

ARTICLE 3
PENSION AND HEALTH PLANS

3-101 EMPLOYER PENSION CONTRIBUTIONS

The Producer agrees to become and remain a party to the Directors Guild of America-Producer Pension Plan (herein called the "Pension Plan"), and the Producer shall contribute to the Pension Plan with respect to each employment of a Director, UPM or AD an amount equal to five and one-half percent (5-1/2%) of their base salary amounts as defined in Article 3-104 (A-D) below. Each such Director, UPM or AD shall likewise pay into said Pension Plan an amount equal to two and one-half percent (2-1/2%) of such base salary, as computed below for the Producer's contributions, and such amount shall be deducted by the Producer from the salary of such Director, UPM or AD and paid directly to the Pension Plan on behalf of such Director, UPM or AD.

3-102 EMPLOYER HEALTH CONTRIBUTIONS

The Producer agrees to become and remain a party to the Directors Guild of America-Producer Health Plan (herein called the "Health Plan"), and the Producer shall contribute for each Director, UPM and AD employed by the Producer ten percent (10%) of their base salary amounts (including vacation pay) as defined in Article 3-104 (A-D) below. Effective December 1, 2012, the Producer shall make contributions at the rate of ten and one-quarter percent (10.25%). Effective December 1, 2013, the Producer shall make contributions at the rate of ten and one-half percent (10.50%).

3-103 LOAN-OUTS

- (A) When a Producer borrows the services of an Employee from a loan-out company, as defined in paragraph (C) below, and such Employee renders services covered by this Agreement, the Producer shall make pension and health contributions directly to the Plans on behalf of the loan-out company.
- (B) In its agreement with the loan-out company, the Producer shall separately state the compensation applicable to services covered by this Agreement. Contributions shall be based on the amount the Producer pays the loan-out company for lending the Employee's covered services.

- (C) The term “loan-out” means a company which is controlled by the Employee and loans the Employee’s services to the Producer.

AICP Companies: see Paragraph 1 of the AICP Sideletter.

3-104

DEFINITION OF SALARY FOR PENSION AND HEALTH CONTRIBUTIONS

The following shall apply with respect to payment of pension and health contributions:

- (A) Contributions to the Plans shall be made on total gross compensation, as defined in this Article 3-104, on behalf of all Employees covered by the Agreement.
- (B) With respect to Directors, UPMs and ADs (who are not Principals) who are engaged to work solely in a DGA-covered capacity, total gross compensation includes, but is not limited to, all salary, wages, vacation pay as defined in Article 5-312, fees, profit participation and expenses, except those expenses which are incurred solely and exclusively in connection with a specific production.
- (C) With respect to Directors, UPMs and ADs (who are not Principals) who are engaged to work in multiple capacities (e.g., Producer/Director, Director/Cameraman, Producer/AD), total gross compensation includes, but is not limited to, all salary, wages, vacation pay as defined in Article 5-312, fees, profit participation and expenses (except those expenses which are incurred solely and exclusively in connection with a specific production), paid for services rendered in a DGA-covered capacity. A reasonable allocation between DGA-covered work and non-DGA work will be allowed provided that sufficient documentation (e.g., time sheets for each capacity, daily production reports, call sheets, deal memos, contracts, etc.) is maintained by the Employer to support the allocation.
- (D) With respect to Principals (Directors, UPMs and ADs), without regard to whether or not they perform work solely in DGA-covered capacities or in multiple capacities, total gross compensation includes, but is not limited to, all salary, wages, fees, profit participation and expenses, except those expenses which are incurred solely and exclusively in connection with a specific production. Such contributions shall be made on such salaries up to a maximum of two hundred fifty thousand dollars (\$250,000.00) in a calendar year.

- (E) A Principal Director, Principal UPM or Principal AD is an individual who, either alone or in combination with his or her spouse, parents, siblings and/or lineal descendants (collectively "Family") owns, directly or indirectly through other entities, 10 percent (10%) or more of the equity of the Producer. However, the individual shall not be a Principal Director if the Plans determine that all of the following conditions are met during the calendar year in question: (i) the individual does not own, directly or indirectly through other entities, any equity in the Producer, and (ii) another Family member owns, directly or indirectly through other entities, equity of the Producer, is performing DGA-covered work for the Producer and makes contributions subject to the provisions of Article 3-104 (D).

AICP Companies: see Paragraph 1 of the AICP Sideletter.

3-105

REPORTING CONTRIBUTIONS

- (A) Simultaneously with such remittances, the Employer shall forward to the Plans, statements specifying the names of the Employees for whom the contributions are being made, the dates of their employment and the total amount allocable to each Employee.
- (B) Payments of contributions as herein required are to be made on a monthly basis, no later than the last day of each month for accruals during the preceding month. If so required by the Trustees of such Plans, the statements accompanying the remittance shall be on forms supplied by the Plan. On such form, if a loan-out company is used, the Producer will indicate "LO" next to the names of all Guild personnel employed through the loan-out company.
- (C) If an Employer fails to make payments on the date set forth above, and is given ten (10) days' written notice thereof by certified mail, the following liquidated damages shall be added to the amount due: ten percent (10%) for any portion of the first sixty (60) days and 10% additional for each succeeding sixty (60) day period or portion thereof, up to 25%.
- (D) A copy of the monthly remittance form shall be mailed to the DGA regional office (i.e., either east coast or west coast) closest to where the Producer maintains its office.

TRUST AGREEMENTS

- (A) The Producer and Guild agree to accept, assume and be bound by the Trust Agreements establishing the “Directors Guild of America-Producer Pension Plan” and “Directors Guild of America-Producer Health Plan” and all modifications, alterations, and amendments made thereto. The Plan office shall, upon request, furnish to the Producer a copy of said Trust Agreements.
- (B) The right of the Trustees of such Plans to enforce collections and contributions due hereunder shall in no way affect or diminish the rights of the Guild to enforce the terms of this Agreement.
- (C) The Directors Guild of America-Producer Pension and Health Plans may include the Guild as an Employer in respect to its full-time paid employees upon the Guild's agreeing to make the same contributions on their account.
- (D) Should it become necessary to institute a suit or other proceeding against the Producer by reasons of its default or delinquency in the payment of contributions hereunder, reasonable legal fees and any accounting or other expenses incurred shall constitute an additional liability of the Producer, recoverable in such suit or other proceeding.
- (E) The Producer specifically agrees to be bound by the provisions of the Trust Agreements relating to payment of attorneys’ fees, court costs, interest, liquidated damages and auditing costs in connection with delinquent contributions to the Plans, as they now exist and as they may be modified in the future.

NON-PAYMENT OF PENSION AND HEALTH CONTRIBUTIONS

Notwithstanding any other provision of this Agreement to the contrary, should a Producer fail to pay contributions to the Directors Guild of America-Producer Pension and Health Plans or fail to transmit the deducted Employee contributions as required by this Agreement, and such failure results in an Employee losing his/her pension and/or health rights, then such Producer agrees, in addition to paying and transmitting the proper contributions, to be liable for all costs and losses to that Employee which occurred due to bodily injuries and all medical costs that would have otherwise been reimbursed by or paid for by the Directors Guild of America-Producer Pension and Health Plans during the period in question, and all retirement benefits which the Employee might otherwise have received during that period from the Pension Plan, provided that the Guild notifies

such Producer in writing by certified mail at least ten (10) days prior to the expiration of any grace period set forth in the Directors Guild of America-Producer Pension and Health Plans.

3-108

ACCESS AND EXAMINATION OF BOOKS AND RECORDS

- (A) The Producer shall make available copies of all payroll records pertaining to the bargaining unit, such as canceled payroll checks, stubs, job reports, crew sheets, time cards, tax forms filed by the Producer, records of cash disbursements and all other related pertinent records. The Producer's auditors may, at the request of the Producer, be present during such examination.
- (B) If the Plan's auditors, after examining the records herein described, reasonably conclude that such records do not accurately reflect contractually required payments to Guild personnel by the Producer for work covered by the Collective Bargaining Agreement (and with respect to which contributions should have been made), then the auditors shall discuss with the Producer's accountants what additional records or information are relevant and necessary to conclude the audit, provided, however, that such discussion does not unreasonably delay the audit.
- (C) If such discussions (and/or review of additional records or information submitted by the Producer) do not resolve the Plan's auditors' reasonable concerns, the Producer shall permit access to its general ledger, it being understood, however, that the parties and the Plans recognize that information concerning salaries, dividends and profits paid to Principals, shareholders and owners of the Producer and related matters are confidential, and that the auditor shall be obligated to keep such information confidential. The statute of limitations governing such audits shall be as set forth by applicable law.

AICP Companies: see Paragraph 2 of the AICP Sideletter.