

**MEMORANDUM OF AGREEMENT FOR
DIRECTORS GUILD OF AMERICA – ASSOCIATION OF
INDEPENDENT COMMERCIAL PRODUCERS
NATIONAL AGREEMENT OF 2021**

This Memorandum of Agreement is entered into between the Directors Guild of America, Inc. (“DGA”) and the Association of Independent Commercial Producers, Inc. (“AICP”) on behalf of those production companies that have authorized it to negotiate and execute this Memorandum of Agreement on its behalf. Each such production company is hereinafter referred to as the “Employer” or “Producer.”

The terms of the National Commercial Agreement of 2020 (including all side letters) shall be incorporated in the Directors Guild of America – Association of Independent Commercial Producers National Agreement of 2021 (“Agreement” or “NCA”) except as modified below and subject to conforming changes. The terms of this Memorandum of Agreement shall prevail over any inconsistent provision in the 2020 NCA. The language in this Memorandum is not in contract language, except when so designated or when the context clearly indicates otherwise.

This Memorandum of Agreement shall require approval by the Directors Guild of America’s National Board of Directors and ratification by the members of the Directors Guild of America. Upon ratification, the provisions herein shall be effective as of December 1, 2021, except as otherwise stated.

1. Term

The term of the 2021 NCA shall be from December 1, 2021 through and including November 30, 2023.

Article 10 (“Duration of Agreement”) shall be modified to read as follows:

“Section 10-100 DURATION OF AGREEMENT

This Agreement shall be effective as of December 1, 2021 and shall be terminated at midnight on November 30, 2023, unless sooner terminated as herein provided. The parties agree that sixty (60) days prior to November 30, 2023, they shall in good faith negotiate with respect to a new agreement to take place upon termination hereof.”

2. Compensation

Minimum salaries in the 2021 NCA shall be increased as follows:

The minimum rate of pay for First Assistant Directors shall be increased by 3.25% (daily and weekly) on December 1, 2021. Additionally, the minimum rate of pay for First Assistant Directors shall be increased by 3% (daily and weekly) on December 1, 2022. The minimum rate of pay for Second Assistant Directors shall be increased by 3.5% (daily and weekly) on December 1, 2021. Additionally, the minimum rate of pay for Second Assistant Directors shall be increased by 3.0% (daily and weekly) on December 1, 2022.

The minimum rates of pay (daily and weekly) for Directors and Unit Production Managers shall be increased by 3% effective December 1, 2021. The minimum rates of pay (daily and weekly) for Directors and Unit Production Managers shall be increased by an additional 3% effective December 1, 2022.

3. Pension and Health

- A. Amend Article 3-101 to increase the rate upon which contributions are made to the Pension Plan by 0.5% effective December 31, 2021.
- B. Amend Article 3-104(B) of the AICP Side Letter to increase the presumed salary of Directors other than Principal Directors to \$10,000 on December 1, 2021 and to \$10,500 on December 1, 2022.
- C. Amend Article 3-104(D) of the NCA to increase the maximum salary from \$250,000 to \$290,000 in a calendar year, to go into effect for the calendar year beginning January 1, 2022.

4. Disputes

Amend Article 2-101 (Disputes) by adding the following paragraph.

“Any claim shall be deemed to be waived if not reduced to writing and submitted to the other party on or before the earlier of:

- (a) Six (6) months following the date on which the facts upon which the claim is based were known or should have been known by the party bringing the grievance or arbitration proceeding; or
 - 1) Four (4) years following the date on which the event in dispute occurred in cases involving pension and health contributions or contingent or deferred compensation; or
 - 2) One (1) year following the date on which the event in dispute occurred in all other cases.”

5. Low Budget Commercials – Pension and Health

Amend AICP Sideletter 9(C)(ii)(a) to read as follows.

“(ii) Tier 2: All provisions of the NCA, as amended by this AICP Sideletter, shall apply to Tier 2 Low Budget commercials whose Production Costs are equal to or greater \$50,000 but less than \$80,000 per shoot day, except as modified below: (a) Article 3 (Pension and Health Contributions) is modified to provide that pension and health contributions (i) for Directors other than Principal Directors will be remitted on ~~sixty (60) percent of the presumed salary per shoot day as set forth in Paragraph 1 (B) of this AICP Sideletter~~ the Director’s total gross compensation as defined in Article 3-104 or on the minimum rates of pay set forth in Article 4, whichever is greater; and (ii) for Unit Production Managers and Assistant Directors other than Principal and Staff Unit Production Managers and Assistant Directors will be remitted on the minimum rates of pay set forth in Article 5 of the NCA. All other provisions of Article 3, as amended by this AICP Sideletter, shall apply in their entirety.”

6. 1st AD Prep

Article 5-308 (B) (“Preparation and Completion Time”) shall be modified to read as follows:

“The 1st AD shall be given a minimum of one (1) day’s preparation for each assignment. In addition, a second mandatory day of preparation will be granted to the 1st AD in the event of three or more consecutive days of photography or two or more substantially different or significantly distant locations, unless circumstances would reasonably warrant a waiver from the Guild. Where time permits, the 1st AD shall be provided an additional day of preparation if, after their prep has concluded, there is a substantial and material change to the production schedule or shooting board(s) before shooting commences (e.g., shooting locations are added or changed).”

7. COVID Costs

Add new subparagraph (G) to Article 13 of the AICP Sideletter (“Geographic Scope”) to read as follows:

“For purposes of the costs referred to in paragraphs (A) and (D), COVID-19 related costs shall be excluded.”

8. Holidays

Article 5-311 (A) (“Holidays”) shall be modified to read as follows:

“The following holidays shall be recognized in this Agreement: New Year’s Day, Martin Luther King’s Birthday; President’s Day; Memorial Day; Juneteenth; Independence Day; Labor Day; Veteran’s Day; Thanksgiving Day; and Christmas.”

10. PSAs

Article 9-102 (“PSAs”) shall be modified to read as follows:

“On a PSA, as that term is commonly understood in the industry, Directors shall be exempt from minimum salaries and shall be subject to pension and health contributions on the actual negotiated salaries. All other DGA-represented Employees shall be employed under the Agreement. The Guild shall give good faith consideration to a Producer’s request for a waiver of all other DGA- represented Employees’ minimum salaries. In addition, the DGA shall give consideration to a Producer’s request to modify minimum salaries for political commercials depending upon their budget.”

11. Rest Period

Amend Article 5-305 (“Rest Period”) to read as follows:

“~~An eight (8)~~ nine (9) hour rest period shall be provided between calls. If at least a nine (9) hour rest period is not provided, an Employee shall receive an additional one-eighth (1/8) day’s pay at the Employee’s daily rate for invasion of the first half (1/2) hour or part thereof and an additional one-eighth day’s pay at the Employee’s daily rate for invasion of the second half (1/2) hour of the 9th hour or part thereof. If at least an eight (8) hour rest period is not provided then an Employee shall receive an additional one (1) day’s pay for each period of ~~six (6)~~ twelve (12) hours or portion thereof worked until an ~~eight (8)~~ nine (9) hour rest period is provided.

12. CIAF

Amend the second paragraph of Article 3-109 (“Commercial Industry Administrative Fund”) to read as follows:

“The CIAF shall be funded by Employer contributions in the amount equal to ~~0.25%~~ .35% of the compensation base upon which the Employer makes contributions to the DGA-Producer Pension & Health Plans for each such Employee. Contributions to the CIAF shall be paid to the AICP (or its designated collecting fund) and held in a separate AICP (CIAF) account (or by its designated collecting fund for transmittal to AICP) and administered as determined by AICP in accordance with the purposes of the CIAF as set forth in this Section. The AICP on behalf of the CIAF, or AICP’s assigns or

designee (not the Guild) shall be responsible for enforcement of delinquent contributions to the CIAF and such parties, or any of them, in their own name shall have all enforcement rights, remedies and procedural standing to maintain any action or proceeding, at law or equity, necessary to audit and/or recover delinquent contributions along with court cost, reasonable attorney's fees, and pre-judgement interest."

13. Work Day

Amend Article 5-301(B) ("Work Day") to read as follows:

"The 1st AD shall not be dismissed prior to ~~his/her~~ the shooting crew."

14. 1st AD Staffing

Amend Paragraph 3(A) of AICP Side Letter to read as follows:

"Members of the AICP shall not be required to employ a 1st AD on any particular production unit unless there are more than eight (8) ~~six (6)~~ persons (of whom not more than two (2) may be a member of the cast), exclusive of the Director(s), employed by the AICP member for said production unit."

15. Expiration or Termination of Director Agreements

Add New Article 4-113 as follows:

"All outstanding expenses and compensation owed to a Director, including, but not limited to profit participation, shall be paid within ninety (90)~~thirty (30)~~ days following the expiration or termination of an exclusive agreement between a Director and Employer."

16. Housekeeping

Amend Article 5-101 ("UPM Staffing") to read as follows:

"AICP Companies: see Paragraph ~~15~~ 14 of the AICP Sideletter."

17. CQA & Training Plan

- a. Subject to the implementation of the recommendations set forth below by Trustees to the Assistant Director Training Program Trust Fund-New York ("Training Program"), the NCA shall be amended by retitling Article 6 "Qualifications Lists and Interchange", retitling Article 6-101 "Qualifications List Funding", by deleting

6-101 (A), 6-101(C), 6-101 (E) and 6-200, and by amending Article 6-101 (B) as follows:

“Each producer shall contribute an amount equal to one-quarter of one percent (0.25%) of salary as defined in Article 3-104 for each Director, UPM and 1st and 2nd AD to finance the Contract Qualification Administration. The aforementioned contribution shall be remitted monthly to the Administrator of the Directors Guild of America-Producer Pension and Health Plans who, as the Producers’ agent for collection of said contributions, shall remit such contribution to the Contract Qualification Administrator under Article 6-300 of this Agreement.”

- b. As of December 1, 2021, the 6-101 .25% contribution (using the same contribution base as used for Pension and Health Plans contributions under the NCA) shall be reallocated with 100% to be allocated to the DGA Contracts Qualification Administration Trust (“CQA”) and 0% to be allocated to the Training Program.
- c. The Guild and the AICP will recommend to the Trustees that they each have appointed to the Training Program (the “Appointed Trustees”) that they amend the Training Program’s trust agreement, effective December 1, 2021, to provide as follows:
 - i. The AICP will no longer have any representation on the Training Program Board and will no longer have the right to appoint any Trustees to the Training Program Board. All Producer Trustees shall be appointed by the AMPTP. As a result of this change, all AICP-appointed Trustees shall no longer serve on the Training Program as of December 1, 2021.
 - ii. The Training Program’s program of benefits will be amended to eliminate commercial training and the commercial training program offered thereunder; except that the Training Program will be responsible for the costs of supporting the existing commercial trainees through completion of their program. The Training Program will not accept any further applications for “Commercial Trainees”.
 - iii. The Training Program trust agreement shall be further amended as needed to reflect the withdrawal of the AICP from the Training Program and to remove all references to the AICP in relation to the Training Program.

- d. The AICP waives any claims to the assets of the Training Program including contributions that are attributable to commercial producers, and all assets shall remain with the Training Program. The Training Program and CQA will discuss an appropriate resolution to the issue of the outstanding shared expenses owed by the CQA.
- e. If the CQA and the Training Program choose to continue to share expenses on or after December 1, 2021, such arrangement shall be documented in a written agreement between the CQA and the Training Program and which shall be subject to commercial arbitration according to American Arbitration Association rules.
- f. The CQA may, as a service for NCA signatories, contract for anti-sexual harassment training, safety training and currency training services and other training services from the Training Program for NCA signatories in an amount to be determined by the Training Program and subject to its periodic review and mutual agreement between the Training Program and the CQA.
- g. DGA Case No. 10008413, "Funding of the CQA", is hereby withdrawn without prejudice. If the Appointed Trustees implement the recommendations set forth above, it shall be deemed withdrawn with prejudice.
- h. The AICP and/or the DGA will promptly replace their appointed Trustees who are unwilling to act as recommended in Paragraph 17 (C) including subsections (i), (ii) and (iii).

For the Directors Guild of America, Inc.



11/08/2021

Date

For the Association of Independent
Commercial Producers, Inc.



11/09/2021

Date