Executive Director to keep, at the Guild's offices or at such places as the Board may order, a book of Minutes of all meetings of the Board of Directors and members. The Recording Secretary shall keep, or cause the Executive Director to keep, at the Guild's offices a membership roll showing the names and addresses and classes of membership of all members of the Guild. The Recording Secretary shall maintain and keep, or cause the Executive Director to maintain and keep, records, and file reports together with other officers as required by law. The Recording Secretary may be a member of any voting Council. A pair of members may be appointed as Co-Recording Secretaries. Such Co-Secretaries shall serve an identical term and possess a single vote.

Article VIII COUNCIL DELEGATES

1. REPRESENTATION. Each Council shall elect twenty-four (24) voting Delegates, all of whom must be active, dues-paying members of their respective Councils in good standing while serving as Council Delegates.
 - A. PRODUCERS COUNCIL. All members of the Producers Council vote for all Council Delegates.
 - B. AP COUNCIL. All members of the AP Council vote for Delegates in all categories. Each category of the AP Council shall be represented among the AP Council Delegates in the category's proportion to the overall membership of the Council.
 - C. NEW MEDIA COUNCIL. All members of the New Media Council vote for all New Media Council Delegates.
2. POWERS. Subject to the limitations of the Articles of Incorporation, this Constitution, and the California Corporations Code, the business and affairs of each Council shall be exercised and supervised by its Council Delegates. The powers of each Council Delegation shall expressly include the formation of Committees concerning issues specifically relevant to such Council's membership.
3. LIMITATION OF POWERS. All actions of the Council Delegates shall be subject to review and ratification or revision by the National Board of Directors. The Council Delegates shall not, without the express approval of the National Board of Directors, expend the Guild's funds, unless specific, "earmarked" funds are raised by a Council separate and apart from the Guild's initiation fees and dues.
4. QUALIFICATIONS OF MEMBERS AND OFFICERS OF COUNCIL DELEGATIONS. Each Council shall have three (3) of its Delegates serve as Officers: a Chairman and two Vice Chairmen. The President of the Guild shall automatically and simultaneously serve as Chairman of the Producers Council. The Chairmen of the AP Council and New Media Council Boards of Delegates shall serve on the National Board of Directors as the National Vice Presidents of their respective Councils. All other Council Officers shall serve one-year terms and be selected at the first meeting of the Council Delegates following each year's general election, by majority vote of the respective Council Delegates. The Chairman of the Council Delegates shall have general supervision of the business and affairs of the Council. The Chairman shall keep, or cause the Executive Director to keep, at the Guild's offices, a book of Minutes of all meetings of the Council Delegates. The Vice Chairman, in the absence or disability of the Chairman, shall perform all duties of the Chairman and shall have such other powers and perform such other duties as may from time to time be prescribed by the Council Delegates. The two Vice Chairmen of each Council shall alternate in substituting for the Chairman if such circumstances dictate the need, with the Vice Chairman who has longest membership in the Guild being first. Any member who runs for election (or-re-election) as a Delegate must be vetted by the Membership Committee to ensure that the member currently qualifies for membership in the Council (and Category for the AP Council) for which they wish to run.
5. TERM. In each general election of the Guild, the eight (8) Delegates receiving the most votes shall be elected to each Council to serve for a term of three (3) years.
6. QUORUM AND OTHER RULES. Nine (9) members must be present to constitute a quorum for the Council Delegates. Any action required or permitted to be taken by the Council Delegates may be taken without a meeting if ten (10) or more Delegates shall individually or collectively consent in writing to such action. Other rules and issues concerning the Council Delegates, such as "Leave of Absence," "Meetings," "Adjournment," and "Notice," shall be governed similar to that provided for the National Board of Directors.

7. NON-VOTING COUNCILS. Until formal adoption of a Council representing voting members, non-voting Councils will have Council Delegates similar in operation and structure as voting Councils.

Article IX REGIONAL OFFICES

1. ESTABLISHMENT. Whenever membership in a distinct geographic region, as set by the National Board of Directors (“Region”), reaches at least one hundred (100) members, the Board will seek to establish a Regional Office of the Guild to service such membership. Such a Region is defined as being outside of Los Angeles County, and with boundaries extending one hundred (100) miles from the Region’s predominant center of entertainment production. Boundaries of such Regions shall be established by the National Board of Directors, which shall also have jurisdiction over boundary issues, and may waive the 100-mile rule.

2. GOVERNANCE. Each Regional Office shall elect its own Board of Regional Representatives, with the Representatives numbering at least five (5) members, including Officers, comprising at least one Chair, two Vice Chairs and a Financial Officer. The Chair of the Region shall additionally serve as the Region’s representative on the National Board of Directors; in the event of the Chair’s incapacity to fill this Office, either of the Region’s Vice Chairs is empowered to so serve, at the discretion of the Board of Regional Representatives. If a Region contains at least ten (10) percent of the overall PGA membership, then such Region shall be afforded a Vice President seat on the National Board of Directors, in lieu of the Regional Member representative. The Region’s overall policies, structure, committees, budgets and other discretionary matters shall follow the Guild’s customary practices and precedent, but subject to the approval of the National Board of Directors, such matters can be internally modified by the Regional representatives.

3. ELECTIONS. Elections for Regional Representatives and Officers shall be held within thirty (30) days prior to the Guild’s National Elections, and in accordance with all provisions governing National elections in Articles VII, VIII. Status as a Regional Representative has no bearing on eligibility for service as a National Officer or Delegate.

4. BUDGET. Each Regional Office shall be provided by the National Board of Directors with a budget equal to no less than five (5) percent of the total dues generated by the Region’s members, for use at the collective discretion of the Regional Representatives and Officers, in accordance with the National Board of Directors’ budgeting policies. A Regional Office may petition the National Board of Directors for further discretionary funds as necessary.

5. TRAVEL. Travel to the meetings of the National Board of Directors by the Region’s Chair and Vice President (though not by other representatives who may additionally serve as Council Delegates or National Directors) is to be provided by a portion, no greater than ten (10) percent, of new membership dues generated by the Region over the course of the fiscal year.

6. BENEFITS. The National Board of Directors may, at its discretion, restrict on a regional basis the benefits generally provided to members of the Guild, in a manner commensurate with the size of a given Region and the applicability of such benefits to the Regional membership.

Article X INITIATION FEES, DUES AND ASSESMENTS

1. **INITIATION FEE.** The mechanism for determining Council Initiation Fees shall reside with the Finance Committee, with its determinations subject to ratification by the National Board of Directors. Payment of the Initiation Fee plus one-half of the minimum annual Dues and a non-refundable \$50.00 application processing fee, shall be made simultaneously with the application for membership. Individuals who have joined the Guild as a production coordinator or post-production coordinator within the AP Council prior to June 15, 2008 shall be allowed to defer payment of the Initiation Fee until such individuals are qualified for another category or Council, at which time they will have to pay the applicable Initiation Fee.
2. **DUES.** Annual Dues shall be payable on July 1 of each year for members initiated prior to July, 2010, and on the member's initiation date for members initiated in July, 2010 or later. Said payments shall be delinquent after the last day of the month in which due and payable. The mechanism for determining membership dues shall reside with the Finance Committee, with its determination subject to ratification by the National Board of Directors. Dues for a given Council shall not change more than once in a three-year period.
3. **ADDITIONAL CONTRIBUTIONS OR DUES.** Members are encouraged to voluntarily contribute one percent (1%) of their annual earnings derived from their producing services, especially those members able to avail themselves of the Motion Picture and Television Industry Health and Pension Plan secured by the Guild through its Non-Affiliated Agreement with the Alliance of Motion Picture and Television Producers. In the event that the Guild is successful in securing an industry health and pension plan for its general membership, which is not merely funded by members' self-payments but by industry employers, each member shall be obligated to contribute at least one percent (1%) of the member's gross produciorial earnings to the Guild, or such other amount that is deemed fair and reasonable in comparison with other guilds and unions, to be determined at a future date, and supported by further regulations and reporting requirements.
4. **REGIONAL DUES AND FEES.** In order to encourage growth and recruitment in nascent Regions, and in light of the narrower range of benefits enjoyed by members in such regions, the Board of Directors is empowered to reduce by one-half (50%) the dues and fees that would otherwise be assessed upon such regional members. Standard dues and fees may be reinstated within such regions at the discretion of the Board of Directors, or upon the regional membership reaching three hundred (300) members. Waiving of application fees may also be authorized by the Board of Directors, on a region-by-region basis, for a limited time, in order to encourage new membership.
5. **INCREASES AND ASSESSMENTS.** The rates of standard Dues and Initiation Fees may be increased only by the National Board of Directors. Assessments may be levied against members only by vote of the membership in the manner provided for the amendment of this Constitution.
6. **DELINQUENCY AND LATE PAYMENTS.** All dues payments shall be delinquent after the last day of the month in which they are due and payable. An email or mail notification shall be generated upon delinquency (30 days), and if needed, at 60 days of delinquency. At 45 days, a late fee of \$25 shall be due. At 90 days, the late fee shall be \$50 and all member benefits shall be removed.
7. **DEFINITION OF DELINQUENT.** Any member who fails to pay any Dues, Initiation Fee, installment, assessment, or other financial obligation due and owing to the Guild, shall be denied Guild benefits while delinquent and shall be subject to suspension if he/she remains in arrears in the payment of such financial obligation.

Article XI

NOMINATION, ELECTION AND REMOVAL OF OFFICERS, DELEGATES AND DIRECTORS

1. NOMINATIONS.

A. At least (90) days prior to each annual election, a Nominating Committee and Leader of said Committee shall be appointed by each Council's Delegates on nomination by the Chairman of each Council Delegation. Each Nominating Committee shall consist of nine (9) members. A quorum for meeting of the Nominating Committee shall be not less than five (5). Not more than three (3) members of each Nominating Committee shall be sitting Delegates. For the AP Council, best efforts will be made for each category and region to be represented on its Nominating Committee.

B. Not later than sixty (60) days prior to each annual election, each Nominating Committee shall nominate not less than eight (8) candidates for election as Council Delegates.

C. Every two years, and not later than sixty (60) days prior to the annual election at which Officers of the Guild are to be elected, the Producers Council's Nominating Committee shall nominate at least one candidate each for the offices of the President and the Vice Presidents of Motion Pictures and of Television. Not later than sixty (60) days prior to the annual election at which Officers are to be elected, three (3) members from each of the Council's Nominating Committees shall meet together to nominate at least one candidate for the office of Treasurer.

D. The list of candidates nominated by the Nominating Committees shall be submitted to the Membership of the Guild not later than forty-five (45) days before the date of the annual election. Any time thereafter, but not later than twenty-eight (28) days prior to the annual election, other candidates may be nominated by presenting to the Executive Director of the Guild nominations in writing signed by not less than fifty (50) members of the Guild in good standing, on nominating petition forms to be supplied by the Guild office upon request containing a place for securing the written signed statement of the nominee confirming that he/she accepts the nomination and consents to run for the office or seat on the National Board of Directors or Council Delegate referred to in said petition.

2. ELECTIONS.

A. Elections of Officers and Delegates shall take place either by secure electronic on-line ballot, or by secret mail ballot referendum, to be returned to the Guild's office on the Thursday before the annual membership meeting. Eight (8) Delegates per Council shall be elected annually. Should the election of eight (8) Delegates be insufficient to provide a Board of Delegates with twenty-four (24) members, additional Delegates may be elected to shorter terms as necessary. Four (4) Officers of the National Board of Directors (President; Vice President of Motion Pictures; Vice President of Television; Treasurer) shall be elected every two (2) years at the annual meetings held during even numbered years. Results of the election for Officers and Delegates shall be announced at the annual membership meeting and newly elected Officers and Delegates shall assume the duties of their offices at such annual meeting of the members.

B. No Officer shall be eligible to serve more than two (2) consecutive two-year terms in the same office; and no Delegate or Director shall be eligible to be elected to serve more than (2) consecutive three-year terms as a Delegate or Director; provided, that any member formerly holding any Office or formerly serving as a Delegate or Director who has been out of such Office or off the Board for one or more years shall be eligible to run again as a candidate.

C. No less than twenty-five (25) days before the annual membership meeting, the Executive Director shall announce the opening of the on-line balloting process hosted on a secure page(s) of the Guild's site on the World-Wide Web; alternately, the Executive Director shall mail to each member then in good standing such necessary documents and envelopes required for voting by mail, including an unmarked return envelope which cannot be identified with the member casting the vote. The ballots shall state the membership composition of the Guild by Council and category thereof. All members of the Guild vote for the Officers of the National Board of Directors. Members of the Producers Council, AP Council and New Media Council vote for all available seats among their respective Council Delegations. The AP Council ballot shall specify how many Delegate seats are available for each category.

D. In the election of Delegates for the Producers Council, AP Council and New Media Council, eight (8) candidates having the highest number of votes shall be elected Delegates. In all Councils, any remaining open Delegate seats shall be filled by the remaining candidates according to their vote totals, with those candidates with the highest vote totals seated first. In the election of Officers for the National Board of Directors, the candidate for each office having the highest number of votes shall be elected.

E. In the event of a tie between two or more candidates, a run-off election shall be conducted between those candidates having the tie, voted in the same manner as the original election and without unnecessary delay.

F. Upon written request by any nominee for election and the submission of payment by such nominee for the reasonable costs (including, but not limited to postage), provided such request and payment is received by the Executive Director no less than 20 days prior to the election deadline, the Guild shall within ten (10) business days after such request, mail to all voting members relevant to such nominee's category or Council, any written material which the nominee may furnish and which is related to the election.

Whenever the Guild authorizes the distribution to members by mail or otherwise of the campaign literature on behalf of any candidate or the Guild itself with respect to such election, similar distribution at the request of any other bona fide candidate shall be made by the Guild and its officers, with equal treatment as to the expense of such distribution. There shall be no discrimination in favor of or against any candidate with respect to the use the Guild membership lists.

G. At the initial meeting of each newly-elected Board of Delegates, immediately following the election of the Board Chair and Vice Chairs, the Chair shall conduct an election among the assembled Delegates to determine which Delegates shall fill open seats allotted to the Council on the National Board of Directors. Such election shall be determined by secret ballot, with the Delegates receiving the greatest number of votes receiving open seats on the National Board of Directors.

H. The determination as to the eligibility of any person to vote, the validity of any ballot, and the numerical results of the balloting in any Guild election, when certified, shall be conclusive and binding upon all candidates. In the event any member of the Guild, whether or not a nominee or candidate in any Guild election, claims that any violation of any provision of this Constitution or any applicable Federal or State law has taken place with respect to any Guild election, referendum or membership vote, either prior to or after the conduct thereof, he or she shall within five (5) consecutive days after the alleged violation file a written charge with the Executive Director, setting forth with reasonable certainty the person or persons allegedly responsible, the nature of the alleged violation, the time and

place of the alleged violation, and the facts constituting the alleged violation. All such charges or challenges shall be heard and determined by an Impartial Referee to be appointed by the National Board of Directors, in the same manner as a disciplinary proceeding before the Trial Committee under Article XII hereof. The Impartial Referee may direct, as part of the remedy for any violation affecting the outcome of any election or referendum, that the same be set aside and a new election or referendum be conducted in accordance with this Constitution. The challenged election or referendum shall be presumed valid pending a final decision. Any bona fide candidate who desires to have one (1) observer present at the opening and counting of the ballots by the firm of certified public accountants may do so, provided that he or she shall designate such observer, who is a member in good standing, in writing to the Executive Director at least 48 hours before the opening and counting of the ballots commences.

3. REMOVAL.

A. Any Officer, Director or Delegate may be removed for serious misconduct. As used herein, serious misconduct shall be deemed to include dereliction of duty, breach of trust, or violation of any fiduciary obligation while serving as Officer, Director or Delegate of the Guild.

B. Charges of serious misconduct against an Officer, Director or Delegate must be proffered in writing by the member or members proffering such charges, which shall contain a statement of facts upon which the charges are based, including a designation of any provision of this Constitution, any other policy, rule or law alleged to have been violated. The member or members proffering the charges shall send the original of the charges by registered or certified mail to the Guild office and a true copy thereof by registered or certified mail to the accused, return receipt requested.

C. Such charges shall be investigated and heard by the Trial Committee in accordance with the procedure set forth for disciplinary cases in Article XII hereof.

D. Upon completion of the hearing, the Trial Committee shall take the matter under submission and thereafter present its finding and recommendations in writing to the National Board of Directors, providing the accused with a copy of the same. The Trial Committee may unanimously or by majority vote recommend to the National Board of Directors that the accused Officer, Director or Delegate be removed for serious misconduct, or that no further action be taken. In either event, the written findings and recommendations of the Trial Committee shall be submitted for approval to a vote of the National Board of Directors by secret ballot. Upon recommendation of the Trial Committee, approved by two-thirds (2/3) majority vote of the National Board of Directors, an Officer, Director or Delegate found guilty of serious misconduct shall be removed.

**Article XII
DISCIPLINE**

1. The Guild shall, at all times, have the right to discipline its members in accordance with provisions of the Constitution. The respective Councils may impose fines on their members for non-attendance at noticed meetings.

2. Any member of the Guild who shall, in the opinion of the National Board of Directors, be guilty of any act, omission, or conduct which is prejudicial to the welfare of the Guild, or who shall, by reason of a change in the nature or extent of such member's employer activity, no longer be entitled to membership, or any member who shall fail to observe of the requirements of this Constitution or any lawful rule or order of

the National Board of Directors, or fail to abide by any Basic Agreement or Agreements entered into by the Guild may, at the discretion of the National Board of Directors, be censured, fined suspended, expelled from membership or his membership otherwise terminated.

3. In all such cases the National Board of Directors shall act upon charges proffered in writing, of which the accused shall be furnished a copy. The accused member shall be duly notified and given an opportunity to be heard in person by the National Board of Directors, or at the Board's discretion, by a Trial Committee designated to hear the case and recommend its disposition to the full National Board of Directors. At any such hearing, the accused member may be represented by counsel if he or she so chooses. No charges against any accused member or recommendations by a Trial Committee shall be released to the press by the Guild pending final action of the National Board of Directors in a particular case.

4. In all cases where the National Board of Directors seeks to expel, suspend or terminate the membership of a member of the Guild, the accused shall be furnished a copy of the charges required by this Article XII not less than fifteen (15) days prior to such expulsion, suspension or termination and shall be afforded the opportunity to be heard in person by the National Board of Directors, or, in the Board's discretion, by a Trial Committee designated to hear the case and recommend its disposition to the full National Board of Directors, not less than five (5) days before the effective date of the expulsion, suspension or termination.

Article XIII MISCELLANEOUS

1. In this Constitution, the terms "corporation" and "Guild" are used interchangeably, and both of said terms refer to the Producers Guild of America, Inc. It shall be sufficient in any further role, order, notice, or Bylaw so to refer to the corporation.

2. If any portion of this Constitution shall be, or held to be illegal, such portions shall be deemed to be separate from the other portions of the Constitution and shall not affect the same.

3. Wherever used herein, the term "fiscal year" shall mean the year ending June 30.

4. It is hereby declared to be the policy of the Guild to render full support to the Motion Picture and Television Relief Fund and, in conformity with that policy, each member working in or from the Hollywood region is encouraged to contribute annually a percentage of his/her salary to the Motion Picture and Television Fund.

5. Delegates to the Inter Guild Council and any other national, state or local labor federation or central labor body with which the Guild is now or may hereafter become affiliated, shall be those officers, board members or members appointed by the President, together with the Executive Director. The vote of any such Guild delegation shall be cast as a unit.

Article XIV COLLECTIVE BARGAINING NEGOTIATIONS

1. Collective bargaining negotiations shall be conducted on behalf of the Guild by such Negotiating Committee as the National Board of Directors may create from time to time, including the Executive Director

in such instances. Such Negotiating Committee is authorized to call upon the Guild's legal counsel for professional advice and assistance.

2. The Negotiating Committee shall have the responsibility for formulating the collective bargaining proposal of the Guild, after receiving any suggestions from the membership at large, and subject to the approval of such proposals by the National Board of Directors.

3. All new Basic Agreements or other collective bargaining agreements between the Guild and Employers shall become effective only after ratification and approval by fifty-one percent (51%) of the members voting thereon by secret ballot, either at a special membership meeting, by mail ballot referendum, or via on-line balloting, as determined by the National Board of Directors.

Article XV MEMBERSHIP INFORMATION

1. Active members in good standing of this Guild may:

A. Inspect and copy the record of all the members' names, addresses and voting rights, at reasonable times, upon five (5) business days' prior written demand upon the Executive Director of the Guild which demand shall state the purpose for which the inspection rights are requested; or

B. Obtain from the secretary of the Guild, upon written demand and tender of a reasonable charge, a list of names, addresses and voting rights of those members entitled to vote for the election of Delegates as of the most recent record date for which it has been compiled or as of a date specified by the member subsequent to the date of demand. The demand shall state the purpose for which the list is requested. The membership list shall be made available on or before the later of ten (10) business days after the demand is received or after the date specified therein as the date as of which the list is to be compiled; when the purpose for which such information is requested is reasonably related to such person's interest as a member.

2. The Secretary or Executive Director may within ten (10) business days after receiving a demand for such membership information deliver to the person or persons making the demand a written offer of an alternative method of achieving the purpose identified in said demand without providing access to or a copy of the membership list. An alternative method which reasonably and in a timely manner accomplishes the proper purpose set forth in a demand for membership information shall be deemed a reasonable alternative, unless within a reasonable time after acceptance of the offer the Guild fails to do those things which it offered to do. Any rejection of the offer shall be in writing and also indicate the reasons the alternative proposed by the Guild does not meet the proper purpose of the demand.

3. The membership list of the Guild is an asset of the Guild and may not be used, nor may any part of it be used, by any member for any purpose unrelated to his/her interest as a member.

4. The accounting books and records and minutes of meetings of the members and the Board and committees of the Board shall be open to inspection upon the written demand to the Secretary or Executive Director of the Guild by any member in good standing at any reasonable time, for a purpose reasonably related to such person's interest as a member.

Article XVI AMENDMENTS

1. The Board may present any proposal to repeal, alter or amend any Article of this Constitution. This Constitution may be amended:

A. By majority vote by secret ballot of the members of good standing voting at a general or special membership meeting, after reasonable notice of the intention to vote upon such question; or

B. By majority vote of the members in good standing voting in a membership mail or online referendum conducted by secret ballot.

2. Notice of any meeting where amendment to the Constitution, is to be considered, shall be sufficient if it states, without details the fact that amendment to the Constitution is to be considered, except that specific notice of changes having the effect of increasing Dues or Initiation Fees must be given.

Article XVII INDEMNIFICATION

1. **INDEMNIFICATION IN ACTIONS BY THIRD PARTIES.** This corporation shall have the power to indemnify any person who was or is a party, or is threatened to be made a party, to any proceeding (other than an action by or in the right of this corporation to procure judgment in its favor, an action brought under Calif. Corporations Code section 5233, made applicable pursuant to Calif. Corporations Code section 7238, or an action brought by the Attorney General or a person granted relator status by the Attorney General for any breach of duty relating to assets held in charitable trust) by reason of the fact that the person is or was an agent of this corporation, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with the proceeding, if the person acted in good faith and in a manner the person reasonably believed to be in the best interests of the corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct was unlawful. The termination of any proceeding by judgment, order, settlement, conviction, or on a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner the person reasonably believed to be in the best interests of this corporation or that the person had reasonable cause to believe that the conduct was unlawful.

2. **INDEMNIFICATION IN ACTIONS BY OR IN THE RIGHT OF THE CORPORATION.** This corporation shall have the power to indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action by or in the right of this corporation or brought under Calif. Corporations Code section 5233, made applicable pursuant to Calif. Corporations Code section 7238, or an action brought by the Attorney General or a person granted relator status by the Attorney General for any breach of duty relating to assets held in charitable trust to procure a judgment in its favor by reason of the fact that the person is or was an agent of this corporation, against expenses actually and reasonably incurred by the person in connection with the defense or settlement of the action if the person acted in good faith, in a manner the person believed to be in the best interests of this corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. No indemnification shall be made under this Section 2:

A. In respect of any claim, issue or matter as to which the person shall have been adjudged to be liable to this corporation in the performance of the person's duty to this corporation, unless and only to the extent that the court in which the proceedings is or was pending shall determine on application that, in view of all the circumstances of the case, the person is fairly and reasonably entitled to be indemnified for the expenses that the court shall determine;

B. Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or

C. Of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval, unless such action concerns assets held in charitable trust and is settled with the approval of the Attorney General.

3. **INDEMNIFICATION AGAINST EXPENSES.** To the extent that an agent of this corporation has been successful on the merits in defense of any proceeding referred to in Section 1 or 2 of this Article or in defense of any claim, issue or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

A. Expenses incurred in defending any proceeding may be advanced by this corporation prior to the final disposition of the proceeding on receipt of an undertaking by or on behalf of the agent to repay the amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this Article.

4. **REQUIRED INDEMNIFICATION.** Except as provided in Section 3 of this Article, indemnification under this Article shall be made by this corporation only if authorized in the specific case, on a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Section 1 or 2, by:

A. A majority vote of a quorum consisting of directors who are not parties to the proceeding; or

B. The court in which the proceeding is or was pending, on application made by this corporation or the agent, attorney, or other person rendering services in connection with the defense, whether or not the application by the agent, attorney, or other person is opposed by this corporation.

5. **OTHER INDEMNIFICATION.** No provision made by the corporation to indemnify its or its subsidiary's delegates, directors or officers for the defense of any proceeding, whether contained in the Articles, Constitution, a resolution of the directors, an agreement or otherwise, shall be valid unless consistent with this Article. Nothing contained in this Article shall affect any right to indemnification to which persons other than the delegates, directors and officers may be entitled by contract or otherwise.

6. **FORMS OF INDEMNIFICATION NOT PERMITTED.** No indemnification or advance shall be made under this Article, except as provided in Sections 3 or 4B in any circumstances where it appears that:

A It would be inconsistent with a provision of the Articles of Incorporation, this Constitution, a resolution of the members or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or

B. It would be inconsistent with any condition expressly imposed by a court in approving a settlement.

7. **INSURANCE.** The corporation shall have the power to purchase and maintain insurance on behalf of any agent of the corporation against any liability asserted against or incurred by the agent in the capacity or arising out of the agent's status as an agent whether or not the corporation would have the power to indemnify the agent against the liability under the provisions of this Article; provided, however, that this corporation shall have no power to purchase and maintain insurance to indemnify any agent of the corporation for a violation of Calif. Corporations Code section 5233, made applicable by Calif. Corporations Code section 7238.

8. **NONAPPLICABILITY TO FIDUCIARIES OF EMPLOYEE BENEFIT PLANS.** This Article does not apply to any proceeding against any trustee, investment manager, or other fiduciary of an employee benefit plan in that person's capacity as such, even though the person also may be an agent of the corporation as defined in Section 10 of this Article. The corporation shall have the power to indemnify the trustee, investment manager, or other fiduciary to the extent permitted by Calif. Corporations Code section 207(f).

9. **BINDING NATURE.** The provisions of this Article shall be binding upon any successor to this corporation so that each indemnitee shall be in the same position with respect to any resulting, surviving, or succeeding entity as the indemnitee would have been had the separate legal existence of this corporation continued; provided, that unless expressly provided or agreed otherwise, this sentence shall be applicable only to an indemnitee acting in an official capacity or in another capacity described in this article prior to termination of the separate legal existence of this corporation. The foregoing provisions shall be deemed to create a contract right for the benefit of every indemnitee if (i) any act or omission complained of in a proceeding against the indemnitee, (ii) any portion of a proceeding, or (iii) any determination or assessment of liability, occurs while this Article is in effect.

10. **DEFINITIONS.** For purposes of this section, "agent" means any person who is or was a delegate, representative, director, officer, employee, or other agent of this corporation, or is or was serving at the request of this corporation as a delegate, representative, director, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, or was a delegate, representative, director, officer, employee, or agent of a foreign or domestic corporation that was a predecessor corporation of this corporation or of another enterprise at the request of the predecessor corporation; "proceeding" means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative; and "expenses" includes, without limitation, attorney fees and any expenses of establishing a right to indemnification under Section 3 or 4 of this Article.

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