

ARTICLE 3

Minimum Salaries for Directors of Theatrical Motion Pictures

Section 3-100 MINIMUM SALARIES

3-101 Employer agrees that the minimum salaries and working conditions set forth in the following schedule and footnotes, both inclusive, shall govern the employment of Directors on theatrical motion pictures:

Type of Picture	Rate per Week				Guaranteed Employment Period *	Preparation Time **	Cutting Allowance Time ***
	7/1/05	10/1/05	7/1/06	7/1/07 [†]			
Freelance Low Budget (any picture budgeted up to \$500,000)	\$8,395	\$8,647	\$8,906	\$9,173	8 weeks	2 weeks	1 week
Medium Budget (any picture budgeted over \$500,000 up to \$1,500,000)	9,541	9,827	10,122	10,426	10 weeks	2 weeks	1 week
High Budget (all pictures budgeted over \$1,500,000)	13,358	13,759	14,172	14,597	10 weeks	2 weeks	1 week

[†] The Trustees of the Directors Guild - Producer Health and Welfare Plan may determine that an increase in the contribution rate to the Health and Welfare Fund is needed to maintain the level of benefits in existence on July 1, 2005 (less any reduction in benefits approved by the Trustees before that date). If the Trustees so determine, the increase in minimums in the column marked "7/1/07" will be reduced by an equivalent percentage.

Term	8,395	8,647	8,906	9,173	20 or more out of 26 weeks or any multiple of such period	None	None
Trailers, Talent Tests and Promos*****	9,541	9,827	10,122	10,426			
Freelance Shorts & Documentaries	9,541	9,827	10,122	10,426	1 week and 1 day per film (see ¶ 4-106)	2 days	None
Second Units		-- Same as First Unit --			1 week or 1 day	¶ 4-102	None

Except for so-called "flat deals," time beyond guaranteed period of contract shall be calculated on a *pro rata* basis of the contractual rate.

The rate applicable to all of such services shall be that which is in effect on the starting date of the Director's employment.

Except as otherwise specifically provided, all compensable time worked beyond the Director's total guaranteed period shall be calculated pursuant to Paragraph 4-106.

Second Unit Directors shall be paid *pro rata* compensation (or daily compensation if employed on a daily basis) for all days so employed. Preparation time shall be determined in accordance with Paragraph 4-102 of this BA.

3-102 *Guaranteed Period of Employment

In the event of a change or substitution of a Director for reasons other than the incapacity of the Director, the substituting Director shall only be guaranteed the unexpired portion of the previous Director's guarantee, at not less than double minimum compensation for the work performed.

In the event that a Director is replaced by reason of his or her own incapacity, the substituting Director shall only be guaranteed the greater of the number of guaranteed days remaining under Paragraph 3-101 or the number of days actually remaining on the shooting schedule at the time such substituting Director begins the assignment. In addition, the substituting Director shall receive no less than one hundred fifty percent (150%) of minimum compensation for the work performed. However, there shall be no compounding of premium pay to such substituting Director for work performed on a holiday or for the sixth or seventh day worked in the Director's workweek.

3-103 **Preparation Time

Shall be added to guaranteed employment period for Directors employed at a weekly salary of double minimum or less who shall receive full salary during such preparation time.

3-104 *Cutting Allowance Time**

Shall also be added to guaranteed employment period for Directors receiving double minimum or less, who shall receive full salary during such cutting allowance time.

3-105 *Photography for Unknown Type of Theatrical Motion Picture**

If the Director is employed to direct photography for a theatrical motion picture, the type of which is unknown (*e.g.*, photography of an event not planned for the purpose of being photographed or photography for a theatrical motion picture, the budget for which is unknown), the rate for Trailers, Talent Tests and Promos shall apply.

3-106 Interchange of Assignment - Theatrical - Television

With respect to Directors, there may be complete interchange of assignment between theatrical and television productions. Whenever such interchange takes place, such Director shall receive not less than the respective minimum pay and working conditions pertaining to theatrical productions or television productions, whichever is

applicable to the assignment on which the Director is employed at the time in question.

3-107 The Daily Rate

The daily rate for daily employment, as such, shall be one-fourth (1/4) of the weekly rate payable for the particular type of picture.

3-108 Series Bonus

If an open-ended free television series based on a theatrical motion picture is sold subsequent to the production of the theatrical motion picture, Paragraph 10-103(d) shall apply.

3-109 Sequel Payments

- (a) In the event that the Employer produces a theatrical motion picture which is a sequel to a theatrical motion picture covered under this Agreement, the Employer will pay to the Director of the original theatrical motion picture an amount equal to \$20,000 upon commencement of principal photography of the sequel theatrical motion picture, provided:
 - (1) that the original theatrical motion picture and the sequel are produced by the same Employer;
 - (2) that principal photography of the original theatrical motion picture commenced on or after July 1, 2005; and
 - (3) the sequel is based on an original screenplay which utilizes the leading character or characters of the original theatrical motion picture in a substantially different story.
- (b) Only one payment shall be due under this provision, irrespective of the number of sequel theatrical motion pictures produced.
- (c) If the Director of the original theatrical motion picture also directs the sequel, the amount payable pursuant to

subparagraph (a) hereof shall be credited against the compensation payable to the Director for the sequel.