

EL CAMINO HOSPITAL

CASH BALANCE PLAN

Amended and Restated Effective as of January 1, 2021

Table of Contents

	<u>Page</u>
Foreword.....	1
Article 1 - Definitions	4
Article 2 - Eligibility to Participate.....	16
Article 3 - Employer Funding.....	19
Article 4 - Benefits.....	20
Article 5 - Forms of Benefit.....	31
Article 6 - Vesting and Service Provisions	38
Article 7 - Other Benefit Provisions	40
Article 8 - Plan Operation and Administration	44
Article 9 - Top Heavy Plan	47
Article 10 - Amendment and Termination.....	51
Article 11 - Claims for Benefits.....	56
Article 12 - Participating Employers	58
Article 13 - Other Provisions	59
Article 14 - Participant Match Account	61
Article 15 – Benefit Limitations Under Section 436 of the Code.....	63

Foreword

The El Camino Hospital District Pension Plan (the "Plan") was originally adopted effective July 1, 1963 and was amended from time to time thereafter. In December, 1992, the El Camino Hospital District (a government entity) ceased to exist and Camino Healthcare System (a non-profit entity) was established (later to become Camino Healthcare). On January 1, 1993 the Plan was amended and restated in its entirety as the El Camino Healthcare System Pension Plan with the intent to comply with ERISA and the Tax Reform Act of 1986 (TRA'86) and then again on January 1, 1995 as the Camino Healthcare Cash Balance Plan. The Plan was renamed the El Camino Hospital Cash Balance Plan effective as of January 1, 1999, reflecting the renaming of Camino Healthcare as El Camino Hospital. On January 1, 2000, the Plan was amended and restated in its entirety with the intent to comply with Retirement Protection Act of 1994 (as clarified by the Small Business Job Protection Act of 1996), the Uniformed Services Employment and Reemployment Rights Act of 1994, the Taxpayer Relief Act of 1997, the Internal Revenue Service Restructuring and Reform Act of 1998 and the Community Renewal Tax Relief Act of 2000 (collectively referred to as "GUST").

As part of the January 1, 1993 Plan restatement, the benefit formula was revised for all active and future Participants except any Employee who is a member of Professional Resource for Nurses ("PRN"). Effective January 1, 1995, the Plan was modified (by Board resolution) to provide a cash balance benefit with the initial balance based on the present value of the December 31, 1994 Accrued Benefit under the prior Plan. Initially, the PRN members who were Employees on December 31, 1994 were not affected by this conversion to a cash balance formula. During March and April, 1996, each PRN member who was an Employee on December 31, 1994 was given the option of electing which benefit formula he would be covered by: the cash balance formula effective from January 1, 1995, or the Hospital District's formula (percentage of average compensation, minus percentage of Social Security benefit). The PRN members who elected the cash balance formula have a minimum benefit based on the June 30, 1996 Accrued Benefit under the prior Plan (Hospital District's formula). Any PRN member hired after December 31, 1994 is covered by the cash balance formula.

In February 2002, those PRN members who elected the Hospital District's formula in 1996 were given another election to convert their Accrued Benefit to a cash balance formula. Those who elected to convert to the cash balance formula ("PRN Re-Elect Participants") have a minimum benefit based on their April 30, 2003 Accrued Benefit under the Hospital District's formula and an opening balance under the cash balance formula as of January 1, 2002.

In December 2006 and January 2007, those PRN members who elected the Hospital District's formula in 1996 and again in 2002 were given another opportunity to elect the cash balance formula. Those who elected the cash balance formula effective January 1, 2007 ("PRN 2007 Re-Elect Participants") had their Accrued Benefit frozen under the Hospital District's formula as of December 31, 2006 (not converted to a cash balance) and their benefits determined under the cash balance formula beginning January 1, 2007.

The Plan was amended and restated in its entirety effective as of January 1, 2009 to incorporate amendments adopted since the Plan was restated effective January 1, 2000, and to

reflect then current law and regulations including but not limited to the Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA"), technical corrections made by the Job Creation and Worker Assistance Act of 2002 ("JCWAA"), the Pension Funding Equity Act of 2004 ("PFEA"), the American Jobs Creation Act of 2004 ("AJCA"), the Katrina Emergency Tax Relief Act of 2005 ("KETRA"), the Gulf Opportunity Zone Act of 2005 ("GOZA"), the Pension Protection Act of 2006 ("PPA"), and the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007, if and as applicable. This restatement was intended to reflect the requirements contained in the 2008 Cumulative List of Changes in Plan Qualification Requirements, as issued by the Internal Revenue Service in Notice 2008-108.

On December 8, 2010, the Plan was amended to reflect the mandatory provisions of the Heroes Earnings Assistance and Relief Tax Act of 2008 (the "HEART Act") and the mandatory non-spouse beneficiary rollover provisions of the Worker, Retiree, and Employer Recovery Act of 2008 ("WRERA").

On November 17, 2011, the Plan was amended to adopt a remedial amendment to comply with comments made by the Internal Revenue Service in connection with the determination letter application that was filed for the Plan on January 29, 2010.

On December 12, 2012, the Plan was amended to delegate certain authorities to amend the Plan to the Retirement Plan Administrative Committee (the "RPAC").

On December 12, 2012, the Plan was amended to satisfy the limitations of Section 436 of the Internal Revenue Code of 1986, as amended, on the accrual and payment of benefits under certain underfunded single employer defined benefit plans.

The Plan was last amended and restated in its entirety effective January 1, 2014, to reflect law changes under the Pension Protection Act of 2006, the U.S. Troop Readiness, Veterans' Care, Katrina Recovery and Iraq Accountability Appropriations Act of 2007, the Heroes Earnings Assistance and Relief Tax Act of 2008, the Worker, Retiree, and Employer Recovery Act of 2008, the Small Business Jobs Act of 2010, the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010, the Moving Ahead for Progress in the 21st Century Act and the American Taxpayer Relief Act of 2012 and is intended to comply with the relevant provisions of the 2013 Cumulative List of changes in Plan Qualification Requirements, as issued by the Internal Revenue Service in Notice 2013-84.

The Plan is hereby restated in its entirety effective January 1, 2021 to incorporate previously adopted amendments to the January 1, 2014 restatement and to reflect changes required by the Internal Revenue Service to comply with final regulations issued under Sections 411(a)(13) and (b)(5) with respect to hybrid plans and other change requested by the IRS .

The Plan is a defined benefit pension plan intended to qualify under section 401(a) of the Internal Revenue Code of 1986, as amended (the "Code").

The rights and benefits of Participating Employees in the Plan on or after the effective date of this restatement shall be determined as provided in this amended and restated Plan. The rights

and benefits of any Inactive Participant who was not a Participating Employee on the effective date of this restatement, but who is entitled to benefits under the Plan, shall be determined in accordance with the applicable provisions of the Plan in effect at the time such individual became an Inactive Participant, except as required by applicable law or regulation or except as specifically provided or changed by subsequent amendments.

Article 1 - Definitions

The following terms when used herein shall have the meaning set forth below, if capitalized. Unless the context clearly indicates otherwise, words in the masculine, feminine or neuter gender include the other genders and the singular includes the plural and vice versa.

1.1 *Accrued Benefit* means the amount of the monthly retirement benefit (payable at the Participant's Normal Retirement Date projected to such date using the Plan's Interest Credit rate in effect as of the applicable determination date) that the Participant has earned as of the applicable determination date and shall be determined as provided in Article 4 and Article 14, using Compensation and Benefit Service as of the determination date.

1.2 *Actuarial Equivalent or Actuarial Equivalence* means a benefit that is of equal value at the date of determination to the benefit for which it is to be substituted.

(a) For purposes of converting monthly benefits payable as a single life annuity to monthly benefits payable in a different form and for all other purposes not otherwise specified under this Section 1.2, Actuarial Equivalence shall be based upon an interest rate of 8% and the Unisex Pension 1984 Mortality Table with a four-year setback; provided, however, for purposes of converting a monthly benefit into the level income option described in Section 5.2(e), such conversion will be based on whichever of the following produces the level income option with the most value:

- (i) the assumptions set forth above in this Section 1.2(a); and
- (ii) the assumptions set forth in Section 1.2(e)(iii).

(b) For purposes of determining the single life annuity payable on a Participant's Early Retirement Date (except a PRN Prior Plan Participant), and for purposes of determining the single life annuity payable to a Participant who terminated with a deferred vested benefit prior to the conversion of the Plan to a cash balance plan and was rehired after the conversion of the Plan, Actuarial Equivalence shall be based on the following:

(i) Post-retirement: Unisex Pension 1984 Mortality Table and the immediate interest rate for determining lump sum distributions under terminating plans promulgated by the Pension Benefit Guaranty Corporation as of the first day of the Plan Year in which the determination is made.

(ii) Pre-retirement: The same rate of interest used for Interest Credits to the Participant Account Balance and no mortality.

(c) Notwithstanding the forgoing, effective January 1, 2006, with respect to Participants who are active Employees on or after January 1, 2006, for purposes of converting the monthly benefit payable as a single life annuity at the Participant's Normal Retirement Date to a single life annuity payable on a Participant's Early Retirement Date, Actuarial Equivalence shall be based on the assumptions set forth in Section 1.2(e)(iii); provided, however, the single life

annuity payable on an Early Retirement Date will not be less than the single life annuity determined by converting the Participant Account Balance on December 31, 2005 (with Interest Credits to the Participant's Early Retirement Date) to a monthly benefit based on mortality rates from the Unisex Pension 1984 Mortality Table and the immediate interest rate for determining lump sum distributions under terminating plans promulgated by the Pension Benefit Guaranty Corporation as of the first day of the Plan Year in which the determination is made.

(d) For purposes of determining the actuarially increased single life annuity payable on a Participant's Postponed Retirement Date, Actuarial Equivalence shall be based upon an interest rate of 8% and the Unisex Pension 1984 Mortality Table with a four-year setback.

(e) For lump sum benefits, Actuarial Equivalence shall be based on the following:

(i) For lump sums payable after June 30, 1996 and before January 1, 2005, the applicable mortality table and applicable interest rate prescribed in Section 417(e)(3) of the Code. The applicable mortality table for distributions prior to December 31, 2002 was the mortality table specified in IRS Revenue Ruling 95-6, and for distributions on or after December 31, 2002, was the mortality table specified in IRS Revenue Ruling 2001-62. The applicable interest rate for distributions during a Plan Year (the stability period) was the annual rate on 30-Year Treasury Securities for the month preceding the start of the Plan Year during which occurs the Annuity Starting Date (the lookback month).

(ii) For lump sums payable after December 31, 2004 and before January 1, 2008, the applicable mortality table and applicable interest rate prescribed in Section 417(e)(3) of the Code. The applicable mortality table was the mortality table specified in IRS Revenue Ruling 2001-62. The applicable interest rate for distributions during a Plan Year (the stability period) was the annual rate on 30-Year Treasury Securities for the third month (October) preceding the start of the Plan Year during which occurs the Annuity Starting Date (the lookback month); provided, however, for a distribution made on or between January 1, 2005 and December 31, 2005, the interest rate was the lesser of the annual rate for December 2004 and the annual rate for October 2004.

(iii) For lump sums payable after December 31, 2007, the applicable mortality table and applicable interest rate prescribed in Section 417(e)(3) of the Code. The applicable mortality table is the mortality table specified in Section 417(e)(3)(B) of the Code. The applicable interest rate for distributions during a Plan Year (the stability period) is the interest rate prescribed in Section 417(e)(3)(C) of the Code for the third month (October) preceding the start of the Plan Year during which occurs the Annuity Starting Date (the lookback month).

(f) For converting the Participant Account Balance (projected to the Participant's Normal Retirement Date) to a monthly benefit payable as a single life annuity, Actuarial Equivalence shall be based on mortality rates from the Unisex Pension 1984 Mortality Table and the immediate interest rate for determining lump sum distributions under terminating plans promulgated by the Pension Benefit Guaranty Corporation as of the first day of the Plan Year in which the determination is made.

(g) Notwithstanding the foregoing, effective January 1, 2006, with respect to Participants who are active Employees on or after January 1, 2006, for converting the Participant Account Balance (projected to the Participant's Normal Retirement Date) to a monthly benefit payable as a single life annuity, Actuarial Equivalence shall be based on the assumptions set forth in Section 1.2(e)(iii); provided, however, the single life annuity will not be less than the single life annuity determined by converting the Participant Account Balance on December 31, 2005 (projected to the Participant's Normal Retirement Date) to a monthly benefit based on mortality rates from the Unisex Pension 1984 Mortality Table and the immediate interest rate for determining lump sum distributions under terminating plans promulgated by the Pension Benefit Guaranty Corporation as of the first day of the Plan Year in which the determination is made.

(h) For Participants other than PRN Re-Elect Participants: For determining the initial Participant Account Balance at December 31, 1994, as described in Section 4.1, Actuarial Equivalence shall be based on mortality rates from the Unisex Pension 1984 Mortality Table and the immediate and deferred interest rates for determining lump sum distributions under terminating plans promulgated by the Pension Benefit Guaranty Corporation for June 1994.

(i) For PRN Re-Elect Participants: For determining the initial Participant Account Balance at January 1, 2002, as described in Section 4.1, Actuarial Equivalence shall be based on mortality rates from the 1983 Group Annuity Mortality Table and the annual rate of interest on 10-Year Treasury Securities for December 2001 (5.09%).

1.3 *Affiliated Employer* means any corporation or trade or business which is a member of a controlled group of corporations, a group of businesses under common control or an affiliated service group (within the meaning of Section 414(b), (c), (m) and (o) of the Code, respectively) of which an Employer adopting the Plan is a member, but only for such period as the corporation or trade or business and the adopting Employer are or were considered members of the group; Notwithstanding the foregoing sentence, purposes of Section 4.7 and with respect to crediting service to leased employees who become Employees, the definitions in Sections 414(b) and (c) of the Code shall be modified as provided in Section 415(h) of the Code

1.4 *Annuity Starting Date* means the first day of the first period for which an amount is payable as an annuity or in any other form.

1.5 *Beneficiary* means the person or persons designated by a Participant to receive the Participant's benefits under the Plan in the event of the Participant's death pursuant to Section 5.7, subject to the following:

(i) If the Participant is married, the Beneficiary shall automatically be the Spouse, unless such Spouse consents in accordance with Section 1.47 to the designation of a non-Spouse Beneficiary.

(ii) If the Participant has no Spouse but has a domestic partner at the time of death and has not designated another Beneficiary, such domestic partner shall be the Participant's Beneficiary. For purposes of the preceding sentence, domestic partner means

an individual of the same or opposite sex who is in a legally registered and valid domestic partnership with the Participant or who has completed a notarized affidavit of domestic partnership. Evidence of such domestic partnership must be on file with the Plan Committee as of the date of the Participant's Death.

(iii) If the Participant has no Spouse and no domestic partner and if no person designated as Beneficiary survives the Participant, the Beneficiary shall be the Participant's children. If no children survive the Participant, the Beneficiary shall be the Participant's estate.

1.6 *Board* means the Board of Directors of El Camino Hospital.

1.7 *Break in Service* means a Plan Year during which an Employee fails to complete more than 500 Hours of Service, subject to the following.

(a) Solely for the purpose of determining whether a Break in Service has occurred, an Employee who is absent from employment because of the Employee's pregnancy, the birth of the Employee's child, the placement of a child with the Employee in connection with the adoption of such child by the Employee, or the need to care for such child for a period beginning immediately following such birth or placement, shall be credited with:

(i) The Hours of Service which otherwise would normally have been credited to such individual but for such absence; or

(ii) In any case in which the Plan Committee is unable to determine the hours described above, eight Hours of Service per day of such absence.

The above rule shall apply only if the Employee furnishes to the Plan Committee such timely information as it may require to establish that the absence was for the above reasons and to determine the number of days of such absence. Such Hours of Service shall be credited in the Plan Year in which the absence from work begins if such credit is necessary to prevent a Break in Service. In any other case, such Hours of Service shall be credited in the immediately following Plan Year. In no event shall more than 501 Hours of Service be credited because of such pregnancy or placement.

(b) Solely for purposes of determining whether a Break in Service has occurred, an Employee shall be credited with each hour for which the Employee would normally be credited with an Hour of Service during a period of leave for the birth, adoption, or placement of a child; to care for a Spouse or other immediate family member with a serious illness; or for the Employee's own illness, all pursuant to the Family and Medical Leave Act of 1993 and its regulations.

1.8 *Cash Balance Formula* means the formula for calculating a Participant's benefit under Sections 4.1, 4.3, 4.5, and 4.8 of the Plan.

1.9 *Code* means the Internal Revenue Code of 1986, as amended from time to time, and the regulations and rulings in effect thereunder.

1.10 *Compensation* means, for each calendar month of Employment, an Employee's compensation received in that month. For purposes this definition:

(a) Compensation for all Participants includes base salary, vacation pay, holiday pay and elective deferrals under a qualified annuity plan described in Section 403(b) of the Code or a plan under Section 125 of the Code, but excludes overtime pay, bonuses, commissions, long term disability benefits, pay in lieu of notice, severance pay, moving expenses, tuition reimbursements, automobile allowances, hiring and referral bonuses, prizes from contests, suggestion program awards, employer paid group life insurance premiums over \$50,000, all other employer costs or contributions to or for public or private employee benefit plans governmental programs or benefits, or any other payment not specified.

(b) An Employee shall be assumed to receive his regular salary rate during any day of absence in which the Employee is entitled to receive short-term disability income benefits (such as sickness benefits) from the Employer which replace 100% of the Employee's pre-disability salary.

(c) For PRN Participants who were employed on December 31, 1994, Compensation shall be all compensation paid to the Employee, effective for Plan Years beginning prior to June 30, 1991.

(d) In determining benefit accruals in any Plan Year beginning after December 31, 2001, Compensation of an Employee shall not exceed \$200,000. Annual Compensation means Compensation during the Plan Year or such other consecutive 12-month period over which Compensation is otherwise determined under the Plan (the determination period). The \$200,000 limitation on Compensation shall be adjusted for increases in the cost of living, pursuant to Section 401(a)(17)(B) of the Code. In determining benefit accruals in Plan Years beginning after December 31, 2001, the annual compensation limit for determination periods beginning before January 1, 2002 shall be \$200,000.

(e) Effective January 1, 2009, Compensation shall not include differential wage payments (as defined in Section 3401(h)(2) of the Code) paid to an individual by the Employer.

1.11 *Contribution Credit* means a credit to the Participant Account as determined under Section 4.1(b).

1.12 *Early Retirement Date* means the first day of the month coinciding with or next following:

(a) For PRN Prior Plan Participants, the date on which the Participant first attains age 55 and has completed five Years of Vesting Service.

(b) For Participants other than those in (a) above, any date prior to the Participant's Normal Retirement Date.

1.13 *Eligibility Computation Period* means the 12-consecutive-month period beginning on the date the Employee first performs an Hour of Service for an Employer. Provided, however, that succeeding Eligibility Computation Periods shall be the 12-consecutive-month period beginning on the first day of the Plan Year, commencing with the Plan Year which begins on or immediately prior to the first anniversary of the date the Employee first performed an Hour of Service.

1.14 *Employee* means any person employed by the Employer who receives compensation other than a pension, severance pay, retainer or fee under contract, but excluding:

(a) any person (other than a common law employee of the Employer) who, pursuant to an agreement between the Employer and any other person ("leasing organization"), has performed services for the Employer or any related persons determined in accordance with Section 414(n)(6) of the Code on a substantially full-time basis for a period of at least one year and such services are performed under the primary direction of or control by the Employer;

(b) any person who is included in a unit of employees covered by a collective bargaining agreement which does not provide for his membership in the Plan;

(c) any person who is a nonresident alien and receives no earned income from the Employer which constitutes income from sources within the United State as defined in Section 410(b)(3)(C) of the Code; and

(d) any person classified as an independent contractor or consultant by the Employer (regardless of the status of the individual for income tax withholding or other purposes) for any period during which he is so classified even if such classification is later changed by a court, administrative agency, or prospectively by the Employer.

The term "employee," as used in this Plan, means any individual who is employed by the Employer or an Affiliated Employer as a common law employee of the Employer or an Affiliated Employer, regardless of whether the individual is an "Employee," and any employee described in (a) above.

1.15 *Employer* means El Camino Hospital, or any successor by merger, purchase or otherwise, with respect to its employees, or any Affiliated Employer participating in the Plan as provided in Article XII with respect to its employees.

1.16 *Employment* means employment with the Employer.

1.17 *Entry Date* means the date an Employee enters the Plan. The Entry Date shall be the first day of the month coinciding with or next following the date the Employee satisfies the eligibility requirements set out in Section 2.1 of the Plan.

1.18 *ERISA* means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations and rulings in effect thereunder from time to time.

1.19 *Final Average Compensation* means the highest average of a Participant's Compensation over any five consecutive Plan Year periods during which he is a Participant. Notwithstanding the preceding sentence, if a Participant does not have five consecutive Plan Years of participation in the Plan, Final Average Compensation shall be determined on the basis of his longest period of employment as an Employee during the Plan Years immediately preceding the determination date.

1.20 *403(b) Match Participant* means an individual who was eligible to participate in the Matching Contribution feature of Section 3.01(b) of the 403(b) Plan for Plan Years beginning on January 1, 2000 and ending on December 31, 2008.

1.21 *403(b) Plan* means the El Camino Hospital 403(b) Retirement Plan.

1.22 *Hospital District's Formula* means the formula for calculating benefits under Sections 4.2, 4.4, 4.6 and 4.9 of the Plan.

1.23 *Hour of Service* means:

(a) For each Employee for whom the Employer or an Affiliated Employer maintains an hourly service record:

(i) Each hour for which an Employee is directly or indirectly paid by, or entitled to payment from, an Employer or Affiliated Employer for the performance of duties. Such hours shall be credited to the Employee for the computation period or periods in which the Employee performs the duties for which he is paid;

(ii) To the extent not included in paragraph (i), each hour for which an Employee is directly or indirectly paid by, or entitled to payment from, an Affiliated Employer for a period of time in which no duties are performed due to vacation, holiday, sickness, incapacity (including disability), layoff, jury duty or leave of absence, provided that no more than 501 hours shall be credited on account of any single continuous period during which the Employee performs no services. These hours shall be credited to the Employee for the computation period or periods in which such hours accrued; and

(iii) To the extent not included in paragraphs (i) or (ii), each hour for which back pay, irrespective of mitigation of damages, is awarded or agreed to by an Affiliated Employer. These hours shall be credited to the Employee in accordance with the provisions of paragraphs (i) or (ii) for the computation period or periods to which the award or agreement pertains rather than the computation period in which the award, agreement or payment was made.

(b) Each Employee for whom the Employer or an Affiliated Employer does not maintain an hourly service record shall be credited with 190 Hours of Service for each month during which the Employee would have otherwise been credited with at least one Hour of Service under paragraph (a).

(c) Hours of Service shall be credited to the extent required by USERRA.

(d) No hours shall be credited on account of any period during which an employee performs no duties and receives payment solely for the purpose of complying with unemployment compensation, workers' compensation, or disability insurance laws.

(e) The number of an Employee's Hours of Service and the Plan Year or other computation period to which they are to be credited will be determined in accordance with Department of Labor regulation Section 2530.200b-2, which is hereby incorporated by reference into this Plan.

1.24 *Inactive Participant* means any Participant who:

(a) was transferred to an Employer or an Affiliated Employer which does not maintain this Plan for its employees;

(b) was transferred to any group of employees not covered by the Plan; or

(c) terminated service with the Employer and all Affiliated Employers (for as long as he is entitled to benefits under the Plan).

1.25 *Interest Credit* means a credit to the Participant Account as determined under Section 4.1(c) of the Plan .

1.26 *Normal Retirement Age* means age 65, or the Participant's age on the 5th anniversary of his Entry Date, whichever is later.

1.27 *Normal Retirement Date* means the first day of the month coinciding with or next following the date the Participant attains his Normal Retirement Age. A Participant who is employed by an Employer on the date he attains his Normal Retirement Age shall be 100% vested in his Accrued Benefit.

1.28 *Participant* means an individual who is a Participating Employee or an Inactive Participant.

1.29 *Participant Account* means the individual account established on behalf of a Participant which represents his interest in the Plan.

1.30 *Participant Account Balance* means, as of any date, the amount credited to the Participant Account as of the beginning of the Plan Year coincident with or immediately preceding such date, plus any Contribution Credits and Interest Credits made since such date. Notwithstanding the foregoing, the Participant Account Balance shall not be less than the sum of the Contribution Credits made on behalf of the Participant, including, if applicable, the Participant's opening Participant Account Balance determined under Section 4.1(a) or the first or second paragraph of Section 4.11(a), and reduced to reflect the value of any prior distributions.

The preceding sentence applies only as of an Annuity Starting Date as of which a distribution of the Participant's entire remaining vested benefit under the Plan commences.

1.31 *Participant Match Account* means the individual account established on behalf of a Participant under Article 14.

1.32 *Participant Match Account Balance* means, as of any date, the amount credited to the Participant Match Account as calculated under Article 14. Notwithstanding the foregoing, the Participant Match Account Balance shall not be less than the sum of the Participant Match Contribution Credits made on behalf of the Participant, reduced to reflect the value of any prior distributions. The preceding sentence applies only as of an Annuity Starting Date as of which a distribution of the Participant's entire remaining vested benefit under the Plan commences.

1.33 *Participant Match Contribution Credit* means the contribution credit described in Section 14.2(a).

1.34 *Participant Match Interest Credit* means the interest credit described in Section 14.2(b).

1.35 *Participating Employee* means an Employee who has entered or re-entered the Plan pursuant to Article 2 and who is not an Inactive Participant.

1.36 *Plan* means the El Camino Hospital Cash Balance Plan as herein set forth, and as amended from time to time.

1.37 *Plan Committee* means the El Camino Hospital Employee Benefits Plan Committee, consisting of senior officers of the Employer who shall be appointed initially by and serve at the pleasure of the Board of Directors of El Camino Hospital.

1.38 *Plan Year* means January 1 to December 31. Prior to January 1, 2000, Plan Year meant July 1 to June 30. The period from July 1, 1999 through December 31, 1999 was a short Plan Year.

1.39 *Postponed Retirement Date* means the date the Participant terminates employment with the Employer and all Affiliated Employers after his Normal Retirement Date.

1.40 *Prior Plan Formula* means the formula for calculating benefits under the El Camino Healthcare System Pension Plan as in effect on December 31, 1994.

1.41 *PRN Participant* means a member of Professional Resource for Nurses (PRN) who is a Participant in the Plan.

1.42 *PRN Prior Participant* means any PRN Prior Plan Participant who transferred to non-PRN status during the period from July 1, 1997 through June 30, 1998 and who was in active Employment as of December 31, 2000.

1.43 *PRN Prior Plan Participant* means a PRN Participant who was an Employee on December 31, 1994 and who, during the month of March or April, 1996, elected (irrevocably) to have his benefits determined under the provisions of the Prior Plan.

1.44 *PRN Re-Elect Participant* means any PRN Prior Plan Participant who was an Employee on December 31, 2001 and who, during February 2002, elected (irrevocably) to have his Accrued Benefit converted to the Cash Balance Formula as of January 1, 2002 with a guaranteed benefit under the Prior Plan as of April 30, 2003.

1.45 *PRN 2007 Re-Elect Participant* means any PRN Prior Plan Participant as of December 31, 2005 who was an Employee on December 31, 2005 and who, during December 2006 and January 2007, elected (irrevocably) to have his Accrued Benefit frozen under the Hospital District's Formula as of December 31, 2006 (not converted to a cash balance) and his benefits determined under the Cash Balance Formula beginning January 1, 2007.

1.46 *Qualified Joint and Survivor Annuity* means the following:

(a) In the case of a Participant who does not have a Spouse on his Annuity Starting Date, an immediate annuity payable for the life of the Participant; or,

(b) In the case of a Participant who has a Spouse on his Annuity Starting Date, an immediate annuity, payable for the life of the Participant with a survivor annuity for the life of the Spouse, which survivor annuity percentage shall be 50% of the amount payable during the joint lives of the Participant and his Spouse. Such joint and survivor annuity shall be the Actuarial Equivalent of a single life annuity.

Notwithstanding the above, if a more valuable benefit (within the meaning of Treasury Regulation Section 1.401(a)-20, Q & A 16) is payable at the same time as the benefit described above and if such benefit is a qualified joint and survivor annuity (within the meaning of Section 417(b) of the Code), the more valuable benefit shall be the Qualified Joint and Survivor Annuity. If such benefit is not a qualified joint and survivor benefit (within the meaning of Section 417(b) of the Code), the Qualified Joint and Survivor Annuity shall be the automatic survivor annuity described above, increased to the extent necessary to make the benefit equally valuable.

1.47 *Spousal Consent* shall mean a Spouse's consent acknowledging the effect of a designation of another Beneficiary or waiver of Plan benefits. The consent shall be made on the Plan form designated for that purpose and must be witnessed by a designated Plan representative or notary public. Any such consent shall be effective only with respect to such Spouse and shall not be effective with respect to any subsequent Spouse to whom the Participant becomes married. The consent of the Participant's Spouse shall not be required if it is established to the satisfaction of the Plan representative that the consent cannot be obtained because there is no Spouse, because the Spouse cannot be located, or because of such other circumstance as may be permitted under applicable regulations.

1.48 *Spouse* means the person to whom the Participant is legally married on his Annuity Starting Date or if earlier, on the date of his death. Effective for Annuity Starting Dates on or after

June 26, 2013 (with respect to benefits other than preretirement death benefits) and effective for deaths occurring on or after June 26, 2013 (with respect to preretirement death benefits), Spouse means the person to whom the Participant is legally married. A legal marriage is one that was entered into in a State or foreign jurisdiction pursuant to the laws of that State or foreign jurisdiction, regardless of whether the marriage is recognized in the State or foreign jurisdiction in which the Participant and/or Spouse resides as of the Annuity Starting Date or date of death, as applicable.

1.49 *Trust* means the trust and any and all amendments and successor trusts entered into between the Employer and the Trustee for the purpose of funding benefits under the Plan. The Trust shall be deemed to be a part of this Plan as if all of the terms and provisions were fully set forth herein.

1.50 *Trustee* means the Trustee of the Plan or any successors thereto appointed in accordance with the provisions of the Trust.

1.51 *Trust Fund* means the Plan assets held under the Trust.

1.51A *USERRA* means the Uniformed Services Employment and Reemployment Rights Act of 1994.

1.52 *Valuation Date* means the last day of each month or such other dates as may be designated by the Plan Committee.

1.53 *Year of Benefit Service* means a Plan Year in which the Employee is credited with at least 1,000 Hours of Service. Years of Benefit Service shall not be credited for Hours of Service earned while an Inactive Participant. For an Employee with less than 1,000 Hours of Service in the Plan Year in which he was hired, rehired, or terminated, a fractional Year of Benefit Service shall be credited as follows:

(a) For a PRN Prior Plan Participant - the number of months worked (to the nearest month) divided by 12.

(b) For all other Employees - the number of months worked (to the nearest month) divided by 12 only if the Employee's annualized Hours of Service are 1,000 or greater. Hours shall be annualized based on the number of days worked during the Plan Year compared to 365 days.

(c) Notwithstanding the foregoing, with respect to the short Plan Year from July 1, 1999 through December 31, 1999, a Year of Benefit Service means a Plan Year in which the Employee is credited with at least 500 Hours of Service. Notwithstanding any Plan provision to the contrary, should an Employee fail to be credited with the required minimum Hours of Service in order to be credited with a Year of Service as of the end of such short Plan Year, but such Employee is credited with at least 1,000 Hours of Service during what would have been the Plan Year had the Plan Year-end not been changed, such Employee shall be credited with a Year of Benefit Service as of the end of such short Plan Year. For an Employee with less than 500 Hours of Service in such short Plan Year who was hired, rehired, or terminated in such short Plan Year, a fractional Year of Benefit Service shall be credited as follows:

(i) For a PRN Prior Plan Participant – the number of months worked (to the nearest month) divided by six.

(ii) For all other Employees – the number of months worked (to the nearest month) divided by six only if the Employee's annualized Hours of Service are 1,000 or greater. Hours shall be annualized based on the number of days worked during the short Plan Year compared to 184 days.

1.54 *Year of Service* means an Eligibility Computation Period during which an Employee is credited with at least 1,000 Hours of Service.

1.55 *Year of Vesting Service* means a Plan Year in which an Employee is credited with at least 1,000 Hours of Service with the Employer or any Affiliated Employers. Notwithstanding the foregoing, an Employee shall be credited with a full Year of Vesting Service for the short Plan Year from July 1, 1999 through December 31, 1999, provided the Employee is credited with 500 or more Hours of Service during that period. Notwithstanding any Plan provision to the contrary, should an Employee fail to be credited with the required minimum Hours of Service in order to be credited with a Year of Service as of the end of such short Plan Year, but such Employee is credited with at least 1,000 Hours of Service during what would have been the Plan Year had the Plan Year not been changed, such Employee shall be credited with a Year of Vesting Service as of the end of such short Plan Year.

Article 2 - Eligibility to Participate

2.1 Requirements for Participation

An Employee who was a Participant on December 31, 2013 shall continue to be a Participant of the Plan under the terms and conditions set forth herein. Each other Employee shall become a Participant as of the Entry Date coinciding with or next following the later of the date on which he attains age 21 and the date he completes one Year of Service; provided he is an Employee on such Entry Date. An Employee who satisfies the age and service requirements of the preceding sentence but who is not an Employee on such Entry Date shall become a Participant of the Plan immediately upon becoming an Employee.

2.2 Participation

Participation in the Plan continues until a Participant has received all benefits under the Plan.

2.3 Leaves of Absence

A Participant's employment is not considered terminated for purposes of the Plan while he is on leave of absence with the consent of the Employer or an Affiliated Employer, provided that he returns to the employ of the Employer or an Affiliated Employer at the expiration of such leave. Leaves of absence shall mean leaves granted by the Employer and any Affiliated Employer, in accordance with written rules uniformly applied to all Employees. A Participant's employment shall also not be deemed to have terminated while he is a member of the uniformed services of the United States, provided that he returns to the employment of the Employer or an Affiliated Employer within the time specified under USERRA.

2.4 Inactive Participation

An Inactive Participant who has not separated from the service of the Employer and all Affiliated Employers shall not have any Contribution Credits credited to his Participant Account, but shall continue to earn Years of Vesting Service and shall be entitled to receive Interest Credits on his Participant Account Balance. An Inactive Participant who has separated from service of the Employer and all Affiliated Employers shall not earn any additional Years of Vesting Service and shall not have any Contribution Credits credited to his Participant Account, but shall receive Interest Credits on such Account until the complete distribution of his Participant Account has occurred or the commencement of monthly benefit payments.

2.5 Reemployment

(a) **Participant.** A Participant with a Participant Account Balance who is receiving periodic payments from the Plan and who is later reemployed by the Employer or an Affiliated Employer shall have his periodic payments suspended during such reemployment, provided that no benefit shall be suspended pursuant to this Section 2.6 for a Participant who has attained the

Normal Retirement Age unless such Participant has been given notice of such suspension as required by law.

The Participant Account Balance as of the date of the Participant's first termination of Employment shall be increased by adding thereto Interest Credits to his date of reemployment and the Actuarial Equivalent of the payments received by the Participant shall be subtracted from his Account. This will be his Participant Account Balance upon reentering the Plan. Upon such Participant's subsequent termination of employment, such Participant will be entitled to receive benefit payments calculated pursuant to Section 4.1 and Article 14. In no event shall the Participant's benefit upon such Participant's subsequent termination be less than the benefit the Participant was receiving prior to the suspension of benefits.

For purposes of this subparagraph, a Participant shall be considered reemployed if during a calendar month, or during a four- or five-week payroll period ending in a calendar month, the Participant is credited with more than 72 Hours of Service.

(b) PRN Prior Plan Participant. Any periodic payment benefits otherwise payable with respect to a PRN Prior Plan Participant shall be suspended during any period for which such Participant is reemployed by the Employer or an Affiliated Employer as an Employee, provided that no benefit shall be suspended pursuant to this Section 2.6 for a PRN Prior Plan Participant who has attained the Normal Retirement Age unless such Participant has been given notice of such suspension as required by law.

Upon the PRN Prior Plan Participant's subsequent termination of employment, such Participant's benefit shall be an amount equal to the excess of:

- (i) the retirement benefit accrued as of the subsequent termination of employment, over
- (ii) the life annuity which is the Actuarial Equivalent as of his subsequent termination of employment of all benefit payments received by the Participant prior to his subsequent termination of employment.

In no event shall the Participant's retirement benefit be less than the benefit the Participant was receiving prior to the suspension of benefits.

Such Participant's benefit payments shall be resumed no later than the first day of the third month after the calendar month in which the Participant subsequently ceases to be employed.

For purposes of this subparagraph, a Participant shall be considered reemployed if during a calendar month, or during a four- or five-week payroll period ending in a calendar month, the Participant is credited with more than 72 Hours of Service.

(c) Former Participant or Former PRN Prior Plan Participant. Notwithstanding the foregoing provisions of this Section 2.5, if a former Participant or former PRN Prior Plan Participant who terminated employment with the Employer and all Affiliated Employers and who

received a complete distribution of his Accrued Benefit is subsequently reemployed by the Employer or an Affiliated Employer, he shall again become a Participant as of the date he becomes an Employee of the Employer and shall begin to accrue benefits again under the terms of the Plan as then in effect. Such former Participant's prior Years of Vesting Service shall be restored upon the date of his reemployment.

Article 3 - Employer Funding

3.1 Employer Contributions

The Employer shall contribute all amounts needed to provide the benefits under this Plan into a Trust established for the purpose of holding Plan assets for the exclusive benefit of Participants and Beneficiaries. The amount of Employer contributions shall be based on the recommendation of the enrolled actuary using such methods and assumptions as he may deem advisable and consistent with the minimum funding standards of ERISA. The Trustee shall receive, hold in trust and disburse the assets of the Trust in accordance with the provisions of the Plan and Trust.

The Employer shall make such contributions as are required to keep the Plan qualified under Section 401 of the Code, subject to its right to amend or discontinue the Plan and discontinue contributions. All benefits will be paid from the Trust and neither the Employer nor the Trustee shall be liable to Participants or their Beneficiaries if the Trust corpus shall be insufficient to provide for the payment of benefits. Except as provided by ERISA, the Employer shall have no liability with respect to the administration of the Trust or of its funds paid over to the Trustee, and each Participant or Beneficiary shall look solely to the Trust or to the Pension Benefit Guaranty Corporation (PBGC) for any payments of benefits under the Plan.

3.2 Changes in Funding Medium or Method

The Employer reserves the right to change the medium and method of funding at any time at its discretion and without the consent of any person or organization, subject to any applicable requirements of ERISA. Subject to the specific provisions of the Trust, the Employer reserves the right to amend the Trust and to remove the current Trustee and appoint a successor Trustee at it may deem appropriate.

3.3 Return of Contributions

If a contribution was made by a mistake of fact, the excess of the amount of such contribution over the amount that would have been contributed had there been no mistake shall be returned to the Employer within one year after the payment of the contribution.

Article 4 - Benefits

4.1 Normal Retirement Benefit

A Participant, other than a PRN Prior Plan Participant, shall have his monthly Normal Retirement Benefit determined as the sum of the Actuarial Equivalent of his Participant Account Balance (as determined under this Section 4.1) and his Participant Match Account Balance (as determined under Article 14) on his Normal Retirement Date. The Participant Account Balance as of any Valuation Date is equal to:

(a) The Participant Account Balance as of December 31, 1994 (January 1, 2002 for PRN Re-Elect Participants), which is the Actuarial Equivalent of the Accrued Benefit as of that date (determined under the Prior Plan), plus

(b) Contribution Credits.

(i) Contribution Credits for each Plan Year for which the Participant is credited with a Year of Benefit Service (including fractional years), beginning with the six-month period January 1, 1995 to June 30, 1995, and each Plan Year thereafter, equal to 3% of his Compensation for such period, credited as of the last day of the Plan Year.

(ii) Effective July 1, 1999, for any Participant who is an active Employee on or after November 1, 1999 (July 1, 2000 for PRN Participants), for each Plan Year beginning with the short Plan Year lasting from July 1, 1999 to December 31, 1999 and each Plan Year thereafter, in place of the Contribution Credit described in subparagraph (b)(i), a Contribution Credit for such Plan Year if the Participant is credited with a Year of Benefit Service (including fractional years) for such Plan Year, equal to 5% of his Compensation for such period, credited as of the last day of the Plan Year.

(c) Interest Credits.

(i) Except as provided below, Interest Credits, determined as of any Valuation Date, are calculated based on the monthly interest rate which, when compounded 12 times, is equal to an annual rate of 4%. Interest Credits shall be determined by applying the monthly interest rate to the Participant Account Balance as of the last day of the prior Plan Year.

(ii) For the six-month period from January 1, 1995 through June 30, 1995, Interest Credits determined as of any Valuation Date shall be calculated based on the monthly interest rate which, when compounded six times, is equal to a semi-annual rate of 2%. Interest Credits for this period shall be determined by applying the monthly interest rate to the Participant Account Balance as of December 31, 1994.

(iii) Effective July 1, 1999, with respect to Participants who are active Employees on or after November 1, 1999 (July 1, 2000 for PRN Participants), for each Plan Year beginning with the short Plan Year lasting from July 1, 1999 to December 31,

1999 and each Plan Year thereafter, Interest Credit means a credit to the Participant's Account Balance equal to a percentage of such Participant's Account Balance as of the beginning of each such Plan Year. The percentage shall be the annual rate of return on 10-Year Treasury Securities in effect for the month immediately preceding the first day of such Plan Year. For the short Plan Year lasting from July 1, 1999 to December 31, 1999, the Interest Credit will be equal to one-half of the Interest Credit calculated under the preceding sentence. The Interest Credit as of the Valuation Date is calculated based on the monthly interest rate which, when compounded 12 times, is equal to the annual rate in effect on the Valuation Date.

(iv) Effective January 1, 2006, with respect to Participants who are active Employees on or after January 1, 2006, the percentage shall be the annual rate of return on 10-Year Treasury Securities in effect for the third month (October) immediately preceding the first day of such Plan Year; provided, further, a Participant Account shall never be less than the Participant Account on December 31, 2005 credited with Interest Credits based on the annual rate of return on 10-Year Treasury Securities in effect for the month immediately preceding the first day of such Plan Year. The Interest Credit as of the Valuation Date is calculated based on the monthly interest rate which, when compounded 12 times, is equal to the annual rate in effect on the Valuation Date.

(v) Effective January 1, 2017, for Interest Credit periods after the termination of the Plan, the Interest Credit rate used to determine accrued benefits under the Plan shall be the rate and table specified under the Plan for such purpose as of the termination date, except that if the Interest Credit rate is a variable rate, the interest rate shall be determined under the rules of Section 411(b)(5)(B)(vi)(I) of the Code.

(d) In no event shall the Normal Retirement Benefit (excluding the portion attributable to the Participant Match Account) be less than the Accrued Benefit as of December 31, 1994 determined under the Prior Plan. For PRN Participants, in no event will the Normal Retirement Benefit be less than his Accrued Benefit as of June 30, 1996 (April 30, 2003 for PRN Re-Elect Participants).

(e) If the Participant's benefit is paid in the form of a lump sum payment, the lump sum payment shall not be less than the Actuarial Equivalent of the Accrued Benefit except as provided in Section 5.2(f), in which case the single lump sum payable with respect to the portion of the Participant's Accrued Benefit that is attributable to the Participant Account Balance and the Participant Match Account Balance shall be the sum of the Participant Account Balance and the Participant Match Account Balance.

(f) Notwithstanding this Section 4.1 and Section 4.2 of the Plan, effective as of January 1, 2004, any employee who was a Service Employees International Union Local 715 (SEIU) employee as of July 16, 2003 and who, as of December 31, 1994, was an active non-PRN Participant and had attained age 50 and accrued 10 Years of Benefit Service, shall, upon retirement, be eligible for a Normal Retirement Benefit equal to the greater of:

(i) his benefit determined under Section 4.2, below; or

- (ii) his benefit determined under this Section 4.1

To the extent such Participant's benefit is determined under subsection (i) above, his Early Retirement Benefit and his Postponed Retirement Benefit shall be determined under Sections 4.4 and 4.6 of the Plan, respectively. To the extent such Participant's benefit is determined under subsection (ii) above, his Early Retirement Benefit and his Postponed Retirement Benefit shall be determined under Sections 4.3 and 4.5 of the Plan, respectively.

(g) Notwithstanding this Section 4.1 and Section 4.2 of the Plan, a PRN 2007 Re-Elect Participant will have his benefit determined as the sum of:

- (i) his benefit determined under Section 4.2, below for service prior to January 1, 2007 (frozen benefit as of December 31, 2006); and
- (ii) his benefit determined under this Section 4.1 for service after December 31, 2006.

To the extent such Participant's benefit is determined under subsection (i) above, his Early Retirement Benefit and his Postponed Retirement Benefit shall be determined under Sections 4.4 and 4.6 of the Plan, respectively. To the extent such Participant's benefit is determined under subsection (ii) above, his Early Retirement Benefit and his Postponed Retirement Benefit shall be determined under Sections 4.3 and 4.5 of the Plan, respectively.

4.2 Normal Retirement Benefit - PRN Prior Plan Participant

(a) A PRN Prior Plan Participant shall have his Normal Retirement Benefit determined as 1/12 of (i) minus (ii), multiplied by (iii):

- (i) 1.6% of such Participant's Final Average Compensation;
- (ii) 2% of such Participant's Primary Social Security Retirement Benefit under the Social Security Act;
- (iii) Years of Benefit Service
 - (A) Effective for Years of Benefit Service calculated prior to July 1, 1996, Years of Benefit Service with the Employer or El Camino Hospital District.
 - (B) Effective for Years of Benefit Service calculated after June 30, 1996, Years of Benefit Service with the Employer during which time he was a PRN member.
 - (C) If the total of items (A) and (B) above would exceed 25, Years of Benefit Service for such Participant shall be the last such 25 Years of Benefit Service.

(b) For purposes of this Section 4.2, "Primary Social Security Retirement Benefit under the Social Security Act" means the amount payable under Title II of the Social Security Act as in effect on the Participant's date of termination of employment, to which the Participant is entitled or upon application would become entitled (except for disqualification as a result of any act or failure to act on his part) computed to commence in accordance with (i) or (ii) below:

(i) In the case of a Participant who terminates employment from the Employer and all Affiliated Employers on or after his Normal Retirement Date, the Social Security Retirement Benefit commencing on his date of termination of employment, or

(ii) In the case of a Participant who terminates employment from the Employer and all Affiliated Employers before his Normal Retirement Date, the benefit commencing at his Normal Retirement Date computed on the assumption that he received no compensation after his date of termination of employment.

4.3 Early Retirement Benefit

A Participant, other than a PRN Prior Plan Participant, who terminates employment with an Employer and all Affiliated Employers prior to his Normal Retirement Date shall be entitled to an Early Retirement Benefit equal to the Actuarial Equivalent of his vested Accrued Benefit determined as of his Early Retirement Date.

If the Participant is age 55 or older on his Early Retirement Date, the Early Retirement Benefit will not be less than his Accrued Benefit as of December 31, 1994 (June 30, 1996 for PRN Participants and April 30, 2003 for PRN Re-Elect Participants), multiplied by an early retirement percentage in accordance with the table found in Section 4.4.

4.4 Early Retirement Benefit - PRN Prior Plan Participant

A PRN Prior Plan Participant who terminates employment with an Employer and all Affiliated Employers prior to his Normal Retirement Date shall be entitled to an Early Retirement Benefit in lieu of his Normal Retirement Benefit, commencing on his Early Retirement Date equal to his Accrued Benefit (calculated under Section 4.2) as of such date, multiplied by an early retirement percentage in accordance with the following table:

<u>Years Preceding Normal Retirement Date</u>	<u>Early Retirement Percentage</u>
0	100.0%
1	93.3%
2	86.6%
3	79.9%
4	73.2%
5	66.5%
6	63.2%
7	59.9%
8	56.6%
9	53.3%
10	50.0%

The early retirement percentages in the foregoing table shall be interpolated for fractional years. Such interpolation shall be based on years and completed months that the Early Retirement Date precedes the Normal Retirement Date.

4.5 Postponed Retirement Benefit

A Participant, other than a PRN Prior Plan Participant, who terminates employment with an Employer and all Affiliated Employers after his Normal Retirement Date shall be entitled to a Postponed Retirement Benefit equal to the greatest of:

(a) the Actuarial Equivalent of his Participant Account Balance as of the Valuation Date coinciding with or immediately preceding his Postponed Retirement Date;

(b) the Participant's Accrued Benefit at December 31, 1994 (June 30, 1996 for PRN Participants and April 30, 2003 for PRN Re-Elect Participants) increased by the factors found in this Section 4.6; or

(c) the Participant's Accrued Benefit determined as of his Normal Retirement Date and actuarially increased to his Postponed Retirement Date in accordance with proposed IRS Regulation 1.411(b)-2.

If a Participant continues to be employed by the Employer or an Affiliated Employer past the date on which distributions are required to commence pursuant to Section 401(a)(9) of the Code, the benefit determined under this subparagraph shall be reduced (but not below the level of benefit payments in effect as of the close of a given Plan Year) by the life annuity which is the Actuarial Equivalent of total benefit distributions made to the Participant by the close of such Plan Year.

4.6 Postponed Retirement Benefit - PRN Prior Plan Participant

A PRN Prior Plan Participant who continues to be employed by the Employer and all Affiliated Employers beyond his Normal Retirement Age shall be entitled to receive a Postponed Retirement Benefit which shall be greatest of:

- (a) his Accrued Benefit as of such date;
- (b) his Accrued Benefit determined as of his Normal Retirement Date increased by the factors below:

<u>Years from Normal Retirement Age</u>	<u>Percentage of Monthly Retirement Benefit</u>
0	100.0%
1	102.8%
2	105.9%
3	109.1%
4	112.5%
5	116.2%

For years in excess of five, the benefit shall be the Actuarial Equivalent of the Accrued Benefit determined as of his Normal Retirement Date.

- (c) the Participant's Accrued Benefit determined as of his Normal Retirement Date and actuarially increased to his Postponed Retirement Date in accordance with proposed IRS Regulation 1.411(b)-2.

If a PRN Prior Plan Participant continues to be employed by the Employer or any Affiliated Employer past the date on which distributions are required to commence pursuant to Section 401(a)(9) of the Code, the benefit determined under this subparagraph shall be reduced (but not below the level of benefit payments in effect as of the close of a given Plan Year) by the life annuity which is the Actuarial Equivalent of total benefit distributions made to the Participant by the close of such Plan Year.

4.7 Maximum Benefit for Any Participant

- (a) For purposes of this section, the limitation year shall be the Plan Year.
- (b) Notwithstanding any other provision of the Plan, the annual benefit to which a Participant is entitled under the Plan shall not, in any limitation year, be in an amount that would exceed the applicable limitations under Section 415 of the Code and regulations thereof. If the benefit payable under the Plan would (but for this Section) exceed the limitations of Section 415 of the Code by reason of a benefit payable under another defined benefit plan aggregated with this Plan under Section 415(f) of the Code, the benefit under this Plan shall be reduced only after all reductions have been made under such other plan. As of January 1 of each calendar year commencing on or after January 1, 2002, the dollar limitation as determined by the Commissioner

of Internal Revenue for that calendar year shall become effective as the maximum permissible dollar amount of benefit payable under the Plan during the limitation year ending within that calendar year.

(c) The term "compensation" for purposes of applying the applicable limitations under Section 415 of the Code with respect to any Participant shall mean compensation as defined in Treasury Regulation Section 1.415(c)-2(d)(4) (i.e., Information required to be reported under Sections 6041, 6051 and 6052 ("W-2 Pay") plus amounts that would be included in wages but for an election under Section 125(a), 132(f)(4), 402(e)(3), 402(h)(1)(B), 402(k), or 457(b) of the Code). Such compensation shall also include amounts required to be recognized under the provisions of Treasury Regulation Section 1.415(c)-2(e)(3)(ii) (i.e., compensation paid by the later of 2½ months after an Employee's severance from employment with the Employer and all Affiliated Employers or the end of the Plan Year that includes the Employee's severance from employment with the Employer and all Affiliated Employers if the payment is regular compensation for services during the Employee's regular working hours, or compensation for services outside the Employee's regular working hours (such as overtime or shift differential), commissions, bonuses or similar payments, and, absent a severance from employment, the payments would have been paid to the Employee while the Employee continued in employment with the Employer or an Affiliated Employer). Such compensation shall exclude all amounts required to be excluded under Treasury Regulation Section 1.415(c)-2. Such compensation shall not exceed the annual limit on compensation under Section 401 (a)(17) of the Code.

4.8 Death Benefit Prior to Retirement for Non-PRN Prior Plan Participants

In the event of the death of a Participant (other than a PRN Prior Plan Participant) after becoming vested and before his Annuity Starting Date, the following provisions shall apply:

(a) If the Participant is married on the date of his death, his surviving Spouse shall be entitled to receive an immediate distribution of the vested Participant Account Balance determined as of the Valuation Date immediately preceding the date of distribution in the form of a monthly annuity for the Spouse's lifetime unless the Spouse has waived the pre-retirement death benefit in accordance with Section 4.9A. The monthly amount of such pre-retirement survivor annuity shall be equal to the Actuarial Equivalent of the vested Participant Account Balance. In lieu of a monthly annuity, the surviving Spouse may elect a single lump sum payment equal to the greater of the single sum Actuarial Equivalent of the Spouse's portion of the Qualified Joint and Survivor Annuity (based upon the Participant's vested Accrued Benefit) or the vested Participant Account Balance.

(b) If the Participant's Spouse waived the pre-retirement death benefit in accordance with Section 4.9A or the Participant is not married on the date of death, the Participant's designated Beneficiary shall be entitled to elect to receive the death benefit as an immediate single lump sum payment of the vested Participant Account Balance or an immediate monthly annuity that is the Actuarial Equivalent of the vested Participant Account Balance. Notwithstanding the foregoing, if the Beneficiary is the Participant's estate or a trust, the benefit shall be paid as a single lump sum.

Notwithstanding this Section 4.8 and Section 4.9 of the Plan, a PRN 2007 Re-Elect Participant will have his death benefit determined under this Section 4.8 for benefits calculated under Section 4.1 and determined under Section 4.9 for benefits calculated under Section 4.2.

4.9 Death Benefit Prior to Retirement for PRN Prior Plan Participants

If a PRN Prior Plan Participant is vested and married upon his death prior to his Annuity Starting Date, his surviving Spouse shall be entitled to receive an immediate death benefit equal to the greater (in value) of:

(a) 50% of the amount the PRN Prior Plan Participant would have received under the Qualified Joint & Survivor Annuity (based on the Participant's vested Accrued Benefit) had such PRN Prior Plan Participant retired on the first day of the month immediately preceding his date of death and elected such form of benefit with his Spouse as Beneficiary; or

(b) The Actuarial Equivalent of the PRN Prior Plan Participant's vested Accrued Benefit determined as of the date of payment.

If a PRN Prior Plan Participant who is not married, or who has elected a Beneficiary other than his Spouse in accordance with Section 4.9A, dies prior to his Annuity Starting Date, the Beneficiary shall receive the Actuarial Equivalent of the PRN Prior Plan Participant's vested Accrued Benefit.

If the Beneficiary is not the Participant's estate, then the Beneficiary may elect to receive the benefit in the form of a monthly benefit which is Actuarially Equivalent to the death benefit.

4.9A Notice and Waiver Requirements for Pre-Retirement Death Benefits

The payment of a pre-retirement death benefit under Sections 4.8 and 4.9 to anyone other than the Member's Spouse as of the date of his death shall be valid subject to the following provisions:

(a) The Plan Administrator shall furnish the written explanation of the pre-retirement death benefit to each Member before the first anniversary of the date he becomes a Member, or, if later, within the three-year period immediately preceding the first day of the Plan Year in which the Member would attain age 35. If a Member's service is terminated after he meets the requirements for any benefit under the Plan and before he attains age 35, or before he has received the written explanation, he shall be furnished with the written explanation before the first anniversary of the date he terminated service. The written explanation described above shall be furnished to a Member even though he is not married and, in the case of a Member who has not terminated service, even though he is not entitled to any benefit under the Plan.

(b) A Member's election to designate a beneficiary for the pre-retirement death benefit other than his Spouse and the Spouse's consent to such election or any revocation of that election, may be made at any time during the period beginning on the first day of the Plan Year in which

the Member attains age 35 or on the date of the Member's termination of employment, if earlier, and ending on the Member's Annuity Starting Date or his date of death, if earlier. Any election to designate a beneficiary other than the Member's Spouse or any revocation of that election shall be made on a form provided by the Plan Administrator and shall be effective when received by the Plan Administrator. Any designation of a beneficiary other than the Member's Spouse shall be effective only if it includes Spousal Consent to such election. In addition, such election shall be valid only if the following requirements are met:

(i) The Spousal Consent shall be made in writing and the Spouse's consent must be witnessed by a Plan representative or a notary public.

(ii) The Participant's waiver and the Spousal Consent state the specific non-Spouse beneficiary (including any class of beneficiaries or contingent beneficiaries) and such waiver and consent may not be modified (except back a pre-retirement benefit payable to the Spouse) without subsequent Spousal Consent unless expressly permitted by the Spouse.

(iii) The Spousal Consent shall acknowledge the effect of the election.

4.10 Death Benefit After Annuity Starting Date

If a Participant or PRN Prior Plan Participant dies after his Annuity Starting Date, his death benefit from the Plan, if any, will depend upon the benefit form of payment in effect on his date of death.

4.11 PRN Participant's Benefit Formula Election

(a) A PRN Participant who was an Employee on December 31, 1994 was permitted to elect (irrevocably) to be considered a PRN Prior Plan Participant as of June 30, 1996 and to have his benefit calculated under the Hospital District's Formula by filing a one-time written election with the Employer during the months of March and April, 1996. A PRN Participant who elected to have his benefits calculated under the Cash Balance Formula, or who did not make an election by May 1, 1996, will not be considered a PRN Prior Plan Participant. A PRN Participant's election (including the default election of the Cash Balance Formula by not making a written election by May 1, 1996) was irrevocable and could not be changed after May 1, 1996.

Notwithstanding the above, a PRN Prior Plan Participant who was an Employee on December 31, 2001 was permitted to elect irrevocably in February 2002 to have his benefits under the Plan determined under the Cash Balance Formula. An Employee who made such an election shall have his Accrued Benefit under the Hospital District's Formula converted to the Cash Balance Formula as of January 1, 2002 and shall have a guaranteed benefit as of April 30, 2003 determined under the Hospital District's Formula. Pursuant to such election, the Employee shall no longer be considered a "PRN Prior Plan Participant" but, rather, a "PRN Re-Elect Participant." A PRN Re-Elect Participant shall not accrue any benefits under the Hospital District's Formula after April 30, 2003.

Notwithstanding the above, a PRN Prior Plan Participant who was an Employee on December 31, 2005 was permitted to elect irrevocably in December 2006 and January 2007 to have his benefits under the Plan determined under the Cash Balance Formula beginning on January 1, 2007. An Employee who made such an election shall have his Accrued Benefit under the Hospital District's Formula frozen as of December 31, 2006 (not converted to a cash balance account) and his benefit determined under the Cash Balance Formula beginning January 1, 2007. Pursuant to such election the Employee shall no longer be considered a "PRN Prior Plan Participant" but, rather, a "PRN 2007 Re-Elect Participant." A PRN 2007 Re-Elect Participant shall not accrue any benefits under the Hospital District's Formula after December 31, 2006.

(b) A PRN Participant who was not an Employee on December 31, 1994 does not have the right to make an election regarding which benefit formula applies to him and will not be considered a PRN Prior Plan Participant. Such PRN Participant will have his benefit calculated pursuant to the Cash Balance Formula.

(c) Notwithstanding the above provisions, a PRN Prior Participant was permitted to elect irrevocably, no later than June 30, 2002, to have his benefits determined under the provisions of the Hospital District's Formula and not under the Cash Balance Formula, both as described in detail in subsection (a) above. Such election shall be effective as of July 1, 2002 and no further Contribution Credits or Participant Match Contribution Credits shall be made as of such date to such Participant's Account. Interest Credits and Participant Match Interest Credits shall continue nonetheless to be made to such Participant's Account. The Participant's Accrued Benefit as of any date in question shall be the greater of:

(i) the sum of:

(A) the Participant Account Balance of such Participant as of such date;

(B) the Participant Match Account Balance of such Participant as of such date; and

(C) the Participant's frozen Accrued Benefit under Section 4.2, as described in Section 7.3.

(ii) the Participant's benefit computed under the Hospital District Formula, as if he had never been covered by the Cash Balance Formula.

4.12 USERRA

Notwithstanding any provision of the Plan to the contrary, contributions, benefits, and service credit with respect to qualified uniformed service will be provided in accordance with Section 414(u) of the Code.

Effective January 1, 2007, notwithstanding any provision of the Plan to the contrary, in the case of a Participant who dies while performing qualified military service (as defined in Section 414(u) of the Code) and while his reemployment rights are protected by USERRA, the survivors

of such Participant shall be entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) as if the Participant had been reemployed by the Employer or any Affiliated Employer and then terminated employment from the Employer and all Affiliated Employers on account of death.

4.13 Delayed Commencement of Retirement Benefit

Notwithstanding any other provisions of this Article 4, in the event a Participant's Accrued Benefit otherwise required to commence on the Participant's Normal Retirement Date (or Postponed Retirement Date) is delayed because the Plan Committee is unable to locate the Participant or for any other reason, the Plan Committee shall commence payment within a reasonable period of time after the date the Participant is located. The Accrued Benefit payable to the Participant as of his "Delayed Annuity Starting Date" shall be the greater of:

- (a) the Actuarial Equivalent of his Participant Account Balance as of the Valuation Date coinciding with or immediately preceding his Delayed Annuity Starting Date, or
- (b) the Participant's Accrued Benefit determined as of his Normal Retirement Date and actuarially increased to his Delayed Annuity Starting Date in accordance with Section 4.6(c) of the Plan.

Article 5 - Forms of Benefit

5.1 Automatic Form of Benefit

(a) The automatic form of benefit shall be a Qualified Joint and Survivor Annuity. Unless the Participant elects otherwise, the Plan Committee shall direct the Trustee to distribute on behalf of a vested Participant a benefit in the automatic form of benefit. Notwithstanding the foregoing, a Participant and his Spouse, if applicable, may elect to waive the Qualified Joint and Survivor Annuity and thereby receive an alternate form of distribution as set forth in Section 5.2 below.

(b) Notwithstanding the above, a Participant who separates from service or retires and the Actuarial Equivalent of his vested Accrued Benefit does not exceed \$1,000, shall be cashed out in a single lump sum. Any such payment shall be in lieu of the benefits otherwise payable hereunder. For purposes of this Article 5, if the Actuarial Equivalent single sum of the Participant's vested Accrued Benefit is zero, the Participant shall be deemed to have received a distribution of such vested benefit. With respect to a Participant who separates from service or retires and the Actuarial Equivalent of his vested Accrued Benefit exceeds \$1,000 but does not exceed \$5,000, such Participant's benefit shall be payable in a single lump sum. Such amount may be at any time at the request of the Participant and shall be paid no later than the time prescribed by Section 5.4.

5.2 Optional Forms at Retirement

A Participant other than a PRN Prior Plan Participant, who does not have his benefit paid as provided under Section 5.1(b) may elect to receive his retirement benefit in any one of the following forms, in lieu of the applicable automatic form described in Section 5.1(a) above. A PRN Prior Plan Participant may elect to receive his retirement benefit in one of the forms listed in (a), (b), (c), (d) or (e) below, in lieu of the applicable automatic form described in Section 5.1(a) above. Each optional form shall be the Actuarial Equivalent of the Participants Accrued Benefit described in Article 4.

(a) In the form of a single straight life annuity retirement benefit, equal to the Accrued Benefit, payable monthly solely during the Participant's lifetime.

(b) In the form of an annuity with reduced retirement benefit payments payable during the Participant's life, with the provision that if he dies before having received monthly retirement benefit payments for a period of 5, 10, 15 or 20 years, as elected by the Participant, the retirement benefit payments for the balance of such period shall continue to be paid to his Beneficiary.

(c) In the form of a joint and survivor annuity with reduced retirement benefit payments where the monthly amount payable to the Spouse is 100% of the monthly benefit payable during the joint lifetime of the Participant and his Spouse.

(d) Effective for Annuity Starting Dates on and after January 1, 2008, in the form of a joint and survivor annuity with reduced retirement benefit payments where the monthly amount

payable to the Spouse is 75% of the monthly benefit payable during the joint lifetime of the Participant and his Beneficiary.

(e) In the form of an annuity for the life of the Participant with monthly payments adjusted so that the amounts paid each month before a Participant begins receiving Social Security OASDI payments approximately equals the amount he receives in the combined monthly payments from the Plan and from Social Security after his Social Security payments begin.

(f) In the form of a single lump sum payment equal to the Actuarial Equivalent present value of the vested Accrued Benefit (not less than the vested Participant Account Balance). Effective January 1, 2014, in the case of a Participant's Accrued Benefit determined under Section 4.1 and/or 14, the single lump sum payable with respect to the portion of the Participant's Accrued Benefit that is attributable to the Participant Account Balance and the Participant Match Account Balance shall be the Participant Account Balance and the Participant Match Account Balance, respectively.

(g) With respect to a Participant's Match Account as determined under Article 14, in the form of periodic payments as determined by the Participant. In the event payments are made over a period of years, the payments shall be not less frequent than annual and the period shall not extend beyond the life expectancy of the Participant or the life expectancy of the Participant and his designated Beneficiary.

Notwithstanding the above, a PRN 2007 Re-Elect Participant may elect to receive his retirement benefit in any of the forms above, in lieu of the applicable automatic form described in Section 5.1(a), for benefits calculated under the Cash Balance Formula. The PRN 2007 Re-Elect Participant may elect to receive his retirement benefit in any of the optional forms listed in (a), (b), (c), (d) or (e) above, in lieu of the applicable automatic form described in Section 5.1, for the frozen benefit calculated under the Hospital District's Formula. The Participant must elect the same option for both formulas unless option (a), (b), (c), (d) or (e) is not elected for the benefit determined under the Cash Balance Formula.

5.3 Election of Optional Forms of Retirement Benefit

In order to be effective, an optional form of retirement benefit must be elected in writing, in a form approved by the Plan Committee, prior to the Participant's Annuity Starting Date in accordance with the following procedures:

(a) The Plan Committee must provide the Participant with a "general notice of distribution" no less than 30 and no more than 90 days before the Participant's Annuity Starting Date. Such notice must be in writing and must set forth the following information: (i) an explanation of the eligibility requirements for, the material features of, and the relative values of the alternate forms of benefits available under Section 5.2, (ii) the terms and conditions of a Qualified Joint and Survivor Annuity; (iii) the Participant's right to make, and the effect of, an election to waive the Qualified Joint and Survivor Annuity; (iv) the requirement of obtaining the Participant's Spousal Consent to such election; and (v) the right to revoke, and the effect of revocation, of an election to waive a Qualified Joint and Survivor Annuity. Such notice shall also

include a description of how much larger benefits will be if the commencement of distributions is deferred. Notice under this Section 5.3 is not required if the present value of the Participant's vested Accrued Benefit is less than or equal to \$1,000.

(b) Upon receipt of the general notice of distribution, a Participant may consent in writing to receive a distribution of his vested Accrued Benefit to be distributed at the time and in the manner set forth in this Article 5. Any election to waive a Qualified Joint and Survivor Annuity (i) must specify the alternate form of distribution elected; (ii) must be accompanied by the designation of a specific non-Spouse Beneficiary (including any class of beneficiaries or any contingent beneficiaries) who will receive the benefit upon the Participant's death, if applicable; and (iii) must be accompanied by a Spousal Consent. No Spousal Consent is required if distribution is to be made in the form of a Qualified Joint and Survivor Annuity. The completed retirement application form should be returned to the Plan Committee within the 90 day period ending on the Participant's Annuity Starting Date. If the Participant files another retirement application form after the earlier form and prior to his Annuity Starting Date, the earlier form shall be deemed annulled. No election, or revocation thereof, shall be permitted after the Annuity Starting Date.

(c) If the Participant's Spouse is not the designated Beneficiary, the method of distribution selected must comply with Treasury Regulation Section 1.401(a)(9)-2, Q&A-6(b).

(d) Notwithstanding the foregoing, distribution of a Participant's benefit may begin on a date which is not at least 30 days after the written explanation described above was provided to the Participant if the following conditions are satisfied: (i) the written explanation is provided to the Participant before the Annuity Starting Date; (ii) the written explanation explains that the Participant has the right to at least 30 days to consider whether to make an election; (iii) the Participant is permitted to revoke a benefit election at any time until the Annuity Starting Date, or if later, at any time before the end of the 7-day period beginning on the day after the written explanation is provided to the Participant; and (iv) distribution of benefits does not begin before the date the 7-day period described above expires (which date may be later than the Annuity Starting Date).

5.4 Time of Distribution

Payment of a Participant's Accrued Benefit shall begin not later than the 60th day after the close of the Plan Year in which the latest of the following occurs:

- (a) The Participant attains the earlier of age sixty-five (65) or Normal Retirement Age;
- (b) The 10th anniversary of the year in which the Participant entered the Plan; or
- (c) The Participant terminates employment with the Employer and all Affiliated Employers.

5.5 Distribution Limitation

Notwithstanding any other provisions of the Plan, all distributions from the Plan shall conform to the regulations issued under Section 401(a)(9) of the Code, including the incidental death benefit provisions of Section 401(a)(9)(G) of the Code and Sections 1.401(a)(9)-2 through -9 of the Treasury regulations. Further, such regulations shall override any Plan provision that is inconsistent with Section 401(a)(9) of the Code. If a Participant dies after annuity payments have commenced, any payments continuing on to his Spouse or Beneficiary shall be distributed at least as rapidly as under the method of distribution being used as of the Participant's date of death. All distributions shall be subject to the following rules:

(a) Any additional benefits accruing to a Participant in a calendar year after the first distribution calendar year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.

(b) If the Participant's annuity payments are being distributed in the form of a joint and survivor annuity for the joint lives of the Participant and a non-Spouse beneficiary, annuity payments to be made on or after the Participant's required beginning date to the designated beneficiary after the Participant's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the Participant using the table set forth in Q&A-2 of Section 1.401(a)(9)-6 of the U. S. Treasury Department regulations. If the form of distribution combines a joint and survivor annuity for the joint lives of the Participant and a non-Spouse Beneficiary and a period certain annuity, the requirement in the preceding sentence will apply to annuity payments to be made to the designated beneficiary after the expiration of the period certain. If the Annuity Starting Date precedes the year in which the Participant reaches age 70, in determining the applicable percentage, the Participant/Beneficiary age difference is reduced by the number of years that the Participant is younger than age 70.

(c) If the Participant's annuity payments are being distributed in the form of a period certain and life annuity option, the period certain may not exceed the applicable distribution period for the Participant under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations for the calendar year that contains the Annuity Starting Date. If the Annuity Starting Date precedes the year in which the Participant reaches age 70, the applicable distribution period for the Participant is the distribution period for age 70 under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations plus the excess of 70 over the age of the Participant as of the Participant's birthday in the year that contains the Annuity Starting Date.

(d) For purposes of this Section, the following definitions shall apply:

(i) Designated beneficiary. The individual who is designated as the beneficiary under Section 1.5 is the designated beneficiary under Section 401(a)(9) of the Code and Section 1.401(a)(9)-4, Q&A-1, of the Treasury regulations.

(ii) Distribution calendar year. A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first

distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's required beginning date.

(iii) Life expectancy. Life expectancy as computed using the Single Life Table in Section 1.401(a)(9)-9 of the Treasury regulations.

(iv) Required beginning date. The required beginning date of all Participants who are not 5% owners in the year in which they attain age 70½ shall be April 1 following the calendar year in which occurs the later of (A) the Participant's termination of employment or (B) the Participant's attainment of age 70½. The required beginning date of Participants who are 5% owners in the year in which they attain age 70½ shall be April 1 following the calendar year in which the Participant attains age 70½.

5.6 Direct Rollover

Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Section, a distributee may elect, at the time and in the manner prescribed by the Plan Committee, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover. For purposes of this Section, the following definitions shall apply:

(a) Eligible rollover distribution: An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include:

(i) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated Beneficiary, or for a specified period of ten years or more;

(ii) any distribution to the extent such distribution is required under Section 401(a)(9) of the Code;

(iii) after-tax amounts unless such amount is rolled over or transferred (i.e., directly rolled) to an individual retirement account or individual retirement annuity described in Section 408(a) or 408(b) of the Code, respectively; transferred to a qualified defined contribution plan described in Section 401(a) of the Code; to any qualified plan described in Section 401(a) of the Code or to an annuity plan described in Section 403(b) of the Code provided any such plan described in this subparagraph (iii) agrees to separately account for such after-tax amount and earnings thereon; or, to a Roth IRA described in Section 408A of the Code; and

(iv) any distribution with a value of \$200 or less.

(b) Eligible retirement plan: An eligible retirement plan is any of the following types of plans that accept the distributee's eligible rollover distribution:

- (i) a qualified plan described in Section 401(a) of the Code;
- (ii) an annuity plan or annuity contract described in Section 403(a) or 403(b) of the Code, respectively;
- (iii) an individual retirement account individual retirement annuity described in Section 408(a) or 408(b) of the Code;
- (iv) an eligible plan under Section 457(b) of the Code, which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan;
- (v) a Roth IRA described in Section 408A of the Code.

Notwithstanding the foregoing, solely with respect to a non-Spouse Beneficiary, an eligible retirement plan means an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, or a Roth IRA described in Section 408A(b) of the Code, provided in any case that it is established on behalf of the non-Spouse Beneficiary and will be treated as an inherited IRA pursuant to the provisions of Sections 402(c)(110) and 408(d)(3)(C)(ii) of the Code.

Notwithstanding anything herein to the contrary, only one eligible retirement plan may be designated with respect to any eligible rollover distribution.

- (c) Distributee: A distributee includes:
 - (i) an Employee or former Employee;
 - (ii) an Employee's or former Employee's Spouse or former Spouse;
 - (iii) an Employee's or former Employee's Spouse or former Spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 7.4, with regard to the interest of the Spouse or former Spouse; and
 - (iv) an Employee's or former Employee's non-Spouse Beneficiary.

(d) Direct rollover: A direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee.

5.7 Beneficiary Designation

A Participant may designate any person or persons, including a trust, as his Beneficiary or contingent Beneficiary to receive his accrued benefits in the event of the Participant's death. Any such designation shall be made by filing the Plan form designated for that purpose with the Plan

Committee. The Participant may change or cancel his Beneficiary designation at any time prior to death without the consent of any designated Beneficiary. If the Participant is married at the date of death, the Beneficiary designation shall not be effective unless the Spouse provides Spousal Consent.

Article 6 - Vesting and Service Provisions

6.1 Vesting of Benefits:

A Participant, other than a PRN Prior Plan Participant, who has accrued five Years of Vesting Service as of December 31, 1994 shall be fully vested in his Accrued Benefit attributable to Employer contributions.

A Participant in the Plan as of December 31, 1994, other than a PRN Prior Plan Participant, and all Employees who became Participants after December 31, 1994, shall be subject to the following vesting schedule:

<u>Completed Years of Vesting Service</u>	<u>Vested Percentage</u>
Less than 3	0%
3	20%
4	40%
5	100%

A PRN Prior Plan Participant shall become fully vested in his Accrued Benefit after he completes five Years of Vesting Service and shall not be vested at all before such time.

Notwithstanding the foregoing, a Participant in the Plan as of December 31, 2007, including PRN Prior Plan Participants, and any Employee who becomes a Participant after December 31, 2007, shall become fully vested in his Accrued Benefit after he completes three Years of Vesting Service and shall not be vested at all before such time.

Notwithstanding the foregoing, a vested Participant other than a PRN Prior Plan Participant may elect to receive his benefit at any time following his separation from service and a vested PRN Prior Plan Participant who has separated from service with at least five years of Vesting Service may elect to receive his benefit at any time following the later of the date he separates from service or attains age 55.

6.2 Disregarded Service:

Years of Benefit Service and Years of Vesting Service to be credited to an Employee under the Plan shall not include Years of Benefit Service and Years of Vesting Service prior to a Break in Service if:

(a) The employee did not have a nonforfeitable right to an Accrued Benefit derived from Employer contributions at the time of the Break in Service, and

(b) The number of consecutive one year Breaks in Service equals or exceeds the greater of five or the aggregate number of Years of Vesting Service credited to the Employee before such Break in Service.

6.3 Death of Employee

A Participant who dies while employed by an Employer or any Affiliated Employers shall become fully vested in his Accrued Benefit. Effective January 1, 2007, for purposes of the preceding sentence, if a Participant dies while in qualified military service (as defined in Section 414(u) of the Code) and while his reemployment rights are protected by USERRA and any related legislation or guidance, he shall be considered to have died while employed by the Employer or an Affiliated Employer and he shall be fully vested in his Accrued Benefit.

Article 7 - Other Benefit Provisions

7.1 No Reduction in Accrued Benefits

The Accrued Benefit of each Participant under the Plan on and after January 1, 1995 shall not be less than the Prior Plan accrued benefit determined as of December 31, 1994.

7.2 Employees Who Cease Employment Prior to January 1, 1995

Except as provided below, the provisions of this Plan shall apply only to Participants who are in Employment on or after January 1, 1995. The rights and benefits, if any, of Participants whose Employment ended before January 1, 1995 shall be determined in accordance with the provisions of the Prior Plan as in effect at the time the Participant's Employment ceased.

(a) Pre-12/31/94 Retirees Receiving Pensions. If a Participant ceased Employment prior to January 1, 1995 and is receiving a vested pension benefit under the Prior Plan, the provisions of the Plan in effect on January 1, 1995 shall not be applicable to such Participant. However, if such a Participant is reemployed and becomes a Participating Employee in this Plan, the Prior Plan annuity benefit payment shall be suspended, pending distribution upon the subsequent separation from service, provided that no benefit shall be suspended for a Participant who has attained the Normal Retirement Age, unless such Participant has been given notice of such suspension as required by law.

(b) Pre-12/31/94 Deferred Vested Terminees Not Receiving Pensions. This paragraph shall apply if a Participant ceased Employment Prior to January 1, 1995 with a deferred vested pension under the Prior Plan and subsequently commences employment with an Employer on or after January 1, 1995. Upon such reemployment, the Participant's Accrued Benefit, calculated at the time of their initial termination, shall remain frozen, and thereafter his benefits shall be determined in accordance with the provisions of this Plan applicable to Participants other than PRN Prior Plan Participants.

(c) Pre-12/31/94 Terminees Without Deferred Vested Pensions. This paragraph shall apply if a Participant ceased Employment prior to January 1, 1995 without being entitled to a deferred vested pension, has not incurred a Five Year Break in Service and subsequently commences Employment with an Employer on or after January 1, 1995. Upon such reemployment, the Participant's Accrued Benefit, calculated at the time of their initial termination, shall remain frozen, and thereafter his benefits shall be determined in accordance with the provisions of this Plan applicable to Participants other than PRN Prior Plan Participants. These benefits will not be payable until the Participant is vested.

In determining the Participant's Accrued Benefit under the Prior Plan and Years of Service as of the date of reemployment, the break-in-service rules of the Prior Plan shall remain in effect until the date of reemployment.

7.3 Change in Status of a PRN Prior Plan Participant

If a PRN Prior Plan Participant ceases to be a PRN Participant after June 30, 1996, but remains an Employee, he shall be eligible for a Normal Retirement Benefit calculated under Section 4.1 for the time which he remains an Employee. Such Participant shall have the benefit calculated when he was a PRN Prior Plan Participant frozen until he terminates Employment with the Employer and all Affiliated Employers. Upon such termination, he will then receive his frozen Accrued Benefit calculated under Section 4.2 as well as his current Accrued Benefit calculated under Section 4.1

7.4 Qualified Domestic Relations Orders

The Plan shall provide for the payment of benefits in accordance with any qualified domestic relations order, as defined below.

(a) Requirements for QDRO. A domestic relations order must meet the following requirements in order to be a qualified domestic relations order:

(i) The order must constitute a judgment, decree or order (including approval of a property settlement agreement) which relates to the provision of child support, alimony payments or marital property rights of a Spouse, former Spouse, child or other dependent of a Participant and is made pursuant to a state domestic relations law (including a community property law). The order must create or recognize the existence of an alternate payee's right to, or assign to an alternate payee the right to receive all or a portion of the benefits payable with respect to a Participant under the Plan.

(ii) The order must clearly state:

(A) The name, the last known mailing address and Social Security number of the Participant and of each alternate payee covered by the order (unless the Plan Committee knows such information).

(B) The amount or percentage of the Participant's benefits to be paid by the Plan to each such alternate payee, or the manner in which such amount or percentage is to be determined.

(C) The number of payments or period to which the order applies.

(D) The order is to specifically apply to the El Camino Hospital Cash Balance Plan.

(iii) The order may not:

(A) Require the Plan to provide any type or form of payment or any option, not otherwise provided under the Plan. However, if the order so states, the Plan shall make payment to the alternate payee at the "earliest retirement age"

defined in Section 414(p)(4)(B) of the Code. Payments made to the alternate payee at such "earliest retirement age" and prior to the Participant's separation from service, shall take into account only the present value of the benefits actually accrued and not take into account the present value of any employer subsidy for early retirement. Unless the order provides otherwise, the Plan shall make payment to the alternate payee at the time the Participant's benefits are paid.

(B) Require the plan to provide increased benefits (determined on the basis of actuarial value).

(C) Require the payment of benefits to an alternate payee which is inconsistent with a preexisting qualified domestic relations order.

(b) Determination by Plan Committee. Upon receipt of a domestic relations order, the Plan Committee shall determine whether such order is a qualified domestic relations order. The procedure shall be, based on advice of counsel, to first determine if the domestic relations order satisfies the requirements for qualified domestic relations orders in Section 414(p) of the Code, and to further determine whether the court has proper jurisdiction over the Plan. The Plan Committee shall make such determinations within a reasonable time after receipt of such domestic relations order.

(c) Notification of Participant and Spouse. The Plan Committee shall notify the Participant and any other alternate payee of the receipt of the order and of the Plan's procedures described in (b) for determining whether the order is a qualified domestic relations order. In addition, the Plan Committee shall notify the Participant and each alternate payee of its determination on whether the order is a qualified domestic relations order.

(d) Pre-1985 Orders. The Plan Committee shall treat any domestic relations order as a qualified domestic relations order if benefits were being paid pursuant to such order on January 1, 1985. The Plan Committee may treat any other domestic relations order entered before January 1, 1985 as a qualified domestic relations order, even if such order does not meet the requirements of the Retirement Equity Act of 1984.

7.5 Unclaimed Benefits

(a) Address Records. Each Participant shall keep the Plan Committee informed from time to time of his current post office address and the current post office address of his Spouse or any Beneficiary named by the Participant. Any communication, statement or notice from the Plan Committee addressed to a Participant, Spouse or Beneficiary at his last post office address filed with the Plan Committee, or if no address is filed with the Plan Committee, at the last post office address as shown on the Employer's records, shall be binding on the Participant, Spouse or Beneficiaries for all purposes of the Plan.

(b) Duties of the Plan Committee or Trustee. The Plan Committee or the Trustee shall make a reasonable effort to locate a Participant, Spouse or Beneficiary.

(c) Unclaimed Payments. Benefit payments that are returned because the Participant cannot be located shall be held redeposited in the Trust. The Plan Committee shall make reasonable attempts pursuant to its standard procedures to locate the Participant. If the Participant cannot be located after diligent effort, the Participant's benefit may be forfeited at such time as the Plan Committee deems appropriate. If the Participant should subsequently file a claim for his benefit, the benefit shall be restored to the Plan, without earnings for the period of forfeiture. If a Participant has died and no Beneficiary can be located after one year, the Beneficiary's entitlement, if any, shall be handled in the same manner as described above.

Article 8 - Plan Operation and Administration

8.1 Plan Sponsor

El Camino Hospital is the "plan sponsor" as that term is defined in ERISA.

8.2 Plan Administrator

The Plan Committee is the "plan administrator" as that term is defined in ERISA. The Plan Committee is the "named fiduciary," as that term is defined in ERISA, of the Plan having discretionary authority to control and manage the operation and administration the Plan.

8.3 Powers and Duties of Plan Committee

(a) The Plan Committee shall have total and complete discretion to interpret the Plan, including the discretionary authority to determine eligibility for benefits and to construe the terms of the Plan and Trust. The Plan Committee shall have such other discretionary authority as may be necessary to enable it to discharge its responsibilities under the Plan as Plan Committee and named fiduciary, including, but not limited to, the power:

- (i) To review appeals by Employees from a denial of benefits.
- (ii) To appoint or employ one or more persons to assist in the administration of the Plan or to render advice with regard to any of its responsibilities under the Plan, including, but not limited to, the designation of a separate entity the responsibility to conduct day-to-day administrative functions for the Plan.
- (iii) To adopt such rules as it deems appropriate for the administration of the Plan.
- (iv) To prescribe procedures to be followed by Participants and Beneficiaries.
- (v) To prepare and distribute information relating to the Plan.
- (vi) To request from the Employer or any Affiliated Employer and Employees such information as shall be necessary for proper administration of the Plan.
- (vii) To select on behalf of all Plan Participants an independent qualified public accountant to examine the financial statements of the Plan and other Plan books and records as such accountant may consider necessary.
- (viii) To direct the Trustee concerning all benefits which are to be paid from the investment funds pursuant to the provisions of the Plan. The Trustee may conclusively rely on all such directions as being in accordance with Plan provisions.

(ix) To comply with and monitor the Plan's continued compliance with all governmental laws and regulations relating to recordkeeping and reporting of Participants' benefits, other notifications to Participants, registration with the Internal Revenue Service, and reports to the Department of Labor.

(b) The decision of the Plan Committee upon any matter within its authority shall be final and binding on all parties, including El Camino Hospital and the Plan Participants and Beneficiaries.

8.4 Uniformity of Application

The Plan Committee may approve the use of such rules, mortality and other actuarial tables, interest rates, and other factors deemed necessary or appropriate under the Plan. The provisions of this Plan and the rules and decisions of the Plan Committee shall be applied in a uniform and non-discriminatory manner, systematically followed and consistently applied so that all Participants and Beneficiaries similarly situated shall be treated alike. The Plan Committee shall be entitled to rely upon information furnished by Participants, Beneficiaries, counsel, accountants, and all other fiduciaries or persons retained by the Plan, the Plan Committee, or the Employer.

8.5 Plan Committee Procedures

(a) Actions of Committee. In the case of the Plan Committee, a majority of its members shall constitute a quorum at any meeting, and the majority of the quorum may transact any business or perform any duties of the Plan Committee. In lieu of a meeting, the Plan Committee may act upon the written consent or approval of the majority of the members of the Plan Committee, which consent or approval will be delivered to and filed with the secretary of such Committee. The Plan Committee may adopt such by-laws and make such rules and procedures not inconsistent with the Plan and the governmental laws and regulations pertaining to such Plan as it deems to be necessary and appropriate.

(b) Dissenting Committee Members. In the course of discharging his responsibilities as a member of the Plan Committee hereunder, a dissenting member who becomes aware of any action or failure to act by a majority of the Plan Committee, may register his dissent by setting forth the specific reasons for such dissent in writing and delivering such written consent to all other members of the Plan Committee, the chairman of the Plan Committee, and, if appropriate, to the Trustee. Such dissent shall be entered into the formal records of the Plan Committee.

(c) Expenses of Plan Committee. All usual and reasonable expenses of the Plan Committee shall be paid by the Employer. Members of the Plan Committee shall not be entitled to any additional compensation for services performed for the Plan Committee or otherwise in connection with the Plan.

8.6 Adherence to Plan Document

Effective January 1, 2013, except as specifically provided in Section 10.1, neither the Plan Committee nor any of its members shall have the power to add to, subtract from or modify any of

the terms of the Plan or Trust, to change any benefits otherwise than as provided by the Plan, or to waive or fail to apply any eligibility requirements for benefits under this Plan.

8.7 Agent for Service of Process

The Secretary of the Plan Committee is designated as the agent for the service of legal process against the Plan and the Trust Fund at the address listed in the current summary plan description for the Plan.

8.8 Allocation of Fiduciary Responsibilities

(a) Duties of Fiduciaries. The named fiduciaries of the Plan shall have only those specific powers, duties, responsibilities and obligations as are specifically provided to them under the Plan and Trust. The Board of Directors of El Camino Hospital shall have the sole authority to appoint members of the Plan Committee. The Plan Committee shall have the sole responsibility for Plan administration as specifically provided in the Plan and Trust. The Trustee shall have sole responsibility for trust administration and management of the assets held under the Trust unless an investment manager has been appointed by the Plan Committee to manage an investment fund.

(b) Representations of Fiduciaries. By adopting the Plan or accepting appointment under the Plan, each fiduciary represents that any directions given, information furnished, or action taken by it shall be in accordance with the provisions of the Plan or Trust or applicable governmental laws or regulations authorizing or providing such direction, information or action. Each fiduciary is entitled to rely upon any such direction, information or action of another fiduciary as being proper under this Plan or Trust and pursuant to governmental laws and regulations, and is not required under this Plan or Trust to inquire into the propriety of any such direction, information or action. It is intended under this Plan and Trust that each fiduciary shall be responsible for the proper exercise of its own powers, duties, responsibilities and obligations. Any one fiduciary may act in more than one fiduciary responsibility.

8.9 Expenses of Administration

All expenses that arise in connection with the administration of the Plan, including but not limited to the compensation of the Trustee, administrative expenses and proper charges and disbursements of the Trustee and compensation and other expenses and charges of any enrolled actuary, counsel, accountant, specialist, or other person who has been retained by the Employer in connection with the administration thereof, shall be paid from the funds of the Plan held by the Trustee under the Trust or insurance or annuity contract adopted for use in implementing the Plan to the extent not paid by the Employer.

Article 9 - Top Heavy Plan

9.1 Notwithstanding any provision of this Plan to the contrary, in any Plan Year in which this Plan is a Top-Heavy Plan, each Non-Key Employee who is a Participant shall accrue a Minimum Annual Retirement Benefit which shall be equal to the lesser of 2% of the Participant's Average Annual Compensation multiplied by Years of Minimum Benefit Service or 20% of the Participant's Average Annual Compensation. Each Non-Key Employee Participant who is also covered by a defined contribution plan of the Employer or an Affiliated Employer that satisfies the minimum vesting requirements of Sections 416(b) of the Code and the limitation on compensation described in Section 401(a)(17) of the Code, shall accrue a Minimum Annual Retirement Benefit as provided by this Plan.

9.2 For purposes of this Article 9, the term:

(a) "Aggregation Group" shall mean:

(i) Each plan of the Employer in which a Key Employee is a Participant (in the Plan Year containing the Determination Date or in any of the four preceding Plan Years), and

(ii) Each other plan of the Employer which enables any plan described in subsection (i) during the applicable period to meet the requirements of Sections 401(a)(4) or 410 of the Code.

For purposes of the preceding subparagraphs (i) and (ii), all employers aggregated under Section 414(b), (c) or (m) are considered a single employer.

The Employer may treat any plan not described above as being part of such aggregation group if such group would continue to meet the requirements of Sections 401(a)(4) and 410 of the Code with such plan being taken into account.

If an aggregation group includes two or more defined benefit plans, the same actuarial assumptions must be used with respect to all such plans. The actuarial assumptions for this purpose in the Plan are contained in Section 1.2(a)

The present values of accrued benefits and the amounts of account balances of an Employee as of the determination date shall be increased by the distributions made with respect to the Employee under the Plan and any plan aggregated with the Plan under Section 416(g)(2) of the Code during the 1-year period ending on the Determination Date. The preceding sentence shall also apply to distributions under a terminated plan which, had it not been terminated, would have been aggregated with the Plan under Section 416(g)(2)(A)(i) of the Code. In the case of a distribution made for a reason other than severance from employment, death, or disability, this provision shall be applied by substituting "5-year period" for "1-year period."

(b) "Average Annual Compensation" shall mean the average of the Total Compensation for the Participant's five (5) consecutive years which produce the highest such average, as limited by Section 401(a)(17) of the Code. In the event a Participant has fewer than five (5) years of participation, such lesser period of participating service shall be used to determine Average Annual Compensation. Except to the extent otherwise provided in the Plan, a year shall not be included for purposes of determining Average Annual Compensation if:

(i) Such year is not included in a Year of Service;

(ii) Such year ends prior to July 1, 1984; or

(iii) Such year begins after the close of the last year in which the Plan was a Top-Heavy Plan.

(c) "Determination Date" means, with respect to any Plan Year, the last day of the preceding Plan Year, or in the case of the first Plan Year, the last day of such Plan Year.

(d) "Key Employee" means any Employee or former Employee (including a deceased Employee) who at any time during the Plan Year that includes the Determination Date was an officer of the Employer having annual compensation greater than \$130,000 (as adjusted under Section 416(i)(1) of the Code), a 5-percent owner of the Employer, or a 1-percent owner of the Employer having annual compensation of more than \$150,000. For this purpose, annual compensation means compensation as defined in Section 4.7(c). The determination of who is a Key Employee will be made in accordance with Section 416(i)(1) of the Code and the applicable regulations and other guidance of general applicability issued thereunder.

(e) "Minimum Annual Retirement Benefit" shall mean a benefit payable annually in the form of a single life annuity (with no ancillary benefits) beginning at the Normal Retirement Date.

(f) "Non-Key Employee" means any Employee who is not a Key Employee.

(g) "Top-Heavy" means that with respect to any Plan Year, the sum of the present value of the cumulative Accrued Benefits (under this Plan and any such other plans as provided in subsection (A)(i) above) for Key Employees as of any Determination Date exceeds 60% of the sum of the present value of the cumulative Accrued Benefits for all Employees. In making this calculation as of a Determination Date:

(i) The present value of an Accrued Benefit shall be determined as of the most recent valuation date (which for purposes hereof shall be the same date as is used for computing Plan costs for minimum funding) occurring within the Plan Year which includes the Determination Date.

(ii) The present value of the Accrued Benefit of any Employee or former Employee shall be increased by the aggregate distribution made during the one (1) year period (five (5) year period in the case of a distribution made for a reason other than

severance from employment, death, or disability) ending on the Determination Date with respect to such Employee or former Employee.

(iii) The present value of the Accrued Benefit of:

(A) Any Non-Key Employee who was a Key Employee for any prior Plan Year, and

(B) Any former Employee who performed no service for the employer maintaining the Plan during the one (1) year period ending on the Determination Date

shall be ignored.

(iv) If the present value of any Accrued Benefit under the Plan includes any amount attributable to any rollovers to or from the Plan, such value shall be adjusted as required by Section 416(g)(4)(A) of the Code.

Notwithstanding the foregoing, this Plan shall be Top-Heavy if, as of any Determination Date, it is required by Section 416(g) of the Code to be included in an Aggregation Group which is determined to be a Top-Heavy Group.

(h) "Top-Heavy Group" means any Aggregation Group, as of the Determination Date, if the sum of:

(i) The present value of the cumulative accrued benefits for all Key Employees under all defined benefit plans in such Aggregation Group, and

(ii) The aggregation of the account of all Key Employees under all defined contribution plans in such Aggregation Group

exceeds 60% of a similar sum determined for all Key Employees and Non-Key Employees.

(i) "Total Compensation" means compensation within the meaning of Section 414(q)(4) of the Code. Provided, however, that for the purpose of Section 9.2(B), Total Compensation means compensation as defined in Section 4.7(c).

(j) "Years of Minimum Benefit Service" shall mean Years of Service, but excluding:

(i) Years of Service prior to July 1, 1984;

(ii) Years of Service in which the Plan is not a Top-Heavy Plan; and

(iii) Years of Service in excess of ten (10) years.

(k) For purposes of satisfying the minimum benefit requirements of Section 416(c)(1) of the Code and the Plan, in determining years of service with the Employer, any service with the Employer shall be disregarded to the extent that such service occurs during a Plan Year when the Plan benefits (within the meaning of Section 410(b) of the Code) no Key Employee or former Key Employee.

Article 10 - Amendment and Termination

10.1 Amendment

(a) El Camino Hospital may amend or modify the Plan at any time, and from time to time, with retroactive or future effect, by action of its Board of Directors or by written amendment executed by an officer of El Camino Hospital who has been duly authorized by the Board in regards to such amendment.

In addition, effective January 1, 2013, subject to the provisions of this Section 10.1, the Plan Committee may approve amendments to the Plan provided such amendments:

- (i) are required because of statute, regulations, or rulings of a judicial body;
 - (ii) are considered desirable design changes as a result of statute, regulations, or rulings of a judicial body provided such amendments do not significantly increase the cost of the Plan or significantly affect benefit levels or eligibility under the Plan;
 - (iii) are considered necessary or desirable to facilitate the administration of the Plan, provided such amendments do not significantly increase the cost of the Plan or significantly affect benefit levels or eligibility under the Plan;
 - (iv) are considered desirable, provided such design amendments do not significantly increase the cost of the Plan or significantly affect benefit levels or eligibility under the Plan; or
 - (v) are necessitated to conform the provisions of the Plan to the terms of a collective bargaining agreement that has been approved on behalf of the Hospital by its duly authorized representative.
- (b) Notwithstanding anything contained herein to the contrary, no amendment or modification to the Plan under this Section shall
- (i) cause or permit any part of the Trust Fund to be used for or diverted to purposes other than the exclusive benefit of Participants or their Beneficiaries or revert to or become the property of El Camino Hospital or any Affiliated Employer prior to the satisfaction of all liabilities under the Plan;
 - (ii) be effective to the extent that it may decrease the Accrued Benefit (as provided in Section 411(d)(6) of the Code) of any Participant, except as permitted pursuant to Section 412(c)(8) of the Code; or
 - (iii) eliminate or reduce an early retirement benefit or retirement type subsidy, or eliminate an optional form of benefit.

(c) Notwithstanding paragraph (b), if the vesting schedule of the Plan is amended, the nonforfeitable percentage of the Accrued Benefit of an Employee who is a Participant on the date the amendment of the vesting schedule is adopted or the date the amendment is effective, if later, shall not be less than his nonforfeitable percentage computed under the Plan as of the date of amendment without regard to such amendment.

(d) If the vesting schedule of the Plan is amended, each Participant whose nonforfeitable percentage of his Accrued Benefit is determined under the vesting schedule of the Plan without regard to any amendment thereof, and who has completed at least three years of Vesting Service prior to the expiration of the election period set forth in (i) below, may elect to have the nonforfeitable percentage of his Accrued Benefit determined without regard to such amendment.

(i) For purposes of this subsection (d), the election period under the Plan begins on the date such amendment is adopted and ends on the latest of the following dates: the date which is 60 days after the day the amendment is adopted; the date which is 60 days after the day the amendment becomes effective; or the date which is 60 days after the day the Participant is issued written notice by the Company (or Plan Administrator) of the amendment of the vesting schedule.

(ii) The election described in this subsection (d) is available only to an individual who is a Participant at the time such amendment is made.

(iii) The election described in this subsection (d) is irrevocable.”

For purposes of this Section, a Plan amendment that has the effect of eliminating or reducing an early retirement benefit or retirement-type subsidy, or eliminating an optional form, with respect to benefits attributable to service before the amendment shall be treated as reducing a Participant's Accrued Benefit. In the case of a retirement-type subsidy, the preceding sentence shall apply only with respect to a Participant who satisfies (either before or after the amendment) the pre-amendment conditions for the subsidy. Notwithstanding the preceding, the Accrued Benefit of a Participant, early retirement benefit, retirement-type subsidy, or optional form of benefit may be reduced to the extent permitted under Section 412(c)(8) of the Code (as it read before the first day of the 2008 Plan Year) or Section 412(d)(2) of the Code (as it reads for Plan Years beginning on and after January 1, 2008), or to the extent permitted under Treasury Regulation Sections 1.411(d)-3 and 1.411(d)-4.

10.2 Transfers of Assets

If any Plan assets or liabilities are merged or consolidated with or transferred in whole or in part to another plan established for the benefit of any Participants under this Plan, each such Participant shall be entitled to receive a benefit, which would, if the successor plan were to be terminated immediately after such merger, consolidation or transfer, be equal to or greater than the benefit that he would have been entitled to receive immediately before the merger, consolidation or transfer if this Plan had then terminated. Not less than 30 days prior to such merger,

consolidation or transfer of Plan assets or liabilities the Plan Committee shall file an actuarial statement of valuation in accordance with Section 6058(b) of the Code.

10.3 Plan Termination

El Camino Hospital may terminate the Plan at any time by action of its Board of Directors. Upon such termination of the Plan, the Accrued Benefits of the affected Participants shall become fully vested and nonforfeitable to extent funded. El Camino Hospital reserves the right at any time to reduce, temporarily suspend or discontinue contributions on behalf any or all Participating Employers hereunder, provided that any such action shall be communicated promptly to all Participants. All notifications which are required to be given to Participants and Government agencies (including the Pension Benefit Guaranty Corporation) shall be made under the timetable required under ERISA. Once the required responses have been received from the Pension Benefit Guaranty Corporation, the Plan Committee shall direct and require the funding agents to liquidate the Trust Fund in accordance with the provisions of this Article.

10.4 Partial Termination

Upon a partial termination of the Plan, the accrued benefits of the affected Participants shall become fully vested and nonforfeitable.

10.5 Allocation of Assets upon Termination

Upon the complete or partial termination of the Plan, the accrued benefit of each affected Participant shall become fully vested and nonforfeitable. However, the Participants shall have no recourse towards the satisfaction of the nonforfeitable benefit from sources other than the then available Plan assets funding such Participant's benefits or the Pension Benefit Guaranty Corporation. The Plan Committee shall direct the Trustee and other funding agents, after setting aside amounts sufficient to pay all expenses and charges, to allocate the assets in the pension fund, or their proceeds, among the categories of recipients described in paragraphs (a) through (d) below, in the following order of preference:

(a) All persons who, on the date of Plan termination, have been receiving benefits under the Plan for at least 3 years prior to Plan termination. For each person, such benefit shall be determined as the lowest benefit paid during the preceding 3 years in accordance with Plan provisions in effect during the 5 years immediately prior to Plan termination.

(b) All Participants or Beneficiaries who would have been receiving Plan benefits had the Participants retired more than 3 years prior to termination of the Plan and had the Participants' benefits commenced at the beginning of such 3 year period. Such Participants or beneficiaries of Participants shall be allocated Plan assets by determining the lowest benefit which would have been paid during the preceding 3 years in accordance with Plan provisions in effect during the 5 years immediately prior to Plan termination.

(c) All other Participating Employees then eligible for early retirement, such obligations to be computed as if each Participant were to receive benefits as a level annuity. Such

benefits may not exceed the limits of termination insurance coverage in effect under applicable federal law on the date of termination.

(d) All Participating Employees with vested benefits, such obligations to be computed by converting each Participant's accrued benefit into a level annuity commencing at age 65. If the Participant is less than 55, 5% cost of living increases shall be assumed in calculating a level annuity at 55. Benefits may not exceed the limits of termination insurance coverage in effect under applicable federal law on the date of termination.

(e) All Participants who terminated Employment on or after January 1, 1970 with vested benefits, such obligations to be computed as if such Participant were to elect a level annuity at 65 on the date of determination. The benefits may not exceed the limits of termination insurance coverage in effect under applicable law on the date of termination.

(f) All other vested, but non-insured benefits under the Plan.

(g) All other non-vested benefits under the Plan.

(h) Plan assets shall not be segregated or distributed until payments to Participants in each category are due. If the remaining Plan assets are less than the actuarial value of the Plan obligations within a category, the benefits payable to each Participant in the category shall be reduced pro rata in the same proportion that the remaining Plan assets bear to the actuarial value of the Plan obligations for that category, and no benefits shall be paid to Participants in the remaining categories.

10.6 Residual Assets

To the extent permitted by law, any residual assets of the Plan shall be distributed to the Employer if all liabilities of the Plan to Participants, alternate payees and Beneficiaries have been satisfied.

10.7 Restriction on Distribution of Benefits

(a) The provisions of Treasury Regulation Section 1.401(a)(4)-5(b) shall apply. In the event the Plan is terminated, the benefit of any highly compensated employee and any highly compensated former employee (within the meaning of Section 414(q) of the Code and the regulations thereunder) shall be limited to a benefit that is nondiscriminatory under Section 401(a)(4) of the Code. In addition, annual payments to an employee who is among the twenty-five (25) highly compensated employees or highly compensated former employees with the greatest compensation (as defined under Section 4.7(c)) in the current or any prior year shall not exceed an amount equal to the payments that would be made on behalf of the employee under:

(i) A straight life annuity that is the actuarial equivalent of the employee's Accrued Benefit and the other benefits to which the employee is entitled under the Plan (other than any Social Security supplement); and

(ii) The amount of payments that the employee is entitled to receive under any Social Security supplement.

(b) The restrictions of Subsection (A) do not apply if any one of the following is satisfied:

(i) After payment to such employee of all benefits (as described in Treasury Regulation Section 1.401(a)(4)-5(b)(3)(iii)), the value of Plan assets equals or exceeds 110% of the value of the current liabilities, as defined in Section 412(l)(7);

(ii) The value of the benefits (as described in Treasury Regulation Section 1.401(a)(4)-5(b)(3)(iii)) for such employee is less than 1% of the value of current liabilities before distribution; or

(iii) The value of the benefits (as described in Treasury Regulation Section 1.401(a)(4)-5(b)(3)(iii)) for such employee does not exceed the amount described in Section 411(a)(11)(A) of the Code.

The above provisions shall apply only to the extent required by Section 401(a)(4) of the Code and the regulations thereunder.

10.8 Repayment of Restricted Amounts

Notwithstanding the above, the Plan Committee, to the extent required by law and this Plan, may authorize payment of a Participant's entire benefit in the form of a lump sum, provided that the Participant shall agree to repay to the Plan any portion of the lump sum payment which would be restricted by operation of the provisions of Section 10.7 and shall provide adequate security to guarantee that repayment.

Article 11 - Claims for Benefits

11.1 Claims Procedure

(a) Claims Must be Filed. An Employee, Participant, alternate payee, the Spouse of an Employee or Participant, Beneficiary, or estate of a Participant (the "claimant") who has a claim for benefits under the Plan must give written notice of such claim to the Administrator at the following address: Plan Committee, El Camino Hospital, 2500 Grant Road, Mountain View, California, 94040.

(b) Review of Claim. After the Plan Committee has reviewed the claim and obtained any information it deems necessary to render a decision on the claim, the Plan Committee shall notify the claimant within 90 days after receipt of the claim of the acceptance or denial of the claim, unless special circumstances require an extension of time for processing the claim. Such an extension of time may not exceed 90 additional days and notice of the extension shall be provided to the claimant prior to the termination of the initial 90 day period indicating the special circumstances requiring the extension and the date by which a final decision on the claim is expected.

(c) Denied Claims. In the event any application for benefits is denied, in whole or in part, the Plan Committee shall notify the claimant of such denial in writing and shall advise the claimant of the right to appeal the denial and to request a review thereof. Such notice shall be written in a manner calculated to be understood by the claimant and shall contain:

- (i) Specific reason for such denial.
- (ii) Specific reference to the Plan provisions on which such denial is based.
- (iii) A description of any information or material necessary for the Employee to perfect the claim.
- (iv) An explanation of why such material is necessary.
- (v) An explanation of the Plan's appeal and review procedure.

11.2 Appeal and Review Procedure

(a) Appeal to Plan Committee. If the claimant's claim for benefits is denied in whole or in part, the claimant, or the claimant's duly authorized representative, may appeal the denial by submitting to the Plan Committee a written request for review of the application within 60 days after receiving written notice of such denial. The Plan Committee shall give the applicant (upon request) an opportunity to review pertinent Plan documents (other than legally privileged documents) in preparing such request for review.

(b) Contents of Appeal. The request for review must be in writing and shall be addressed as follows: Secretary, Cash Balance Plan Administrative Committee, c/o El Camino

Hospital, 2500 Grant Road, Mountain View, California, 94040. The request for review shall set forth all of the grounds upon which it is based, all facts in support thereof and any other matters which the claimant deems pertinent. The Plan Committee may require the claimant to submit (at the claimant's expense) such additional facts, documents or other material as the Plan Committee deems necessary or advisable in making its review.

(c) Review of Appeal. The Plan Committee shall act upon each request for review within 60 days after its receipt thereof unless special circumstances require further time for processing. In no event shall the decision on review be rendered more than 120 days after the Plan Committee receives the request for review. Written notice of an extension of time beyond 60 days shall be furnished to the claimant prior to the commencement of the extension.

(d) Denied Appeals. In the event the Plan Committee confirms the denial of the claim for benefits in whole or in part, it shall give written notice of its decision to the claimant. Such notices shall be written in a manner calculated to be understood by the claimant and shall contain the specific reasons for the denial.

11.3 Exhaustion of Remedies

No legal action for benefits under the Plan shall be brought unless and until the following steps have occurred:

(a) The claimant has submitted a written application for benefits in accordance with Section 11.1.

(b) The claimant has been notified that the claim has been denied.

(c) The claimant has filed a written request appealing the denial in accordance with Section 11.2.

(d) The claimant has been notified in writing that the Plan Committee has denied the claimant appeal or has failed to take any action on the appeal within the time prescribed by Section 11.2.

Article 12 - Participating Employers

12.1 Agency of Board of Directors of El Camino Hospital

By becoming a party to the Plan, each participating Employer designates the Board of Directors of El Camino Hospital as its agent with authority to act for it in all transactions in which the Board believes such agency will facilitate the administration of the Plan, including authority to amend and terminate the Plan.

12.2 Disaffiliation and Withdrawal from Plan

Any participating Employer which has adopted the Plan and which thereafter ceases for any reason to be a participating Employer shall immediately cease to be a party to the Plan. Any participating Employer may, by resolution of its board of directors, provide for the discontinuance of Plan participation by such corporation and its Employees.

12.3 Effect of Disaffiliation or Withdrawal

If at the time of disaffiliation or withdrawal, the disaffiliating or withdrawing corporation adopts a plan which the Plan Committee determines to be substantially identical to this Plan, the new plan shall be deemed a continuation of this Plan as to employees of such corporation. In such case, the Trustee shall transfer to the trustee of the new plan such amount of the Plan assets as the Plan Committee determines to be consistent with the funding policy of the Plan. Such payment shall operate as a complete discharge of the Trustee and of all participating Employers (except the disaffiliating or withdrawing corporation) of all obligations under this Plan to Employees of the disaffiliating or withdrawing corporation and to their beneficiaries.

12.4 Failure of Any Other Corporation to Qualify

If any corporation adopts this Plan but fails to obtain or retain the qualification of the Plan under the applicable provisions of the Code, such corporation shall withdraw from this Plan upon a determination by the Internal Revenue Service that it has failed to obtain or retain such qualification.

Article 13 - Other Provisions

13.1 Exclusive Benefit of Participants

The Employer intends that the Plan shall be maintained for the exclusive benefit of Participants and their Beneficiaries and that the assets of the Plan shall be used exclusively for such purpose.

13.2 Payments Solely From Plan Assets

Payment of benefits as provided in the Plan shall be made solely from Plan assets held under the Trust or by a funding agent other than the Trustee and no Employer or Plan fiduciary shall otherwise be liable for such benefits.

13.3 Not a Contract of Employment

Participation in this Plan by an Employee shall not give such Employee any right to be retained in the employ of the Employer and the ability of the Employer to dismiss or discharge an Employee is specifically reserved.

13.4 Prohibition on Alienation

Except as provided in Section 7.4 with respect to a qualified domestic relations order and the provisions of this Section 13.4, no benefit payable under this Plan shall be subject to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, hypothecation, charge, attachment, garnishment, execution, or levy of any kind or any other process of law, voluntary or involuntary. Any attempt to so dispose of any rights to benefits payable hereunder shall be void. The Plan and Trust Fund shall not be liable for or subject to the debts, contracts, liabilities, engagements or torts of any person entitled to benefits hereunder.

Notwithstanding anything herein to the contrary, however, a Participant's benefit in the Plan may be reduced to satisfy liabilities of the Participant to the Plan due to (a) the Participant being convicted of committing a crime involving the Plan, (b) a civil judgment (or consent order or decree) entered by a court in an action brought in connection with a violation of the fiduciary provisions of ERISA, (c) a settlement agreement between the Secretary of Labor or the Pension Benefit Guaranty Corporation and the Participant in connection with a violation of the fiduciary provisions, or (d) the enforcement of a federal tax levy made pursuant to Section 6331 of the Code or the collection by the United States on a judgment resulting from an unpaid tax assessment. Any such reduction shall be consistent with the provisions of Sections 401(a)(13)(C) and (D) of the Code in all respects, including the provisions regarding the Participant's Spouse.

13.5 Necessary Information

Participants, Spouses of Participants and Beneficiaries shall furnish the Plan Committee such documents or other information as the Plan Committee reasonably determines to be necessary for administration of the Plan, including certification as to the Participant's marital status. Payment

of benefits under the Plan for each Participant, Spouse or Beneficiary is conditioned upon receipt by the Plan Committee of such documents or other information. The Plan Committee may rely upon any such information provided by such individuals.

13.6 Inconsistencies and Separability

In case of any inconsistencies between the provisions of the Plan and the provisions of the Trust, the Plan shall prevail. If any provisions of the Plan are for any reason declared invalid or not enforceable, such provisions will not affect the remaining terms and conditions, but the Plan will be construed and enforced thereafter as if such provisions had not been inserted.

13.7 Plan Forms

Wherever the Plan requires the Participant to file an enrollment application, Plan form or other notice, election or designation with the Plan Committee, the Participant shall take such action by completing and signing the form prescribed by the Plan Committee for that purpose and filing such form with the Plan Committee.

13.8 Headings Not to Control

Headings and titles within the Plan are for convenience only and are not to be read as part of the text of the Plan.

13.9 Applicable Law

The validity and effect of the Plan and the rights and obligations of all persons affected thereby, are to be construed and determined in accordance with applicable federal law, and to the extent that federal law is inapplicable, under the laws of the State of California.

13.10 Copy of Plan

A current copy of the Plan shall be available for inspection by any Participant or other persons entitled to benefits under the Plan at reasonable times at the offices of the Participating Employers.

13.11 Entire Plan

This document is a complete statement of the Plan and as of the effective date supersedes all prior plans, representatives and proposals, written or oral, relating to its subject matter. The Employer shall not be bound by or liable to any person for any representation, promise or inducement made by any employee or agent which is not embodied in this document.

Article 14 - Participant Match Account

14.1 Effective January 1, 2000, a Participant Match Account was established in this Plan for each Participant who was eligible to participate in the Matching Contribution feature of Section 3.01(b) of the 403(b) Plan as of December 31, 1999. For each Participant not eligible for such feature on December 31, 1999, a Participant Match Account was established in this Plan on the date he completed 12 months of employment, commencing on the date on which such Employee first performs an hour of service (as defined in the 403(b) Plan).

Notwithstanding the above, a PRN Prior Participant who makes the election described in Section 4.11(c) is not eligible to have any contributions made for his benefit under this Article 14 as of the effective date of such election.

Notwithstanding the foregoing, effective January 1, 2009, no Matching Contributions shall be made to the Plan with respect to any Participant.

14.2 Such Participant Match Account will be credited with Participant Match Contribution Credits and Participant Match Interest Credits as follows:

(a) Participant Match Contribution Credits. On the last day of each Plan Year in which the Participant is credited with at least 1,000 Hours of Service and is a Participating Employee as of the last day of such Plan Year, the Participant Match Account shall be credited with a Participant Match Contribution Credit equal to 100% of the first 4% of Compensation (as defined in the 403(b) Plan) deferred through Salary Reductions (as defined in the 403(b) Plan) in such Plan Year. Notwithstanding the foregoing, effective as of January 1, 2004, such Participant Match Contribution Credit for PRN Participants shall be equal to the first:

(i) 5% of deferred compensation for each such PRN Participant credited with at least 15 years and less than 20 years of Benefit Service as of the last day of each Plan Year, and

(ii) 6% of deferred compensation for each such PRN Participant credited with at least 20 years of Benefit Service as of the last day of each Plan Year, provided that for each month during the Plan Year that such individual is not a PRN Participant due to a change in employment status, such match amount in excess of 4% shall be applied pro rata.

Notwithstanding the foregoing, effective as of January 1, 2008, such Participant Match Contribution Credit for each hospital-represented employee and SEIU-UHW participant (collectively "Affected Participants") shall be equal to the first: (A) 5% of deferred compensation for each Affected Participant credited with at least 15 years and less than 20 years of Benefit Service as of the last day of each Plan Year and (B) 6% of deferred compensation for each Affected Participant credited with at least 20 years of Benefit Service as of the last day of each Plan Year.

Notwithstanding the foregoing, effective January 1, 2009, no Participant Match Contribution Credits shall be made to the Plan with respect to any Participant.

(b) Participant Match Interest Credits. For each 403(b) Match Participant, at the end of each Plan Year, a Participant Match Interest Credit shall be credited to the Participant Match Account equal to a percentage of such Participant Match Account as of the beginning of such Plan Year. The percentage shall be the annual rate of return on 10-Year Treasury Securities in effect for the month immediately preceding the first day of such Plan Year. Notwithstanding the foregoing, in the Plan Year in which a Participant receives distribution of the value of his Account in lump sum or annuity form, his Participant Match Account will be credited with a final Participant Match Interest Credit. Such final Participant Match Interest Credit shall equal the Participant Match Account as of the beginning of such Plan Year multiplied by a monthly interest rate which, when compounded 12 times, equals the 10-Year Treasury Securities rate in effect for the month immediately preceding the first day of such Plan Year.

Notwithstanding the foregoing, effective January 1, 2006, with respect to Participants who are active Employees on or after January 1, 2006, the percentage shall be the annual rate of return on 10-Year Treasury Securities in effect for the third month (October) immediately preceding the first day of such Plan Year; provided, further, a Participant Match Account shall never be less than the Participant Match Account on December 31, 2005 credited with Interest Credits based on the annual rate of return on 10-Year Treasury Securities in effect for the month immediately preceding the first day of such Plan Year.

14.3 Each Participant with a Participant Match Account will be 100% vested in the value of such account at all times.

Article 15 – Benefit Limitations Under Section 436 of the Code

15.1 Limitations Applicable If the Plan's Adjusted Funding Target Attainment Percentage Is Less Than 80 Percent, But Not Less Than 60 Percent.

Notwithstanding any other provisions of the Plan, if the Plan's adjusted funding target attainment percentage for a Plan Year is less than 80 percent (or would be less than 80 percent to the extent described in paragraph (b) below) but is not less than 60 percent, then the limitations set forth in this Section 15.1 apply.

(a) **50 Percent Limitation on Single Sum Payments, Other Accelerated Forms of Distribution, and Other Prohibited Payments.** A Participant or Beneficiary is not permitted to elect, and the Plan shall not pay, a single sum payment or other optional form of benefit that includes a prohibited payment with an Annuity Starting Date on or after the applicable section 436 measurement date, and the Plan shall not make any payment for the purchase of an irrevocable commitment from an insurer to pay benefits or any other payment or transfer that is a prohibited payment, unless the present value of the portion of the benefit that is being paid in a prohibited payment does not exceed the lesser of:

- (i) 50 percent of the present value of the benefit payable in the optional form of benefit that includes the prohibited payment; or
- (ii) 100 percent of the PBGC maximum benefit guarantee amount (as defined in Section 1.436-1(d)(3)(iii)(C) of the Treasury regulations).

The limitation set forth in this paragraph (a) does not apply to any payment of a benefit which under Section 411(a)(11) of the Code may be immediately distributed without the consent of the Participant. If an optional form of benefit that is otherwise available under the terms of the Plan is not available to a Participant or Beneficiary as of the Annuity Starting Date because of the application of the requirements of this paragraph (a), the Participant or Beneficiary is permitted to elect to bifurcate the benefit into unrestricted and restricted portions (as described in Section 1.436-1(d)(3)(iii)(D) of the Treasury regulations). The Participant or Beneficiary may also elect any other optional form of benefit otherwise available under the Plan at that Annuity Starting Date that would satisfy the 50 percent/PBGC maximum benefit guarantee amount limitation described in this paragraph (a), or may elect to defer the benefit in accordance with any general right to defer commencement of benefits under the Plan.

(b) **Plan Amendments Increasing Liability for Benefits.** No amendment to the Plan that has the effect of increasing liabilities of the Plan by reason of increases in benefits, establishment of new benefits, changing the rate of benefit accrual, or changing the rate at which benefits become nonforfeitable shall take effect in a Plan Year if the adjusted funding target attainment percentage for the Plan Year is:

- (i) Less than 80 percent; or

- (ii) 80 percent or more, but would be less than 80 percent if the benefits attributable to the amendment were taken into account in determining the adjusted funding target attainment percentage.

The limitation set forth in this paragraph (b) does not apply to any amendment to the Plan that provides a benefit increase under a plan formula that is not based on compensation, provided that the rate of such increase does not exceed the contemporaneous rate of increase in the average wages of Participants covered by the amendment.

15.2 Limitations Applicable If the Plan's Adjusted Funding Target Attainment Percentage Is Less Than 60 Percent.

Notwithstanding any other provisions of the Plan, if the Plan's adjusted funding target attainment percentage for a Plan Year is less than 60 percent (or would be less than 60 percent to the extent described in paragraph (b) below), then the limitations in this Section 15.2 apply.

(a) Single Sums, Other Accelerated Forms of Distribution, and Other Prohibited Payments Not Permitted. A Participant or Beneficiary is not permitted to elect, and the Plan shall not pay, a single sum payment or other optional form of benefit that includes a prohibited payment with an Annuity Starting Date on or after the applicable section 436 measurement date, and the Plan shall not make any payment for the purchase of an irrevocable commitment from an insurer to pay benefits or any other payment or transfer that is a prohibited payment. The limitation set forth in this paragraph (a) does not apply to any payment of a benefit which under Section 411(a)(11) of the Code may be immediately distributed without the consent of the Participant.

(b) Shutdown Benefits and Other Unpredictable Contingent Event Benefits Not Permitted to Be Paid. An unpredictable contingent event benefit with respect to an unpredictable contingent event occurring during a Plan Year shall not be paid if the adjusted funding target attainment percentage for the Plan Year is:

- (i) Less than 60 percent; or

- (ii) 60 percent or more, but would be less than 60 percent if the adjusted funding target attainment percentage were redetermined applying an actuarial assumption that the likelihood of occurrence of the unpredictable contingent event during the Plan Year is 100 percent.

(c) Benefit Accruals Frozen. Benefit accruals under the Plan shall cease as of the applicable section 436 measurement date. In addition, if the Plan is required to cease benefit accruals under this paragraph (c), then the Plan is not permitted to be amended in a manner that would increase the liabilities of the Plan by reason of an increase in benefits or establishment of new benefits.

15.3 Limitations Applicable If the Employer Is In Bankruptcy.

Notwithstanding any other provisions of the Plan, a Participant or Beneficiary is not permitted to elect, and the Plan shall not pay, a single sum payment or other optional form of benefit that includes a prohibited payment with an Annuity Starting Date that occurs during any period in which the Employer is a debtor in a case under title 11, United States Code, or similar Federal or State law, except for payments made within a Plan Year with an Annuity Starting Date that occurs on or after the date on which the Plan's enrolled actuary certifies that the Plan's adjusted funding target attainment percentage for that Plan Year is not less than 100 percent. In addition, during such period in which the Employer is a debtor, the Plan shall not make any payment for the purchase of an irrevocable commitment from an insurer to pay benefits or any other payment or transfer that is a prohibited payment, except for payments that occur on a date within a Plan Year that is on or after the date on which the Plan's enrolled actuary certifies that the Plan's adjusted funding target attainment percentage for that Plan Year is not less than 100 percent. The limitation set forth in this Section 15.3 does not apply to any payment of a benefit which under Section 411(a)(11) of the Code may be immediately distributed without the consent of the Participant.

15.4 Provisions Applicable After Limitations Cease to Apply.

(a) Resumption of Prohibited Payments. If a limitation on prohibited payments under Section 15.1(a), Section 15.2(b) or Section 15.3 applied to the Plan as of a section 436 measurement date, but that limit no longer applies to the Plan as of a later section 436 measurement date, then that limitation does not apply to benefits with Annuity Starting Dates that are on or after that later section 436 measurement date.

(b) Resumption of Benefit Accruals. If a limitation on benefit accruals under Section 15.2(c) applied to the Plan as of a section 436 measurement date, but that limitation no longer applies to the Plan as of a later section 436 measurement date, then benefit accruals shall resume prospectively and that limitation does not apply to benefit accruals that are based on service on or after that later section 436 measurement date, except as otherwise provided under the Plan. The Plan shall comply with the rules relating to partial years of participation and the prohibition on double proration under Department of Labor regulation 29 CFR Section 2530.204-2(c) and (d). In addition, benefit accruals that were not permitted to accrue because of the application of Section 15.2(c) shall be restored when that limitation ceases to apply if the continuous period of the limitation was 12 months or less and the Plan's enrolled actuary certifies that the adjusted funding target attainment percentage for the Plan Year would not be less than 60 percent taking into account any restored benefit accruals for the prior Plan Year.

(c) Shutdown and Other Unpredictable Contingent Event Benefits. If an unpredictable contingent event benefit with respect to an unpredictable contingent event that occurs during the Plan Year is not permitted to be paid after the occurrence of the event because of the limitation of Section 15.2(b), but is permitted to be paid later in the same Plan Year (as a result of additional contributions or pursuant to the enrolled actuary's certification of the adjusted funding target attainment percentage for the Plan Year that meets the requirements of Section 1.436-1(g)(5)(ii)(B) of the Treasury regulations), then that unpredictable contingent event benefit shall be paid, retroactive to the period that benefit would have been payable under the terms of the Plan

(determined without regard to Section 15.2(b)). If the unpredictable contingent event benefit does not become payable during the Plan Year in accordance with the preceding sentence, then the Plan is treated as if it does not provide for that benefit.

(d) Treatment of Plan Amendments That Do Not Take Effect. If a Plan amendment does not take effect as of the effective date of the amendment because of the limitation of Section 15.1(b) or Section 15.2(c), but is permitted to take effect later in the same Plan Year (as a result of additional contributions or pursuant to the enrolled actuary's certification of the adjusted funding target attainment percentage for the Plan Year that meets the requirements of Section 1.436-1(g)(5)(ii)(C) of the Treasury regulations), then the Plan amendment must automatically take effect as of the first day of the Plan Year (or, if later, the original effective date of the amendment). If the Plan amendment cannot take effect during the same Plan Year, then it shall be treated as if it were never adopted, unless the Plan amendment provides otherwise.

15.5 Notice Requirement. See section 101(j) of ERISA for rules requiring the Plan administrator of a single employer defined benefit pension plan to provide a written notice to Participants and beneficiaries within 30 days after certain specified dates if the Plan has become subject to a limitation described in Section 15.1(a), Section 15.2 or Section 15.3.

15.6 Methods to Avoid or Terminate Benefit Limitations. See Section 436(b)(2), (c)(2), (e)(2), and (f) of the Code and Section 1.436-1(f) of the Treasury regulations for rules relating to employer contributions and other methods to avoid or terminate the application of the limitations set forth in Sections 15.1 through 15.3 for a Plan Year. In general, the methods the Employer may use to avoid or terminate one or more of the benefit limitations under Sections 15.1 through 15.3 for a Plan Year include Employer contributions and elections to increase the amount of Plan assets which are taken into account in determining the adjusted funding target attainment percentage, making an employer contribution that is specifically designated as a current year contribution that is made to avoid or terminate application of certain of the benefit limitations, or providing security to the Plan.

15.7 Special Rules.

(a) Rules of Operation for Periods Prior to and After Certification of Plan's Adjusted Funding Target Attainment Percentage.

(i) In General. Section 436(h) of the Code and Section 1.436-1(h) of the Treasury regulations set forth a series of presumptions that apply (1) before the Plan's enrolled actuary issues a certification of the Plan's adjusted funding target attainment percentage for the Plan Year and (2) if the Plan's enrolled actuary does not issue a certification of the Plan's adjusted funding target attainment percentage for the Plan Year before the first day of the 10th month of the Plan Year (or if the Plan's enrolled actuary issues a range certification for the Plan Year pursuant to Section 1.436-1(h)(4)(ii) of the Treasury regulations but does not issue a certification of the specific adjusted funding target attainment percentage for the Plan by the last day of the Plan Year). For any period during which a presumption under Section 436(h) of the Code and Section 1.436-1(h) of the Treasury regulations applies to the Plan, the limitations under Sections 15.1 through 15.3

are applied to the Plan as if the adjusted funding target attainment percentage for the Plan Year were the presumed adjusted funding target attainment percentage determined under the rules of Section 436(h) of the Code and Section 1.436-1(h)(1), (2), or (3) of the Treasury regulations. These presumptions are set forth in subparagraphs (a)(ii) through (iv).

(ii) Presumption of Continued Underfunding Beginning First Day of Plan Year.

If a limitation under Section 15.1, Section 15.2 or Section 15.3 applied to the Plan on the last day of the preceding Plan Year, then, commencing on the first day of the current Plan Year and continuing until the Plan's enrolled actuary issues a certification of the adjusted funding target attainment percentage for the Plan for the current Plan Year, or, if earlier, the date subparagraph (a)(iii) or subparagraph (a)(iv) applies to the Plan:

(A) The adjusted funding target attainment percentage of the Plan for the current Plan Year is presumed to be the adjusted funding target attainment percentage in effect on the last day of the preceding Plan Year; and

(B) The first day of the current Plan Year is a section 436 measurement date.

(iii) Presumption of Underfunding Beginning First Day of 4th Month. If the Plan's enrolled actuary has not issued a certification of the adjusted funding target attainment percentage for the Plan Year before the first day of the 4th month of the Plan Year and the Plan's adjusted funding target attainment percentage for the preceding Plan Year was either at least 60 percent but less than 70 percent or at least 80 percent but less than 90 percent, or is described in Section 1.436-1(h)(2)(ii) of the Treasury regulations, then, commencing on the first day of the 4th month of the current Plan Year and continuing until the Plan's enrolled actuary issues a certification of the adjusted funding target attainment percentage for the Plan for the current Plan Year, or, if earlier, the date subparagraph (a)(iv) applies to the Plan:

(A) The adjusted funding target attainment percentage of the Plan for the current Plan Year is presumed to be the Plan's adjusted funding target attainment percentage for the preceding Plan Year reduced by 10 percentage points; and

(B) The first day of the 4th month of the current Plan Year is a section 436 measurement date.

(iv) Presumption of Underfunding On and After First Day of 10th Month. If the Plan's enrolled actuary has not issued a certification of the adjusted funding target attainment percentage for the Plan Year before the first day of the 10th month of the Plan Year (or if the Plan's enrolled actuary has issued a range certification for the Plan Year pursuant to Section 1.436-1(h)(4)(ii) of the Treasury regulations but has not issued a certification of the specific adjusted funding target attainment percentage for the Plan by the last day of the Plan Year), then, commencing on the first day of the 10th month of the current Plan Year and continuing through the end of the Plan Year:

(A) The adjusted funding target attainment percentage of the Plan for the current Plan Year is presumed to be less than 60 percent; and

(B) The first day of the 10th month of the current Plan Year is a section 436 measurement date.

(b) New Plans, Plan Termination, Certain Frozen Plans, and Other Special Rules.

(i) First 5 Plan Years. The limitations in Section 15.1(b), Section 15.2(b), and Section 15.2(c) do not apply to a new plan for the first five Plan Years of the Plan, determined under the rules of Section 436(i) of the Code and Section 1.436-1(a)(3)(i) of the Treasury regulations.

(ii) Plan Termination. The limitations on prohibited payments in Section 15.1(a), Section 15.2(a) and Section 15.3 do not apply to prohibited payments that are made to carry out the termination of the Plan in accordance with applicable law. Any other limitations under this section of the Plan do not cease to apply as a result of termination of the Plan.

(iii) Exception to Limitations on Prohibited Payments Under Certain Frozen Plans. The limitations on prohibited payments set forth in Section 15.1(a), Section 15.2(a) and Section 15.3 do not apply for a Plan Year if the terms of the Plan, as in effect for the period beginning on September 1, 2005, and continuing through the end of the Plan Year, provide for no benefit accruals with respect to any Participants. This subparagraph (b)(iii) shall cease to apply as of the date any benefits accrue under the Plan or the date on which a Plan amendment that increases benefits takes effect.

(iv) Special Rules Relating to Unpredictable Contingent Event Benefits and Plan Amendments Increasing Benefit Liability. During any period in which none of the presumptions under Section 15.7(a) apply to the Plan and the Plan's enrolled actuary has not yet issued a certification of the Plan's adjusted funding target attainment percentage for the Plan Year, the limitations under Section 15.1(b) and Section 15.2(b) shall be based on the inclusive presumed adjusted funding target attainment percentage for the Plan, calculated in accordance with the rules of Section 1.436-1(g)(2)(iii) of the Treasury regulations.

(c) Special Rules Under PRA 2010.

(i) Payments Under Social Security Leveling Options. For purposes of determining whether the limitations under Section 15.1(a) or Section 15.2(a) apply to payments under a social security leveling option, within the meaning of Section 436(j)(3)(C)(i) of the Code, the adjusted funding target attainment percentage for a Plan Year shall be determined in accordance with the "Special Rule for Certain Years" under Section 436(j)(3) of the Code and any Treasury Regulations or other published guidance thereunder issued by the Internal Revenue Service.

(ii) Limitation on Benefit Accruals. For purposes of determining whether the accrual limitation under Section 15.2(c) applies to the Plan, the adjusted funding target attainment percentage for a Plan Year shall be determined in accordance with the "Special Rule for Certain Years" under Section 436(j)(3) of the Code (except as provided under section 203(b) of the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010, if applicable).

(d) Interpretation of Provisions. The limitations imposed by this Section 15.7 of the Plan shall be interpreted and administered in accordance with Section 436 of the Code and Section 1.436-1 of the Treasury regulations.

15.8 Definitions. The definitions in the following Treasury regulations apply for purposes of Sections 15.1 through 15.7: Section 1.436-1(j)(1) defining adjusted funding target attainment percentage; Section 1.436-1(j)(2) defining annuity starting date (Annuity Starting Date); Section 1.436-1(j)(6) defining prohibited payment; Section 1.436-1(j)(8) defining section 436 measurement date; and Section 1.436-1(j)(9) defining an unpredictable contingent event and an unpredictable contingent event benefit.

15.9 Effective Date. The rules in this Article 15 are effective for Plan Years beginning after December 31, 2007.

IN WITNESS WHEREOF, El Camino Hospital, pursuant to resolution of its Board of Directors, has caused this instrument to be executed by its duly authorized officer, as of May 25, 2021, to be effective January 1, 2021.

EL CAMINO HOSPITAL

By Julie Johnston
Its: Director Total Rewards
& Plan Administrator