

# 2005 SCREEN ACTORS GUILD TELEVISION AGREEMENT

## Table of Contents

| <u>Section<br/>Number</u> |   | <u>Page<br/>Number</u> |
|---------------------------|---|------------------------|
| 1.                        | General .....   | 1                      |
| 2.                        | Single Pictures - Daily and Weekly Salary; Conditions ....  | 2                      |
| 3.                        | Single Pictures - Three-Day Contracts; Salary;<br>Conditions .....  | 6                      |
| 4.                        | Multiple Pictures - Weekly Contracts; Salary;<br>Conditions .....   | 8                      |
| 5.                        | Series Contracts - One-Half Hour Programs - Thirteen<br>(13) Episodes Guaranteed; Salary; Conditions .....  | 10                     |
| 6.                        | Series Contracts - One-Half Hour Programs - Less Than<br>Thirteen (13) Episodes Guaranteed; Salary; Conditions ...  | 12                     |
| 7.                        | Series Contracts - One-Hour Programs - Thirteen (13)<br>Episodes Guaranteed; Salary; Conditions .....   | 14                     |
| 8.                        | Series Contracts - One-Hour Programs - Less Than<br>Thirteen (13) Episodes Guaranteed; Salary; Conditions ...   | 16                     |
| 9.                        | Series Contracts - One and One-Half Hour Programs ....  | 18                     |
| 10.                       | Series Contracts - Two-Hour Programs .....  | 22                     |
| 11.                       | Series Contracts - Recall for Additional Episodes After<br>Completion of Initial Group .....  | 25                     |
| 12.                       | Series Contracts - More Than Thirteen (13) Episodes<br>Guaranteed in First Employment Period .....  | 28                     |
| 13.                       | Series Contracts - One (1) Hour or More (Two (2) or<br>More Series Presented in a Combined Series Format<br>(e.g., “NBC Mystery Movie”)) .....                            | 29                     |
| 14.                       | Series Contracts - \$10,000 or More Per Episode .....   | 29                     |
| 15.                       | Term Contracts; Salary; Conditions .....  | 30                     |
| 16.                       | Programs Longer Than Two (2) Hours .....  | 36                     |
| 17.                       | Forms of Hiring and Delivery of Contracts .....   | 36                     |
| 18.                       | Additional Compensation for Reruns and Foreign<br>Telecasts .....   | 37                     |
| 18.1                      | Existing Television Product to Basic Cable .....  | 53                     |
| 18.2                      | Rateable Distribution of Residual Payments Based Upon a<br>Gross Receipts Formula .....   | 54                     |
| 19.                       | Additional Compensation for Theatrical Rights .....   | 54                     |
| 20.                       | Supplemental Markets Exhibition of Television Motion<br>Pictures, the Principal Photography of which<br>Commenced after July 20, 1952 but prior to July 21,<br>1980 ..... | 58                     |

| <u>Section<br/>Number</u>  | <u>Page<br/>Number</u> |
|--|------------------------|
| 20.1 Additional Compensation - Supplemental Markets;<br>Television Programs, the Principal Photography of<br>which Commenced on or After October 6, 1980 . . . . . | 64                     |
| 21. Responsibility For Payment of Residuals - Distributor's<br>Liability and Producer's Liability . . . . .  | 65                     |
| 22. Pension and Health Plans . . . . .   | 85                     |
| 22.1 Industry Advancement and Cooperative Fund . . . . .   | 93                     |
| 23. Exclusivity . . . . .  | 94                     |
| 24. Options . . . . .  | 97                     |
| 25. Overtime . . . . .   | 100                    |
| 26. Commercials . . . . .  | 103                    |
| 27. Production Time Reports, Late Payments,<br>Overwithholding and Payroll and Unemployment<br>Insurance Information . . . . .                                     | 103                    |
| 28. Meal Period Violations . . . . .   | 106                    |
| 29. The Performer's Workweek . . . . .   | 106                    |
| 30. Make-up, Hairdress and Wardrobe . . . . .  | 110                    |
| 31. Rest Period . . . . .  | 111                    |
| 32. Air Travel and Flight Insurance . . . . .  | 112                    |
| 33. Dressing Rooms and Other Facilities . . . . .  | 112                    |
| 34. Furnishing Reports . . . . .   | 114                    |
| 35. Television Trailers . . . . .  | 115                    |
| 36. Reuse of Photography or Sound Track . . . . .  | 119                    |
| 37. Photography of Legitimate Stage Plays, Ballets or<br>Operas (Instant Movies) . . . . .   | 124                    |
| 38. Tours and Personal Appearances . . . . .   | 124                    |
| 39. Singers . . . . .  | 125                    |
| 40. Night Work . . . . .   | 127                    |
| 41. Additional Compensation for Reruns, Foreign<br>Telecasts, Basic Cable Exhibition, Theatrical Exhibition<br>and Supplemental Market Use, As Wages . . . . .     | 128                    |
| 42. Preemption of Time of Program . . . . .  | 129                    |
| 42.1 Definition of Network . . . . .   | 129                    |
| 43. Notice to Performer . . . . .  | 129                    |
| 44. Scope of Agreement . . . . .   | 130                    |
| 45. Children Subject to Union Security and Preference of<br>Employment Provisions . . . . .  | 130                    |
| 46. Employment in Motion Pictures of Fifteen (15) Minutes<br>or Less in Length . . . . .   | 130                    |
| 47. Limitation on Crediting . . . . .  | 131                    |
| 48. Incorporation in Individual Contracts . . . . .  | 131                    |
| 49. Application of Agreement . . . . .   | 131                    |
| 50. Arbitration . . . . .  | 132                    |
| 51. Loan-outs . . . . .  | 138                    |
| 52. Term and Effective Date . . . . .  | 139                    |

| <u>Section<br/>Number</u>   | <u>Page<br/>Number</u> |
|---|------------------------|
| 53. Standard Openings and Closings .....  | 139                    |
| 54. Screen Credit and Billing .....   | 139                    |
| 55. Industry-Union Cooperative Committee .....  | 141                    |
| 56. Transportation and Mileage Allowance .....  | 143                    |
| 57. Stunt Performers .....  | 145                    |
| 58. Looping, Retakes, Added Scenes, etc .....   | 146                    |
| 59. Policy of Non-Discrimination and Diversity .....  | 147                    |
| 60. Extension to Subsidiaries, etc. ....  | 153                    |
| 61. Force Majeure and Illness .....   | 153                    |
| 62. Body Doubles .....  | 157                    |
| 63. Videotape .....   | 157                    |
| 64. Verification - Coding .....   | 158                    |
| 65. Overnight Locations .....   | 158                    |
| 66. Casting .....   | 159                    |
| 67. Production Staff .....  | 159                    |
| 68. Injuries to Persons or Property During Performance ....   | 160                    |
| 69. Protection of Performers, Stunt Performers and Stunt<br>Coordinators - Safety .....   | 161                    |
| 70. Humane Treatment of Animals - Statement of Policy ...   | 164                    |
| 71. Engagement of Freelance Performers - Not Including<br>Series Performers .....   | 165                    |
| 72. Delivery of Contracts - Day Performers and Freelance<br>Performers - Not Including Series Performers<br>(Schedules A, B, C, G, H and I) ..... | 166                    |
| 73. Performer's Start Date .....  | 167                    |
| 74. Miscellaneous Provisions .....  | 167                    |
| 75. Employment on Multi-Part Closed-End Pictures<br>(Exceeding Three (3) Hours in Length) .....   | 168                    |
| 76. Favored Nations Clause .....  | 169                    |
| 77. Translation .....   | 169                    |
| 78. Original Employment - Pay Television, Videodisc/<br>Videocassette Markets .....   | 170                    |
| 79. Moving Photography or Sound Track to Different<br>Episode .....   | 178                    |
| 80. Residual Study .....  | 178                    |
| 81. Purposes of Codification .....  | 179                    |

## EXHIBIT 1

|  |     |
|--|-----|
| 2005 Screen Actors Guild Codification Basic Agreement and<br>Television Agreement Authorization List ..... | 181 |
|--|-----|

**EXHIBIT A**

|    |   |     |
|----|---|-----|
| 1. | Minimum rates for standard non-commercial billboards and standard non-commercial openings, closings, lead-ins to and lead-outs from commercials, bridging lines and musical signatures (all herein sometimes called “Material”) intended for use with three (3) or more episodes of a designated series of television entertainment films . . . . . | 189 |
|    | A. On-Camera . . . . .  | 189 |
|    | B. Off-Camera -- Performers other than singers . . . . .  | 190 |
|    | C. Singers -- Off-Camera . . . . .  | 190 |
|    | D. Rights Granted -- Additional Compensation for Extended Use . . . . .   | 191 |
|    | E. Additional Compensation for Reruns, Foreign Telecasting, Basic Cable Exhibition, Theatrical Exhibition and Supplemental Market Use . . . . .   | 191 |
| 2. | Minimum rates for non-commercial billboards and non-commercial openings, closings, lead-ins to and lead-outs from commercials, bridging lines and musical signatures intended for use with one (1) episode of a designated series of television entertainment films . . . . .   | 192 |
|    | A. Minimum Compensation -- On-Camera and Off-Camera . . . . .   | 192 |
|    | B. Rights Granted -- Additional Compensation for Extended Uses . . . . .  | 193 |
|    | C. Additional Compensation for Reruns, Foreign Telecasting, Basic Cable Exhibition, Theatrical Exhibition and Supplemental Market Use . . . . .   | 193 |
| 3. | Payment Procedure . . . . .   | 194 |
| 4. | Existing Contracts . . . . .  | 194 |
| 5. | Keeping of Records . . . . .  | 195 |
| 6. | Application of Day Performer Conditions . . . . .   | 195 |
| 7. | Reuse of Photography and Sound Track . . . . .  | 195 |

**EXHIBIT B**

|   |     |
|---|-----|
| Performer’s Television Motion Picture Daily Contract . . . . .  | 196 |
| Declaration Regarding Income Tax Withholding - “Part Year Employment Method of Withholding” . . . . . | 199 |

|   | <u>Page<br/>Number</u> |
|---|------------------------|
| Declaration Regarding Income Tax Withholding (Day Performer Only) ..... | 200                    |

### **EXHIBIT C**

|   |     |
|---|-----|
| Performer’s Television Motion Picture Minimum Three-Day Contract .....                            | 201 |
| Declaration Regarding Income Tax Withholding - “Part Year Employment Method of Withholding” ..... | 205 |

### **EXHIBIT D**

|   |     |
|---|-----|
| Performer’s Television Motion Picture Minimum Freelance Weekly Contract .....                     | 206 |
| Declaration Regarding Income Tax Withholding - “Part Year Employment Method of Withholding” ..... | 210 |

### **EXHIBIT E**

|  |     |
|--|-----|
| Casting Data Form (Performers Other than Stunt Performers) . | 211 |
| Casting Data Form (Exhibit E) Instructions .....             | 212 |

### **EXHIBIT E-1**

|  |     |
|--|-----|
| Casting Data Form (Stunt Performers and Coordinators Only) . | 214 |
| Casting Data Form (Exhibit E-1) Instructions .....           | 215 |

### **SIDELETTERS**

|  |     |
|--|-----|
| Sideletter A re: Television Screen Credits .....   | 217 |
| Sideletter B re: Waiver re Domestic Free Television Residuals for One-Hour Dramatic Series .....   | 218 |
| Sideletter B-1 re: Waiver re Domestic Free Television Residuals for Long-Form Television Motion Pictures .....   | 223 |
| Sideletter B-2 to Section 18(b)(2)b): Experiment in Syndication of Half-Hour Series in Markets Representing 50% or Fewer of U.S. Television Households ..... | 227 |
| Sideletter C re: “Major Role Performers” in Episodic Series ..   | 231 |
| Sideletter D re: Situs of Arbitration Hearings .....   | 233 |

|   | <b><u>Page<br/>Number</u></b> |
|---|-------------------------------|
| Sideletter E to Section 50: Arbitration of Disputes Concerning Tri-Guild Residuals Audits ..... | 234                           |
| Sideletter F re: Small Residual Checks .....  | 245                           |
| Sideletter G re: Other than Network Prime Time Dramatic Programs .....                          | 246                           |
| Sideletter H re: Programs Made for the Internet .....   | 247                           |
| Sideletter I re: Exhibition of Motion Pictures Transmitted via the Internet .....               | 249                           |
| Sideletter J re: Obvious Physical Disabilities .....  | 252                           |

## ALPHABETICAL INDEX - GENERAL

|   | <u>Section<br/>Number</u> | <u>Page<br/>Number</u> |
|---|---------------------------|------------------------|
| Additional Compensation for Reruns, Foreign Telecasts,<br>Basic Cable Exhibition, Theatrical Exhibition and<br>Supplemental Markets Use as Wages . . . . .    | 41                        | 128                    |
| Additional Compensation – Supplemental Markets; Television<br>Programs, the principal photography of which commenced<br>on or after October 6, 1980 . . . . . | 20.1                      | 64                     |
| Agreement, Scope of . . . . .   | 44                        | 130                    |
| Air Travel and Flight Insurance . . . . .   | 32                        | 112                    |
| Application of Agreement . . . . .  | 49                        | 131                    |
| Arbitration . . . . .   | 50                        | 132                    |
| <br>  |                           |                        |
| Billing, Screen Credit and . . . . .  | 54                        | 139                    |
| Body Doubles . . . . .  | 62                        | 157                    |
| <br>  |                           |                        |
| Casting . . . . .   | 66                        | 159                    |
| Children Subject to Union Security and Preference of<br>Employment Provisions . . . . .   | 45                        | 130                    |
| Codification, Purposes of . . . . .   | 81                        | 179                    |
| Commercials . . . . .   | 26                        | 103                    |
| Cooperative Committee . . . . .   | 55                        | 141                    |
| Crediting, Limitation On . . . . .  | 47                        | 131                    |
| <br>  |                           |                        |
| Definition of Network . . . . .   | 42.1                      | 129                    |
| Delivery of Contracts . . . . .   | 72                        | 166                    |
| Dressing Rooms and Other Facilities . . . . .   | 33                        | 112                    |
| <br>  |                           |                        |
| Effective Date, Term and . . . . .  | 52                        | 139                    |
| Employment in Motion Pictures of 15 Minutes or<br>Less in Length . . . . .  | 46                        | 130                    |
| Engagement of Freelance Performers - Not Including<br>Series Players . . . . .  | 71                        | 165                    |
| Exclusivity . . . . .   | 23                        | 94                     |
| Extension to Subsidiaries, Etc. . . . .   | 60                        | 153                    |
| <br>  |                           |                        |
| Favored Nations Clause . . . . .  | 76                        | 169                    |
| Flight Insurance, Air Travel and . . . . .  | 32                        | 112                    |
| Force Majeure and Illness . . . . .   | 61                        | 153                    |
| Forms of Hiring and Delivery of Contracts . . . . .   | 17                        | 36                     |
| Freelance Performers, Engagement of . . . . .   | 71                        | 165                    |
| Furnishing Reports . . . . .  | 34                        | 114                    |
| <br>  |                           |                        |
| General . . . . .   | 1                         | 1                      |

|   | <u>Section<br/>Number</u> | <u>Page<br/>Number</u> |
|---|---------------------------|------------------------|
| Hairdress, Make-up and Wardrobe . . . . .   | 30                        | 110                    |
| Humane Treatment of Animals - Statement of Policy . .                               | 70                        | 164                    |
| Illness, Force Majeure and . . . . .  | 61                        | 153                    |
| Incorporation in Individual Contracts . . . . .                                     | 48                        | 131                    |
| Industry Advancement and Cooperative Fund . . . . .                                 | 22.1                      | 93                     |
| Industry Residual Study . . . . .   | 80                        | 178                    |
| Industry-Union Cooperative Committee . . . . .                                      | 55                        | 141                    |
| Injuries to Persons or Property During Performance . . .                            | 68                        | 160                    |
| Late Payments . . . . .   | 27                        | 103                    |
| Limitation on Crediting . . . . .   | 47                        | 131                    |
| Loan-Outs . . . . .   | 51                        | 138                    |
| Looping, Retakes, Added Scenes, Etc. . . . .  | 58                        | 146                    |
| Make-Up, Hairdress and Wardrobe . . . . .   | 30                        | 110                    |
| Meal Period Violations . . . . .  | 28                        | 106                    |
| Motion Pictures of 15 Minutes or Less in Length,<br>Employment in . . . . .         | 46                        | 130                    |
| Moving Photography or Sound Track to Different<br>Episode . . . . .                 | 79                        | 178                    |
| Miscellaneous Provisions . . . . .  | 74                        | 167                    |
| Mileage Allowance, Transportation and . . . . .                                     | 56                        | 143                    |
| Multi-Part Closed-End Pictures, Employment on . . . . .                             | 75                        | 168                    |
| Multiple Pictures - Weekly Contracts; Salary;<br>Conditions . . . . .               | 4                         | 8                      |
| Network, Definition of . . . . .  | 42.1                      | 129                    |
| Night Work . . . . .  | 40                        | 127                    |
| Non-Discrimination . . . . .  | 59                        | 147                    |
| Notice to Performer . . . . .   | 43                        | 129                    |
| Options . . . . .   | 24                        | 97                     |
| Overnight Locations; Per Diem . . . . .   | 65                        | 158                    |
| Overtime . . . . .  | 25                        | 100                    |
| Overwithholding . . . . .   | 27                        | 103                    |
| Pay Television; Video Disc/Video Cassette Markets,<br>Original Employment . . . . . | 78                        | 170                    |
| Payment of Residuals, Responsibility for . . . . .                                  | 21                        | 65                     |
| Payroll and Unemployment Insurance Information . . . . .                            | 27                        | 103                    |
| Pension and Health and Welfare Plans . . . . .                                      | 22                        | 85                     |
| Per Diem . . . . .  | 65                        | 158                    |



|  | <u>Section<br/>Number</u> | <u>Page<br/>Number</u> |
|--|---------------------------|------------------------|
| Personal Appearances .....   | 38                        | 124                    |
| Performer's Start Date .....   | 73                        | 167                    |
| Performer's Workweek .....   | 29                        | 106                    |
| Photography of Legitimate Stage Plays, Ballets or Operas<br>(Instant Movies) .....                                     | 37                        | 124                    |
| Preemption of Time of Program .....  | 42                        | 129                    |
| Production Staff .....   | 67                        | 159                    |
| Production Time Reports, Late Payments,<br>Overwithholding and Payroll and Unemployment<br>Insurance Information ..... | 27                        | 103                    |
| Protection of Performers and Stunt Performers; Safety .  | 69                        | 161                    |
| Programs Longer than Two Hours .....   | 16                        | 36                     |
| Purposes of Codification .....   | 81                        | 179                    |
|  |                           |                        |
| Rateable Distribution of Residual Payments Based<br>Upon a Gross Receipts Formula .....                                | 18.2                      | 54                     |
| Reports, Furnishing .....  | 34                        | 114                    |
| Responsibility for Payment of Residuals - Distributor's<br>Liability and Producer's Liability .....                    | 21                        | 65                     |
| Rest Period .....  | 31                        | 111                    |
| Retakes .....  | 58                        | 146                    |
| Reuse:   |                           |                        |
| - Domestic Television Reruns .....   | 18                        | 37                     |
| - Existing Television Product Released to<br>Basic Cable .....   | 18.1                      | 53                     |
| - Foreign Telecasts .....  | 18                        | 37                     |
| - Supplemental Markets .....   | 20                        | 58                     |
| - Theatrical Rights .....  | 19                        | 54                     |
| Reuse of Photography or Sound Track .....  | 36                        | 119                    |
|  |                           |                        |
| Safety, Protection of Performers and Stunt Performers .  | 69                        | 161                    |
| Series Contracts:  |                           |                        |
| - One-Half Hour Programs - 13 Episodes<br>Guaranteed; Salary; Conditions .....   | 5                         | 10                     |
| - One-Half Hour Programs - Less than 13 Episodes<br>Guaranteed; Salary; Conditions .....                               | 6                         | 12                     |
| - One-Hour Programs - 13 Episodes Guaranteed;<br>Salary; Conditions .....  | 7                         | 14                     |
| - One-Hour Programs - Less than 13 Episodes<br>Guaranteed; Salary; Conditions .....                                    | 8                         | 16                     |
| - One and One-Half Hour Programs .....   | 9                         | 18                     |
| - Two-Hour Programs .....  | 10                        | 22                     |
| - Recall for Additional Episodes After<br>Completion of Initial Group .....  | 11                        | 25                     |

|  | <u>Section<br/>Number</u> | <u>Page<br/>Number</u> |
|--|---------------------------|------------------------|
| - Guarantee of More Than 13 Episodes in First<br>Employment Period . . . . .   | 12                        | 28                     |
| - One-Hour or More (Two (2) or More Series<br>Presented in a Combined Series Format<br>(e.g., “NBC Mystery Movie”) . . . . . | 13                        | 29                     |
| - \$10,000 or More Per Episode . . . . .   | 14                        | 29                     |
| Scope of Agreement . . . . .   | 44                        | 130                    |
| Screen Credit and Billing . . . . .  | 54                        | 139                    |
| Singers . . . . .  | 39                        | 125                    |
| Single Pictures - Daily and Weekly Salary; Conditions .  | 2                         | 2                      |
| Single Pictures - 3-Day Contracts; Salary; Conditions .  | 3                         | 6                      |
| Standard Openings and Closings . . . . .   | 53                        | 139                    |
| Stunt Performers . . . . .   | 57                        | 145                    |
| Subsidiaries, etc., Extension to . . . . .   | 60                        | 153                    |
| Television Trailers . . . . .  | 35                        | 115                    |
| Term and Effective Date . . . . .  | 52                        | 139                    |
| Term Contracts; Salary; Conditions . . . . .   | 15                        | 30                     |
| Tours and Personal Appearances . . . . .   | 38                        | 124                    |
| Translation . . . . .  | 77                        | 169                    |
| Transportation and Mileage Allowance . . . . .   | 56                        | 143                    |
| Verification of Reruns - Coding . . . . .  | 64                        | 158                    |
| Videodisc/Videocassette Markets . . . . .  | 20                        | 58                     |
| Videotape . . . . .  | 63                        | 157                    |
| Wardrobe . . . . .   | 30                        | 110                    |

## **2005 SCREEN ACTORS GUILD TELEVISION AGREEMENT**

**THIS AGREEMENT** is made by and between **SCREEN ACTORS GUILD, INC.**, a California non-profit corporation, hereinafter called the “Union” or “SAG,” and the **ALLIANCE OF MOTION PICTURE & TELEVISION PRODUCERS**, hereinafter also referred to as the “AMPTP” or “Alliance,” acting on behalf of Producers who have authorized said Alliance to act on their behalf, a list of which is attached hereto as Exhibit 1, all of which constitute a multi-employer bargaining unit, each hereinafter called “Producer” and collectively referred to as “Producers.”

### **1. GENERAL**

This Agreement, to be known as the “**2005 Screen Actors Guild Television Agreement**,” sets forth minimum wage scales and working conditions for all performers employed in television motion pictures. As used herein, the term “performer” includes performers, singers, stunt performers, airplane pilots, stunt coordinators, professional puppeteers, body doubles and dancers covered under Schedule J of the 2005 Producer–Screen Actors Guild Codified Basic Agreement, but excludes background actors. This Agreement also sets forth minimum wage scales and working conditions for background actors employed on television motion pictures in the Hawaii, Las Vegas, Los Angeles, New York, San Diego and San Francisco zones, as defined in Schedule X, Part I and Schedule X, Part II and in a Sacramento zone, to be established by the parties as provided in Schedule X, Part I of the Producer–Screen Actors Guild Codified Basic Agreement, to the extent of the numerical limits set forth therein. As used herein, the term “television motion pictures” means entertainment motion pictures produced primarily for exhibition over free television, whether made on or by film, tape or otherwise, and whether produced by means of motion picture cameras, electronic cameras or devices, or any combination of the foregoing, or any other means, methods or devices now used or which may hereafter be adopted. Pending execution of a single Producer–Screen Actors Guild/American Federation of Television and Radio Artists contract covering motion pictures produced for initial exhibition on pay television or for the videodisc/videocassette market, it is understood that the term “television motion pictures” also includes motion pictures produced for initial exhibition on pay television or for the videodisc/videocassette market. Such motion pictures are governed by the provisions of Section 78 of this Agreement.

Except as otherwise herein expressly provided, all terms and conditions of the Producer–Screen Actors Guild Codified Basic Agreement of 2005, as amended, supplemented or codified (hereinafter

referred to as the “Producer–Screen Actors Guild Codified Basic Agreement”), shall apply to this Agreement. Reference in this Agreement to “Schedules” relates to the Schedules of said Producer–Screen Actors Guild Codified Basic Agreement.

**2. SINGLE PICTURES**

**(a) Day Performers**

|   | <b>7/1/05-9/30/05</b>  | <b>10/1/05-6/30/06</b> | <b>7/1/06-6/30/07</b> | <b>7/1/07-6/30/08</b> |
|---|------------------------|------------------------|-----------------------|-----------------------|
| Performers  | \$ 695                 | \$ 716                 | \$ 737                | \$ 759                |
| Stunt Performer                                       | 695                    | 716                    | 737                   | 759                   |
| Airplane Pilot (Studio)                               | 927                    | 955                    | 984                   | 1,014                 |
| Airplane Pilot (Location)                             | 1,207                  | 1,243                  | 1,280                 | 1,318                 |
| Stunt Coordinator not employed on a “flat deal” basis | 695                    | 716                    | 737                   | 759                   |
|   | <b>7/1/05-12/31/06</b> |                        | <b>1/1/07-6/30/08</b> |                       |
| Stunt Coordinator employed on a “flat deal” basis     | \$865                  |                        | \$895                 |                       |

**Singers: Television On-Camera (See also Section 39)**

|  | <b>7/1/05-9/30/05</b> | <b>10/1/05-6/30/06</b> | <b>7/1/06-6/30/07</b> | <b>7/1/07-6/30/08</b> |
|--|-----------------------|------------------------|-----------------------|-----------------------|
| Solo and Duo                           | \$750                 | \$773                  | \$796                 | \$820                 |
| Groups 3-8                             | 659                   | 679                    | 699                   | 720                   |
| Groups 9+                              | 575                   | 592                    | 610                   | 628                   |
| Mouthing 1-16                          | 550                   | 567                    | 584                   | 602                   |
| Mouthing 17+                           | 429                   | 442                    | 455                   | 469                   |
| Sweetening with or without overdubbing | +100%                 | +100%                  | +100%                 | +100%                 |
| Overdubbing only                       | +33⅓%                 | +33⅓%                  | +33⅓%                 | +33⅓%                 |
| Contractor 3-8                         | +50%                  | +50%                   | +50%                  | +50%                  |
| Contractor 9+                          | +100%                 | +100%                  | +100%                 | +100%                 |

**Dancers:**

|              | <b>7/1/05-<br/>9/30/05</b> | <b>10/1/05-<br/>6/30/06</b> | <b>7/1/06-<br/>6/30/07</b> | <b>7/1/07-<br/>6/30/08</b> |
|--------------|----------------------------|-----------------------------|----------------------------|----------------------------|
| Solo and Duo | \$695                      | \$716                       | \$737                      | \$759                      |
| 3 - 8        | 609                        | 627                         | 646                        | 665                        |
| 9+           | 532                        | 548                         | 564                        | 581                        |
| Rehearsal    | 408                        | 420                         | 433                        | 446                        |

**Singers: Television Off-Camera 4-hour Session<sup>1</sup>**

|   | <b>7/1/05-<br/>9/30/05</b> | <b>10/1/05-<br/>6/30/06</b> | <b>7/1/06-<br/>6/30/07</b> | <b>7/1/07-<br/>6/30/08</b> |
|---|----------------------------|-----------------------------|----------------------------|----------------------------|
| Solo and Duo                              | \$750 <sup>2</sup>         | \$773 <sup>2</sup>          | \$796 <sup>2</sup>         | \$820 <sup>2</sup>         |
| Groups 3-8                                | 398                        | 410                         | 422                        | 435                        |
| Groups 9+                                 | 342                        | 352                         | 363                        | 374                        |
| Sweetening with or<br>without overdubbing | +100%                      | +100%                       | +100%                      | +100%                      |
| Overdubbing only                          | +33⅓%                      | +33⅓%                       | +33⅓%                      | +33⅓%                      |
| Contractor 3-8                            | +50%                       | +50%                        | +50%                       | +50%                       |
| Contractor 9+                             | +100%                      | +100%                       | +100%                      | +100%                      |

Reuse of Recorded Track--Television Series -- see Section 39(g).

**(b) Weekly Performers**

|   | <b>7/1/05-<br/>9/30/05</b> | <b>10/1/05-<br/>6/30/06</b> | <b>7/1/06-<br/>6/30/07</b> | <b>7/1/07-<br/>6/30/08</b> |
|---|----------------------------|-----------------------------|----------------------------|----------------------------|
| Performer   | \$2,411                    | \$2,483                     | \$2,557                    | \$2,634                    |
| Stunt Performer   | 2,588                      | 2,666                       | 2,746                      | 2,828                      |
| Airplane Pilot  | 2,588                      | 2,666                       | 2,746                      | 2,828                      |
| Airplane Pilot (Flying<br>or taxiing - daily<br>adjustment) | 796                        | 820                         | 845                        | 870                        |

(continued)

<sup>1</sup> 5th to 8th hour prorated at twenty-five percent (25%) of total session fee per hour.

<sup>2</sup> Singers guaranteed a daily salary in excess of \$750.00 may bargain for eight (8) hours employment. Overtime beyond eight (8) hours payable under established conditions.

(continued)

|   | <b>7/1/05-<br/>9/30/05</b> | <b>10/1/05-<br/>6/30/06</b> | <b>7/1/06-<br/>6/30/07</b> | <b>7/1/07-<br/>6/30/08</b> |
|---|----------------------------|-----------------------------|----------------------------|----------------------------|
| Stunt Coordinator not employed on a “flat deal” basis | 2,588                      | 2,666                       | 2,746                      | 2,828                      |
|   | <b>7/1/05-12/31/06</b>     |                             | <b>1/1/07-6/30/08</b>      |                            |
| Stunt Coordinator employed on a “flat deal” basis     | \$3,330                    |                             | \$3,440                    |                            |

**Singers** (See also Section 39):

|   | <b>7/1/05-<br/>9/30/05</b> | <b>10/1/05-<br/>6/30/06</b> | <b>7/1/06-<br/>6/30/07</b> | <b>7/1/07-<br/>6/30/08</b> |
|---|----------------------------|-----------------------------|----------------------------|----------------------------|
| Solo and Duo  | \$2,411                    | \$2,483                     | \$2,557                    | \$2,634                    |
| Groups 3-8  | 2,211                      | 2,277                       | 2,345                      | 2,415                      |
| Groups 9+   | 2,011                      | 2,071                       | 2,133                      | 2,197                      |
| “Step Out” (per day; up to 15 cumulative bars)  | 374                        | 385                         | 397                        | 409                        |
| “Step Out” (per day; 16+ cumulative bars, or if detained 1 hr.+ after group released, to perform a solo or duo of any length) | 750                        | 773                         | 796                        | 820                        |
| Sweetening with or without overdubbing (per day)  | +100% of <i>pro rata</i>   |                             |                            |                            |
| Overdubbing only (per day)  | +33⅓% of <i>pro rata</i>   |                             |                            |                            |
| Contractor 3-8  | +50%                       | +50%                        | +50%                       | +50%                       |
| Contractor 9+   | +100%                      | +100%                       | +100%                      | +100%                      |

**Dancers:**

|              | <b>7/1/05-<br/>9/30/05</b> | <b>10/1/05-<br/>6/30/06</b> | <b>7/1/06-<br/>6/30/07</b> | <b>7/1/07-<br/>6/30/08</b> |
|--------------|----------------------------|-----------------------------|----------------------------|----------------------------|
| Solo and Duo | \$2,233                    | \$2,300                     | \$2,369                    | \$2,440                    |
| Groups 3-8   | 2,047                      | 2,108                       | 2,171                      | 2,236                      |
| Groups 9+    | 1,861                      | 1,917                       | 1,975                      | 2,034                      |
| Rehearsal    | same as above              |                             |                            |                            |

(c) Notwithstanding the provisions of subparagraphs (a) and (b) above, the following shall apply to “major role” performers, as defined below, employed in an episode of a one-half hour or one-hour network prime time television series or a one-half hour or one-hour television series produced for broadcast in prime time on FBC, UPN or the WB Television Network.

Except for a performer employed under the day performer exception referred to in the following paragraph, a performer employed under a freelance contract to perform a “major role,” as defined below, in an episode of a television series shall be paid no less than an amount equal to the daily minimum rate increased by seven and one-half percent (7.5%) multiplied by the number of days for which the performer is entitled to compensation pursuant to this Agreement.

Except for a performer employed for no more than one (1) day, excluding up to two (2) travel-only day(s), under a day performer contract, the minimum guarantee for a “major role” performer employed on a one-hour episodic series shall be eight (8) days of employment on such episode and for a performer employed on a one-half (½) hour episodic series shall be a minimum of five (5) days of employment on such episode.<sup>3</sup>

A “major role” performer is one who, as a part of his or her contractual arrangements for that employment, negotiates credit at the front of the show or negotiates credit on a separate card, or its equivalent in a crawl, at the back of the show or who negotiates credit in any of the following forms: “*Guest Star*,” “*Special Guest Star*,” “*Starring*,” or “*Special Appearance By*.”

In agreeing to the definition of “major role performer” set forth above, the parties attempted to cover only the class of performers who traditionally received “top of the show” rates in the past. The parties did not intend to either expand or diminish the class of “major role performers.” The parties agree to monitor performers’ credits to ensure that this provision is applied consistent with their intention.

The parties also acknowledge that their agreement on this provision was originally negotiated in the context of the existing practice on network prime time shows (at that time, “network prime time” covered prime time on ABC, CBS and NBC only), and has now been extended to prime time series on FBC, UPN and The WB Television Network and was intended to apply in those contexts. As to other programs, such as programs produced for syndication (other than UPN

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<sup>3</sup> See Sideletter C for rates and other understandings reached with respect to the employment of “major role” performers.

and The WB Television Network prime time series) or pay television, the parties recognize that no uniform rate has heretofore been established as a ceiling on performers' compensation. However, if during the term of this Agreement, the Union believes that such a ceiling has been established as a matter of industry-wide practice on those other programs, it shall have the right to refer the matter to the Cooperative Committee for resolution. Likewise, if during the term of the Agreement, a Producer believes that a program produced for network prime time or for UPN or The WB Television Network in prime time is not appropriate because it is not of the type currently produced for network prime time television, it shall have the right to refer the matter to the Cooperative Committee for resolution.

(d) Minimum terms and conditions for performers, singers, dancers, stunt performers, airplane pilots and stunt coordinators employed for a single half-hour, one-hour, one and one-half or two-hour picture on a daily or weekly basis, except as otherwise herein specified, shall be as set forth in Schedules A, B, C, G, H, I, J and K.

(e) The freelance weekly contract may not be used when a performer's contract provides that he is to work fewer than five (5) days.

### **3. SINGLE PICTURES - THREE-DAY CONTRACTS**

Three-day contracts for a single half-hour, one-hour, one and one-half hour or two-hour picture for performers, singers, stunt performers and stunt coordinators:

(a) Contract shall guarantee employment of performer for not less than three (3) days, which shall be continuous at the following minimum salary rate:

(1) A single one-half hour or one-hour picture

|  | <b>7/1/05-<br/>9/30/05</b> | <b>10/1/05-<br/>6/30/06</b> | <b>7/1/06-<br/>6/30/07</b> | <b>7/1/07-<br/>6/30/08</b> |
|--|----------------------------|-----------------------------|----------------------------|----------------------------|
| Performers and Singers                                 | \$1,757                    | \$1,810                     | \$1,864                    | \$1,920                    |
| Stunt Performers                                       | 1,899                      | 1,956                       | 2,015                      | 2,075                      |
| Stunt Coordinators not employed on a "flat deal" basis | 2,068                      | 2,130                       | 2,194                      | 2,260                      |

**(continued)**



(continued)

|  | <b>7/1/05-12/31/06</b> | <b>1/1/07-6/30/08</b> |
|--|------------------------|-----------------------|
| Stunt Coordinators employed on a “flat deal” basis | \$2,350                | \$2,425               |

(2) A single one and one-half hour or two-hour picture

|  | <b>7/1/05-9/30/05</b>  | <b>10/1/05-6/30/06</b> | <b>7/1/06-6/30/07</b> | <b>7/1/07-6/30/08</b> |
|--|------------------------|------------------------|-----------------------|-----------------------|
| Performers, Singers and Stunt Performers               | \$2,068                | \$2,130                | \$2,194               | \$2,260               |
| Stunt Coordinators not employed on a “flat deal” basis | 2,068                  | 2,130                  | 2,194                 | 2,260                 |
|  | <b>7/1/05-12/31/06</b> |                        | <b>1/1/07-6/30/08</b> |                       |
| Stunt Coordinators employed on a “flat deal” basis     | \$2,625                |                        | \$2,710               |                       |

(3) Sweetening, Overdubbing, Singer Contractor, Step Out - (See Weekly provisions in Section 2.(b) above.)

(b) If performer’s services are required beyond such three (3) day period, he shall be paid for each additional day on a *pro rata* basis.

(c) Within the period of guaranteed employment, daily overtime beyond ten (10) hours per day shall be paid at double time; cumulative overtime, for all hours worked beyond eight (8) hours, multiplied by the number of days of employment guaranteed, shall be paid at time and one-half. Beyond the period of guaranteed employment, overtime shall be prorated, based on a twenty-four (24) hour, three (3) day employment period.

EXAMPLE A: If a performer works only one (1) day beyond his guaranteed employment period, he shall be paid overtime for such day beyond eight (8) hours at time and one-half, up to ten (10) hours, and beyond ten (10) hours at double time.

EXAMPLE B: If a performer works two (2) days beyond his guaranteed employment period, he shall be paid cumulative overtime beyond sixteen (16) hours at

time and one-half, and double time beyond ten (10) hours per day.

(d) The contract shall state the number of days of employment guaranteed the performer in excess of three (3), if in fact such guarantee has been made.

(e) If a performer's services are required beyond the guaranteed period stated in the contract, he shall be paid for each additional day on a *pro rata* basis.

(f) Free fitting time for performers employed under a three-day contract shall not be over two (2) hours on one (1) day.

(g) Except as otherwise provided, all terms and conditions for weekly freelance performers shall govern, as provided in Schedule B or C, whichever shall be applicable.

(h) The money break for overtime purposes shall be \$2,700.00 for three (3) days of employment. Overtime for performers over such money break shall be governed by Section 25.

#### **4. MULTIPLE PICTURES - WEEKLY CONTRACTS**

Freelance contracts for employment in multiple pictures per week:

(a) A performer other than a stunt performer or pilot may be employed to render services in two (2) or more television motion pictures in one (1) week under a weekly freelance contract at the following minimum weekly salary rates per picture:

(1) One-half hour and one-hour programs: \$1,785.00 per picture for the period July 1, 2005 through September 30, 2005; \$1,839.00 per picture for the period October 1, 2005 through June 30, 2006; \$1,894.00 for the period July 1, 2006 through June 30, 2007; and \$1,951.00 for the period July 1, 2007 through June 30, 2008.

(2) One and one-half hour programs: \$2,097.00 per picture for the period July 1, 2005 through September 30, 2005; \$2,160.00 per picture for the period October 1, 2005 through June 30, 2006; \$2,225.00 for the period July 1, 2006 through June 30, 2007; and \$2,292.00 for the period July 1, 2007 through June 30, 2008.

(3) Two-hour programs: \$2,474.00 per picture for the period July 1, 2005 through September 30, 2005; \$2,548.00 per picture for the period October 1, 2005 through June 30, 2006; \$2,624.00 for the

period July 1, 2006 through June 30, 2007; and \$2,703.00 for the period July 1, 2007 through June 30, 2008.

(b) If the performer's services under such contract are required for any time beyond one (1) week, he shall be paid for each additional day at the applicable *pro rata* of his weekly salary.

(c) The performer may be required, under such contract, to render his services in more than one (1) picture on the same day.

(d) Daily and weekly overtime, penalties, etc., shall be based on the performer's weekly salary.

(e) Stunt performers and pilots may be employed on a weekly basis at the following minimum salary rates, subject to Schedule H or I, respectively, and may agree to perform services in more than one (1) picture or episode during such week:

(1) One-half hour and one-hour programs: \$2,851.00 per week for the period July 1, 2005 through September 30, 2005; \$2,937.00 per week for the period October 1, 2005 through June 30, 2006; \$3,025.00 per week for the period July 1, 2006 through June 30, 2007; and \$3,116.00 per week for the period July 1, 2007 through June 30, 2008.

(2) One and one-half hour programs: \$3,159.00 per week for the period July 1, 2005 through September 30, 2005; \$3,254.00 per week for the period October 1, 2005 through June 30, 2006; \$3,352.00 per week for the period July 1, 2006 through June 30, 2007; and \$3,453.00 for the period July 1, 2007 through June 30, 2008.

(3) Two-hour programs: \$3,509.00 per week for the period July 1, 2005 through September 30, 2005; \$3,614.00 per week for the period October 1, 2005 through June 30, 2006; \$3,722.00 per week for the period July 1, 2006 through June 30, 2007; and \$3,834.00 per week for the period July 1, 2007 through June 30, 2008.

(f) Except as otherwise above provided, all terms and conditions for weekly freelance performers provided in Schedule B or C, whichever shall be applicable, shall govern, and as to stunt performers and pilots, the applicable provisions of Schedule H or I, respectively, shall govern.

(g) This form of hiring may be used only for episodes of a single series, except that such restriction shall not be applicable with respect to two (2) episodes of a continuing story which are exhibited as part of two (2) separate series.

(h) This form of hiring shall not apply to employment in pictures of more than two (2) hours in length.

**5. SERIES CONTRACTS - ONE-HALF HOUR PROGRAMS - THIRTEEN (13) EPISODES GUARANTEED**

Contracts for employment in a specified, named series of one-half hour television motion pictures - thirteen (13) episodes guaranteed:

(a) The performer shall be guaranteed employment in a group of not less than thirteen (13) episodes to be produced within an overall period of eighteen (18) consecutive weeks. During such period, performer's services may be required for not more than thirteen (13) workweeks. If a pilot motion picture in which the performer was employed is included in the first group, the guarantee for such first series need be for a group of only twelve (12) episodes, to be made within a period of sixteen (16) weeks and three (3) days. During such period, performer's services may be required for not more than twelve (12) workweeks. Layoffs within the overall periods provided herein must be for at least three (3) consecutive days, except the last layoff. Such three (3) day layoffs shall exclude the sixth and seventh days in the workweek and holidays.

(b) The minimum "per episode" salary rate shall be \$2,411 for the period July 1, 2005 through September 30, 2005; \$2,483.00 for the period October 1, 2005 through June 30, 2006; \$2,557.00 for the period July 1, 2006 through June 30, 2007; and \$2,634.00 for the period July 1, 2007 through June 30, 2008.

(c) For the purpose of determining whether Schedule B or C applies (or in the case of stunt performers, whether Schedule H, Part II or III applies), and for the purpose of computing daily and weekly overtime, penalties, etc., and whenever the performer's weekly or daily salary rate must be determined, the performer's weekly salary shall be equivalent to his "per episode" salary, and his daily salary shall be deemed to be the applicable *pro rata* of such weekly salary.

(d) Unless otherwise provided in the performer's individual contract, Producer shall have the right to intermingle episodes and require performer to perform in more than one (1) episode on any day and during any week of employment.

(e) The performer shall be paid on the regular studio pay day for all episodes on which principal photography was completed up to and including the preceding Saturday. As to each episode worked, whether or not completed, the performer shall be paid not less frequently than

bi-weekly for the days worked in the preceding two (2) week period. When a performer works on two (2) or more episodes in a week, none of which is completed within said week, the performer will receive advance payment for not less than one (1) episode on the next regular payday.

(f) Except as otherwise expressly provided, all terms and conditions of Schedule B or C, H or I, whichever shall be applicable, shall govern such employment. The performer's contract shall specify the name of the series and the performer's role if it is a continuing one. The contract shall also state the date upon which the overall period for the first group shall commence and, if the starting date of his services is not specified in the contract, he shall be given at least five (5) days' advance written notice thereof; however, the provisions of Section 43 hereof shall apply when an option for a series is exercised following production of a pilot motion picture.

When a performer has completed services in an episode and is laid off, he shall be given at least five (5) days' advance notice of the starting date of the next episode. Such starting date, when given, commences his employment and cannot subsequently be cancelled by the Producer; provided, however, that such starting date may be an "on or about" date (excluding the sixth and seventh days in the workweek and holidays) and shall be subject to the provisions of Schedule B, C, H or I, whichever is applicable. The Producer in all cases may accelerate a starting date, without penalty, if the performer does not have a conflicting commitment.

(g) If more than thirteen (13) episodes are made in such eighteen (18) week period, Producer may not credit the excess number against Producer's minimum obligation during the next employment period, subject however to Section 12 hereof.

(h) When more than thirteen (13) workweeks are required to produce thirteen (13) episodes, the time beyond thirteen (13) workweeks shall run continuously and consecutively and the performer shall be paid his weekly salary for each week beyond thirteen (13) or the applicable *pro rata* of his weekly salary for each day employed beyond thirteen (13) weeks. Similarly, if a program group of more than thirteen (13) episodes is produced, the eighteen (18) week period shall be extended by one (1) week for each additional episode, and the performer shall receive additional compensation accordingly.

(i) Retakes, added scenes, sound track, process shots, transparencies or trick shots may be made for any three (3) episodes produced in a cycle, without additional compensation to the performer, when made in the next succeeding cycle, provided the performer is on

salary and such work is within six (6) calendar weeks of the end of the allowable period for production of the preceding cycle.

**6. SERIES CONTRACTS - ONE-HALF HOUR PROGRAMS - LESS THAN THIRTEEN (13) EPISODES GUARANTEED**

Contracts for employment in a specified, named series of one-half hour television motion pictures - less than thirteen (13) episodes guaranteed:

(a) The performer shall be guaranteed employment in not less than seven (7) episodes to be made within an overall period of not more than fourteen (14) weeks, except that in the case of a series for which Producer has an order of six (6) or fewer episodes, the performer need only be guaranteed six (6) episodes, which may include the pilot, to be made within an overall employment period of twelve (12) weeks. The overall production period shall be increased to sixteen (16) weeks for a performer who is paid for ten (10), eleven (11) or twelve (12) episodes. Total work time shall not exceed a number of weeks equal to the number of episodes in which the performer is employed.

(b) The minimum "per episode" salary rate for a performer who is guaranteed not less than seven (7) episodes shall be \$2,758.00 for the period July 1, 2005 through September 30, 2005; \$2,841.00 for the period October 1, 2005 through June 30, 2006; \$2,926.00 for the period July 1, 2006 through June 30, 2007; and \$3,014.00 for the period July 1, 2007 through June 30, 2008. The minimum "per episode" salary for a performer who is guaranteed six (6) episodes shall be \$3,217 for the period July 1, 2005 through September 30, 2005; \$3,314.00 for the period October 1, 2005 through June 30, 2006; \$3,413.00 for the period July 1, 2006 through June 30, 2007; and \$3,515.00 for the period July 1, 2007 through June 30, 2008.

(c) Unless otherwise provided in the performer's individual contract, the Producer shall have the right to intermingle episodes and require a performer to perform in more than one (1) episode in a day, and during any week of employment.

(d) If the performer's services are required for more than the work time specified in (a) above, he shall be paid the applicable *pro rata* of his weekly salary for each additional day.

(e) Each call shall be for at least one (1) week's employment, except for calls for retakes, added scenes, etc. If the performer is laid off, he shall not be recalled in less than one (1) week's time, subject to subsection (h) below. Unless the performer receives a notice from the

Producer to the contrary, he shall not be regarded as having been laid off until the expiration of the period for which he is compensated.

(f) For the purpose of determining whether a performer employed hereunder is governed by Schedule B or C, and for the purpose of computing weekly and daily overtime, penalties, etc., and whenever the performer's weekly or daily salary rate must be determined, the performer's weekly salary shall be deemed to be his salary "per episode," and his daily salary shall be the applicable *pro rata* of his weekly salary.

(g) During such period as he is not performing his services under such contract, the performer shall be free to engage in other work, subject to any agreement as to exclusivity permitted under Section 23 hereof.

(h) The provisions of Section 5(f) shall apply to such employment.

(i) If more than seven (7) episodes are made in the applicable overall production period, as set forth in Section 6(a) above, Producer may not credit the excess number against Producer's minimum obligation during the next employment period.

(j) Retakes, added scenes, sound track, process shots, transparencies or trick shots may be made for any three (3) episodes produced in a cycle, without additional compensation to the performer, when made in the next succeeding cycle, provided the performer is on salary and such work is within six (6) calendar weeks of the end of the allowable period for production of the preceding cycle.

(k) This form of hiring may not be used for stunt performers. It is not contemplated that this form of hiring will be used by a Producer who, at the time of hiring, intends to use the performer in all of the thirteen (13) episodes of the production period.

(l) The performer shall be paid on the regular studio pay day for all episodes on which the performer worked on which principal photography was completed up to and including the preceding Saturday. As to each episode worked, whether or not completed, the performer shall be paid not less frequently than bi-weekly for the days worked in the preceding two (2) week period. When a performer works on two or more episodes in a week, none of which is completed within said week, the performer will receive advance payment for not less than one (1) episode on the next regular pay day.

**7. SERIES CONTRACTS - ONE-HOUR PROGRAMS - THIRTEEN (13) EPISODES GUARANTEED**

Contracts for employment in a specified, named series of one-hour television motion pictures - thirteen (13) episodes guaranteed:

(a) The performer shall be guaranteed employment in not less than thirteen (13) episodes to be produced within an overall period of not more than twenty-two (22) consecutive weeks, during which period performer's services may be required for not more than sixteen (16) workweeks. If a pilot motion picture in which the performer was employed is included in the first series, the guarantee for such first series need be for only twelve (12) episodes, to be made within a consecutive period of twenty (20) weeks and two (2) days, during which performer's services may be required for not more than fourteen (14) workweeks and four (4) days. Layoffs within the overall periods provided herein must be for at least three (3) consecutive days, except the last layoff. Such three (3) day layoffs shall exclude the sixth and seventh days in the workweek and holidays.

The foregoing shall apply to series employment contracts for one-hour shows guaranteeing thirteen (13) or more episodes, including existing contracts, unless the individual performer's contract expressly provides a lesser period of days or weeks of span.

If more than thirteen (13) episodes are produced, the overall span period shall be in the same proportion as hereinabove provided.

Producers agree that performer will not be held for the entire span period in those instances when performer's services are no longer needed.

(b) The minimum "per episode" salary rate shall be \$2,899.00 for the period July 1, 2005 through September 30, 2005; \$2,986.00 for the period October 1, 2005 through June 30, 2006; \$3,076.00 for the period July 1, 2006 through June 30, 2007; and \$3,168.00 for the period July 1, 2007 through June 30, 2008.

(c) For the purpose of determining whether Schedule B or C applies (or in the case of stunt performers, whether Schedule H, Part II or III applies), and for the purpose of computing daily and weekly overtime, penalties, etc., and whenever the performer's weekly or daily salary rate must be determined, the performer's weekly salary will be deemed to be five-sixths (5/6) of his "per episode" salary, and his daily salary shall be deemed to be the applicable *pro rata* of such weekly salary.



(d) Unless otherwise provided in the performer's individual contract, Producer shall have the right to intermingle episodes and require performer to perform in more than one (1) episode on any day and during any week of employment.

(e) The performer shall be paid on the regular studio pay day for all episodes on which principal photography was completed up to and including the preceding Saturday. As to each episode worked, whether or not completed, the performer shall be paid not less frequently than bi-weekly for the days worked in the preceding two (2) week period. When a performer works on two (2) or more episodes in a week, none of which is completed within said week, the performer will receive advance payment for not less than one (1) episode on the next regular payday.

(f) Except as otherwise expressly provided, all terms and conditions of Schedule B or C, H or I, whichever shall be applicable, shall govern such employment. The performer's contract shall specify the name of the series and the performer's role if it is a continuing one. The contract shall also state the date upon which the overall period for the first series shall commence, and if the starting date of his services is not specified in the contract, he shall be given at least five (5) days' advance written notice thereof; however, the provisions of Section 43 hereof shall apply when an option for a series is exercised following production of a pilot motion picture.

When a performer has completed services in an episode and is laid off, he shall be given at least five (5) days' advance notice of the starting date of the next episode. Such starting date, when given, commences his employment and cannot subsequently be cancelled by the Producer; provided, however, that such starting date may be an "on or about" date (excluding the sixth and seventh days in the workweek and holidays) and shall be subject to the provisions of Schedule B, C, H or I, whichever is applicable. The Producer in all cases may accelerate a starting date, without penalty, if the performer does not have a conflicting commitment.

(g) If more than thirteen (13) episodes are made in such twenty-two (22) week period, Producer may not credit the excess number against Producer's minimum obligation during the next employment period, subject however to Section 12 hereof.

(h) When more than sixteen (16) workweeks are required to produce thirteen (13) episodes, the time beyond sixteen (16) workweeks shall run continuously and consecutively, and the performer shall be paid his weekly salary for each week beyond sixteen (16) or his daily salary for each day beyond sixteen (16) weeks. Similarly, if a program group of more than thirteen (13) episodes is produced, the twenty-two

(22) week period shall be extended by six (6) days for each such additional episode, and the performer shall receive additional compensation accordingly.

(i) Retakes, added scenes, sound track, process shots, transparencies or trick shots may be made for any three (3) episodes produced in a cycle, without additional compensation to the performer, when made in the next succeeding cycle, provided the performer is on salary and such work is within six (6) calendar weeks of the end of the allowable period for production of the preceding cycle.

## **8. SERIES CONTRACTS - ONE-HOUR PROGRAMS - LESS THAN THIRTEEN (13) EPISODES GUARANTEED**

Contracts for employment in a specified, named series of one-hour television motion pictures - less than thirteen (13) episodes guaranteed:

(a) The performer shall be guaranteed employment in not less than seven (7) episodes to be made within an overall period of not more than eighteen (18) weeks, except that in the case of a series for which the Producer has an order of six (6) or fewer episodes, the performer need only be guaranteed six (6) episodes, which may include the pilot, to be performed within fifteen (15) weeks. The overall production period shall be twenty (20) weeks for a performer who is paid for ten (10), eleven (11) or twelve (12) episodes. Total work time shall not exceed eight and two-fifths (8-2/5) weeks for seven (7) episodes or, if the performer is engaged in more than seven (7) episodes, work time shall be the number of episodes multiplied by one (1) week and a day.

(b) The minimum "per episode" salary rate shall be \$3,235.00 for the period July 1, 2005 through September 30, 2005; \$3,332.00 for the period October 1, 2005 through June 30, 2006; \$3,432.00 for the period July 1, 2006 through June 30, 2007; and \$3,535.00 for the period July 1, 2007 through June 30, 2008. The minimum "per episode" salary for a performer who is guaranteed six (6) episodes shall be \$3,783 for the period July 1, 2005 through September 30, 2005; \$3,896.00 for the period October 1, 2005 to June 30, 2006; \$4,013.00 for the period July 1, 2006 to June 30, 2007; and \$4,133.00 for the period July 1, 2007 through June 30, 2008.

(c) Unless otherwise provided in the performer's individual contract, the Producer shall have the right to intermingle episodes and require a performer to perform in more than one (1) episode in a day and during any week of employment.

(d) If the performer's services are required for more than the work time specified in (a) above, he shall be paid the applicable *pro rata* of his weekly salary for each additional day.

(e) Each call shall be for at least one week's employment, except for calls for retakes, added scenes, etc. If the performer is laid off, he shall not be recalled in less than one (1) week's time, subject to subsection (h) below. Unless the performer receives a notice from the Producer to the contrary, he shall not be regarded as having been laid off until the expiration of the period for which he is compensated.

(f) For the purpose of determining whether a performer employed hereunder is governed by Schedule B or C and for the purpose of computing weekly and daily overtime, penalties, etc., and whenever the performer's weekly or daily salary must be determined, the performer's weekly salary shall be deemed to be five-sixths (5/6) of his "per episode" salary and his daily salary shall be the applicable *pro rata* of his weekly salary.

(g) During such period as he is not performing his services under such contract, the performer shall be free to engage in other work, subject to any agreement as to exclusivity permitted under Section 23 hereof.

(h) The provisions of Section 7(f) shall apply to such employment.

(i) If more than seven (7) episodes are made in the applicable overall production period, as set forth in Section 8(a) above, Producer may not credit the excess number against Producer's minimum obligation during the next employment period.

(j) Retakes, added scenes, sound track, process shots, transparencies or trick shots may be made for any three (3) episodes produced in a cycle, without additional compensation to the performer, when made in the next succeeding cycle, provided the performer is on salary and such work is within six (6) calendar weeks of the end of the allowable period for production of the preceding cycle.

(k) This form of hiring may not be used for stunt performers. It is not contemplated that this form of hiring will be used by a Producer who, at the time of hiring, intends to use the performer in all of the thirteen (13) episodes of the production period.

(l) The performer shall be paid on the regular studio pay day for all episodes on which the performer worked on which principal photography was completed up to and including the preceding Saturday.

As to each episode worked, whether or not completed, the performer shall be paid not less frequently than bi-weekly for the days worked in the preceding two (2) week period. When a performer works on two (2) or more episodes in a week, none of which is completed within said week, the performer will receive advance payment for not less than one (1) episode on the next regular pay day.

## **9. SERIES CONTRACTS - ONE AND ONE-HALF HOUR PROGRAMS**

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### **(a) Thirteen (13) Episodes Guaranteed**

Contracts for employment in a specified, named series of one and one-half hour television motion pictures - thirteen (13) episodes guaranteed:

(1) The performer shall be guaranteed employment in not less than thirteen (13) episodes to be produced within an overall period of not more than twenty-five (25) consecutive weeks, during which performer's services may be required for not more than twenty-one (21) workweeks. If a pilot motion picture in which the performer was employed is included in the first series, the guarantee for such first series need be only twelve (12) episodes to be made within twenty-three (23) consecutive weeks, during which the performer's services may be required for not more than nineteen (19) workweeks and two (2) days. Layoffs within the overall periods provided herein must be for at least three (3) consecutive days, except the last layoff. Such three (3) day layoffs shall exclude the sixth and seventh days in the workweek and holidays.

(2) The minimum "per episode" salary rate shall be \$3,861.00 for the period July 1, 2005 through September 30, 2005; \$3,977.00 for the period October 1, 2005 through June 30, 2006; \$4,096.00 for the period July 1, 2006 through June 30, 2007; and \$4,219.00 for the period July 1, 2007 through June 30, 2008.

(3) For the purpose of determining whether Schedule B or C applies (or in the case of stunt performers, whether Schedule H, Part II or III applies), and for the purpose of computing daily and weekly overtime, penalties, etc., and whenever the performer's weekly or daily salary rate must be determined, the performer's weekly salary shall be deemed to be five-eighths (5/8) of his "per episode" salary, and his daily salary shall be deemed to be the applicable *pro rata* of such weekly salary.

(4) Unless otherwise provided in the performer's individual contract, Producer shall have the right to intermingle episodes and require performer to perform in more than one (1) episode on any day and during any week of employment.

(5) The performer shall be paid on the regular studio pay day for all episodes on which principal photography was completed up to and including the preceding Saturday. As to each episode worked, whether or not completed, the performer shall be paid not less frequently than bi-weekly for the days worked in the preceding two (2) week period. When a performer works on two (2) or more episodes in a week, none of which is completed within said week, the performer will receive advance payment for not less than one (1) episode on the next regular payday.

(6) Except as otherwise expressly provided, all terms and conditions of Schedules B or C, H or I, whichever shall be applicable, shall govern such employment. The performer's contract shall specify the name of the series and the performer's role if it is a continuing one. The contract shall also state the date upon which the overall period for the first series shall commence and, if the starting date of his services is not specified in the contract, he shall be given at least five (5) days' advance written notice thereof; however, the provisions of Section 43 hereof shall apply when an option for a series is exercised following production of a pilot motion picture.

When a performer has completed services in an episode and is laid off, he shall be given at least five (5) days' advance notice of the starting date of the next episode. Such starting date, when given, commences his employment and cannot subsequently be cancelled by the Producer; provided, however, that such starting date may be an "on or about" date (excluding the sixth and seventh days in the workweek and holidays) and shall be subject to the provisions of Schedule B, C, H or I, whichever is applicable. The Producer in all cases may accelerate a starting date, without penalty, if the performer does not have a conflicting commitment.

(7) If more than thirteen (13) episodes are made in such twenty-five (25) week period, Producer may not credit the excess number against Producer's minimum obligation during the next employment period, subject however to Section 12 hereof.

(8) When more than twenty-one (21) workweeks are required to produce thirteen (13) episodes, the time beyond twenty-one (21) workweeks shall run continuously and consecutively and the performer shall be paid his weekly salary for each week beyond twenty-one (21) or his daily salary for each day beyond twenty-one (21)

weeks. Similarly, if a program group of more than thirteen (13) episodes is produced, the twenty-five (25) week period shall be extended by eight (8) days for each such additional episode, and the performer shall receive additional compensation accordingly.

(9) Retakes, added scenes, sound track, process shots, transparencies or trick shots may be made for any three (3) episodes produced in a cycle, without additional compensation to the performer, when made in the next succeeding cycle, provided the performer is on salary and such work is within six (6) calendar weeks of the end of the allowable period for production of the preceding cycle.

(b) Less Than Thirteen (13) Episodes Guaranteed

Contracts for employment in a specified, named series of one and one-half hour television motion pictures - less than thirteen (13) episodes guaranteed:

(1) The performer shall be guaranteed employment in not less than seven (7) episodes to be made within an overall period of not more than twenty-one (21) weeks. Total work time shall not exceed eleven and one-fifth (11-1/5) weeks for seven (7) episodes or, if the performer is engaged in more than seven (7) episodes, work time shall be the number of episodes multiplied by one week and three (3) days.

(2) The minimum "per episode" salary rate shall be \$4,375.00 for the period July 1, 2005 through September 30, 2005; \$4,506.00 for the period October 1, 2005 through June 30, 2006; \$4,641.00 for the period July 1, 2006 through June 30, 2007; and \$4,780.00 for the period July 1, 2007 through June 30, 2008.

(3) Unless otherwise provided in the performer's individual contract, the Producer shall have the right to intermingle episodes and require a performer to perform in more than one (1) episode in a day and during any week of employment.

(4) If the performer's services are required for more than the work time specified in (1) above, he shall be paid the applicable *pro rata* of his weekly salary for each additional day.

(5) Each call shall be for at least one (1) week's employment, except for calls for retakes, added scenes, etc. If the performer is laid off, he shall not be recalled in less than one (1) week's time, subject to subsection (8) below. Unless the performer receives a notice from the Producer to the contrary, he shall not be regarded as having been laid off until the expiration of the period for which he is compensated.

(6) For the purpose of determining whether a performer employed hereunder is governed by Schedule B or C, and for the purpose of computing weekly and daily overtime, penalties, etc., and whenever the performer's weekly or daily salary rate must be determined, the performer's weekly salary shall be deemed to be five-eighths (5/8) of his "per episode" salary and his daily salary shall be the applicable *pro rata* of his weekly salary.

(7) During such period as he is not performing his services under such contract, the performer shall be free to engage in other work, subject to any agreement as to exclusivity permitted under Section 23 hereof.

(8) The provisions of Section 7(f) shall apply to such employment.

(9) If more than seven (7) episodes are made in such twenty-one (21) week period, Producer may not credit the excess number against Producer's minimum obligation during the next employment period.

(10) Retakes, added scenes, sound track, process shots, transparencies or trick shots may be made for any three (3) episodes produced in a cycle, without additional compensation to the performer, when made in the next succeeding cycle, provided the performer is on salary and such work is within six (6) calendar weeks of the end of the allowable period for production of the preceding cycle.

(11) This form of hiring may not be used for stunt performers. It is not contemplated that this form of hiring will be used by a Producer who, at the time of hiring, intends to use the performer in all of the thirteen (13) episodes of the production period.

(12) The performer shall be paid on the regular studio pay day for all episodes on which the performer worked on which principal photography was completed up to and including the preceding Saturday. As to each episode worked, whether or not completed, the performer shall be paid not less frequently than bi-weekly for the days worked in the preceding two (2) week period. When a performer works on two (2) or more episodes in a week, none of which is completed within said week, the performer will receive advance payment for not less than one (1) episode on the next regular pay day.

## **10. SERIES CONTRACTS - TWO-HOUR PROGRAMS**

### **(a) Thirteen (13) Episodes Guaranteed**

Contracts for employment in a specified, named series of two-hour television motion pictures - thirteen (13) episodes guaranteed:

(1) The performer shall be guaranteed employment in not less than thirteen (13) episodes to be produced within an overall period of not more than thirty-one (31) consecutive weeks, during which performer's services may be required for not more than twenty-six (26) workweeks. If a pilot motion picture in which the performer was employed is included in the first series, the guarantee for such first series need be only twelve (12) episodes to be made within twenty-nine (29) consecutive weeks, during which the performer's services may be required for not more than twenty-four (24) workweeks. Layoffs within the overall periods provided herein must be for at least three (3) consecutive days, except the last layoff. Such three (3) day layoffs shall exclude the sixth and seventh days in the workweek and holidays.

(2) The minimum "per episode" salary rate shall be \$4,828.00 for the period July 1, 2005 through September 30, 2005; \$4,973.00 for the period October 1, 2005 through June 30, 2006; \$5,122.00 for the period July 1, 2006 through June 30, 2007; and \$5,276.00 for the period July 1, 2007 through June 30, 2008.

(3) For the purpose of determining whether Schedule B or C applies (or, in the case of stunt performers, whether Schedule H, Part II or III applies), and for the purpose of computing daily and weekly overtime, penalties, etc., and whenever the performer's weekly or daily salary rate must be determined, the performer's weekly salary will be deemed to be one-half ( $\frac{1}{2}$ ) of his "per episode" salary, and his daily salary shall be deemed to be the applicable *pro rata* of such weekly salary.

(4) Unless otherwise provided in the performer's individual contract, Producer shall have the right to intermingle episodes and require performer to perform in more than one (1) episode on any day and during any week of employment.

(5) The performer shall be paid on the regular studio pay day for all episodes on which principal photography was completed up to and including the preceding Saturday. As to each episode worked, whether or not completed, the performer shall be paid not less frequently than bi-weekly for the days worked in the preceding two (2) week period. When a performer works on two (2) or more episodes in a week, none of which is completed within said week, the performer will



receive advance payment for not less than one (1) episode on the next regular pay day.

(6) Except as otherwise expressly provided, all terms and conditions of Schedules B or C, H or I, whichever shall be applicable, shall govern such employment. The performer's contract shall specify the name of the series and the performer's role if it is a continuing one. The contract shall also state the date upon which the overall period for the first series shall commence and, if the starting date of his services is not specified in the contract, he shall be given at least five (5) days' advance written notice thereof; however, the provisions of Section 43 hereof shall apply when an option for a series is exercised following production of a pilot motion picture.

When a performer has completed services in an episode and is laid off, he shall be given at least five (5) days' advance notice of the starting date of the next episode. Such starting date, when given, commences his employment and cannot subsequently be cancelled by the Producer; provided, however, that such starting date may be an "on or about" date (excluding the sixth and seventh days in the workweek and holidays) and shall be subject to the provisions of Schedule B, C, H or I, whichever is applicable. The Producer in all cases may accelerate a starting date, without penalty, if the performer does not have a conflicting commitment.

(7) If more than thirteen (13) episodes are made in such thirty-one (31) week period, Producer may not credit the excess number against Producer's minimum obligation during the next employment period, subject however to Section 12 hereof.

(8) When more than twenty-six (26) workweeks are required to produce thirteen (13) episodes, the time beyond twenty-six (26) workweeks shall run continuously and consecutively and the performer shall be paid his weekly salary for each week beyond twenty-six (26) or his daily salary for each day beyond twenty-six (26) weeks.

Similarly, if a program group of more than thirteen (13) episodes is produced, the thirty-one (31) week period shall be extended by ten (10) days for each such additional episode, and the performer shall receive additional compensation accordingly.

(9) Retakes, added scenes, sound track, process shots, transparencies or trick shots may be made for any three (3) episodes produced in a cycle, without additional compensation to the performer, when made in the next succeeding cycle, provided the performer is on

salary and such work is within six (6) calendar weeks of the end of the allowable period for production of the preceding cycle.

(b) Less Than Thirteen (13) Episodes Guaranteed

Contracts for employment in a specified, named series of two-hour television motion pictures - less than thirteen (13) episodes guaranteed:

(1) The performer shall be guaranteed employment in not less than seven (7) episodes to be made within an overall period of not more than twenty-seven (27) weeks. Total work time shall not exceed fourteen (14) weeks for seven (7) episodes or, if the performer is engaged in more than seven (7) episodes, work time shall be the number of episodes multiplied by two (2) workweeks.

(2) The minimum "per episode" salary rate shall be \$5,594.00 for the period July 1, 2005 through September 30, 2005; \$5,762.00 for the period October 1, 2005 through June 30, 2006; \$5,935.00 for the period July 1, 2006 through June 30, 2007; and \$6,113.00 for the period July 1, 2007 through June 30, 2008.

(3) Unless otherwise provided in the performer's individual contract, the Producer shall have the right to intermingle episodes and require a performer to perform in more than one (1) episode in a day and during any week of employment.

(4) If the performer's services are required for more than the work time specified in subsection (1) above, he shall be paid the applicable *pro rata* of his weekly salary for each additional day.

(5) Each call shall be for at least one (1) week's employment, except for calls for retakes, added scenes, etc. If the performer is laid off, he shall not be recalled in less than one (1) week's time, subject to subsection (8) below. Unless the performer receives a notice from the Producer to the contrary, he shall not be regarded as having been laid off until the expiration of the period for which he is compensated.

(6) For the purpose of determining whether a performer employed hereunder is governed by Schedule B or C, and for the purpose of computing weekly and daily overtime, penalties, etc., and whenever the performer's weekly or daily salary rate must be determined, the performer's weekly salary shall be deemed to be one-half (1/2) of his "per episode" salary and his daily salary shall be the applicable *pro rata* of his weekly salary.

(7) During such period as he is not performing his services under such contract, the performer shall be free to engage in other work, subject to any agreement as to exclusivity permitted under Section 23 hereof.

(8) The provisions of Section 7(f) shall apply to such employment.

(9) If more than seven (7) episodes are made in such twenty-seven (27) week period, Producer may not credit the excess number against Producer's minimum obligation during the next employment period.

(10) Retakes, added scenes, sound track, process shots, transparencies or trick shots may be made for any three (3) episodes produced in a cycle, without additional compensation to the performer, when made in the next succeeding cycle, provided the performer is on salary and such work is within six (6) calendar weeks of the end of the allowable period for production of the preceding cycle.

(11) This form of hiring may not be used for stunt performers. It is not contemplated that this form of hiring will be used by a Producer who, at the time of hiring, intends to use the performer in all of the thirteen (13) episodes of the production period.

(12) The performer shall be paid on the regular studio pay day for all episodes on which the performer worked on which principal photography was completed up to and including the preceding Saturday. As to each episode worked, whether or not completed, the performer shall be paid not less frequently than bi-weekly for the days worked in the preceding two (2) week period. When a performer works on two (2) or more episodes in a week, none of which is completed within said week, the performer will receive advance payment for not less than one (1) episode on the next regular pay day.

## **11. SERIES CONTRACTS - RECALL FOR ADDITIONAL EPISODES AFTER COMPLETION OF INITIAL GROUP**

(a) In all forms of hiring in which at least thirteen (13) episodes are guaranteed by Producer in writing prior to start of services and in which Producer has completed an initial group of episodes (not less than thirteen (13)), Producer shall have the right, once in each production year, to thereafter recall performer for services in additional episodes beyond those comprising the initial group, provided that all of the following conditions are complied with (references in this paragraph to thirteen (13) episodes shall be modified to twelve (12) episodes if a pilot

(1) Performer shall be guaranteed employment in a number of additional episodes equal to the difference between the number of episodes included in the initial employment period and twelve (12) episodes.

(2) The employment period for such additional episodes shall commence not later than sixty (60) days after the completion of principal photography of the initial group.

(3) Performer shall be given not less than five (5) days' advance notice of the starting date of his services in such additional episodes.

(4) Producer shall be entitled to performer's services in such additional episodes for a work period determined as follows:

Multiply the number of episodes by the following time periods as applicable:

|                  |                       |
|------------------|-----------------------|
| ½-hour programs  | 1 workweek            |
| 1-hour programs  | 1 workweek and 1 day  |
| 1½-hour programs | 1 workweek and 3 days |
| 2-hour programs  | 2 workweeks           |

(5) The overall production period allowed for the production of the additional episodes shall be in the same proportion as the number of episodes guaranteed in the original production period bears to the original overall production period specified in the appropriate Section of this Agreement, as expressed in the following formula:

$$\frac{\text{Number of Guaranteed Episodes in Original Production Period}}{\text{Original Overall Production Period}} = \frac{\text{Number of Guaranteed Episodes in Additional Production Period}}{X \text{ (new production period)}}$$

(c) Whenever Producer notifies performer of an additional group of episodes to be produced, it may extend the work time and float time on a *pro rata* basis for any extra episodes which may be added to the additional group, provided such notice is given prior to expiration of the overall production time calculated as provided above.

motion picture in which the performer was employed is included in the first group and such pilot shall be deemed a guaranteed episode for the purpose of this Section):

(1) Performer shall be guaranteed employment in a number of additional episodes equal to the difference between the number of guaranteed episodes in the initial employment period and twenty-two (22) episodes.

(2) The employment period for such additional episodes shall commence not later than sixty (60) days after the completion of principal photography of the initial group.

(3) Performer shall be given not less than five (5) days' advance notice of the starting date of his services in such additional episodes.

(4) Producer shall be entitled to performer's services in such additional episodes for a work period determined as follows:

Multiply the number of episodes by the following time periods as applicable:

|                  |                       |
|------------------|-----------------------|
| ½-hour programs  | 1 workweek            |
| 1-hour programs  | 1 workweek and 1 day  |
| 1½-hour programs | 1 workweek and 3 days |
| 2-hour programs  | 2 workweeks           |

(5) The overall production period allowed for the production of the additional episodes shall be in the same proportion as the number of episodes guaranteed in the original production period bears to the original overall production period specified in the appropriate Section of this Agreement, as expressed in the following formula:

$$\frac{\text{Number of Guaranteed Episodes in Original Production Period}}{\text{Original Overall Production Period}} = \frac{\text{Number of Guaranteed Episodes in Additional Production Period}}{X \text{ (new production period)}}$$

(b) In all forms of hiring in which less than thirteen (13) episodes are guaranteed by Producer in writing prior to start of services and in which Producer has completed the initial group of episodes, Producer shall have the right, once in each production year, to thereafter recall performer for services in additional episodes beyond those comprising the original group, provided that all of the following conditions are complied with:

## **12. SERIES CONTRACTS - MORE THAN THIRTEEN (13) EPISODES GUARANTEED IN FIRST EMPLOYMENT PERIOD**

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The following shall apply with respect to “series contracts -- thirteen (13) episodes guaranteed” as provided in Sections 5, 7, 9(a) and 10(a) above.

When a performer is guaranteed employment in a group of more than thirteen (13) episodes during the first employment period of a contract year, the guarantee for the second employment period in such contract year may be for less than thirteen (13) episodes, on the following conditions:

(a) The total number of episodes guaranteed in both employment periods shall be not less than twenty-six (26).

(b) Not less than four (4) episodes shall be guaranteed in the second employment period.

(c) Notice, in writing, of the total number of guaranteed episodes in the first employment period shall be given to the performer at the time he is given notice of the commencement date for his services in the first employment period.

In cases in which the foregoing provisions are applicable, the allowable overall period shall be prorated between the first cycle and the second cycle in proportion to the number of guaranteed episodes in each of such successive cycles on the following basis:

For one-half hour pictures, the overall period shall be in the same proportion to the number of guaranteed episodes as eighteen (18) is to thirteen (13);

For one-hour pictures, the overall period shall be in the same proportion to the number of guaranteed episodes as twenty-two (22) is to sixteen (16);

For one and one-half hour pictures, the overall period shall be in the same proportion to the number of guaranteed episodes as twenty-five (25) is to twenty-one (21);

For two-hour pictures, the overall period shall be in the same proportion to the number of guaranteed episodes as thirty-one (31) is to twenty-six (26).

**13. SERIES CONTRACTS - ONE (1) HOUR OR MORE (TWO (2) OR MORE SERIES PRESENTED IN A COMBINED SERIES FORMAT (e.g., “NBC MYSTERY MOVIE”))**

In those instances in which Producer receives an initial order for less than thirteen (13) episodes in cases in which the network plans to broadcast two (2) or more different series presented in a combined series format during a given broadcast year, Producer shall have the right to employ the performer for six (6) episodes or all episodes initially ordered in the subject series, whichever number is greater. Such employment shall be on the basis of the following minimums, work time and overall production period:

Minimum Per Episode

|         | 7/1/05-9/30/05 | 10/1/05-6/30/06 | 7/1/06-6/30/07 | 7/1/07-6/30/08 | Work Time Per Episode  | Overall Production Period (in calendar weeks)   |
|---------|----------------|-----------------|----------------|----------------|------------------------|---|
| 1 Hour  | \$3,783        | \$3,896         | \$4,013        | \$4,133        | 1 workweek plus 1 day  | 6 episodes in 8 weeks, plus 1 week and 1 day for each additional episode (total calendar period)              |
| 1½ Hour | 5,106          | 5,259           | 5,417          | 5,580          | 1 workweek plus 3 days | 6 episodes in 12 weeks and 3 days, plus 1 week and 3 days for each additional episode (total calendar period) |
| 2 Hour  | 6,526          | 6,722           | 6,924          | 7,132          | 2 workweeks            | 6 episodes in 16 weeks, plus 2 weeks for each additional episode (total calendar period)                      |

If the guaranteed number of episodes exceeds six (6), the overall period shall be extended proportionately.

**14. SERIES CONTRACTS - \$10,000 OR MORE PER EPISODE**

(a) With respect to performers whose employment contracts provide for payment of \$12,000 or more per episode, Producer shall be entitled to work time and overall production period per episode as follows:

| <b>One-Half Hour Programs;<br/>No. of Episodes<br/>Guaranteed</b> | <b>Work Time<br/>Per Episode</b> | <b>Overall Production<br/>Period<br/>(in calendar weeks)</b> |
|---|----------------------------------|--|
| 6 episodes  | 1 workweek                       | 12 weeks   |
| 7, 8 or 9 episodes  | 1 workweek                       | 14 weeks   |
| 10, 11 or 12 episodes   | 1 workweek                       | 17 weeks   |
| 13 episodes   | 1 workweek                       | 1 week and 1 day per<br>episode <sup>4</sup>                 |

| <b>One Hour Programs;<br/>No. of Episodes<br/>Guaranteed</b> | <b>Work Time<br/>Per Episode</b> | <b>Overall Production<br/>Period<br/>(in calendar weeks)</b>              |
|--|----------------------------------|---|
| 6 episodes   | 1 workweek<br>and 2 days         | 16 weeks  |
| 7, 8 or 9 episodes   | 1 workweek<br>and 2 days         | 20 weeks  |
| 10, 11 or 12 episodes  | 1 workweek<br>and 2 days         | 23 weeks  |
| 13 episodes  | 1 workweek<br>and 2 days         | 26 weeks<br>(for episodes in excess of<br>13, add 2 weeks per<br>episode) |

(b) Producer and performer may freely bargain for work time, overall production time and options with respect to employment contracts with performers who are guaranteed any of the following bases (or more):

- (1) \$20,000 per episode; or
- (2) \$100,000 per series when such series is one of a number of series presented in a combined series format (Section 13); or
- (3) \$150,000 for a thirteen (13) episode guarantee.

## **15. TERM CONTRACTS**

(a) A term contract is a contract under which a performer is employed for television motion pictures or theatrical motion pictures or both (in which latter case such contracts are sometimes referred to as “combination term contracts”), which contract is for a term of at least

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<sup>4</sup> With respect to a performer guaranteed thirteen (13) episodes, the overall production period shall be eighteen (18) weeks.



ten (10) out of thirteen (13) weeks and which may not specify any role, picture or series, unless otherwise requested by the performer and approved by the Union. The Union agrees it will liberally grant waivers in the event of such request. The Producer and the performer may agree on any overall term of hiring in excess of ten (10) guaranteed weeks, provided that the guaranteed number of weeks is in the same proportion to the overall period as “ten (10) out of thirteen (13).”

(b) Term contract performers (other than beginners):

(1) Minimum salary rate:

|  | <b>7/1/05-<br/>9/30/05</b> | <b>10/1/05-<br/>6/30/06</b> | <b>7/1/06-<br/>6/30/07</b> | <b>7/1/07-<br/>6/30/08</b> |
|--|----------------------------|-----------------------------|----------------------------|----------------------------|
| If performer is guaranteed ten (10) but no more than nineteen (19) weeks | \$2,068<br>per<br>week     | \$2,130<br>per<br>week      | \$2,194<br>per<br>week     | \$2,260<br>per<br>week     |
| If performer is guaranteed twenty (20) or more weeks                     | \$1,722<br>per<br>week     | \$1,774<br>per<br>week      | \$1,827<br>per<br>week     | \$1,882<br>per<br>week     |

(2) Use in television series in a continuing role:

a) If a performer is used in a continuing role in a one-half hour television series, he shall be adjusted for the duration of such services to the series contract salaries and applicable rerun, theatrical and foreign telecast rates under this Agreement.

b) If a performer is used in a continuing role in a one-hour, one and one-half hour or two-hour television series, he shall be adjusted for the duration of such services to the weekly freelance salary rate and applicable rerun, theatrical and foreign telecast rates under this Agreement; it being understood in this connection that such adjustment shall not result, with respect to his services in any episode in such series, in his receiving less than a week’s freelance salary.

c) If Producer uses the performer in a greater number of episodes than the number of weeks of employment guaranteed under this provision (2), or in a combination of this provision and provision (3) below, the performer shall be paid the weekly freelance salary and applicable rerun, theatrical and foreign telecast rates for each additional episode in which his services are used. If the performer is employed beyond the guaranteed period of employment, he shall be paid an amount equal to the weekly freelance salary for each additional week or episode, whichever is the greater.

(3) Use in television episodes - not continuing role:

a) A term performer who is guaranteed a minimum of twenty (20) out of twenty-six (26) weeks who works in a television episode or episodes, but who does not have a continuing role in a series, shall not be used in more than fifteen (15) television episodes during such period. If he is used in more than fifteen (15) such episodes, he shall be paid an additional week's salary and applicable rerun, theatrical and foreign telecast rates for each such additional episode.

b) A term performer who is guaranteed a minimum of ten (10) out of thirteen (13) weeks, who works in a television episode or episodes, but who does not have a continuing role in a series, and who is used in more than seven (7) such episodes, shall be paid an additional week's salary and applicable rerun, theatrical and foreign telecast rates for each such additional episode.

c) If such performer is used beyond the guaranteed period of employment, he shall be paid an amount equal to his weekly salary for each additional week or episode, whichever is greater.

d) For all such term performers who do not appear in a continuing role, the applicable rerun, theatrical and foreign telecast rates per episode shall be based on the applicable weekly rate.

(c) Except as herein provided, the provisions of Schedule E or F (excluding Section 2(b) of Schedule E), depending upon the performer's weekly salary, shall govern term contract employment.

(d) All options attached to term contracts shall be for consecutive periods, except that the Producer may be allowed to take one hiatus period not to exceed thirteen (13) weeks at any time subsequent to the expiration of the original term, and not more than one (1) such period during each fifty-two (52) week period. During such hiatus period, the performer shall be free to engage in any other work, subject to any agreement as to exclusivity permitted under Section 23 hereof. The following examples will show the operation of the hiatus period:

(1) If the performer's contract is for a term of twenty-six (26) weeks with an option for an additional term of twenty-six (26) weeks and the layoff provisions of the first twenty-six (26) week term were not used, the Producer, by written notice to the performer, may elect to declare a hiatus of not more than thirteen (13) weeks before exercising its option for the second twenty-six (26) week term. If the hiatus is declared, the layoff provision may not be used in the remaining thirteen (13) week period of employment of said second twenty-six (26) week term.

(2) If the performer's contract is for a term of twenty-six (26) weeks with an option for an additional term of twenty-six (26) weeks, the Producer, by written notice to the performer, may elect to declare a hiatus of not more than thirteen (13) weeks during either the first thirteen (13) weeks or the last thirteen (13) weeks of such additional twenty-six (26) week term. However, the hiatus may not be declared if the layoff provisions of the contract were used in the first twenty-six (26) week term or in the first thirteen (13) weeks of the additional twenty-six (26) week term. In the event no layoff took place in the first twenty-six (26) week term and the hiatus is declared for the first thirteen (13) weeks of the additional twenty-six (26) week term, the layoff provisions may not be used for the second thirteen (13) weeks of the additional twenty-six (26) week term. During the remaining thirteen (13) weeks of such term, the performer shall be guaranteed employment at not less than the minimum rate fixed herein for employment of performers under a twenty-six (26) week term contract. However, after declaring such hiatus, the Producer, if it elects to exercise the next option at the minimum rate provided for a twenty-six (26) week term contract, must either guarantee twenty (20) weeks' employment with no hiatus period or may elect to take a hiatus within such twenty-six (26) week term, in which event the minimum rates for employment under a thirteen (13) week term contract will apply and Producer must refrain from using the layoff provisions in the thirteen (13) week employment period.

(3) In the event layoffs have been used and thereafter Producer desires to use the hiatus provisions, he may do so by compensating performer for the layoff periods which have been previously used. Under no circumstances may two (2) hiatus periods be consecutive. It is the purpose of this provision to guarantee to the performer that as long as his term contract remains in effect and options are exercised thereunder, he will be employed for not less than forty (40) weeks out of fifty-two (52) weeks during each fifty-two (52) week period if layoff provisions are used, or thirty-nine (39) weeks out of fifty-two (52) if the hiatus provision is used, it being the intent of the parties to make the layoff provisions and the hiatus provisions mutually exclusive.

(e) Other conditions:

(1) If a performer employed under a term contract performs, in any single "employment" week during such term, services in "rehearsals" or "recordings" or before the camera, in both a television motion picture film hereunder and a theatrical motion picture film under the then existing Theatrical Agreement, such performer shall receive as additional compensation for such week an amount not less than the applicable weekly term contract minimum.

(2) If a performer under a term contract renders services in any single “employment” week in principal photography in either a television motion picture or a theatrical motion picture and also renders services in such week in retakes, added scenes, sound track, process shots, transparencies, trick shots, trailers, changes or foreign versions of the photoplay (hereinafter referred to as “retakes, etc.”), in the other field, such performer shall be paid, in addition to his weekly term contract salary, one-fifth (1/5) of the minimum term contract weekly rates for each day on which he renders services on such retakes, etc.

(3) If the performer renders services in any week in both a television motion picture and a theatrical motion picture, he shall be paid as provided in this subsection (e), even though he is also placed on layoff at any time during such week.

(4) If a performer who is on layoff is recalled for retakes, etc., in either television motion pictures or theatrical motion pictures, or both, he shall be paid one-fifth (1/5) of the minimum term contract weekly rates for each day in each field on which he renders such services.

(5) If a performer renders services in either a television motion picture or a theatrical motion picture in any week and also renders services in retakes, etc., in the same week in the other field, and is placed on layoff prior to the end of such week, he shall be paid, in addition to the weekly salary due, an amount equal to one-fifth (1/5) of the minimum term contract weekly rates for each day on which he renders services in such retakes, etc.

(6) When a performer employed under a term contract renders services in any week in both theatrical motion pictures and television motion pictures, for the purpose of determining whether Schedule E or Schedule F applies, and making the computations therein, the performer’s weekly salary for such week shall be deemed to be his aggregate weekly salary, as herein provided.

(7) If the performer received more than \$4,400 per week he may agree to apply any sums he received in excess of \$4,400 per week toward such additional compensation provided in this subsection (e).

(f) Money Break

For term contract performers, the money break figure is \$4,400 per week. Overtime for such performers over such money break shall be governed by Section 25.

(g) A separate clause shall be inserted in all term contracts, specifying separate compensation for services, reruns, theatrical exhibition, foreign telecasting, Supplemental Markets and basic cable use for each contract term or option period.

(h) Stunt performers shall not be employed under term contracts.

(i) Beginners (as defined in Section 6 of Schedule E of the Producer – Screen Actors Guild Codified Basic Agreement):

(1) Rates:

|                               | <b>7/1/05-<br/>9/30/05</b> | <b>10/1/05-<br/>6/30/06</b> | <b>7/1/06-<br/>6/30/07</b> | <b>7/1/07-<br/>6/30/08</b> |
|-------------------------------|----------------------------|-----------------------------|----------------------------|----------------------------|
| For the first six (6) months  | \$ 927<br>per week         | \$ 955<br>per week          | \$ 984<br>per week         | \$1,014<br>per week        |
| For the second six (6) months | 1,036<br>per week          | 1,067<br>per week           | 1,099<br>per week          | 1,132<br>per week          |

(2) A beginner used by Producer in a television motion picture shall be adjusted to the non-beginner's applicable term contract rates and adjustments, if any, herein provided for the time he performs such services in such television motion picture and to the applicable rerun, theatrical and foreign telecast rates.

(3) If Producer uses a beginner in a theatrical motion picture produced by Producer, or in which Producer has a financial interest, the performer shall remain a beginner.

(4) Loan-outs:

A beginner loaned out to a television Producer for a television motion picture in which Producer has no financial interest shall be paid the television freelance rate during the time he performs such services, and applicable rerun, theatrical and foreign telecasting rates. When he returns to Producer, he returns as a beginner.

A beginner who is loaned out to a television Producer for a television motion picture in which Producer has a financial interest shall be paid at the minimum rates set forth in Section 15(b)(1) hereof for the time he performs such services, and applicable rerun, theatrical and foreign telecasting rates. When he returns to Producer, he returns as a beginner.

If Producer is engaged in the production of television motion pictures only, then a beginner loaned out by it to another Producer for a

theatrical motion picture shall be adjusted to the non-beginner's theatrical term rate for the time he performs such services.

## **16. PROGRAMS LONGER THAN TWO (2) HOURS**

(a) Performers may not be employed under multiple-picture weekly contracts in pictures over two (2) hours in length.

(b) Performers may not be employed under series contracts in pictures longer than two (2) hours unless minimum rates and conditions are agreed upon in negotiations between the Union and the Producer. In the event such Producer is a member of the Alliance of Motion Picture & Television Producers, such negotiations and agreement shall be between the Union and such Alliance.

## **17. FORMS OF HIRING AND DELIVERY OF CONTRACTS**

(a) All employment of performers in television motion pictures shall be under one of the forms of hiring specified herein. Options in series or term contracts may be written either in the customary form or in the form of a right of cancellation at designated intervals.

(b) Employment contracts may be delivered to performers while on the set, not later than the first day of employment. Performers may not be required to sign contracts on the set. Delivery to a performer's agent constitutes delivery to the performer.

(c) Attached hereto as Exhibits B, C and D are standard forms for use in employing Day Performers, Three-Day Performers, and Weekly Freelance Performers, respectively. In individual cases, the Producer may add provisions which are permitted under this Television Agreement.

(d) With regard to Day Performers and Freelance Performers (not including series performers) (Schedules A, B, C, G, H and I):

(1) To the extent that the agreement reached between the Producer and the performer can be reflected on the form required by the collective bargaining agreement plus Producer's standard riders to be filed with the Union, Producer shall deliver a copy of such contract to the performer not later than the first day of performer's employment. When the agreement cannot be so reflected, Producer shall deliver a copy of such contract to the performer not later than the first day of performer's employment or four (4) business days after such agreement has been reached, whichever is later.

(2) When Producer chooses to deliver a copy of a contract to the performer on the set, an extra copy for retention by the performer shall be provided.

(3) Liquidated damages in the amounts provided in Section 27(b) hereof for late payment shall be payable until a written contract is delivered to the performer.

(4) The foregoing shall not apply to Schedule F performers.

## **18. ADDITIONAL COMPENSATION FOR RERUNS AND FOREIGN TELECASTS**

(a) The salary paid to the performer for his services in a television motion picture shall constitute payment in full for the telecasting of such motion picture once in each city in the United States and Canada in which any television broadcasting stations are now located and once in each city in the United States and Canada in which any television broadcasting stations are hereafter for the first time established.

### **(b) Rerun Formula in the United States and Canada**

A television motion picture which has been telecast not more than once in any city in the United States and Canada is in its first run. A television motion picture which has been telecast more than once, but not more than twice, in any city in the United States and Canada, is in its second run. A similar test applies in determining when a television motion picture is in its third and succeeding runs.

If the Producer desires to acquire the right to telecast any television motion picture for more than one (1) run in the United States and Canada, the employment contract of each performer engaged therein shall contain a separate provision for additional compensation for reruns, which shall be not less than the amounts set forth below:

Programs made under the 2001 Television Agreement, *i.e.*, prior to July 1, 2005, for exhibition in the 2005-06 season, shall be governed by the ceilings set forth in Section 18(b)(1)b) below; however, said ceilings shall not apply to employment under existing series employment agreements with respect to the 2005-06 season. Such employment shall be governed by the terms of the 2001 Screen Actors Guild Television Agreement.

(1) Reruns in Network Prime Time

a) Performer shall be paid one hundred percent (100%) of his “total actual compensation” for each such rerun, not exceeding the ceilings set forth in subparagraph (b)(1)b) of this Section 18.

b) The ceilings (maximum rerun payments) for each television motion picture shall be as follows:

|                     | <b>Effective<br/>7/1/05</b> | <b>Effective<br/>7/1/07</b> |
|---------------------|-----------------------------|-----------------------------|
| ½ hour program      | \$2,266                     | \$2,311                     |
| 1 hour program      | 3,225                       | 3,290                       |
| 1½ hour program     | 3,224                       | 3,288                       |
| 2 hour program      | 3,472                       | 3,541                       |
| Over 2 hour program | 3,969                       | 4,048                       |

c) When applicable, the provisions of Section 18(b)(3) shall apply in lieu of this provision.

(2) Reruns in Syndication and in Non-Prime-Time Network Exhibition

a) The provisions of subparagraphs (b)(2)b), c), d) and e) below shall apply to reruns in syndication and in non-prime time network exhibition, except that:

(i) Residuals for one-hour network prime time dramatic episodic television programs released in syndication, for one-hour dramatic episodic programs made for “late night” network broadcast released in syndication and for one-hour dramatic episodic programs made for network prime time which are rerun on “late night” network television shall be governed by the provisions of Sideletter B;

(ii) Residuals for long-form dramatic television motion pictures made for network prime time and released in syndication or on “late night” network television and for long-form dramatic television motion pictures made for “late night” network television and released in syndication shall be governed by the provisions of Sideletter B-1;

(iii) Residuals for one-half hour series syndicated in markets representing in the aggregate fifty percent (50%) or fewer of U.S. television households may be governed by the provisions of Sideletter B-2; and



(iv) When applicable, the provisions of Section 18(b)(3) shall apply in lieu of this provision.

For the purpose of subparagraphs (b)(2)a(i) and (ii) above, “late night” shall begin at 11:00 p.m. in the Eastern and Pacific time zones (10:00 p.m. in the Central and Mountain time zones) and end at 6:00 a.m. in the Eastern and Pacific zones (5:00 a.m. in the Central and Mountain time zones).

b) Second runs and third runs when such runs include telecasting of a television motion picture over a television network, but not in prime time and not during “late night” hours as defined above:

(i) For the second run, performer shall be paid fifty percent (50%) of his total applicable minimum salary.

(ii) For the third run, performer shall be paid forty percent (40%) of his total applicable minimum salary.

c) All runs not covered in Section 18(b)(1), Section 18(b)(2), Sideletter B, Sideletter B-1 nor Sideletter B-2, attached, shall be paid in accordance with the following: Reruns of television motion pictures, whether made under this Agreement or any prior Screen Actors Guild Television Agreement, which occur on or after July 1, 2005 on “late night” network television, as defined above, shall also be paid in accordance with the following, provided that all performers employed on such motion pictures were employed under residual terms and conditions not less favorable to the performer than those provided under the applicable SAG Television Agreement.<sup>5</sup>

(i) For the second run, performer shall be paid forty percent (40%) of his total applicable minimum salary.

(ii) For the third run, performer shall be paid thirty percent (30%) of his total applicable minimum salary.

(iii) For the fourth run, performer shall be paid twenty-five percent (25%) of his total applicable minimum salary.

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<sup>5</sup> Should SAG enter into an agreement with ABC, CBS or NBC with respect to the provisions governing reruns on “late night” network television on terms other than as above provided, it shall advise the AMPTP, in writing, of the terms of such agreement within ten (10) days after ratification. The AMPTP shall have the right to elect such terms in lieu of those provided herein by giving written notice to SAG within thirty (30) days after receipt of SAG’s written notice.

(iv) For the fifth run, performer shall be paid twenty-five percent (25%) of his total applicable minimum salary.

(v) For the sixth run, performer shall be paid twenty-five percent (25%) of his total applicable minimum salary.

(vi) For the seventh run, performer shall be paid fifteen percent (15%) of his total applicable minimum salary.

(vii) For the eighth run, performer shall be paid fifteen percent (15%) of his total applicable minimum salary.

(viii) For the ninth run, performer shall be paid fifteen percent (15%) of his total applicable minimum salary.

(ix) For the tenth run, performer shall be paid fifteen percent (15%) of his total applicable minimum salary.

(x) For the eleventh run, performer shall be paid ten percent (10%) of his total applicable minimum salary.

(xi) For the twelfth run, performer shall be paid ten percent (10%) of his total applicable minimum salary.

(xii) For the thirteenth and each and every run thereafter, performer shall be paid five percent (5%) of his total applicable minimum salary for each and every such run.

d) **EXAMPLES: COMPUTATION OF PERFORMER APPLICABLE MINIMUM SALARY (STUDIO WORKWEEK) FOR RERUNS IN SYNDICATION AND NON-PRIME-TIME, NON-“LATE NIGHT” NETWORK EXHIBITION (based on rates effective 10/1/05 through 6/30/06)**

(i) Day performer employed for three (3) days at \$716.00 per day - total applicable minimum salary \$2,148.00 (3 times \$716.00);

(ii) Freelance performer employed for one (1) week at \$3,000.00 - total applicable minimum salary \$2,483.00;

(iii) Freelance performer employed for a week and two (2) days at \$3,000.00 per week - total applicable minimum salary \$3,476.20;

(iv) Performer employed under a freelance contract for two (2) pictures per week for a one-half hour or one-hour

show at a salary of \$3,000.00 per picture, works one (1) week - total applicable minimum salary \$1,839.00 per picture. If, for example, performer works a week and three (3) days, total applicable minimum salary would become \$2,942.40 per picture;

(v) Performer employed under a series contract, one-half hour programs with thirteen (13) episodes guaranteed at \$3,250.00 per episode - total applicable minimum salary \$2,483.00 if no additional work days utilized;

(vi) Performer employed under series contract, one-half hour programs with at least seven (7), but less than thirteen (13), episodes guaranteed at \$3,000.00 per episode - total applicable minimum salary \$2,841.00 if no additional work days utilized;

(vii) Performer employed under series contract, one-hour programs with thirteen (13) episodes guaranteed at \$3,250.00 per episode - total applicable minimum salary \$2,986.00 if no additional work days utilized;

(viii) Performer employed under series contract, one and one-half hour programs with less than thirteen (13) episodes guaranteed at \$5,200.00 per episode - total applicable minimum salary \$4,506.00 if no additional work days utilized;

(ix) Performer employed under a 20-out-of-26 week term contract at \$3,000.00 per week and assigned to a continuing role in a one-hour, one and one-half hour or two-hour series - total applicable minimum salary if employed for one (1) week - \$2,483.00; if employed for one (1) week and two (2) days - \$3,476.20.

(x) Performer employed under a 10-out-of-13 week term contract at \$2,700.00 per week and not in a continuing role in a series - total applicable minimum salary \$2,130.00.

e) With respect to a free television motion picture covered under Sideletter B or Sideletter B-1 to this Agreement, which waives the provisions of Section 18(b)(2) of the Television Agreement, any monies received by the Producer from distributions by the Copyright Royalty Tribunal for such television motion picture shall be included in the numerator of the multiplier contained in Sideletter B or Sideletter B-1, as applicable.

### (3) Promotional Launch Period

The parties agree to the following for the purpose of encouraging the success of new dramatic free television series produced

for a network or for The WB or UPN. No residual compensation shall be due to series contract or term contract performers under this Section 18 nor under Section 18.1 for the second run (which may be either on free television or basic cable) of the first three (3) episodes broadcast (which may include the pilot) during the first production season, provided the second run occurs within a two (2) month period following the initial exhibition of each program. If such second run is on free television, it shall not constitute a “run” for purposes of Section 18(b) of this Agreement. Producer shall be obligated to report any such run to the Guild as required under this Section 18, notwithstanding the fact that no payment shall be due therefor.

The Producer may not utilize this provision at any time after the series has been cancelled.

The parties agree to study the utilization of this provision at the end of eighteen (18) months. Prior to that time, the parties will agree on the information to be exchanged as part of the study.

#### (4) Definitions

The following definitions shall govern the interpretation of this Section 18.

a) “Total actual compensation” is defined as all original compensation for time worked or guaranteed, whichever is the greater, (i) including overtime hours worked, but excluding any premium portions of pay for such overtime hours and (ii) excluding also all penalties and allowances.

Example: A day performer at \$800 a day works twelve (12) hours. The ninth and tenth hours will be included at straight time, but the additional half-time premium shall not be included; the eleventh and twelfth hours shall likewise be included at straight time only, but the additional full-time premium shall not be included.

b) The “total applicable minimum salary” is the total minimum salary for the type of contract under which the performer was employed for the period of the performer’s employment in the television motion picture.

Total applicable minimum salary for stunt performers shall be determined in the same manner as above described, but based on stunt performers’ minimums, except that when a stunt performer performs in two (2) or more pictures under a multiple-picture weekly contract, his other total applicable minimum salary shall be

based on the per-picture rate applicable to performer's services. For example, if a stunt performer at \$3,000 per week works in two one-half hour pictures in a week, his total applicable minimum salary shall be \$1,839.00 per picture (the applicable rate effective 10/1/05 through 6/30/06).

(5) The Producer shall pay, as provided herein, for each respective rerun not later than four (4) months after the first telecast of the respective rerun in any city in the United States. However, in the event any rerun is telecast on a television network (or on a regional television network) or on the WB or UPN, the Producer shall make the appropriate rerun payment not later than thirty (30) days after the telecast of such rerun.

(6) The telecasting of a picture over a television network shall mean the telecast of such picture over the network facilities of ABC, CBS, Fox Broadcasting Company ("FBC") or NBC, or any other entity which qualifies as a "network" under Section 73.662(f) of the rules of the Federal Communications Commission, unless the FCC determines that such entity is not a "network" for purposes of such Section. A picture shall not be deemed telecast over a television network when it is telecast (i) on any single regional network presently established, or (ii) when it is telecast on any single regional network which may hereafter be established and which does not include New York, Chicago or Los Angeles.

(7) The above formula is a minimum formula and nothing herein shall preclude any performer from bargaining for better terms with respect to such reruns.

(8) For telecasts in the United States and Canada of a television motion picture, whenever produced, as to which free television residuals would otherwise be payable, in a language or languages other than English, which telecasts occur after the effective date of this Agreement, the performer(s) shall be paid an aggregate amount equal to 3.6% of the gross receipts derived by the Producer from licensing such television motion picture (which amount shall include pension and health contributions), in lieu of any rerun payment otherwise required. Unless the program is dubbed outside of the United States, it will be dubbed under rates (including payments for rights to free non-network television exhibition) and conditions not less favorable than those provided under the SAG Dubbing Agreement.

(9) Notwithstanding anything herein to the contrary, if a substantial portion of a program or an element essential to the program is not shown because the broadcast is interrupted due to governmental regulation or order, or by a strike, or by the failure of broadcasting

facilities because of war or other calamity such as fire, earthquake, hurricane, or similar acts of God, or because of the breakdown of broadcasting facilities due to causes beyond the reasonable control of the Producer, or because the program time is pre-empted by a Presidential broadcast, a news emergency, or the telecast of a special news event, the interrupted program may be rebroadcast in its entirety on the network or station on which the broadcast was interrupted within a thirty (30) day period following the interrupted broadcast without the Producer incurring any additional payment to any performer(s) in the program.

Notwithstanding the foregoing, this provision shall cease to be in effect as of the last day of this Agreement.

(c) Foreign Telecasting Formula

(1) If the Producer desires to acquire the right to telecast any television motion picture in any part of the world outside the United States and Canada, the employment contract of each performer engaged therein shall contain a separate provision for additional compensation for such foreign telecasting which shall call for an initial payment of not less than fifteen percent (15%) of his total applicable minimum salary payable not later than thirty (30) days after Producer obtains knowledge of the first foreign telecast, and in no event later than six (6) months after the first foreign telecast, and the payment of the sums referred to in subparagraphs (c)(2), (3) and (4) below.

(2) When the Distributor's Foreign Gross, as defined herein, of any such television motion picture has exceeded \$7,000 for a one-half hour picture, \$13,000 for a one-hour picture, or \$18,000 if such picture is one and one-half hours or more in length, the performer shall be entitled to the payment of not less than an additional ten percent (10%) of his total applicable minimum salary payable not later than thirty (30) days after such gross has been so exceeded.

(3) When the Distributor's Foreign Gross of any such television motion picture has exceeded \$10,000 for a one-half hour picture, \$18,000 for a one-hour picture, or \$24,000 if such picture is one and one-half hours or more in length, the performer shall be entitled to the payment of not less than an additional ten percent (10%) of his total applicable minimum salary payable not later than thirty (30) days after such gross has been so exceeded.

(4) After performer has received a total of thirty-five percent (35%) of his total applicable minimum salary with respect to any picture, all performers in the aggregate shall be paid three and six-tenths percent (3.6%) of the Distribution's Foreign Gross in excess of:

- a) \$357,500 (\$365,000 effective July 1, 2006<sup>6</sup>) in Distributor's Foreign Gross for one-half (½) hour programs;
- b) \$715,000 (\$730,000 effective July 1, 2006<sup>6</sup>) in Distributor's Foreign Gross for one (1) hour programs;
- c) \$1,830,000 (\$1,860,000 effective July 1, 2006<sup>6</sup>) in Distributor's Foreign Gross for programs more than one (1) hour in length but not more than two (2) hours in length;
- d) \$3,060,000 (\$3,120,000 effective July 1, 2006<sup>6</sup>) in Distributor's Foreign Gross for programs more than two (2) hours in length but not more than three (3) hours in length; and
- e) \$4,085,000 (\$4,170,000 effective July 1, 2006<sup>6</sup>) in Distributor's Foreign Gross for programs more than three (3) hours in length but not more than four (4) hours in length;
- f) \$5,105,000 (\$5,210,000 effective July 1, 2006<sup>6</sup>) in Distributor's Foreign Gross for programs more than four (4) hours in length but not more than five (5) hours in length;
- g) \$6,125,000 (\$6,250,000 effective July 1, 2006<sup>6</sup>) in Distributor's Foreign Gross for programs more than five (5) hours in length but not more than six (6) hours in length; and
- h) for programs more than six (6) hours in length, the above applicable thresholds will increase proportionately.

For programs that are originally exhibited in more than one (1) part, the applicable threshold levels referred to in subparagraphs a) through e) above shall be applied to each part of the program as originally exhibited, irrespective of the manner in which the program is exhibited on foreign television.

For the purpose of this subparagraph (4), Distributor's Foreign Gross shall include absolute gross income realized by the distributor on account of foreign telecasting and exhibition on foreign basic cable.

In order to preserve the status quo in Section 18.1, payment of the thirty-five percent (35%) of applicable minimum under the foreign telecasting formula continues to constitute payment for foreign basic cable; provided, however, that foreign basic cable receipts

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<sup>6</sup> The increased threshold which goes into effect on July 1, 2006 shall apply only to television motion pictures, the principal photography of which commenced on or after July 1, 2006.

shall apply to “Distributor’s Foreign Gross” for purposes of reaching the thresholds in and determining the amount the performers shall be paid pursuant to subparagraphs a) through e) above.

The performers shall receive such additional monies pursuant to the payment provisions of Section 5.2.G. of the General Provisions of the Codified Basic Agreement, except that payment and reporting shall be due within sixty (60) days after the close of the second and fourth calendar quarters of each year in which the Producer receives “Distributor’s Foreign Gross” for the picture or at such other time as may be agreed upon in writing by the parties.

(5) The provisions of this subsection (c) shall apply with respect to all television motion pictures produced on or after July 1, 2005. The provisions of prior Screen Actors Guild Television Agreements shall continue to apply to all television motion pictures produced during the term of those respective Agreements.

(6) The term “foreign telecasting,” as used herein, shall mean any telecast (whether simultaneous or delayed) outside the United States, its commonwealths, territories and possessions and Canada, other than a telecast on any of the following regularly affiliated stations of a United States television network as a part of the United States network television telecast: ZBM, Pembroke, Bermuda for CBS and NBC; ZBF, Hamilton, Bermuda for ABC; and XETV, Tijuana, Mexico for NBC.

(7) As used herein, the term “Distributor’s Foreign Gross” shall mean, with respect to any television motion picture, the absolute gross income realized by the distributor of such picture from the foreign telecasting thereof and including, in the case of a “foreign territorial sale” by any such distributor, the income realized from such sale by such distributor but not the income realized by the “purchaser” or “licensee.” The phrase “absolute gross income” shall not include:

a) Sums realized or held by the way of deposits or security, until and unless earned, other than such sums as are non-returnable.

“Such sums as are non-returnable” are to be included in the “Distributor’s Foreign Gross” when such television motion picture is “available” and “identifiable” and the amount of the non-returnable sum is “ascertainable.”

Such television motion picture is “available” when the first of the following occurs:



(i) The product first may be exhibited or otherwise exploited by a specified method of distribution and in a territory under the terms of the applicable license or distribution agreement, or

(ii) It first may be sold or rented by a retailer under the terms of the applicable license or distribution agreement.

Such television motion picture is “identifiable” when the Producer first knows or reasonably should have known that a given television motion picture is covered by a particular license or distribution agreement for its exploitation in the applicable market.

The amount of the non-returnable sum is “ascertainable” if:

(i) the non-returnable sum is for one television motion picture, means of exhibition, and territory, or

(ii) the total amount of the non-returnable sum is for more than one motion picture, means of exhibition and/or territory, in which case the Producer shall fairly and reasonably allocate such sum among the licensed motion pictures, exhibition markets and/or territorial markets.

As each of these pictures becomes identifiable and available, the allocated portion of the non-returnable sum is to be included in “Distributor’s Foreign Gross” for that quarter. The Producer shall notify the Guild of its allocation when the report of “Distributor’s Foreign Gross,” which includes the non-returnable sum, is to be filed. The Guild has the right to challenge in an arbitration a failure to allocate or any allocation that it contends is not fair and reasonable.

If such television motion picture is available in any territory or by any means of exhibition, and is identifiable and the amount of the non-returnable sum is ascertainable, but the Producer does not provide the Guild with the information required by this Agreement and applicable law, then the non-returnable sum shall be deemed includable in “Distributor’s Foreign Gross” no later than six (6) months after the Producer receives it.

A non-returnable sum received by a Producer’s parent, subsidiary or any other related or affiliated entity or successor-in-interest, or by any other entity to which the payment is directed by the Producer or license or distribution agreement, shall be considered as a non-returnable sum received by the Producer.

b) Sums required to be paid or withheld as taxes, in the nature of turnover taxes, sales taxes or similar taxes based on the actual receipts of the picture or on any monies to be remitted to or by the distributor, but there shall not be excluded from Distributor's Foreign Gross any net income, franchise tax or excess profit tax or similar tax payable by the distributor on its net income or for the privilege of doing business.

c) Frozen foreign currency until the distributor shall have either the right to use such foreign currency in or to transmit such foreign currency from the country or territory where it is frozen. In the event such currency may be utilized or transmitted as aforesaid, it shall be deemed to have been converted to United States dollars at the prevailing free market rate of exchange at the time such right to use or transmit accrues.

Distributor's Foreign Gross realized in foreign currency in any reporting period required hereunder shall be deemed to be converted to United States dollars at the prevailing free market rate of exchange at the close of such reporting period.

If any transaction involving any picture subject to a foreign telecast payment under this Agreement shall also include motion pictures, broadcast time, broadcast facilities or material (including commercial or advertising material) which are not subject to such payment, there shall be a reasonable allocation between the television motion pictures which are subject to a foreign telecast payment and such other pictures, time, facilities or material, and only the sums properly allocable to pictures which are subject to a foreign telecast payment shall be included in Distributor's Foreign Gross.

(8) The above formula for foreign telecasting is a minimum formula and nothing herein shall preclude any performer from bargaining for better terms with respect to such foreign telecasting.

(9) Foreign Residuals - One-Hour Network Prime Time Dramatic Series and One-Hour Dramatic Programs Made for "Late Night" Network Broadcast

Notwithstanding the provisions of Section 18(c)(1), (2) and (3) above, the 15%, 10% and 10% of applicable minimum compensation payments provided in Section 18(c)(1), (2) and (3), respectively, shall be collapsed into a single payment of 35% of applicable minimum compensation, payable not later than thirty (30) days after the Company obtains knowledge of the first foreign telecast, and in no event later than six (6) months after the first foreign telecast

for one-hour network prime time dramatic series and one-hour dramatic programs made for “late night” network broadcast.

(d) Advance Payment for Residuals

Each contract between the Producer and the performer shall contain a separate provision for such additional compensation for reruns or foreign telecasts. There shall be the following limitations on advance payment for television reruns or foreign telecasts:

(1) The Producer may not make any payment to a day performer or term contract performer for reruns or foreign telecasts at any time prior to the time of the use for which payment is made.

(2) As to employment agreements covering all other performers, the performer may agree to an advance payment for reruns or foreign telecasts provided the advance payment is separately listed and is paid in addition to the salary, which is separately and specifically set forth as salary (not including advances) in the performer’s contract and, provided further, that the salary at which advance payments which are additional for network prime time reruns is permitted shall be no less than the following:

| Program Length   | Salary Per Week or Per Episode |
|------------------|--------------------------------|
| ½ hour           | \$ 7,000                       |
| 1 hour or longer | \$10,000                       |

(3) Other. For all other residual purposes (*e.g.*, syndication, non-prime-time network, theatrical and foreign), the salary at which advance payment is permitted shall be \$7,000 per week or per episode.

(e) All payments of additional compensation for reruns, theatrical exhibition or foreign telecasts shall be made promptly by check, payable to the order of the performer entitled thereto, and if not initially paid to the performer, shall be delivered to Screen Actors Guild for forwarding to such performer and compliance herewith shall constitute payment to the performer. Upon such delivery, Producer shall have no further obligation with respect to such payment nor shall Producer have any right, title or interest in or to such payment. The Producer shall accompany such checks with a statement of the title of the film and the use for which such payment is made.

(1) Network

Except as provided in subparagraph (e)(3) below, with respect to network television exhibition, in the event Producer shall fail to pay such additional compensation when and as the same becomes due and payable, the Producer shall pay late payment charges in the amounts provided in Section 27(b) herein until such additional compensation is paid.

(2) Syndication and Foreign Telecast

Except as provided in subparagraph (e)(3) below, with respect to syndication and foreign telecasting, in the event Producer fails to pay such additional compensation within ten (10) days from the date of a notice in writing to Producer from the Union, a late payment penalty shall accrue at the rate of one percent (1%) per month from the date of delinquency.

(3) The late payment charges set forth in subparagraphs (e)(1) and (2) above shall not apply:

(i) To motion pictures produced by Qualified Residual Payors, Qualified Distributors and Qualified Buyers, and motion pictures, the residuals for which are guaranteed or assumed by a Qualified Residual Payor, Qualified Distributor or Qualified Buyer. These motion pictures shall continue to be subject to the rules on payment of liquidated damages set forth in the 1995 Agreement;

(ii) To residuals payable in connection with the purchase of libraries. The Producer shall give notice to the Union in such cases. The Producer shall assist the Union in its endeavor to obtain compliance with any residual obligations which accrued prior to the date of the purchase. The Union shall cooperate with the Producer in furnishing records or verifying previous payments to enable the Producer to begin making residual payments accruing on and after the date of the purchase as expeditiously as possible;

(iii) To performers omitted from the final cast list. As to these performers, the Producer shall investigate and respond to a claim from the Guild that a performer has been omitted from the cast list with a final position within thirty (30) days following receipt of notice of the claim from the Guild. If, as a result of its investigation, the Producer determines that the performer is owed the residual payment, payment shall also be made within said thirty (30) day period. If payment is due and the Producer fails to pay within the thirty (30) day period, then late payment liquidated damages shall accrue as of the date of the original notice from the Guild initiating the claim.

(iv) In the event of *bona fide* disputes. In such event, there will be no late payment charge during the pendency of the dispute provided that the Producer pays the undisputed amount on time.

In no event shall the total late payment penalty with respect to any performer exceed one hundred percent (100%) of the amount owing to such performer.

The foregoing provisions shall not preclude the Producer from recovering an erroneous payment. If there is a dispute over the amount due the performer, and Producer pays the undisputed amount on time, or if there is a *bona fide* dispute as to the Producer's liability therefor, there will be no late payment charge during the pendency of the dispute.

The Producer shall keep or have access to (i) complete records showing all cities in the United States and Canada in which all television motion pictures subject to this Agreement have been telecast and the number of telecasts in each such city, the television stations on which telecast, and the dates thereof, and (ii) complete records showing Distributor's Foreign Gross for such pictures to the extent that such records are pertinent to the computation of payments for foreign telecasting. Producer shall also keep or have access to such records as are necessary for the computation of additional compensation for reruns and foreign telecasts for so long as such rerun or foreign telecast payments may be due or payable. Screen Actors Guild shall have the right, at all reasonable times, to inspect such records. The undersigned shall give Screen Actors Guild prompt written notice of the date on which each television motion picture covered hereby is first telecast in any city in the United States and Canada for the second run and for each subsequent run thereafter.

With respect to each television motion picture which is distributed for foreign telecasting, Producer shall furnish reports to the Screen Actors Guild and the Alliance of Motion Picture & Television Producers showing Distributor's Foreign Gross derived from such motion picture until:

- (i) such picture has been withdrawn from distribution for foreign telecasting, or
- (ii) all of the performers in such picture have received the full additional payments for such foreign telecasting to which they are entitled pursuant to subsection (c) above.

Such reports shall be rendered to the Union on a semi-annual basis for as long as payments are due for foreign telecasting

of each television motion picture hereunder. Producer agrees to cooperate in responding to reasonable requests from the Union as to whether any picture is currently being distributed for foreign telecasting.

An inadvertent failure on the part of the Producer to comply with the reporting provisions of this Section shall in no event constitute a default by the Producer or a breach of this Agreement, provided such failure is cured promptly after notice thereof from the Screen Actors Guild.

(f) If a performer's individual employment contract contains a provision giving such performer a percentage or other participation in the receipts, revenues or profits of the television motion picture, such payment shall be credited against the minimum additional compensation for reruns and foreign telecasts provided herein, but the performer, in any event, shall be entitled to be paid not less than such minimum additional compensation for reruns and foreign telecasts, and any payment on account thereof shall likewise be credited against such participation. However, unless such rerun and foreign telecasting payments have been exceeded by profit participation payments, rerun payments shall be due and payable as provided in subsection (b)(4)b) of this Section 18 and foreign telecasting payments shall be due and payable as provided in subsection (c) of this Section 18 and any such payments shall likewise be credited against such participation. There shall be no duplication of crediting under this subsection (f), Section 18.1, Section 19(g), Section 20 and Section 20.1.

(g) The provisions of this Section shall not apply with respect to any performer in connection with a rerun or foreign telecast if no part of the performer's performance is used in the film as rerun or foreign telecast.

(h) Reporting - Domestic Syndication

Producer, or such distributor as shall be engaged by Producer, shall be required to include in all future sales or license agreements between Producer and domestic television stations a provision for the benefit of the Union requiring each such station to which product is sold to report playdates of each episode exhibited, quarterly to the Union and to Producer. The right of the Union as third party beneficiary of such sales or license agreements shall be only with respect to the obligation of the television station to provide the Union with such information, and not otherwise. The foregoing is applicable to existing product produced prior to the effective date hereof.

(i) The provisions of this Section 18 are not applicable to stunt coordinators nor body doubles.

## **18.1 EXISTING TELEVISION PRODUCT TO BASIC CABLE**

(a) Except as otherwise provided in Section 18(b)(3) above, upon release, on and after July 1, 2005, to basic cable of product initially produced for free television, as to which free television residuals would otherwise be payable, Producer shall pay to the Union, for rateable distribution to the performers, the following percentage of distributor's gross receipts:

With respect to free television motion pictures produced prior to July 1, 1984, said percentage shall be seven and one-half percent (7.5%); with respect to free television motion pictures produced on or after July 1, 1984, said percentage shall be six percent (6%). The foregoing percentages are inclusive of pension and health contributions.

With respect to distributor's gross receipts from the release to basic cable of free television motion pictures produced on or after July 1, 1998, pursuant to license agreements entered into on or after July 1, 2001, said percentage shall be six percent (6%), plus applicable pension and health contributions in accordance with the provisions of Section 22 of this Agreement. No IACF contributions shall be due in connection with such payments.

The term "upon release," as used in the first paragraph of this Section 18.1, means that the television motion picture product is available, which is when it first may be exhibited in basic cable pursuant to the terms of a license or distribution agreement.

"Basic cable," as used in this Agreement, means one (1) or more basic cable systems which do not meet the definition of "pay television" (as set forth in this Agreement) and wherein the release on basic cable is a separate release and not part of a free television broadcast.

(b) Payments for television motion pictures released to basic cable shall be made within sixty (60) days following the close of each fiscal or calendar quarter in which revenue for same is received.

(c) The provisions of this Section 18.1 are not applicable to stunt coordinators nor body doubles.

(d) The late payment provisions in Section 18(e)(2) and (3) above shall apply to payments required under this Section 18.1, except for checks under \$10.00.

(e) The parties recommend that the Trustees of the Industry Advancement and Cooperative Fund develop a method for reimbursing Producers for payment of certain claims arising out of inadvertent omissions from final cast lists and other cast list adjustments occasioned by the change in this residual payment formula.

(f) The parties may agree in writing to change the time of payment requirements for payments due pursuant to Section 18.1 of the Television Agreement.

## **18.2 RATEABLE DISTRIBUTION OF RESIDUAL PAYMENTS BASED UPON A GROSS RECEIPTS FORMULA**

The Producers agree to apply the following rateable distribution formula to the payment of residuals which are based upon a gross receipts formula for all episodes of free television series, whether produced under this or a prior Screen Actors Guild Television Agreement, in connection with revenues received on or after July 1, 2002. Under this rateable distribution formula, any series performer whose performance is used in the episode shall be assigned three (3) units; any weekly freelance performer whose performance is used in the episode shall be assigned two (2) units; and any other performer (including a day performer, three-day performer or a performer employed under Exhibit A) whose performance is used in the episode will be assigned one (1) unit.

An Implementation Committee shall be established for the purpose of addressing problems arising in connection with the implementation of the new rateable distribution formula. In addition, the parties shall recommend that the Trustees of the Industry Advancement and Cooperative Fund develop a method for reimbursing Producers for payment of certain claims arising out of inadvertent omissions from final cast lists and other cast list adjustments occasioned by the change in the rateable distribution formula for television motion pictures.

## **19. ADDITIONAL COMPENSATION FOR THEATRICAL RIGHTS**

(a) The rights granted to the Producer in a television motion picture shall be limited (except as provided in Sections 20 and 20.1) to the right to exhibit such motion picture over free television anywhere. If the Producer desires to acquire the right to exhibit a television motion picture in theatrical exhibition anywhere in the world, such rights shall be the subject of individual bargaining between the Producer and the



performers appearing therein in accordance with the following provisions:

(b) For the purposes of this Section 19, the United States, its commonwealths, territories and possessions and Canada shall be deemed a single geographical area and all other countries as a separate geographical area.

(c) The employment contract of the performer shall contain a separate provision for additional compensation for such theatrical rights, which shall be not less than the following:

(1) If theatrical exhibition takes place in either of the geographical areas specified in subparagraph (b) above, the additional compensation payable: a) with respect to a day performer, the day performer's total applicable minimum; and b) with respect to all other performers, the freelance performer's total applicable minimum.

(2) If theatrical exhibition takes place in both of the geographical areas specified in subparagraph (b) above, one hundred percent (100%) of the total applicable minimum shall be paid for each such area.

(3) In any event, the initial payment for theatrical exhibition in either of such geographical areas shall be one hundred fifty percent (150%) of the total applicable minimum; the extra fifty percent (50%) shall constitute a prepayment against the payment due for theatrical exhibition in the other area. Upon the later theatrical exhibition in such other area, the balance of such payment required under subparagraph (2) above shall be paid to the performer.

(4) Total applicable minimum is the total minimum salary for the type of contract under which the performer was employed for the period of the performer's employment in the television motion picture.

(5) As an alternative to the provisions of subparagraph (c)(1), (2), (3) and (4) above, for a limited theatrical release of a long-form television motion picture, the Producer shall pay fifty percent (50%) of "total applicable minimum," as that term is defined in subparagraph (4) above, to each performer appearing in the motion picture for release in each of the areas described below:

a) Zone 1 - includes the Americas (excluding the United States and Canada) and the Caribbean Islands;

b) Zone 2 - includes all European countries (including the United Kingdom) except those covered in Zone 4 below;

c) Zone 3 - includes the Far East, Australia and New Zealand;

d) Zone 4 - includes all other countries not covered in Zones 1, 2 or 3, including the Middle East, Eastern Europe, Africa and the former Soviet Republics (but excluding the United States and Canada).

Producer shall accompany its payments pursuant to this provision with a detail of the zones in which the television motion picture has been released theatrically.

(In the event that payment is made for theatrical release in three (3) or more of the foregoing zones and the Producer elects to release the television motion picture for theatrical exhibition in the United States, Producer shall make an additional payment of fifty percent (50%) of "total applicable minimum" to each performer appearing in the theatrically-released version.)

SAG will in good faith consider adjustments in these zones on a case-by-case basis.

These special residual provisions for long-form television motion pictures shall automatically terminate on June 30, 2008.

(6) The above formulae are minimum formulae and nothing herein shall preclude a performer from bargaining for better terms with respect to such theatrical rights.

(d) Limitation on advance payment of theatrical release compensation:

(1) The Producer may not make any payment to a day performer or term contract performer for theatrical exhibition at a time prior to the time of such theatrical exhibition.

(2) As to all other performers, when the salary for the performer's services provided in the performer's contract is seven thousand dollars (\$7,000) or more per week or per episode, the performer may agree to an advance payment for theatrical exhibition, provided the same is separately stated and is paid in addition to such salary provided in the performer's contract.

(e) Such additional compensation for theatrical rights shall be payable not later than ninety (90) days after such television motion picture is first placed in theatrical exhibition anywhere in the world.

(f) All payments of such additional compensation for theatrical rights shall be made promptly by check, payable to the order of the performer entitled thereto, and if not initially paid to the performer, shall be delivered to Screen Actors Guild for forwarding to such performer and compliance herewith shall constitute payment to the performer. If Producer fails to pay such additional compensation when due and payable, Producer shall pay a late payment penalty of one percent (1%) per month on the unpaid balance commencing to accrue from the date of such delinquency.

Nothing contained herein shall preclude the Producer from recovering an erroneous payment. If there is a dispute over the amount due the performer, and Producer pays the undisputed amount on time, or if there is a *bona fide* dispute as to the Producer's liability therefor, there will be no late payment charge during the pendency of the dispute.

(g) If a performer's individual employment contract contains a provision giving such performer a percentage or other participation in the receipts, revenues or profits of the television motion picture, such payment shall be credited against the minimum additional compensation for theatrical rights provided herein, but the performer in any event shall be entitled to be paid not less than such minimum additional compensation and any payment on account thereof shall be credited against such participation. There shall be no duplication of crediting under this subsection (g), subsection (f) of Section 18, Section 18.1, Section 20 and Section 20.1. Unless theatrical rights payments have been exceeded by profit participation payment, performer shall be paid as provided in (e) above, and any such payments shall likewise be credited against such participation.

(h) Subject to the provisions of (d) above, the provisions of this Section 19 shall apply to all television motion pictures produced under this Agreement.

(i) The provisions of this Section shall not apply with respect to any performer in connection with a theatrical use if no part of the performer's performance is used in the film as theatrically exhibited.

(j) The provisions of this Section are not applicable to stunt coordinators nor body doubles.

(k) When a television motion picture is exhibited at a film festival or a charitable event and an admission fee is charged, but no monies are paid to the Producer or the Producer's licensee in consideration for the use of the film, no payment shall be due hereunder.

**20. SUPPLEMENTAL MARKETS EXHIBITION OF TELEVISION MOTION PICTURES, THE PRINCIPAL PHOTOGRAPHY OF WHICH COMMENCED AFTER JULY 20, 1952 BUT PRIOR TO JULY 21, 1980**

Television motion pictures produced under a prior Screen Actors Guild Television Agreement, the principal photography of which commenced after July 20, 1952 but prior to July 21, 1980, which are released by Producer for exhibition in "Supplemental Markets," as that term is defined below, anywhere in the world, shall be governed by the provisions relating to additional compensation payable to performers for exhibition of television motion pictures in Supplemental Markets of the applicable Television Agreement under which such pictures were produced. However, for purposes of such provisions of such Agreements, the term "Supplemental Markets" shall be defined as hereinafter provided and the term "Distributor's gross receipts" shall be defined as hereinafter provided.

(a) Definition of Supplemental Markets

The term "Supplemental Markets," as used in this Section 20, and for purposes of Section 20.1, means only: The exhibition of television motion pictures by means of cassettes (to the limited extent provided in subparagraph (1) of this paragraph (a), or Pay Television, as those terms are hereafter defined in this paragraph (a), and the exhibition of television motion pictures on any commercial carrier such as commercial airlines, trains, ships and buses (referred to herein as "in-flight").

The rights granted to the Producer in a television motion picture shall include the right to exhibit such motion picture in Supplemental Markets. This right shall exist not only with respect to television motion pictures produced during the term of this Agreement, but also with respect to all television motion pictures produced by the Producer under prior collective bargaining agreements between Producers and the Union from and after July 21, 1952, subject to any restrictions provided in any performer's individual employment contract.

(1) Cassettes:

For the purpose of this Section 20, and for purposes of Section 20.1, a cassette is any audio-visual device, including, without limitation, cassette, cartridge, phonogram or other similar audio-visual device now known or hereafter devised, containing a television motion picture (recorded on film, disc, tapes or other material) and designed for replay through a television receiver or comparable device. The sale or rental of cassettes for replay through a television receiver or comparable

device in the home or in closed-circuit use, such as in hotel rooms, constitutes “Supplemental Markets.”

(2) Pay Television:

The term “pay television,” as used in this Section 20, and for purposes of Section 20.1, shall mean exhibition on a television screen in the home by means of a telecast, cable, closed-circuit, satellite to home or CATV where substantially all systems to which the program is licensed meet the following tests:

a) a separate channel is provided for which the subscriber pays a separate fee (which fee is a major charge relative to other charges made to the subscriber) for that channel;

and/or

b) the subscriber pays for the motion picture or motion pictures selected (except that a motion picture or motion pictures selected for which only a token charge is made shall not be considered pay television);

and/or

c) the subscriber pays a fee for an encoded telecast, which fee is a major charge relative to other fees paid for encoded telecasts.

The foregoing tests cover those types of services and systems which exist in the industry today and are commonly understood in the industry today to be pay television services or systems.

The term “pay television,” as used in this Section 20, and for purposes of Section 20.1, shall also include the exhibition of television motion pictures through a television receiver or comparable device by means of telecast, cable, closed circuit, satellite or CATV for which the viewing audience (whether by the individual viewer or by the hotel, motel, hospital or other accommodation where the viewer is) pays to receive the program by making a separate payment for such specific program. Exhibition in theatres or comparable places by such means is theatrical exhibition and shall not be considered pay television.

The term “Supplemental Markets” does not include the exhibition of a television motion picture by cassette or otherwise over a television broadcast station or in theatrical exhibition. Subject to Section 18.1, the exhibition of motion pictures made for free television

exhibition on “basic cable” is considered free television exhibition, as distinguished from “Supplemental Markets” exhibition.

(b) Definition of Distributor’s Gross Receipts

(1) For purposes of calculating Supplemental Market fees due from the distribution of television motion pictures to “pay television,” as defined above, the term “Distributor’s gross receipts” shall mean the worldwide total gross receipts derived by the distributor (who may be the Producer or a distributor licensed by the Producer) from licensing the right to exhibit such picture on “pay television,” as defined above; provided, however, that in the case of any such picture which is produced outside of the United States, if such picture is subject to this Agreement and if such production is under an arrangement (herein referred to as a “foreign production deal”) pursuant to which a foreign producer or distributor provides or guarantees any of the financing for the production of such picture or furnishes any other consideration for such production and a foreign distributor acquires one or more foreign territories for the distribution of such picture in Supplemental Markets, then no monies from any such distribution in any such foreign territory shall be included in “Distributor’s gross receipts” except to the extent such foreign producer or foreign distributor is obligated to account to Producer or to the distributor of such picture for such monies, and except for gross receipts received by such foreign distributor from such distribution in the United Kingdom.

If the distributor of such picture does not distribute such picture directly in Supplemental Markets, but employs a subdistributor to so distribute such picture, then the “Distributor’s gross receipts” shall be the worldwide total gross receipts derived by such subdistributor from licensing the right to exhibit such picture in Supplemental Markets. In case of an outright sale of the Supplemental Markets distribution rights for the entire world, or any territory or country, the income derived by the seller from such sale, but not the income realized by the purchaser or licensee of such rights, shall be the “Distributor’s gross receipts.” If any such outright sale shall include Supplemental Markets exhibition rights and other rights, then (but only for the purpose of the computation required hereunder) the Producer shall allocate to the Supplemental Markets exhibition rights a fair and reasonable portion of the sales price which shall, for the purpose hereof, be the “Distributor’s gross receipts.” In reaching this determination, Producer may consider the current market value of Supplemental Markets exhibition rights in comparable motion pictures.

If the Union shall contend that the amount so allocated was not fair and reasonable, such claim may be determined by submission to arbitration as herein provided; and in the event the

Arbitrator shall find that such allocation was not reasonable and fair, he shall determine the fair and reasonable amount to be allocated. If the outright sale includes Supplemental Markets distribution rights to more than one (1) motion picture, Producer shall likewise allocate to each such picture a fair and reasonable portion of the sales price of the Supplemental Market rights; and if the Union contends that such allocation is not fair and reasonable, the question may be determined by submission to arbitration as provided herein. If the Arbitrator shall find that such allocation was not fair and reasonable, the Arbitrator shall determine the fair and reasonable amount to be so allocated to each such picture. Nothing with respect to the price received on the outright sale of only Supplemental Markets distribution rights in a single such picture shall be subject to arbitration except that, in the event of a dispute, there may be arbitrated the question of whether the price reported by the Producer to the Guild as having been received by the Producer on such outright sale is less than the amount actually received by the Producer on such outright sale.

(2) For purposes of calculating Supplemental Markets fees due from the distribution of television motion pictures on “cassettes,” as defined above, the term “Distributor’s gross receipts” is defined as follows:

a) If the Producer is the Distributor or the Distributor is owned by or affiliated with the Producer, the “Distributor’s gross receipts” derived from the distribution of such picture by “cassettes” shall be twenty percent (20%) of the worldwide wholesale receipts derived by the Distributor. In such cases, if the Distributor is also the retailer, a reasonable allocation of the retail gross receipts shall be made as between the Distributor as distributor and the Distributor as retailer, and twenty percent (20%) of the former only shall be deemed to be “Distributor’s gross receipts.” The reasonableness of such allocation shall be subject to arbitration, and in such arbitration, generally prevailing trade practices in the cassette industry with respect to dealings between non-related companies shall be relevant evidence.

b) If the Distributor is not the Producer and is not owned by or affiliated with the Producer, the “Distributor’s gross receipts” shall be one hundred percent (100%) of the fees received by the Producer from licensing the right to distribute such picture by cassette.

c) In case of an outright sale of the Supplemental Markets distribution rights for the entire world, or any territory or country, the income derived by the seller from such sale, but not the income realized by the purchaser or licensee of such rights, shall be the “Distributor’s gross receipts.” If any such outright sale shall include

Supplemental Markets exhibition rights and other rights, then (but only for the purpose of the computation required hereunder) the Producer shall allocate to the Supplemental Markets exhibition rights a fair and reasonable portion of the sales price which shall, for the purpose hereof, be the “Distributor’s gross receipts.” In reaching this determination, Producer may consider the current market value of Supplemental Markets exhibition rights in comparable motion pictures.

(3) The “Distributor’s gross receipts,” as that term is used in subsections (b)(1) and (2) above, shall not include:

a) Sums realized or held by way of deposit as security, until and unless earned, other than such sums as are non-returnable;

b) Rebates, credits or repayments for cassettes returned (and, in this connection, the Producer shall have the right to set up a reasonable reserve for returns);

c) Sums required to be paid or withheld as taxes, in the nature of turnover taxes, sales taxes or similar taxes based on the actual receipts of such motion picture or on any monies to be remitted to or by the Producer or such other distributor; but there shall not be excluded from “Distributor’s gross receipts” any net income tax, franchise tax or excess profit tax or similar tax payable by the Producer or such Distributor on its net income or for the privilege of doing business;

d) Frozen foreign currency until the Producer shall either have the right to freely use such foreign currency, or Producer or Distributor has the right to transmit to the United States to Producer or Distributor such foreign currency from the country or territory where it is frozen. If such currency may be utilized or transmitted as aforesaid, it shall be deemed to have been converted to United States dollars at the rate of exchange at which such currency was actually transmitted to the United States as aforesaid or, if not actually transmitted, then at the prevailing free market rate of exchange at the time such right to use or to transmit occurs. Frozen foreign currency shall be deemed to be unblocked on the basis of “first in, first out” unless otherwise allocated by local foreign fiscal authorities. Allocation of such unblocked funds, as between revenue which serves as the basis of determining payments hereunder and other revenue, shall be on a proportional basis, subject to different earmarking by local foreign fiscal authorities.



#### (4) Allocation of Gross Receipts

If any agreement for distribution in Supplemental Markets includes more than one (1) television motion picture, or includes both Supplemental Markets rights and other rights, the Producer shall make a reasonable allocation for the purpose of determining payments hereunder. If the Guild contends that such allocation is not reasonable, then such claim shall be submitted to arbitration under Section 50 of this Agreement.

(5) A “non-returnable advance” is to be included in “Distributor’s gross receipts” when a television motion picture subject to the Supplemental Markets provisions of this or any prior Television Agreement is “available” and “identifiable” and the amount of the advance payment is “ascertainable.”

a) Such television motion picture is “available” when the first of the following occurs:

(1) The product first may be exhibited or otherwise exploited by a specified method of distribution and in a territory under the terms of the applicable license or distribution agreement, or

(2) It first may be sold or rented by a retailer under the terms of the applicable license or distribution agreement.

b) Such television motion picture is “identifiable” when the Producer first knows or reasonably should have known that a given motion picture is covered by a particular license or distribution agreement for its exploitation in the applicable market.

c) The amount of the advance payment is “ascertainable” if:

(1) the advance is for one television motion picture, means of exhibition, and territory, or

(2) the total amount of the advance is for more than one motion picture, means of exhibition and/or territory, in which case the Producer shall fairly and reasonably allocate such advance among the licensed motion pictures, exhibition markets and/or territorial markets.

As each of these pictures becomes identifiable and available, the allocated portion of the non-returnable advance is to be included in “Distributor’s gross receipts” for that quarter. The Producer

shall notify the Guild of its allocation when the report of “Distributor’s gross receipts,” which includes the advance, is to be filed. The Guild has the right to challenge in an arbitration a failure to allocate or any allocation that it contends is not fair and reasonable.

d) If such television motion picture is available in any territory or by any means of exhibition, and is identifiable and the amount of the advance is ascertainable, but the Producer does not provide the Guild with the information required by this Agreement and applicable law, then the advance shall be deemed includable in “Distributor’s gross receipts” no later than six (6) months after the Producer receives it.

e) An advance received by a Producer’s parent, subsidiary or any other related or affiliated entity or successor-in-interest, or by any other entity to which the advance payment is directed by the Producer or license or distribution agreement, shall be considered as an advance payment received by the Producer.

(6) The provisions of this Section shall not apply with respect to any performer in connection with use in Supplemental Markets if no part of the performer’s performance is used in the film as released in Supplemental Markets.

## **20.1 ADDITIONAL COMPENSATION - SUPPLEMENTAL MARKETS; TELEVISION PROGRAMS, THE PRINCIPAL PHOTOGRAPHY OF WHICH COMMENCED ON OR AFTER OCTOBER 6, 1980<sup>7</sup>**

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Payment for Supplemental Markets exhibition of television motion pictures, the principal photography of which commenced on or after October 6, 1980, shall be at the same percentage and computed in the same manner as payment for Supplemental Markets exhibition of theatrical motion pictures, as specified in Section 5.2 of the 2005 Producer–Screen Actors Guild Codified Basic Agreement. However, the term “Supplemental Markets,” for purposes of this provision, shall be as defined in Section 20 of this Agreement, and neither stunt coordinators nor body doubles shall be eligible to participate in Supplemental Markets payments due pursuant to this Section 20.1.

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<sup>7</sup> The Screen Actors Guild was on strike against the Producers during the period July 22, 1980 through and including October 5, 1980. The terms of an interim agreement may be applicable to performers who were employed in motion pictures produced during that period.

## **21. RESPONSIBILITY FOR PAYMENT OF RESIDUALS - DISTRIBUTOR'S LIABILITY AND PRODUCER'S LIABILITY**

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With respect to all television motion pictures produced hereunder or under a prior Screen Actors Guild Television Agreement, the principal photography of which commenced on or after October 6, 1980 and which are rerun on free television or which are released to basic cable, in Supplemental Markets, for foreign telecasting or for theatrical exhibition, to the extent those motion pictures are not subject to a Television Distributor's Assumption Agreement executed before July 1, 2005, the following provisions shall be applicable:

### **(a) Television Distributor's Assumption Agreement -- Television Reruns, Basic Cable Exhibition, Foreign Television Exhibition, Theatrical Exhibition and Supplemental Markets Use**

Prior to the commencement of principal photography of each such television motion picture in which one or more performers covered by this or any prior Agreement renders services, if the Producer is not also the Distributor of such motion picture for free television, basic cable, foreign television exhibition, theatrical exhibition or in Supplemental Markets (as applicable), Producer shall obtain from the Distributor having such distribution rights and deliver to SAG a separate written agreement herein called "Television Distributor's Assumption Agreement," made expressly for the benefit of SAG as representative of the performers involved, by which such Distributor agrees to assume and pay the amounts payable hereunder by reason of the exhibition of such motion picture on free television, basic cable, foreign television, theatrically or in Supplemental Markets (as applicable), including applicable pension and health contributions (all such payments are collectively referred to as "Residuals") when and as the same become due.

In the event such Distributor is a signatory Producer, it shall be deemed automatically bound to such Television Distributor's Assumption Agreement and delivery and execution of said Assumption Agreement shall not be necessary.

Such agreement shall be substantially in the following form:

### **TELEVISION DISTRIBUTOR'S ASSUMPTION AGREEMENT**

In consideration of the execution of a DISTRIBUTION AGREEMENT between \_\_\_\_\_ ("Producer") and the undersigned Distributor, Distributor agrees that the motion picture presently entitled \_\_\_\_\_

\_\_\_\_\_ (the "Picture") is subject to the Screen Actors Guild Television Agreement of 2005, 2001 (including the Extension Agreement dated July 1, 2004), 1998, 1995, 1992, 1989, 1986, 1983 or 1980 (strike those which are not applicable) ("Television Agreement") covering television motion pictures and particularly to the provisions of (strike those of the following clauses (1), (2), (3) or (4) which are not applicable):

(1) Section 18 thereof, pertaining to additional compensation payable to performers when television motion pictures are rerun on free television in the United States and Canada, and Section 22 pertaining to applicable pension and health contributions, if any are required;

(2) Section 18.1 thereof, pertaining to additional compensation payable to performers when television motion pictures are released to basic cable and Section 22 pertaining to applicable pension and health contributions, if any are required;

(3) Section 19 thereof, pertaining to additional compensation payable to performers when television motion pictures are exhibited theatrically and Section 22 pertaining to applicable pension and health contributions, if any are required; and

(4) Section 20.1 thereof, pertaining to additional compensation payable to performers when television motion pictures, the principal photography of which commenced on or after October 6, 1980, are released in Supplemental Markets and Section 22 pertaining to applicable pension and health contributions, if any are required.

Distributor is distributing or licensing the Picture for distribution (select one)

\_\_\_\_\_ in perpetuity (*i.e.*, for the period of copyright and any renewals thereof)

\_\_\_\_\_ for a limited term of \_\_\_\_\_ years

in the following territories and media (indicate those that are applicable):

**Territory:**

\_\_\_\_\_ Domestic (the U.S. and Canada, and their respective possessions and territories)

\_\_\_\_\_ Foreign (the world excluding the U.S. and Canada and their respective possessions and territories)

\_\_\_\_\_ Other (please describe):

**Media:**

\_\_\_\_\_ All

\_\_\_\_\_ Theatrical

\_\_\_\_\_ Home Video

\_\_\_\_\_ Pay Television

\_\_\_\_\_ Free Television (Domestic)

\_\_\_\_\_ Foreign Free Television

\_\_\_\_\_ Basic Cable

\_\_\_\_\_ Other (please describe):

\_\_\_\_\_ See description, attached hereto as Exhibit "A" and incorporated herein by reference.

Distributor hereby agrees, expressly for the benefit of the Screen Actors Guild, herein called SAG, as representative of the performers whose services are included in the Picture, when the Picture is exhibited on free television, foreign television, basic cable or theatrically or in Supplemental Markets (as applicable), to make the additional compensation payments required thereby, if any, and the pension and health contributions required thereby, if any, with respect to the territories, media and term referred to above as provided in the applicable Sections referred to hereinabove (all such payments are collectively hereinafter referred to as "Residuals"). Distributor, for and on behalf of the Producer, shall make all Social Security, withholding, unemployment insurance and disability insurance payments required by law with respect to the additional compensation referred to in the preceding sentence.

It is expressly understood that the right of Distributor to license the Picture for exhibition on free television, foreign television, basic cable, theatrically or in Supplemental Markets (as applicable), or to exhibit or cause or permit the Picture to be exhibited on free television, foreign television, basic cable, theatrically or in Supplemental Markets (as applicable), shall be subject to and conditioned upon the prompt payment of Residuals with respect to the territories, media and term referred to above in accordance with said applicable Sections. It is agreed that SAG, in addition to all other remedies, shall be entitled to

injunctive relief against Distributor in the event such payments are not made.

To the extent that Producer has executed a security agreement and financing statement in SAG's favor in the Picture and related collateral as defined in the SAG-Producer Security Agreement ("SAG Security Interest"), Distributor agrees and acknowledges that Distributor's rights in the Picture acquired pursuant to the Distribution Agreement (to the extent those rights are included in the collateral covered by the Security Agreement) are subject and subordinate to the SAG Security Interest. SAG agrees that, so long as Residuals with respect to the Picture for the territories, media and term referred to above are timely paid in accordance with said applicable Sections, SAG will not exercise any rights under the SAG Security Interest which would in any way interfere with the rights of the Distributor to distribute the Picture and receive all revenues from such distribution.

SAG further agrees that if it exercises its rights as a secured party, it will dispose of collateral which encompasses any of Distributor's rights or interests in, or physical items relating to, the Picture, only to a transferee which agrees in writing to be bound by SAG's obligations under this Assumption Agreement.

Distributor agrees to keep (i) complete records showing all cities in the United States in which the Pictures have been telecast and the number of telecasts in each such city, the television stations on which telecast, and the dates thereof; (ii) complete records showing Distributor's Foreign Gross for the Picture(s) to the extent that such records are pertinent to the computation of payments for foreign telecasting; (iii) records showing the date on which each such Picture is first exhibited in theatrical exhibition anywhere in the world and the place of such exhibition; and (iv) complete records showing Distributor's gross receipts from basic cable exhibition and from the distribution of such Picture in Supplemental Markets. The undersigned Distributor shall also keep such records as are necessary for the computation of Residuals for reruns, foreign telecasting, basic cable exhibition, theatrical exhibition and Supplemental Market use for so long as such Residuals may be due or payable. SAG shall have the right, at all reasonable times, to inspect any and all such records. If Distributor shall fail to make such payments as and when due and payable, Distributor shall pay late payment damages as specified in the Television Agreement.

If Distributor has acquired the rights to distribute the Picture on free television, Distributor shall give SAG prompt written notice of the date on which the Picture is first telecast in any city in the United States

for the second run and for each subsequent run thereafter. If the second or third run is in network prime time, the notice shall state that fact.

If the Picture is distributed for foreign telecasting and if Distributor has acquired the rights to distribute the Picture for foreign telecasting, Distributor shall furnish reports to SAG showing Distributor's Foreign Gross derived from the Picture until (i) the Picture has been withdrawn from distribution for foreign telecasting; or (ii) all of the performers in the Picture have received the full additional payments for such foreign telecasting to which they are entitled pursuant to the Television Agreement. Such reports shall be rendered to SAG on a quarterly basis during the first three (3) years in which the Picture is distributed for foreign telecasting, on a semi-annual basis for the next following two (2) years, and on an annual basis thereafter.

If the Picture is distributed in Supplemental Markets and if Distributor has acquired the rights to distribute the Picture in Supplemental Markets, Distributor shall furnish reports to SAG, quarterly during each calendar year, showing Distributor's gross receipts derived from such Supplemental Market use for as long as Distributor receives any such gross receipts.

If the Picture is distributed theatrically and if Distributor has acquired the rights to exhibit the Picture theatrically, the Distributor shall give prompt written notice to SAG of the date on which the Picture is first exhibited theatrically (1) in the United States, its commonwealths, territories and possessions and Canada and/or (2) in all other countries.

If the Picture is distributed on basic cable and if Distributor has acquired the rights to distribute the Picture on basic cable, the Distributor shall furnish reports to SAG, quarterly during each calendar year, showing Distributor's gross receipts derived from such distribution for so long as Distributor receives any such gross receipts.

Distributor agrees to cooperate in responding to reasonable requests from SAG as to whether the Picture is currently being rerun on television, distributed for foreign telecasting, on basic cable, theatrically or in Supplemental Markets. An inadvertent failure to comply with any of the notice or reporting provisions hereof shall not constitute a default by Distributor hereunder, provided said failure is cured promptly after written notice thereof from SAG.

In the event of any sale, assignment or transfer of Distributor's distribution or exhibition rights in the Picture, Distributor shall remain liable for the Residuals unless Distributor obtains an executed Television Distributor's Assumption Agreement from such purchaser, assignee or transferee and SAG approves in writing the financial responsibility of

the party obtaining such rights. SAG agrees that it will not unreasonably withhold its approval of the financial responsibility of any such purchaser, assignee or transferee. In the event that such purchaser, assignee or transferee is a Qualified Residual Payor, the financial responsibility of such purchaser, assignee or transferee shall be deemed automatically approved on the date SAG receives written notice of the assumption of obligations hereunder by the Qualified Residual Payor. Nothing herein shall release Producer of its obligations under the Television Agreement or any other agreement between Producer and SAG.

If SAG does not approve in writing the financial responsibility of the party obtaining such rights, this TELEVISION DISTRIBUTOR'S ASSUMPTION AGREEMENT shall remain effective and binding upon Distributor, and Distributor shall be obligated to pay Residuals which accrue during the term for those territories and media for which it was granted distribution rights and all extensions and renewals. The Distributor shall have the right, at its election, to cause to be immediately submitted to arbitration, pursuant to the provisions of Section 50 hereof, the issue of whether SAG has unreasonably withheld the approval of the financial responsibility of such purchaser, assignee or transferee for payments due hereunder.

Distributor and SAG hereby agree that all disputes based upon, arising out of or relating to this Assumption Agreement, other than SAG's entitlement to injunctive or other equitable relief, shall be submitted to final and binding arbitration in accordance with the arbitration provisions contained in the Television Agreement. Notwithstanding the foregoing, Distributor agrees and acknowledges that SAG is not precluded by this or any other provision of this Assumption Agreement from obtaining from a court injunctive relief or any other legal remedy at any time prior to arbitration or issuance of an arbitration award. The right to obtain injunctive relief from a court shall be applicable whether an arbitration proceeding has or has not been initiated and, further, without limitation, shall be applicable in conjunction with a proceeding to confirm and enforce an arbitration award against Distributor.

THIS TELEVISION DISTRIBUTOR'S ASSUMPTION AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA AND THE UNITED STATES, AS THE SAME WOULD BE APPLIED BY A FEDERAL COURT IN CALIFORNIA WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS. SAG and Distributor agree that any arbitration or legal action or proceeding brought to interpret or enforce the provisions of this Television Distributor's Assumption Agreement (including an action to



compel arbitration or a petition to vacate an arbitration award) shall be held or brought in Los Angeles County, California, and Distributor irrevocably submits to the jurisdiction of the federal and state courts therein. Notwithstanding the foregoing, SAG, at its option, may bring a legal action or proceeding outside California under the following circumstances: (a) if Distributor has no principal place of business in California; or (b) whether or not Distributor has a principal place of business in California, to enforce or execute upon an arbitration award or court order or judgment, in any jurisdiction in which Distributor's assets are located (and Distributor irrevocably submits to the jurisdiction of the courts of such places for purposes of such execution or enforcement). Distributor consents to service of process by personal delivery or by certified or registered mail, return receipt requested, to Distributor's general counsel or to Distributor's representative identified below or by first class mail to Distributor when Distributor has not designated a representative or a general counsel, or by any other method permitted by law.

Date \_\_\_\_\_  
\_\_\_\_\_ (“Distributor”)

Address: \_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_  
\_\_\_\_\_

Please print name

Title: \_\_\_\_\_

Distributor's Representative or General  
Counsel:

\_\_\_\_\_

An inadvertent failure on the part of any such Distributor to comply with any of the reporting provisions of this subsection (a) shall in no event constitute a default by the Producer or such Distributor or a breach of this Agreement, provided that such failure is cured promptly after notice in writing thereof from the Screen Actors Guild.

In the event of the expiration or termination of any distribution agreement, the obligation of Producer to obtain and deliver to SAG such Television Distributor's Assumption Agreement shall apply as well to any subsequent distribution agreement entered into by Producer, and

Producer shall obtain and deliver an executed Television Distributor's Assumption Agreement within ten (10) days after the execution of each such subsequent distribution agreement.

With respect to any such motion picture produced hereunder, SAG, prior to the commencement of principal photography of such motion picture, may require such financial assurances from Producer as it deems advisable to insure performance of Producer's obligations to pay the Residuals, including, without limitation, the execution of security agreements, guarantees or other protective agreements, subject, however, to the following:

If SAG shall require financial assurances from the Producer in the form of a security agreement for a security interest in the Picture, so long as the Residuals are timely paid with respect to all territories, media and term acquired by the Distributor in accordance with Sections 18, 18.1, 19 and/or 20.1 of the Television Agreement, as applicable, SAG shall not exercise any rights under such security agreement which would in any way interfere with the rights of the Distributor to distribute the Picture and receive all revenues from such distribution, provided that such Distributor has executed and delivered a Television Distributor's Assumption Agreement to SAG and is in compliance with the terms thereof.

If any "Qualified Residual Payor" assumes in perpetuity under the Television Distributor's Assumption Agreement the obligation to pay the Residuals for all territories and media with respect to the Picture or guarantees in a written form satisfactory to SAG all of such obligations thereunder, SAG will release and cause to be discharged of record all such security interests, liens, charges or encumbrances entered into by or obtained from such Producer and will not require further financial assurances from such Producer; provided, however, the Producer's primary liability as a Producer shall not be released thereby.

If any "Qualified Residual Payor" acquires rights to distribute the Picture in specific territories and media (but not all territories and media) in perpetuity, and has assumed responsibility for the payment of Residuals for such territories and media so acquired pursuant to the Television Distributor's Assumption Agreement or guarantees in a written form satisfactory to SAG all of such obligations thereunder, then if the Producer has granted or thereafter grants a security interest in favor of SAG in the Picture and related collateral as defined in the SAG Security Agreement, SAG: (i) agrees to modify the definition of the collateral in the SAG Security Agreement to exclude those territories and media acquired by such Qualified Residual Payor; and (ii) acknowledges

Qualified Residual Payor's continuing rights of full, unlimited but non-exclusive access to and use of any and all physical items and elements relating to the Picture.

If any "Qualified Residual Payor" acquires rights to distribute the Picture in specific territories and media for a limited period of time, and has assumed responsibility for the payment of Residuals for such term and in such territories and media pursuant to the Television Distributor's Assumption Agreement or guarantees in a written form satisfactory to SAG all of such obligations thereunder, then any security agreement or security interest obtained by SAG from the Producer in connection with the Picture shall remain in effect, but SAG agrees: (i) to modify the definition of the collateral in the SAG Security Agreement to exclude those territories and media for the term of the rights acquired by the Qualified Residual Payor, including renewals and extensions; and (ii) acknowledges the Qualified Residual Payor's continuing rights of full, unlimited but non-exclusive access to and use of any and all physical items and elements relating to the Picture.

In addition to those distributors who have been deemed "Qualified Residual Payors" by SAG due to their past bargaining relationship and/or Residuals payment history, the term "Qualified Residual Payor" shall mean a Distributor who satisfies the requirements set forth in Paragraphs A. and B. below:

A. Distributor has the financial history, liquidity, net earnings before interest, taxes and amortization, assets, and net worth to establish its present and future ability to pay Residuals arising from the exploitation of the SAG Pictures being distributed.

B. The Distributor has been in business for five (5) or more years and has a history of prompt and proper payment of Residuals pursuant to SAG contracts in five (5) consecutive years immediately prior to seeking Qualified Residual Payor status.

A Qualified Residual Payor shall have the right to elect, with respect to each SAG Picture for which it has distribution rights, whether or not to assume Residuals obligations or guarantee the payment of Residuals in accordance with the Qualified Residual Payor's Letter of Agreement, for the territories and media for which it has distribution rights. However, the Qualified Residual Payor shall be entitled to the rights of a Qualified Residual Payor hereunder only when it elects to so assume such obligations or so guarantee the payment of Residuals.

In the event of a dispute as to qualifications of an applicant for Qualified Residual Payor status, Producer shall provide such financial

assurances as SAG may deem appropriate, which may include, but are not limited to, a security interest in the Picture and related collateral, in which case Distributor shall acknowledge same. Said security interest shall remain effective unless and until it is established by agreement or in an arbitration, pursuant to the arbitration provisions contained in the Television Agreement, that the applicant Distributor meets the aforementioned requirements for qualification. Such applicant shall have the burden of proof that it satisfies the aforementioned requirements for qualification in any arbitration and shall, upon SAG's request, furnish to SAG all relevant financial or corporate information relating thereto as SAG may reasonably require.

Any information submitted to SAG in order to determine whether a distributor is entitled to status as a Qualified Residual Payor shall, at the Distributor's discretion, be subject to reasonable confidentiality arrangements.

In the event that a Qualified Residual Payor, after notice and a reasonable opportunity to cure, generally fails to report and/or pay Residuals when they are due or generally fails to pay obligations to creditors when they become due or in the event a petition is filed under the Bankruptcy Code by or against a Qualified Residual Payor, SAG shall have the right to terminate the Distributor's Qualified Residual Payor status. The Distributor shall have the right to invoke the arbitration procedures described above to challenge such termination. Pending the resolution of such challenge, the Qualified Residual Payor's status shall be considered terminated. SAG agrees that it will not terminate a Qualified Residual Payor's status when there is a *bona fide* dispute as to whether Residuals are due, or a *bona fide* dispute as to the amount of Residuals due to SAG, if the Distributor has otherwise timely reported and paid Residuals. In addition to the above, if a SAG audit conducted pursuant to the Television Agreement or other financial information discloses that the Qualified Residual Payor no longer meets the aforementioned standards for qualification, SAG may initiate an arbitration pursuant to the Television Agreement to terminate the Qualified Residual Payor's status.

(b) Television Buyer's Assumption Agreement

If the Producer shall sell, transfer or assign its rights to exhibit on free television, basic cable or foreign television any of the motion pictures produced hereunder or under a prior Screen Actors Guild Television Agreement, the principal photography of which commenced on or after October 6, 1980, or its rights to distribute theatrically or in Supplemental Markets any of the motion pictures produced hereunder or under a prior Screen Actors Guild Television Agreement, the principal photography of which commenced on or after

October 6, 1980, in which one (1) or more performers covered by the Agreement renders services, to the extent those motion pictures are not subject to a Television Buyer's Assumption Agreement executed before July 1, 2005, it shall obtain from such buyer, transferee or assignee a separate agreement, made expressly for the benefit of Screen Actors Guild as representative of the performers involved, requiring such buyer, transferee or assignee to comply with the provisions of this Agreement with respect to additional compensation to performers and pension and health contributions by reason of the exhibition of such motion pictures on free television, basic cable or foreign television or the distribution of such motion pictures theatrically or in Supplemental Markets (as applicable), when and as the same become due. Such agreement shall be in substantially in the following form:

### **TELEVISION BUYER'S ASSUMPTION AGREEMENT**

For valuable consideration, the undersigned \_\_\_\_\_

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(INSERT NAME OF BUYER, TRANSFEREE OR ASSIGNEE)

(hereinafter referred to as "Buyer") hereby agrees with \_\_\_\_\_

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(INSERT NAME OF PRODUCER)

that each motion picture covered by this agreement ("the Picture") identified in the attached Exhibit "A") is subject to the Screen Actors Guild Television Agreement of 2005, 2001 (including the Extension Agreement dated July 1, 2004), 1998, 1995, 1992, 1989, 1986, 1983 or 1980 (strike those which are not applicable) (hereinafter "Television Agreement") covering television motion pictures and particularly to the provisions of (strike those of the following clauses (1), (2), (3) or (4) which are not applicable):

(1) Section 18 thereof, pertaining to additional compensation payable to performers when television motion pictures are rerun on free television in the United States and Canada, and Section 22 pertaining to applicable pension and health contributions, if any are required;

(2) Section 18.1 thereof, pertaining to additional compensation payable to performers when television motion pictures are released to basic cable and Section 22 pertaining to applicable pension and health contributions, if any are required;

(3) Section 19 thereof, pertaining to additional compensation payable to performers when television motion pictures are exhibited theatrically and Section 22 pertaining to applicable pension and health contributions, if any are required; and

(4) Section 20.1 thereof, pertaining to additional compensation payable to performers when television motion pictures, the principal photography of which commenced on or after October 6, 1980, are released in Supplemental Markets and Section 22, pertaining to applicable pension and health contributions, if any are required.

Buyer is purchasing rights in the following territories and media (indicate those that are applicable):

**Territory:**

\_\_\_\_\_ Domestic (the U.S. and Canada, and their respective possessions and territories)

\_\_\_\_\_ Foreign (the world excluding the U.S. and Canada and their respective possessions and territories)

\_\_\_\_\_ Other (please describe):

**Media:**

\_\_\_\_\_ All

\_\_\_\_\_ Theatrical

\_\_\_\_\_ Home Video

\_\_\_\_\_ Pay Television

\_\_\_\_\_ Free Television (Domestic)

\_\_\_\_\_ Foreign Free Television

\_\_\_\_\_ Basic Cable

\_\_\_\_\_ Other (please describe):

\_\_\_\_\_ See description, attached hereto as Exhibit "A" and incorporated herein by reference.

Buyer hereby agrees, expressly for the benefit of the Screen Actors Guild, hereinafter called SAG, as representative of the performers whose

services are included in the Picture when exhibited on free television, foreign television, basic cable or exhibited theatrically or in Supplemental Markets (as applicable), to assume and be bound by Producer's obligation thereunder to make the additional compensation payments required thereby, if any, with respect to the territories and media referred to above and the pension and health contributions required thereby, if any, as provided in the applicable Section(s) referred to hereinabove (all such payments are collectively hereinafter referred to as "Residuals"). Buyer, for and on behalf of the Producer, shall make all Social Security, withholding, unemployment insurance and disability insurance payments required by law with respect to the additional compensation referred to in the preceding sentence.

It is expressly understood that the right of Buyer to license the Picture for exhibition on free television, foreign television, basic cable, theatrically or in Supplemental Markets (as applicable), or to exhibit or cause or permit the Picture to be exhibited on free television, foreign television, basic cable, theatrically or in Supplemental Markets (as applicable), shall be subject to and conditioned upon the prompt payment of Residuals with respect to the territories and media referred to above in accordance with said applicable Section(s). It is agreed that SAG, in addition to all other remedies, shall be entitled to injunctive relief against Buyer in the event such payments are not made.

To the extent that Producer has executed a security agreement and financing statement in SAG's favor in the Picture and related collateral as defined in the SAG-Producer Security Agreement ("SAG Security Interest"), Buyer agrees and acknowledges that Buyer's rights to the Picture acquired pursuant to the Purchase Agreement (to the extent those rights are included in the collateral covered by the Security Agreement) are subject and subordinate to the SAG Security Interest. Buyer further agrees to execute a security agreement, mortgage of copyright, UCC-1, and other UCC documentation and any other document required under the Television Agreement or necessary or desirable in SAG's discretion to continue the SAG Security Interest. SAG agrees that, so long as Residuals with respect to the Picture for all the territories and media referred to above are timely paid in accordance with said applicable Section(s), SAG will not exercise any rights under the SAG Security Interest which would in any way interfere with the rights of the Buyer to distribute the Picture and receive all revenues from such distribution.

SAG further agrees that if it exercises its rights as a secured party, it will dispose of collateral which encompasses any of Buyer's rights or interests in, or physical items relating to, the Picture, only to a transferee which agrees in writing to be bound by SAG's obligations under this Assumption Agreement.

Buyer agrees to keep (i) complete records showing all cities in the United States in which the Pictures have been telecast and the number of telecasts in each such city, the television stations on which telecast, and the dates thereof; (ii) complete records showing Distributor's Foreign Gross for the Picture(s) to the extent that such records are pertinent to the computation of payments for foreign telecasting; (iii) records showing the date on which each such Picture is first exhibited in theatrical exhibition anywhere in the world and the place of such exhibition; and (iv) complete records showing Distributor's gross receipts from basic cable exhibition and from the distribution of such Picture in Supplemental Markets. The undersigned Buyer shall also keep such records as are necessary for the computation of Residuals for reruns, foreign telecasting, basic cable exhibition, theatrical exhibition and Supplemental Market use for so long as such Residuals may be due or payable. SAG shall have the right, at all reasonable times, to inspect any and all such records. If Buyer shall fail to make such payments as and when due and payable, Buyer shall pay late payment damages as specified in the Television Agreement.

In the event of any sale, assignment or transfer of Buyer's distribution or exhibition rights in the Picture, Buyer shall remain liable for the Residuals, with respect to the territories, media and term referred to above, unless Buyer obtains an executed Television Buyer's Assumption Agreement and other documents required by SAG from such purchaser, assignee or transferee and SAG approves in writing the financial responsibility of the party obtaining such rights. SAG agrees that it will not unreasonably withhold its approval of the financial responsibility of any such purchaser, assignee or transferee. Nothing herein shall release the Producer of its obligations under the Television Agreement or any other agreement between Producer and SAG relating to the Picture, unless the Producer has been relieved of liability pursuant to the provisions of this Section 21(b).

If SAG does not approve in writing the financial responsibility of the party obtaining such rights, this Television Buyer's Assumption Agreement shall remain effective and binding upon Buyer.

Buyer and SAG hereby agree that all disputes based upon, arising out of or relating to this Assumption Agreement, other than SAG's entitlement to injunctive or other equitable relief, shall be submitted to final and binding arbitration in accordance with the arbitration provisions contained in the Television Agreement. Notwithstanding the foregoing, Buyer agrees and acknowledges that SAG is not precluded by this or any other provision of this Assumption Agreement from obtaining from a court injunctive relief or any other legal remedy at any time prior to arbitration or issuance of an arbitration award. The right to obtain injunctive relief from a court shall be applicable whether an



arbitration proceeding has or has not been initiated and, further, without limitation, shall be applicable in conjunction with a proceeding to confirm and enforce an arbitration award against Buyer.

If Buyer has acquired the rights to distribute the Picture on free television, Buyer shall give SAG prompt written notice of the date on which the Picture is first telecast in any city in the United States for the second run and for each subsequent run thereafter. If the second or third run is in network prime time, the notice shall state that fact.

If the Picture is distributed for foreign telecasting and if Buyer has acquired the rights to distribute the Picture for foreign telecasting, Buyer shall furnish reports to SAG showing Buyer's Foreign Gross derived from the Picture until (i) the Picture has been withdrawn from distribution for foreign telecasting; or (ii) all of the performers in the Picture have received the full additional payments for such foreign telecasting to which they are entitled pursuant to the Television Agreement. Such reports shall be rendered to SAG on a quarterly basis during the first three (3) years in which the Picture is distributed for foreign telecasting, on a semi-annual basis for the next following two (2) years, and on an annual basis thereafter.

If the Picture is distributed in Supplemental Markets and if Buyer has acquired the rights to distribute the Picture in Supplemental Markets, Buyer shall furnish reports to SAG, quarterly during each calendar year, showing Buyer's gross receipts derived from such Supplemental Market use for as long as Buyer receives any such gross receipts.

If the Picture is distributed theatrically and if Buyer has acquired the rights to exhibit the Picture theatrically, the Buyer shall give prompt written notice to SAG of the date on which the Picture is first exhibited theatrically (1) in the United States, its commonwealths, territories and possessions and Canada and/or (2) in all other countries.

If the Picture is distributed on basic cable and if Buyer has acquired the rights to distribute the Picture on basic cable, the Buyer shall furnish reports to SAG, quarterly during each calendar year, showing Buyer's gross receipts derived from such distribution for so long as Buyer receives any such gross receipts.

Buyer agrees to cooperate in responding to reasonable requests from SAG as to whether the Picture is currently being rerun on television, distributed for foreign telecasting, on basic cable, theatrically or in Supplemental Markets. An inadvertent failure to comply with any of the notice or reporting provisions hereof shall not constitute a default by Buyer hereunder, provided said failure is cured promptly after written notice thereof from SAG.

THIS TELEVISION BUYER'S ASSUMPTION AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA AND THE UNITED STATES, AS THE SAME WOULD BE APPLIED BY A FEDERAL COURT IN CALIFORNIA WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS. SAG and Buyer agree that any arbitration or legal action or proceeding brought to interpret or enforce the provisions of this Television Buyer's Assumption Agreement (including an action to compel arbitration or a petition to vacate an arbitration award) shall be held or brought in Los Angeles County, California, and Buyer irrevocably submits to the jurisdiction of the federal and state courts therein. Notwithstanding the foregoing, SAG, at its option, may bring a legal action or proceeding outside California under the following circumstances: (a) if Buyer has no principal place of business in California; or (b) whether or not Buyer has a principal place of business in California, to enforce or execute upon an arbitration award or court order or judgment, in any jurisdiction in which Buyer's assets are located (and Buyer irrevocably submits to the jurisdiction of the courts of such places for purposes of such execution or enforcement). Buyer consents to service of process by personal delivery or by certified or registered mail, return receipt requested, to Buyer's general counsel or to Buyer's representative identified below or by first class mail to Buyer when Buyer has not designated a representative or a general counsel, or by any other method permitted by law.

DATE \_\_\_\_\_

BUYER \_\_\_\_\_

ADDRESS \_\_\_\_\_

BY \_\_\_\_\_

BUYER'S REPRESENTATIVE OR GENERAL COUNSEL \_\_\_\_\_

The Producer agrees to deliver to SAG an executed copy of the above referred to Television Buyer's Assumption Agreement within thirty (30) days after the sale, assignment or transfer of such motion picture, with the name and address of the purchaser or assignee, and a complete cast list for such television motion picture, including social security numbers and rerun salary information. Failure to comply with this requirement shall be deemed a substantial breach of this Agreement. An inadvertent failure on the part of the Producer to comply with any of the provisions of this paragraph shall in no event constitute a default by the Producer or a breach of this Agreement, provided that such failure is cured promptly after notice thereof from the Screen Actors Guild.

Any inadvertent failure on the part of the Buyer to comply with any of the reporting provisions of this subsection (b) shall in no event constitute a default by the Producer or such Buyer or a breach of this Agreement, provided that such failure is cured promptly after notice in writing thereof from the Screen Actors Guild.

Upon delivery of such Television Buyer's Assumption Agreement and other documents from Buyer required under this Assumption Agreement and on condition that SAG approves in writing the financial responsibility of the purchaser, assignee or transferee, Producer shall not be further liable for the keeping of any such records, or for the payment of Residuals in accordance with said applicable Section, it being agreed that the purchaser, assignee or transferee shall solely be liable therefor.

SAG agrees that it will not unreasonably withhold its approval of the financial responsibility of any such purchaser, assignee or transferee, it being further agreed that if SAG, within twenty-one (21) days of receipt of written notice of any such sale, assignment or transfer, has not advised the Producer that it disapproves the financial responsibility of such purchaser, assignee or transferee, SAG will be deemed to have approved the financial responsibility thereof. If any such purchaser, assignee or transferee is a Qualified Residual Payor, then the financial responsibility of such purchaser, assignee or transferee shall be deemed automatically approved. In the event SAG advises the Producer within such twenty-one (21) day period that it disapproves the financial responsibility of any such purchaser, assignee or transferee and Producer disputes such disapproval, the Producer shall have the right, at its election, to cause to be immediately submitted to arbitration, pursuant to the provisions of Section 50 hereof, the issue of whether SAG has unreasonably withheld the approval of the financial responsibility of such purchaser, assignee or transferee for payments due hereunder.

To the extent that Producer has granted a security interest in favor of SAG in the Picture and related collateral as defined in any SAG Security Agreement, Buyer's rights in the Picture acquired pursuant to the Purchase Agreement shall be subject to the following:

So long as the Buyer timely pays Residuals for the Picture with respect to all territories and media in which Buyer has distribution rights in accordance with Sections 18, 18.1, 19 and/or 20.1 of the Television Agreement, as applicable, SAG shall not exercise any rights under such security agreement which would in any way interfere with the rights of the Buyer to distribute the Picture and receive all revenues from such distribution, provided that such Buyer has executed and delivered a Television Buyer's Assumption Agreement to SAG and is in compliance with the terms thereof.

If any “Qualified Residual Payor” assumes in perpetuity under the Television Buyer’s Assumption Agreement the obligation to pay the Residuals for all territories and media with respect to the Picture or guarantees in a written form satisfactory to SAG all of such obligations thereunder, SAG will release and cause to be discharged of record all such security interests, liens, charges or encumbrances entered into or obtained from such Producer and will not require further financial assurances from such Producer.

If any “Qualified Residual Payor” acquires rights to distribute the Picture in specific territories and media (but not all territories and media) in perpetuity, and has assumed responsibility for the payment of Residuals for such territories and media so acquired pursuant to the Television Buyer’s Assumption Agreement or guarantees in a written form satisfactory to SAG all of such obligations thereunder, then if the Producer has granted a security interest in favor of SAG in the Picture and related collateral as defined in the SAG Security Agreement, SAG: (i) agrees to modify the definition of the collateral in the SAG Security Agreement to exclude those territories and media acquired by such Qualified Residual Payor; and (ii) acknowledges Qualified Residual Payor’s continuing rights of full, unlimited but non-exclusive access to and use of any and all physical items and elements relating to the Picture.

In addition to those buyers who have been deemed “Qualified” by SAG due to their past bargaining relationship and/or Residuals payment history, the term “Qualified Residual Payor” shall mean a Buyer who satisfies the requirements set forth in Paragraphs A. and B. below:

A. Buyer has the financial history, liquidity, net earnings before interest, taxes and amortization, assets, and net worth to establish its present and future ability to pay all Residuals arising from the exploitation of the SAG Pictures being distributed.

B. The Buyer has been in business for five (5) or more years and has a history of prompt and proper payment of Residuals pursuant to SAG contracts in five (5) consecutive years immediately prior to seeking Qualified Buyer status.

A Qualified Residual Payor shall have the right to elect, with respect to each SAG Picture for which it has distribution rights, whether or not to assume Residuals obligations or guarantee the payment of Residuals in accordance with the Qualified Residual Payor’s Letter of Agreement, for the territories and media for which it has distribution rights. However, the Qualified Residual Payor shall be entitled to the

rights of a Qualified Residual Payor hereunder only when it elects to so assume such obligations or so guarantee the payment of Residuals.

In the event of a dispute as to qualifications of an applicant for Qualified Residual Payor status, Producer shall provide such financial assurances as SAG may deem appropriate, which may include, but are not limited to, a security interest in the Picture and related collateral, in which case Buyer shall acknowledge same. Said security interest shall remain effective unless and until it is established by agreement or in an arbitration, pursuant to the arbitration provisions contained in the Television Agreement, that the applicant Buyer meets the aforementioned requirements for qualification. Such applicant shall have the burden of proof that it satisfies the aforementioned requirements for qualification in any arbitration, and shall, upon SAG's request, furnish to SAG all relevant financial or corporate information relating thereto as SAG may reasonably require.

Any information submitted to SAG in order to determine whether a Buyer is entitled to status as a Qualified Residual Payor shall, at the Buyer's discretion, be subject to reasonable confidentiality arrangements.

In the event a Qualified Residual Payor, after notice and a reasonable opportunity to cure, generally fails to report and/or pay Residuals when they are due or generally fails to pay obligations to creditors when they become due or in the event a petition is filed under the Bankruptcy Code by or against a Qualified Residual Payor, SAG shall have the right to terminate the buyer's Qualified Residual Payor status. The Qualified Residual Payor shall have the right to invoke the arbitration procedures described above to challenge such termination. Pending the resolution of such challenge, the Qualified Residual Payor's status shall be considered terminated. SAG agrees that it will not terminate a Qualified Residual Payor's status when there is a *bona fide* dispute over whether Residuals are due to SAG, or a *bona fide* dispute as to the amount of Residuals due to SAG, if the Distributor has otherwise timely reported and paid Residuals. In addition to the above, if a SAG audit conducted pursuant to the Television Agreement or other financial information discloses that the Qualified Residual Payor no longer meets the aforementioned standards for qualification, SAG may initiate an arbitration pursuant to the Television Agreement to terminate the Qualified Residual Payor's status.

(c) If Producer dissolves and if a Distributor assumes all of the obligations of the Producer for the payment of Residuals, and the financial responsibility of the Distributor is approved by SAG in its discretion, then Producer shall thereupon be released of any obligation with respect to any payments due hereunder.

(d) No television network, station, sponsor or advertising agency shall be required to execute any Television Distributor's Assumption Agreement or Television Buyer's Assumption Agreement or shall be bound by the automatic provisions of subsections (a) and/or (b) above, unless it is the distributor of such television motion picture or the buyer of the Producer's television rights in such motion picture, as the case may be.

(e) Producer, or any distributor making payment on behalf of Producer, subject to the terms of this Agreement with respect to compensation for reruns of television programs, shall furnish to the Union the following supporting information with respect to each payment, as applicable:

- (1) The name of the series and identification of the episode;
- (2) The run and whether it is network or syndicated;
- (3) The amount of grosses (other than domestic broadcast of television product) and the level of percentage being paid;
- (4) A cast list by series and episode, specifying the performer's name and aka, Social Security number, type of contract under which employed, days worked, original salary (television only, up to the ceiling applicable to rerun payment), and the gross payment and net amount of the payment being made;
- (5) A list of all deductions such as federal income tax, Social Security, state income tax, state disability insurance, municipal taxes (where applicable), and deductions to charities and credit unions; and
- (6) A copy of Producer's quarterly pension and health reports.

The foregoing information may be furnished in more than one document, such as the check stub itself and a separate list of other information. In addition, information which does not change (such as a cast list), once reported, need not be repeated with subsequent rerun payments.

## **22. PENSION AND HEALTH PLANS**

### **(a) Percentage Contributions**

Producer and the Union are parties to the “Screen Actors Guild – Producers Pension Plan for Motion Picture Actors,” and the “Screen Actors Guild – Producers Health Plan for Motion Picture Actors,” hereinafter for convenience referred to as the “Pension Plan” and “Health Plan,” respectively, and together as the “Pension and Health Plans.” With respect to employment covered hereunder on television motion pictures, the principal photography of which commence on or after July 1, 2005, Producer agrees to contribute to the Plans amounts equal to fourteen and one-half percent (14.5%) of all gross compensation as and when paid by Producer to all performers for services covered by and subject to this Agreement in television motion pictures, but not in excess of the money ceilings as provided below. Notwithstanding the foregoing, the contribution rate to the Plans shall remain at thirteen and one-half percent (13.5%) in connection with: (1) employment on television motion pictures covered under Sideletter K of this Agreement, and (2) Supplemental Markets payments for the distribution on “cassettes,” as that term is defined in Section 5.2 of the Codified Basic Agreement, of any television motion picture, the principal photography of which commences on or after July 1, 2005.

The aforementioned fourteen and one-half percent (14.5%) shall be allocated as follows: nine and one-quarter percent (9.25%) of the contributions to the Health Plan and five and one-quarter percent (5.25%) of the contributions to the Pension Plan. The aforementioned thirteen and one-half percent (13.5%) shall be allocated as follows: eight and one-quarter percent (8.25%) of the contributions to the Health Plan and five and one-quarter percent (5.25%) of the contributions to the Pension Plan. The allocation of such fourteen and one-half percent (14.5%) or thirteen and one-half percent (13.5%) between the Plans may be changed at any time during the term hereof by the Boards of Trustees of the Pension Plan and the Health Plan, based on actuarial studies.

The term “gross compensation,” as used in this subsection (a), means all salaries and other compensation or remuneration, including rerun fees, foreign telecast fees and additional compensation for theatrical use and for use in Supplemental Markets and basic cable, excluding, however, meal penalties, payments for rest period violations, traveling, lodging or living expenses, interest on delinquent payments, reimbursement for special hairdress or for wardrobe damage, but without any other deductions whatsoever. Such term also includes amounts paid to an employee with respect to services as a performer (including compensation paid as salary settlements) whether or not any services were performed.

Amounts paid in consideration of exclusivity, for a “hold” on a performer and/or an option for acting services shall be subject to pension and health contributions up to a maximum of \$40,000. If all or a portion of the exclusivity/hold/option money is creditable against the fee due for acting services and the option is exercised, the amount so creditable shall be applied toward the applicable ceiling, computed as provided below, on contributions. If the exclusivity/hold/option money is not creditable against the fee due for acting services and the option is exercised, then up to one-half (½) of the exclusivity/hold/option money, not to exceed \$20,000, shall be applied against the pension and health contribution ceiling. This paragraph shall apply to all claims for pension and health contributions on exclusivity/hold/option monies outstanding on July 1, 1995 and to exclusivity/hold/option agreements entered into after July 1, 1995.

The foregoing contribution requirement is subject to the following:

(1) Performers other than Term Performers

For motion pictures commencing principal photography on or after July 1, 2005:

With respect to services rendered by such a performer in a one-half hour television motion picture, such percentage shall not be paid with respect to any part of such gross compensation in excess of \$15,000; with respect to services rendered by such a performer in a one-hour television motion picture, such percentage shall not be paid with respect to any part of such gross compensation in excess of \$24,500; with respect to services rendered by a performer in a one and one-half hour television motion picture, such percentage shall not be paid with respect to any part of such gross compensation in excess of \$33,000; with respect to services rendered by such a performer in a two-hour (or more) television motion picture (but not including multi-part, closed-end pictures exceeding three (3) hours in length), such percentage shall not be paid with respect to any part of such gross compensation in excess of \$40,000. With respect to services rendered by a performer in a multi-part closed-end picture exceeding three (3) hours in length, such percentage shall not be paid with respect to any part of gross compensation in excess of: a) \$15,000 for each part (*i.e.*, each separately telecast installment of the picture, as initially telecast) in which the performer appears which is one-half hour in length; b) \$24,500 for each part in which the performer appears which is one (1) hour in length; c) \$33,000 for each part in which the performer appears which is one and one-half hours in length; d) \$40,000 for each part in which the performer appears which is two (2) or more hours in length; provided, however, that in any event, such percentage shall not be paid



with respect to any part of the aggregate gross compensation received by the performer from the entire multi-part picture in excess of \$200,000.

(2) Term Performers

a) Television Term Contract

1) With respect to compensation for services in television motion pictures, the television ceilings provided in subsection (1) above shall apply.

2) With respect to compensation for employment weeks of the term for which the performer is paid but in which he does not render any services, the ceiling shall be \$9,900 for each such week.

b) Combination Term Contract

1) With respect to compensation for services in television motion pictures under such a contract, the television ceilings set forth in subsection (1) above shall apply.

2) With respect to compensation for employment weeks of the term in which the performer renders services in theatrical motion pictures or for such weeks for which the performer is paid but in which he does not render any services, the ceiling shall be applied in accordance with the applicable provisions of the Producer–Screen Actors Guild Codified Basic Agreement.

(3) Ceiling - Theatrical Exhibition of Television Motion Pictures

The \$232,000 ceiling referred to in the Producer–Screen Actors Guild Codified Basic Agreement shall be applicable with respect to the pension and health contribution which is payable with respect to the compensation due to a performer under Section 19 hereof for the theatrical exhibition of a television motion picture.

(4) Ceiling - Supplemental Market Use

The payments made by Producer for Supplemental Market use shall be subject to the ceilings referred to in subparagraphs (1) and (2) of subsection (a) of this Section 22 for television motion pictures having a running time of one (1) hour or less duration, and shall be subject to the \$232,000 ceiling referred to in the Producer–Screen Actors Guild Codified Basic Agreement for television motion pictures

having a running time in excess of one (1) hour, including shorter programs combined into a single feature-type picture.

(5) Loan-outs

The following shall apply with respect to the payment of pension and health contributions due when a Producer borrows the services of a performer from a loan-out company, as defined herein, and such performer is used by Producer within the jurisdiction of this Agreement. For purposes of this provision, a loan-out company is defined as a company, whether or not signatory to this Agreement, which is controlled by the loaned-out performer who is performing work covered by this Agreement.

a) Pension and health contributions, subject to the ceilings, shall be based on the loan-out price for the performer's covered acting services.

b) When other than covered acting services are being provided by the loan-out company, Producer agrees to separately state the compensation for covered acting services. If there is a dispute over the portion of the loan-out price allocated to the performer's acting services, the performer's "customary salary" shall be given substantial consideration in resolving such dispute.

c) Agreements with loan-out companies for covered services of the loaned-out performer shall provide that Producer shall make pension and health contributions directly to the Plans on behalf of the loan-out company.

(6) Audits

a) If, under the 1983 or any prior SAG Agreement, a loan-out company, as defined above, has failed to make the applicable pension and health contributions on behalf of the loaned-out performer pursuant to the provision corresponding to Section 22.a(5)c)2) of the 1986 SAG Agreement, Producer shall not be liable for such contributions if the loan-out company failed to pay such contributions more than four (4) years prior to the date of commencement of the audit that gives rise to the claim (whether or not it is of the loan-out company's records or the borrowing Producer's records). The date of commencement of the audit shall be deemed to be the date of actual audit entry, but in no event later than ninety (90) days after the date of the Plans' notice of intent to audit. The foregoing limitation shall apply to claims for contributions on behalf of loaned-out performers arising under the 1986 and 1989 Agreements, provided that the notice requirements set forth in Section 22.a(5)c)2) of the 1986 Agreement (or

the corresponding provision of the 1989 Agreement) have been met. In the event that the Plan(s) conclude, based on an audit of a loan-out company's records, that there exists a claim for unpaid contributions, the Plan(s) or the Union must give the borrowing Producer written notification of any such claim for unpaid contributions at the time that the loan-out company is notified of such claim. In no event will the borrowing Producer be liable for any such unpaid contributions which were due from the loan-out company more than four (4) years prior to the date that the borrowing Producer was notified of the loan-out company's failure to make the contribution.

b) Claims against Producer pursuant to subsection (5)c) above for pension and health contributions on behalf of performers borrowed from a loan-out company, or claims against Producer on behalf of performers employed directly by the Producer, must be brought within four (4) years from the date of filing of the compensation remittance report covering such performers.

c) Any claim for contributions not brought within the four (4) year periods referred to in subparagraphs (6)a) and b) above shall be barred.

(b) Plan Trustees

Each Plan shall be administered by thirty-six (36) Trustees, eighteen (18) appointed by the Alliance of Motion Picture & Television Producers and ANA-AAAA Joint Policy Committee on Broadcast Talent Union Relations, in accordance with the allocation described below, and eighteen (18) appointed by the Union. The appointing authority shall also have the right at any time to remove any Trustee appointed by it and to substitute another Trustee.

The number of Trustees to be allocated to the respective employer associations shall be subject to review every three (3) years following the establishment of the respective Plan. At such times, the Trustees to be allocated to each employer association for the ensuing three (3) year period shall be determined, as nearly as practicable, in accordance with the proportion which the aggregate contributions to such Plan for the preceding three (3) year period made by the members of each such employer association bear to the total contributions to such Plan made by members of all such employer associations during such period.

The references in this Section 22 to any employer association shall apply to any employer association which may be or become a successor thereto.

(c) Producer Parties to Plans

The Pension and Health Plans shall be industry-wide and open to all Producers signatory to any of the Union's collective bargaining contracts which provide for payments to the respective Plans, as above set forth. By signing this Agreement, Producer thereby applies to become a party to and be bound by the Screen Actors Guild-Producers Pension Plan Trust Agreement and the Pension Plan adopted thereunder, and the Screen Actors Guild-Producers Health Plan Trust Agreement and the Health Plan adopted thereunder, if the Producer is not already a party to said Agreements and Plans.

Producer further hereby accepts and agrees to be bound by all amendments and supplements heretofore and hereafter made to the foregoing Agreements and documents.

Producer hereby accepts the Producer Plan Trustees under said Trust Agreements and their successors designated as provided therein.

(d) Purposes of Plans

The funds contributed under the Pension Plan and the Health Plan shall each constitute a separate Trust Fund created by said Trust Agreements. The Trust Fund for the Pension Plan shall be used for the purpose of providing pension benefits for employees covered by the Union's collective bargaining contracts in the motion picture industry who are eligible for such benefits under such Plan, and for expenses in connection with the establishment and administration of such Pension Plan. The Trust Fund for the Health Plan shall be used for the purpose of providing health benefits for employees covered by the Union's collective bargaining contracts in the motion picture industry, who are eligible for such benefits under such Plan and, in the discretion of the Trustees, for their families, and for expenses connected with the establishment and administration of such Health Plan.

(e) Eligibility and Benefits

The Trustees of each Plan shall determine the form, nature and amount of pension and health benefits, respectively, the rules of eligibility for such benefits, and the effective dates of such benefits.

The health benefits may include, in the discretion of the Trustees, any one or more of the following benefits: death, accidental death, injury, disability, hospitalization, surgical expense and medical expense, and any other benefits permitted by law.

(f) Governmental Approvals

The Pension Plan and the Health Plan provided for herein, including the respective Plans of benefits thereunder, are each subject to retaining such approvals from the Internal Revenue Service, the State Franchise Tax Board, and any other appropriate authority as may be necessary:

(1) to maintain such Plan as a qualified plan under the Internal Revenue Code and the California Revenue and Taxation Code; and

(2) to maintain the deductibility for federal income tax and franchise tax purposes of any and all contributions made by the Producers to the Fund involved.

Whenever reference in this subsection (f) is made to a “Plan,” such reference shall include any trust established and maintained pursuant to or incorporated in such Plan. Reference herein made to particular laws shall include all rules and regulations promulgated thereunder. If any part of either Plan is not so approved or does not comply with or conform to the foregoing or any other applicable law, such Plan shall be modified by the Trustees in such manner and to such extent as may be necessary in order that such Plan will comply with and conform to all legal requirements and that the necessary approvals may be obtained.

(g) Restriction on Reversion of Contributions

The respective Agreements and Declarations of Trust shall provide that no portion of the contributions thereunder may be paid or revert to the Producer.

(h) Obligation to Furnish Information

Producer shall furnish the Trustees of each Plan, upon request, with the required information pertaining to the names, job classifications, Social Security numbers and wage information for all persons covered by this Agreement, together with such information as may be reasonably required for the proper and efficient administration of the Pension and Health Plans, respectively. Upon the written request of the Union to the Producer, such information shall be made available to the Union.

(i) Coordination of Benefit Coverage

The benefits to which any performer may become entitled under the Pension and Health Plans as herein provided shall not be reduced because of any other pension and/or health plan covering such performer. However, the Health Plan may provide for a non-duplication of benefits with respect to persons coming under this Health Plan and the AFTRA Health Plan.

(j) Prohibition Against Crediting

No part of the Producers' contributions to such Plan may be credited against the performer's overscale compensation or against any other remuneration that the performer may be entitled to, no matter what form such other remuneration may take; nor shall such contributions constitute or be deemed to be wages due to the individual employees subject to this Agreement, nor in any manner be liable for or subject to the debts, contracts, liabilities or torts of such employees.

(k) Cessation of Contributions

No contributions to the Pension and Health Plans shall be required to be made with respect to any compensation, including rerun fees, foreign telecast fees and additional compensation for theatrical exhibition, Supplemental Market and basic cable use which become due and payable after the decease of the performer.

(l) Payment of Pension and Health Contributions for U.S. Performers Engaged under ACTRA and UBCP Contracts

During the 1998 negotiations, the Producers agreed to facilitate pension and health contributions to the SAG Plans based on SAG contribution rates and ceilings when U.S. performers are engaged under Alliance of Canadian Cinema, Television and Radio Artists (ACTRA) or Union of British Columbia Performers (UBCP) contracts. Based upon the joint efforts of the Producers and SAG, appropriate contract provisions to this effect have been added to the ACTRA and UBCP contracts.

(m) The parties agree to recommend to the Trustees of the Health Plan the development of an "earnings bank" concept to enable series contract performers who are either terminated from a series or who are employed in the last year of a series which is cancelled to divert earnings sufficient to generate an additional year of eligibility to the next earnings period, if needed to provide health eligibility for the performer. In either event, the series must be in its second or subsequent season.

## **22.1 INDUSTRY ADVANCEMENT AND COOPERATIVE FUND**

The Producers and the Union have established the Producer–Screen Actors Guild Industry Advancement and Cooperative Fund, the proceeds of which are earmarked for the administration of programs such as the following: seminars to enhance awareness of the casting and non-discrimination mandates contained in the Agreement, performers’ safety, work in smoke, use of animals in motion pictures, providing showcases, proper screening procedures and verification of performers’ eligibility to work in the United States. Funding shall be provided by an employer contribution of three-tenths of one percent (0.3%) of “gross compensation,” as defined in Section 22(a) of this Agreement,<sup>8</sup> for performers employed under this Agreement on motion pictures which commence principal photography on and after July 1, 2005. Such contributions are subject to the ceilings set forth in Section 22(a) of this Agreement. No such contributions shall be due in connection with compensation paid on behalf of performers employed on television motion pictures covered under Sideletter K of this Agreement.

The parties agree to recommend the following to the Trustees of the IACF:

(a) That a study be conducted of the methods by which Producers and SAG will be assisted in implementation of the Basic and Television Agreements by electronic reporting of compensation, production information and residuals reporting by media and territory;

(b) To establish a program designed to improve administration and enforcement of applicable laws and collective bargaining agreements governing the employment of minors in states other than California. The minors’ study shall include the feasibility of a program including set visitations;

(c) That a method for reimbursing Producers for payment of certain claims arising out of inadvertent omissions from final cast lists on television motion pictures be examined;

(d) That the issues relating to disbursement of funds to beneficiaries be examined with the goal of decreasing existing administrative burdens;

(e) Examination of a method for reimbursing Producers for payment of certain claims arising out of inadvertent omissions from the final cast list due to unidentifiable performances;

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<sup>8</sup> Payments made pursuant to Section 18.1 are not included in the definition of “gross compensation” for purposes of this provision.

(f) That a study be conducted with respect to appropriate standards for dance floors and the method for implementing such industry standard; and

(g) Examination of a method for reimbursing Producers for certain claims arising out of inadvertent omissions from final cast lists and other cast list adjustments occasioned by either the change in the rateable distribution formula for television motion pictures or by the change in the residual payment formula under Section 18.1 of the Television Agreement.

## **23. EXCLUSIVITY**

### **(a) Series Performers**

Exclusivity rights may be granted by a performer employed under a series contract, subject to the following conditions:

(1) A performer employed under a series contract, at a salary of two (2) times weekly minimum compensation or less per week or per episode, under his type of employment contract, may bargain with respect to the subject of exclusivity, but may not, through such bargaining, grant any greater rights of exclusivity than the following:

a) That he will not appear in a similar type role in a series-type live or film television program;

b) The above agreement may be effective only for as long as the Producer has any option rights on the performer's services under a term or series contract.

### **(2) Commercial Exclusivity**

#### **a) Money Break:**

A performer employed under a series contract at a salary of \$12,500 or less per week or per episode, respectively, for a one-half (½) hour program, and \$17,500 or less per week or per episode, respectively, for a program of one (1) hour or longer, may not grant any exclusivity (on or off camera) with respect to the making of commercials. Between the money breaks of \$12,500 and \$15,000 for one-half (½) hour programs, and \$17,500 and \$20,000 for one (1) hour programs, performer may grant on-camera exclusivity only. A performer employed under a series contract at a salary of \$15,000 or more per week or per episode, respectively, for a one-half (½) hour program, and \$20,000 or more per week or per episode, respectively, for



a program of one (1) hour or longer, may grant off-camera as well as on-camera exclusivity. Off-camera exclusivity must be separately stated in performer's individual agreement with Producer.

b) Less than Thirteen (13) Episodes Guaranteed:

If performer is guaranteed less than thirteen (13) episodes in a group of thirteen (13) such episodes, performer may not grant any exclusivity with respect to the making of commercials, unless his or her guarantee exceeds the amounts specified below:

|                                  |           |
|----------------------------------|-----------|
| One-half (1/2) hour program      | \$130,000 |
| One (1) hour program (or longer) | \$195,000 |

c) Freedom to Bargain:

If a performer is guaranteed compensation in excess of the amounts set forth in subparagraphs a) and b) of this Section (23)(a)(2), Producer and performer may freely bargain with respect to commercial exclusivity.

(3) Except as set forth in Section 23(a)(2), a performer employed under a series contract at a salary of over two (2) times weekly minimum per week or per episode, respectively, under his type of employment contract but less than \$15,000 per week or per episode, respectively, for a one-half (1/2) hour program, and \$20,000 per week or per episode, respectively, for all programs one (1) hour or over in length, may bargain freely with respect to the subject of exclusivity, but may not, through such bargaining, grant exclusivity rights under which he does not retain the right to do at least three (3) television guest appearances in each thirteen (13) week period and the right to do unlimited radio guest appearances. The number of guest appearances by a performer on talk shows, game shows, news, panel and award shows shall be unlimited. The performer may agree in his individual employment contract that such television or radio guest appearances may not be in a continuing role on any television or radio series and that such guest appearances may not portray the same continuing character as that portrayed in the series and that such guest appearances may not be made on programs scheduled to be broadcast during the regularly-scheduled broadcast time period of such series.

(4) A performer employed under a series contract, at a salary of \$15,000 or more per week or per episode, respectively, for a one-half (1/2) hour program, and of \$20,000 per week or per episode, respectively, for all programs one (1) hour or more in length, may

bargain without limitation on the subject of exclusivity of the services to be rendered under such contract.

(5) The rights of exclusivity which a performer may grant under subparagraphs (1), (2), (3) and (4) above may not in any event continue in effect after the completion of the first-run broadcasting of episodes in the series in which the performer appears, including repeat broadcasts of such series included in the current first-run sale, or sixteen (16) weeks after the expiration of the performer's contract, whichever first occurs; provided, however, that after the performer has completed his services under such contract, he shall not be precluded from accepting employment in a new series which is not scheduled to commence its first run until after the completion of the first-run episodes of the series in which the performer appeared, including repeat broadcasts of such series which are a part of such current first-run sale.

(b) Term Performers

A performer employed under a term contract may freely bargain on the subject of exclusivity except that, with respect to a hiatus period, such bargaining shall be subject to the provisions of this Section 23.

(c) Pilot Motion Pictures

When Producer has an option to employ performer under a series or term contract, until such option is exercised, such performer shall be free to accept other employment except that performer may agree that he will not:

(1) Perform in a continuing role or as a regular performer on any other television series;

(2) Portray the same character as he performed in the pilot;

(3) Perform in commercials on behalf of products or services competitive to a product or service (which is named in the performer's contract or of which the performer has been notified in writing) of a sponsor who has a firm option or agreement to purchase the series based on such pilot; provided, however, that performer shall inform Producer of any other offer which performer receives to perform in any other commercial, and shall not accept any such offer until he has first given Producer the opportunity to discuss with him the effect which the acceptance of such offer might have upon obtaining sponsorship of any such series.

(d) Except as provided in this Section 23, performers may not grant exclusivity.

## 24. OPTIONS

### (a) Pilot and Other Initial Options

A performer may grant an option to a Producer to require the performer's services as a series or term contract performer, when the performer was employed in a pilot at a weekly salary at least equal to three (3) times the freelance weekly minimum or was paid such sum as consideration for such option when no pilot is made. Such an option may not extend past twelve (12) months from the date of completion of principal photography of such pilot. In the event no pilot is made, such option may not extend past twelve (12) months from the date of such option agreement. When no pilot is made, payment of the required salary as consideration for the option shall be paid no later than seven (7) days after test or the execution of the option agreement, whichever is earlier. If such option is exercised, the performer must commence to receive compensation not later than the expiration of such twelve (12) months.

In the event such option is for a period longer than six (6) months, then, at the time the option agreement is made, performer and Producer will bargain and include in performer's contract the substance of one of the three (3) alternatives listed below, to be effective after the first six (6) months of the option period and during the balance of such option period as follows:

(1) If, during the option period, but after the first six (6) months thereof, the Producer obtains a *bona fide* commitment for the production of the series and actually commences the principal photography of such series pursuant to such commitment but does not exercise the option on such performer within the option period, then the Producer shall pay such performer a sum equal to the aggregate minimum compensation which is applicable to the form of hiring specified in the performer's contract for the first thirteen (13) week production period of the program.

(2) During the option period, but after the first six (6) months thereof, the performer shall be free to accept commitments for any other employment and if, after the expiration of the first six (6) months of the option period, the Producer exercises its option, the rights of the Producer to the performer's services in the program shall be subject to all *bona fide* binding commitments entered into by the performer after the expiration of the first six (6) months of the option

period and prior to the exercise of the option by the Producer. In such case, no payment of a nature mentioned in (1) above shall be payable by the Producer.

(3) During the option period, but after the expiration of the first six (6) months thereof, the performer shall have the right to accept any other employment on condition that on each occasion during the option period, but after the first six (6) months thereof, that the performer desires to accept a conflicting engagement, before the performer accepts a commitment for such employment, the performer will notify the Producer thereof and will afford the Producer the opportunity to preempt such other employment by exercising its option within a specified time after such notice from the performer. The specified time referred to in the preceding sentence shall not exceed seven (7) consecutive days if the proposed conflicting engagement is for a period not exceeding four (4) weeks or not to exceed fourteen (14) consecutive days if the proposed conflicting engagement is for a period of more than four (4) weeks. Such right of preemption will continue during the option period until either Producer exercises its option or the option lapses. In such case, no payment of a nature mentioned in (1) above shall be payable by the Producer.

“Conflicting engagement,” as used above, shall be an engagement which, if accepted and fulfilled, would extend beyond thirty (30) days from the date of performer’s notice to the Producer.

The limitations imposed by this subparagraph (a) shall not be applicable to options obtained by Producers upon the services of performers who received \$8,500 or more with respect to the pilot program, or for the option, and whose contracts call for weekly or per episode payments of at least \$8,500 if the option is exercised.

(b) Subsequent Contract Years

(1) A Producer may not exercise an option on a series performer who receives less than \$8,500 per episode or per week for an additional contract year, unless:

a) Such performer, if employed under a series contract form of hiring guaranteeing at least thirteen (13) episodes, shall have been employed or paid during the then-current contract year for a minimum of twenty-two (22) episodes and, if employed under a series contract form of hiring guaranteeing fewer than thirteen (13) episodes, such performer shall have been employed or paid during the then-current contract year for a minimum of twelve (12) episodes; or

b) Such performer's contract gives him the right, after any six (6) month period he has been held under option within the contract year without employment under such contract, to freely accept other commitments subject only to a right of preemption on the part of the Producer. Such preemption shall be governed by the provisions of (a)(3) above.

(2) With respect to any such series performer who is employed in a series of one and one-half hour programs, Producer shall not have the right to exercise an option for an additional contract year unless such performer, if employed under a series contract form of hiring guaranteeing at least thirteen (13) episodes, shall have been employed or paid during the then-current contract year for a minimum of sixteen (16) episodes; and if employed under a series contract form of hiring guaranteeing fewer than thirteen (13) episodes, such performer shall have been employed or paid during the then current contract year for a minimum of nine (9) episodes.

(3) With reference to the form of hiring referred to in Section 13 of this Agreement, a Producer may not exercise an option for a subsequent contract year on a series performer who receives less than \$8,500 per episode or per week, unless such performer shall have been employed or paid during the then-current contract year for a minimum of six (6) episodes or unless the performer's contract gives him the rights set forth in subsection (b)(1)b) of this Section.

It is understood that a "contract year," as used in this Section 24(b), refers to the twelve (12) month period commencing from the option date provided in the performer's employment contract.

(c) Turnaround Period

As to any performer employed under a series contract in a given television series, in the event of cancellation of such television series by the sponsor or network, such performer shall be released from any and all options with respect to his services in such series which are not exercised prior to the expiration of sixty (60) days following either the expiration of his current employment period or such cancellation (whichever last occurs), but the foregoing shall not be applicable if the option for his employment period next following such cancellation has been exercised or is exercised prior to the expiration of such sixty (60) day period.

**25. OVERTIME**

(a) Except as otherwise provided in this Agreement, overtime for performers employed in television motion pictures shall be computed and paid pursuant to the applicable Schedule of the Producer–Screen Actors Guild Codified Basic Agreement. As to services rendered on and after July 1, 2005, the money break for overtime for day performers shall be two (2) times the day performer minimum rate.

(b) (1) Three-day contract performers whose guaranteed salary is more than \$2,700 for three (3) days of employment shall be paid daily overtime at double time for each hour or portion thereof worked in excess of ten (10) hours on any day, figured on the basis of \$2,700.

(2) Weekly, series, term and all other performers in any category whose guaranteed weekly salary is more than \$4,400 per week shall be paid daily overtime at double time for each hour or portion thereof worked in excess of ten (10) hours on any day, figured on the basis of \$4,400 per week.

For the purpose of this subsection (b), one hour of pay at double time shall be:

|   | For Hours Worked in Excess of<br><u>Ten (10) Hours in Any Day</u><br><br>Double Time Rate |
|---|---|
| All performers employed at a weekly salary in excess of \$4,400:  | \$200   |
| All performers employed under a single three-day contract with guaranteed salary in excess of \$2,700 for three (3) days' employment: | \$225   |

Any such performer whose individual employment contract contains a provision giving such performer a percentage or other participation in the receipts, revenues or profits of a television picture shall be paid the required overtime at the time of employment; provided, however, such performer may agree in his employment contract that the overtime payments so made may be credited against such participations when and if received by the performer.

(c) The following provisions shall apply with respect only to freelance weekly, series and term contract performers receiving salaries of \$4,400 per week or less in lieu of the overtime provisions set forth in such Schedules:

(1) Weekly Freelance and Series Performers Receiving Salaries of \$4,400 Per Week or Less:

a) When employed on a five (5) day studio workweek:

On each day in such week on which the performer works in excess of ten (10) hours, the performer shall be paid at the rate of double time for all hours worked in excess of ten (10) hours, in accordance with the existing rules as set forth in the Producer–Screen Actors Guild Codified Basic Agreement.

When a performer works more than eight (8) hours per day on more than two (2) days in such week, any hours worked in excess of eight (8) hours and up to ten (10) hours on any additional day or days in excess of two (2) days, (*i.e.*, for the ninth and tenth hours), overtime shall be computed and paid on the following basis:

Work time at time and one-half in one-tenth (1/10) hour units.

The two (2) days permissible hereunder without payment for overtime for the ninth and tenth hours may be any two (2) days in the performer’s workweek.

b) When employed on an overnight location six (6) day workweek:

On each day in such week on which the performer works in excess of ten (10) hours, the performer shall be paid at the rate of double time for all hours worked in excess of ten (10) hours, in accordance with the existing rules as set forth in the Producer–Screen Actors Guild Codified Basic Agreement.

When a performer works more than eight (8) hours per day on more than two (2) days in such week, any hours worked in excess of eight (8) hours and up to ten (10) hours on any additional day or days beyond two (2) days (*i.e.*, for the ninth and tenth hours), overtime shall be paid on the following basis:

Work time at time and one-half in one-tenth (1/10) hour units.

The two (2) days permissible hereunder without payment for overtime for the ninth and tenth hours may be any two (2) days in the performer’s workweek.

Overtime paid for on a daily basis, as above provided, shall be excluded from weekly cumulative overtime. There shall be no change in the computation of the six (6) day weekly cumulative forty-eight (48) hour week which includes four (4) hours at straight time, whether worked or not.

(2) There shall be no compounding of overtime hereunder.

(3) Overtime - examples

a) When employed on a five (5) day studio workweek:

1) Performer A worked the following hours:

| (M) | (T) | (W) | (TH) | (F) |
|-----|-----|-----|------|-----|
| 10  | 9   | 8   | 10   | 8   |

A is entitled to daily overtime for the one (1) hour worked on Tuesday in excess of eight (8) hours; *i.e.*, one (1) hour overtime at time and one-half.

2) Performer B worked the following hours:

| (M) | (T) | (W) | (TH) | (F) |
|-----|-----|-----|------|-----|
| 12  | 10  | 10  | 8    | 8   |

B is entitled to daily overtime for the time worked on Monday as follows: two (2) hours overtime (eleventh and twelfth hours) at double time; two (2) hours overtime (ninth and tenth hours) at time and one-half.

b) When employed on an overnight location six (6) day workweek (48 hours):

Performer D worked the following hours:

| (M) | (T) | (W) | (TH) | (F) | (SAT) |
|-----|-----|-----|------|-----|-------|
| 10  | 10  | 9   | 6    | 8   | 8     |

D is entitled to daily overtime for the time worked on Wednesday in excess of eight (8) hours, *i.e.*, one (1) hour overtime at time and one-half.



Performer's cumulative weekly overtime is calculated as follows:

|  |     |
|--|-----|
| Total weekly hours                     | 51  |
| Less 1 hour paid for as daily overtime | (1) |
| Net cumulative weekly hours            | 50  |

D worked two (2) hours over 48 cumulative weekly hours and is entitled to weekly overtime for two (2) hours at time and one-half.

(d) On a day on which a performer travels only, the performer shall be compensated at a day's pay. On a day on which the performer travels and works, overtime caused by travel will be compensated at time and one-half and not at double time.

## **26. COMMERCIALS**

(a) Except as provided in subsection (b) of this Section, all commercials shall be bargained for separately by the performer and Producer under the terms of the Producer–Screen Actors Guild 2003 Commercials Contract or any succeeding contract then in effect in replacement thereof.

(b) Employment contracts in effect on July 1, 2005 are governed by the Television collective bargaining agreement in effect when such employment contract was entered into.

## **27. PRODUCTION TIME REPORTS, LATE PAYMENTS, OVERWITHHOLDING AND PAYROLL AND UNEMPLOYMENT INSURANCE INFORMATION**

### **(a) Production Time Reports**

(1) It shall be the required custom and practice to proffer a production time report (“the report”) made out in ink to all performers at the end of each day, which report may include other performers in the cast (working that day) and which reflects time in and out, time of meal periods (including non-deductible meals), travel (including the total number of miles round trip for studio zone locations) for such performer. Such report shall not be offered in blank. The performers shall initial or sign such report. A performer may object to the accuracy of the information contained in the report. The signing or initialing of the report by the performer shall not constitute acceptance of the report and

the performer shall not be deemed to have waived any right to file a timely claim.

(2) Producer shall deliver a copy of the report for the previous week to the Union no later than the end of the following week.

(3) In the event there is a substantial breach of the foregoing requirements, liquidated damages in the amount of \$275.00 shall be payable to the Union for each day of such substantial breach. In the event there is a dispute as to whether or not a substantial breach has occurred, the dispute shall be referred to and determined by the Cooperative Committee. In the event the Cooperative Committee cannot determine the dispute, the matter may be referred to arbitration.

(4) With reference to stunt performers, the amount of stunt adjustment shall be indicated on the stunt performer contract and/or production time report and initialed by both the stunt performer and the assistant director.

(b) Late Payments

(1) The time of payment for day performers shall be five (5) days, excluding Saturday, Sunday and holidays. If the company is on location, checks mailed on the fifth day shall be deemed to constitute timely payment. Time of payment for all other performers shall be as provided in the Producer–Screen Actors Guild Codified Basic Agreement.

(2) There shall be a \$10 per day per performer late payment charge, excluding Saturdays, Sundays and holidays, for late payment applicable to all Schedules from the time payment becomes due (excluding *bona fide* emergencies of which the Union shall be given prompt notice within the time specified for payment hereunder), for a period not to exceed twenty (20) days, excluding Saturdays, Sundays and holidays, to a maximum of \$200.00 per violation.

(3) If there is a dispute over the amount due the performer, and Producer pays the undisputed amount on time, or if there is a *bona fide* dispute as to the Producer's liability therefor, there will be no late payment charge during the pendency of the dispute.

(4) Upon receipt by Producer of a written notice from the Union or the performer that Producer is still delinquent, Producer shall have five (5) business days to issue the payment, including the late payment charges.

(5) In the event payment is not made within said five (5) day period of the entire amount due, further late payment charges in the amount of \$2.50 per day retroactive to the date of receipt of notice of non-payment shall be due and shall continue to accrue without limitation until the delinquent payment, together with late payment charges, is fully paid.

(6) Such charges for late payment shall be in addition to all other remedies which the Union may have against Producer under the contract.

(7) Late payment charges shall accrue commencing ten (10) business days after the settlement of a disputed claim.

(c) Overwithholding

(1) The “Part-Year Employment Method” of withholding, as currently set forth in Section 31.3402(h)(4)-1(c) of the Internal Revenue Code Regulations, or any applicable successor regulations, shall be utilized for any performer upon request of the performer and the form of declaration for each such use shall be attached to the performer’s employment contract.

(2) The withholding of taxes on a weekly basis rather than on a daily basis for day performers as currently set forth in Internal Revenue Code Regulation Section 31.3402(c)-(1)(d)(2), or any applicable successor regulations, shall be utilized on the request of the day performer and the form of declaration for such use shall be attached to employment contracts of day performers.

(3) The obligation of the Producer to permit the election of the foregoing alternative withholding formulae shall be effective during such time as the Internal Revenue Code Regulations permit such alternatives.

(d) Payroll and Unemployment Insurance Information

Producer shall, upon request of the performer, supply the following information, in writing, to the performer:

(1) The name, address and state identification number of the employer of record; and

(2) The state in which unemployment insurance is filed.

## **28. MEAL PERIOD VIOLATIONS**

- (a) For the first half-hour or fraction thereof: \$25 per performer;
- (b) For the second half-hour or fraction thereof: \$35 per performer;
- (c) For the third half-hour and each additional half-hour thereafter or fraction thereof: \$50 per performer.

## **29. THE PERFORMER'S WORKWEEK**

### **(a) Definitions - General**

(1) An overnight location workweek, as used herein, shall be deemed to be a workweek consisting of six (6) overnight location days or six (6) days of any combination of studio and overnight location days, which combination includes a sixth day overnight location day.

Any workweek other than such an overnight location workweek, for the purposes of this Section 29, shall be deemed to be a studio workweek. The studio workweek shall consist of any five (5) days out of seven (7) consecutive days as designated by the Producer on each production unit. The sixth and seventh days in each workweek shall be the regular days off.

(2) An "overnight location day," as used herein, shall be deemed to mean any of the following days, if the performer is on salary that day, as provided in the Producer–Screen Actors Guild Codified Basic Agreement:

- a) Any day spent or worked by the performer on an overnight location or on an exploitation tour;
- b) The day of departure for such location (provided the performer does not actually work in the studio on such day);
- c) The day of return from such location (provided the performer does not actually work in the studio on such day).

(3) The provisions in the Producer–Screen Actors Guild Codified Basic Agreement with respect to premium pay for the seventh day in the workweek worked on an overnight location shall remain unchanged.

(4) For all purposes, the performer's weekly base rate shall be his weekly rate of salary as specified in his contract; and for purposes of computing the performer's hourly overtime rate, the applicable overtime premium (time and one-half or double time, as the case may be) shall be multiplied by one-forty-fourth (1/44) of the performer's weekly base rate.

(b) Studio Five (5) Day Workweek

(1) The performer's studio workweek shall be a five (5) day workweek. All performers shall receive additional pay for work in the studio on the sixth day of the workweek, to the same extent and on the same basis as provided in the Producer–Screen Actors Guild Codified Basic Agreement; however, with respect to performers under “Deal Contracts,” “Multiple Picture Contracts,” or any other employment contract under which the performer, at the time the contract is entered into, is guaranteed \$32,000 or more per television picture, with respect to a contract performer whose weekly salary at the time his contract is entered into is \$4,400 per week or more, or with respect to a series contract performer whose salary at the time his contract is entered into is \$3,937 or more per episode for half-hour programs, \$4,499 or more per episode for one-hour programs or \$5,624 or more per episode for one and one-half hour programs, the Producer and the performer may, by such performer's personal service contract, agree in advance for the performer's performance of any services in the studio on the sixth day in the workweek without additional compensation, except recording and photography made to be used in the motion picture.

(2) If performer does not work on the sixth day in the studio workweek, such sixth day will be excluded in computing consecutive days of employment.

(3) Performer is entitled to payment for a sixth day worked when a holiday falls on a regularly-scheduled work day and the performer is required to work on five (5) days (excluding the holiday) in the holiday week.

(4) If a performer is paid for a day or days not worked by reason of consecutive employment rules (a “hold day”) and such performer actually works five (5) or six (6) days in a studio workweek in addition to the “hold day(s),” such performer shall be considered to have worked on the “hold day(s)” for premium pay purposes and shall therefore be paid for the fifth day worked in the studio workweek as if it were the sixth day worked and be paid for the sixth day worked in the studio workweek as if it were the seventh day worked.

(5) A sixth day worked on an overnight location shall not be a premium day.

(6) When the performer is given two (2) consecutive days off during a studio workweek, the thirty-six (36) consecutive hour rest period provided for in the Producer–Screen Actors Guild Codified Basic Agreement shall be increased to fifty-six (56) consecutive hours. However, when there is night shooting consisting primarily of exterior photography and the performer’s call is not earlier than 3:00 p.m. and he is dismissed in the studio at or before midnight on the fifth day of the workweek, such fifty-six (56) hour rest period, if otherwise applicable, may be reduced to fifty-four (54) hours.

In lieu of the fifty-six (56) hour rest period, the performer may be given a fifty-four (54) hour rest period when the call time for the first day of the new workweek following the rest period is not earlier than 6:00 a.m.

(c) Overnight Location Six (6) Day Workweek

(1) The performer’s overnight location workweek shall remain the same. As to weekly performers who are within the overtime brackets, the regular overnight location workweek shall be forty-eight (48) cumulative hours, commencing with the first day of the performer’s workweek, which forty-eight (48) hours include an additional four (4) hours overtime at the straight time hourly rate (whether worked or not); weekly overtime shall be at one and one-half (1½) times the straight time hourly rate for hours worked in excess of forty-eight (48) in such workweek, as provided in the Producer–Screen Actors Guild Codified Basic Agreement, unless such hours have already been paid as daily overtime, in which case they shall be excluded for this purpose. (As to computation of overtime, see Section 25 of this Agreement.)

(2) Performer is entitled to payment for a seventh day worked when a holiday falls on a regularly-scheduled work day and the performer is required to work on six (6) days (excluding the holiday) in the holiday week.

(3) If a performer is paid for a day or days not worked by reason of consecutive employment rules (a “hold day”) and such performer actually works six (6) days in an overnight location workweek in addition to the “hold day(s),” such performer shall be considered to have worked on the “hold day(s)” for premium pay purposes and shall therefore be paid for the sixth day worked in the overnight location workweek as if it were the seventh day worked.

(d) Shift in Workweek

Once during the production of a motion picture, or in the case of episodic television, once between hiatus periods (*i.e.*, between the commencement or resumption of production and a cessation of principal photography for the series for at least one week), the Producer may shift the workweek for performers without incurring extra costs, by adding one (1) or two (2) days off consecutive with the sixth and/or seventh days off in the prior workweek and/or by shifting a workweek commencing on a Tuesday to a workweek commencing on a Monday, provided that the intervening Sunday is a day off.

If the Producer otherwise shifts the workweek such that the new workweek invades the preceding workweek, the Producer shall pay the premium for the sixth and/or seventh day worked of the preceding workweek.

The performer shall be advised of any shift in the workweek prior to commencement of that workweek.

(e) Prorating

(1) Whenever it is necessary to prorate the workweek in order to determine an additional day's pay, such prorating shall be on the basis of one-fifth (1/5) of the performer's weekly base rate, for either studio or overnight location workweeks. However, such proration shall not in any manner change the performer's weekly base rate for either the studio or the overnight location workweek.

With respect to performers under "Deal Contracts," "Multiple Picture Contracts," or any other employment contracts under which the performer is guaranteed \$32,000 per picture, such prorating shall be a matter of individual bargaining.

(2) In any event, when a performer is guaranteed a fixed compensation on a picture or term contract basis, such fixed amount shall not be exceeded by reason of the amount of proration accruing in the final payroll week of the respective period or picture involved.

(f) Workweek

For the purpose of paying the performer at the end of a payroll week, that portion of performer's studio workweek which is part of such payroll week shall be paid on the basis of one-fifth (1/5) of the weekly base rate for each such day (excluding the sixth and seventh days in the workweek) in that payroll week. This is exclusive of any overtime or premium pay, if any, due in such performer's workweek.

(g) Day Performers and Daily Stunt Performers Employed Before and After Holiday

Day performers and daily stunt performers employed by Producer the day before and the day after any one of the recognized holidays hereunder, excluding any such holiday which occurs on a studio sixth day, and who do not work on such holiday, shall be paid for such holiday. Work on any such holiday shall be paid for under the provisions of Schedules A and H.

(h) No Compounding

The provisions in the Producer–Screen Actors Guild Codified Basic Agreement against compounding of penalties or premiums shall likewise apply to the provisions of this Section 29.

**30. MAKE-UP, HAIRDRESS AND WARDROBE**

(a) Any performer to whom Producer supplies the services of a make-up artist for make-up, or hairdresser for hairdressing, shall be considered to have a call for make-up or hairdress, as the case may be, and the time so spent shall be work time.

(b) Adequate facilities shall be provided for removing make-up and hairdress, which may be the same facilities used for the application thereof. Time spent in removal of make-up or hairdress, other than ordinary make-up or hairdress, shall be work time.

(c) Meal Periods - In the event a Producer gives a one and one-half (1½) hour make-up call and notifies the performer that it shall include breakfast furnished by the Producer, the meal period provisions shall not commence to run until after such breakfast. Producer must serve a reasonable breakfast including, if the performer so requests, toast, cereal, eggs and coffee. (Coffee and doughnuts shall not be deemed a reasonable breakfast.)

(d) If a performer is required by Producer to furnish any special hairdress necessitating an expenditure, the Producer shall either furnish such hairdress or the performer shall be reimbursed for the amount so expended at facilities designated by the Producer.

(e) When performer supplies his or her own wardrobe at the request of Producer, Producer shall pay, as a cleaning allowance and reimbursement, the following amounts:



|                                 |         |
|---------------------------------|---------|
| Formal wear                     | \$17.00 |
| All other wardrobe (per outfit) | \$11.50 |

Payment of the foregoing cleaning allowance and reimbursement shall be made at the same time as payment for performer's services for such week and shall be separately identified. Such wardrobe allowance shall be paid to day performers for each calendar week, and to three-day performers and weekly performers for each workweek in which the performer is employed on the production.

Wardrobe supplied by the performer, which is damaged in the course of employment, shall either be repaired by Producer, or repaired at the expense of Producer at the facilities designated by Producer, provided that notice of such damage is given to Producer prior to the termination of the performer's employment.

Producer will supply performer with a copy of a wardrobe allowance voucher indicating the number of outfits provided to Producer, which voucher shall be supplied by the end of the week for weekly performers and, as to a day performer, whenever he or she is signed off each week.

(f) Free fitting time on days prior to work, specified in Schedule B, shall be as follows:

Free fitting time for performers employed under freelance or series contracts shall not be over three (3) hours on two (2) days per week or episode, as the case may be. Free fitting time for performers employed under a three-day contract shall not be over two (2) hours on one day.

(g) There shall be a voucher provided at all wardrobe fittings to be signed by the performer indicating time in and time out.

### **31. REST PERIOD**

(a) The provisions of the various Schedules providing for a reduction of the twelve (12) hour rest period to ten (10) hours in certain instances shall be modified as follows:

When the Producer is photographing on a location other than an overnight location, the twelve (12) hour rest period may be reduced to ten (10) hours if exterior photography is required on such location on the day before and the day after such reduced rest period. When such reduction is allowed on any day by reason of exterior photography on a

nearby location, it may not be again allowed until after three (3) consecutive days have intervened.

The reduction of the rest period from twelve (12) to ten (10) hours on nearby location shall not be permitted on the first day of each performer's employment in a television production.

(b) The various Schedules should be consulted with regard to the reference therein to the automatic payment that is due when the performer waives the rest period.

### **32. AIR TRAVEL AND FLIGHT INSURANCE**

(a) Producer shall provide accidental death and dismemberment insurance in a principal sum not less than \$100,000.00 to the performer or the performer's designated beneficiary when performer is required to travel by plane at the request of Producer, or \$250,000.00 when performer is required to travel by helicopter at the request of Producer.

(b) In the event Producer is unable to provide the coverage stated above through Producer's insurance carrier, performer shall be informed of this fact no later than his arrival at the airport of departure. Producer shall reimburse the performer with the cost of the premium paid by performer in order to obtain such coverage, when performer presents proper receipts at the location production office.

(c) When air travel is required by the Producer, Producer shall use commercial flights when practical, available and feasible.

(d) Producer acknowledges the right of performer to refuse to fly on a charter plane, except, however, prior to employment Producer may obtain the consent of the performer to fly on a charter flight.

(e) In the event Producer agrees to a larger amount of such accident insurance in any other collective bargaining agreement entered into during the term of this Agreement, such larger amount shall thereafter be deemed to be provided for herein.

### **33. DRESSING ROOMS AND OTHER FACILITIES**

(a) (1) Producer shall provide dressing room and toilet facilities which are clean, in repair and accessible in studios and on locations.

(2) An adequate number of chairs shall be available for all performers in the dressing rooms, on the stage, and elsewhere on studio premises where performers are required to be. Chairs shall also be so provided on location if they can be made reasonably available from sources at or near the location.

(3) There shall be no more than one (1) performer to a dressing room in a studio. On a location with ten (10) or fewer performers, there shall be no more than one (1) performer to a dressing room. On a location where there are more than ten (10) performers, there shall be no more than two (2) performers to a dressing room.

(4) The foregoing provisions shall not apply to Schedule H performers.

(b) Producers shall provide to stunt performers dressing room facilities which are clean, in repair and accessible in studios and on locations. The Producer shall take into consideration the type of work involved for the stunt performer and the location of the production in order to insure that such dressing room facilities provide the stunt performers with reasonable comfort and privacy.

By way of example, on location, no more than two (2) stunt performers per room in Teardrop trailers, campers, rooms in honeywagon units; no more than four (4) stunt performers in Winnebagos or motor homes.

(c) Producer shall designate a person responsible to implement the foregoing.

Such dressing rooms shall be provided with adequate locks and Producer shall provide facilities for checking normal personal belongings.

In the studio, the dressing room obligation may be met by permanent studio facilities or temporary mobile quarters, such as trailers, if permanent facilities are not available. On locations, the requirements may be met by temporary or mobile quarters, such as trailers. Heaters or fans shall be provided, as needed, in all dressing rooms.

In the event compliance with the foregoing is not feasible because of space, physical or legal limitations or location practicalities, the matter shall be discussed with the Union. Waivers shall not be unreasonably withheld under such circumstances.

Whenever a performer is required by Producer to make a change of wardrobe on the set, Producer shall provide suitable facilities

affording privacy for such purpose. A private canvas dressing room will be deemed a “suitable facility” for this purpose.

### **34. FURNISHING REPORTS**

(a) Producer will furnish to the Union, upon request, copies of call sheets. In cases of grievances, disputes or alleged disputes hereunder, Producer will make available to the Union for inspection, upon demand, all production reports and performers’ contracts.

(b) Producer shall furnish to the Union reports of any accidents to performers which result in lost time or hospitalization.

(c) Producer shall provide to the Union information relating to the amount of compensation paid, up to a maximum of \$500,000, to performers covered hereunder.

(d) (1) The following shall apply only to Qualified Residual Payors and Qualified Buyers and to those signatory production companies for which a Qualified Residual Payor or Qualified Buyer has agreed to assume the obligation to pay residuals or to guarantee the payment of residuals for that motion picture:

The Producer shall furnish a notice containing the following information to a designated representative of the Union at or prior to the time that the Producer clears performers through Station 12 on each long-form television motion picture, one-time program and episodic series:<sup>9</sup>

- the name, address and telephone number of the production company;
- the type of production involved;
- the working title of the production; and
- the principal location at which photography is scheduled to occur.

Both the Union and the Producer shall designate a representative for the other party to contact in the event of questions concerning the foregoing.

The parties agree to convene the Contract Adjustment Committee to examine the necessity for this report after this requirement has been in effect for at least twelve (12) months, but not later than eighteen (18) months.

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<sup>9</sup> Only one such notice need be given for any episodic series.

(2) All other Producers shall continue to provide information prior to the start of principal photography as substantially set out in the Union's Production Information Sheet.

### **35. TELEVISION TRAILERS**

#### **(a) Trailers for Individual Episode**

Any performer who performs services in a television trailer to promote a single television episode or picture or multi-part closed-end picture (as distinguished from a continuing series or anthology) shall be paid not less than the day performer rate for such trailer (which shall include the right of Producer to make one edited shorter version of such trailer) provided that:

(1) Any performer who appears as a star or featured performer in any individual episode (or picture) or any part of a multi-part closed-end picture and who, during his employment period, performs in a television trailer to promote only such episode or picture shall not be entitled to payment other than compensation for such episode.

(2) Any performer who appears in a continuing role in a television motion picture series or a multi-part closed-end picture under a series or term contract who, during his employment period, performs in a television trailer to promote any individual episode or the multi-part picture shall not be entitled to payment other than his compensation for services in the series.

Any television trailer made under this subsection (a) to promote a single television episode or a multi-part closed-end picture may be used without limitation as to time in connection with the exploitation of such episode.

#### **(b) Trailers Promoting Series**

Any performer who performs services in a television trailer promoting a continuing series of television motion pictures or an anthology series (as distinguished from a single episode or picture or a multi-part closed-end picture) shall be paid not less than the day performer rate for such trailer (which shall include the right of the Producer to make one (1) additional edited shorter version of such trailer) for each thirteen (13) weeks of use thereof, provided that any performer who appears in a continuing role in a television motion picture series under a series or term contract who, during his employment period, performs in a television trailer to promote such

series shall not be entitled to payment other than his compensation for services in such series.

(c) Use of Clips or Sound Track in Trailers

(1) Trailer for Episode

No additional compensation shall be payable for use of any portion of an episode of a television series or of a multi-part closed-end series when such portion is utilized as a trailer to promote such episode.

(2) Portion of an episode utilized as a trailer to promote another episode or the series as a whole:

a) The Producer shall be entitled to reuse photography or sound track of a performer from an episode of a series in a trailer promoting that series for a period limited to six (6) weeks without bargaining with or payment of additional compensation to the performer.

b) Any performer performing in a continuing role in such series under a series or term contract, whose performance is included in such portion, shall not be entitled to additional compensation;

c) (i) Any performer other than a performer covered by a) above or a performer performing in a continuing role as provided in b) above whose performance is included in such portion shall be entitled to additional compensation to be determined by individual bargaining with such performer at any time prior to use of such material in such trailer, which shall be not less than the day performer rate for a day performer and in other cases not less than the applicable minimum rate for the form of hiring under which such performer was employed in such episode, subject to the provisions of subsection (d) below. The payment of such additional compensation shall entitle the Producer to use or to authorize such trailer to be used to promote other episodes or the series as a whole on any television station or stations anywhere in the world for a period of thirteen (13) weeks. Additional periods of use may be obtained by payment of not less than the applicable minimum fee for each additional thirteen (13) weeks of use. The inclusion of the right to such use in the employment agreement between the Producer and performer shall be deemed to mean that bargaining for such use has been effectuated;

(ii) If Producer fails to separately negotiate as provided in subparagraph c)(i) hereof, the performer shall be entitled to

damages for such unauthorized use, equivalent to three (3) times the amount originally paid the performer for the number of days of work covered by the material used. If the Producer is unable to find the performer, it shall notify the Union, and if the Union is unable to find the performer within a reasonable time, the Producer may use the photography or sound track without penalty;

(iii) If Producer and the performer negotiate for such use and are unable to reach an agreement, and all performers involved have agreed to compensation for such use except a single performer who, Producer claims, is unreasonably refusing to accept an equitable sum, Producer may submit the matter to the Union's Board of Directors for determination and both Producer and performer shall be bound by the determination so made, if the material is used. In all other cases in which Producer and the performer are unable to reach an agreement, Producer shall be prohibited from making such reuse of the material, and in case of violation, the performer shall be entitled, at his option, to either accept damages as provided in c)(ii) above, or to arbitrate his claim hereunder, or to take legal proceedings in a court of competent jurisdiction.

(d) Individual Bargaining

Anything in subsection (a), (b) or (c) of this Section to the contrary notwithstanding, the Producer shall be entitled to freely bargain for the making and use of trailers or the use of clips or sound track of the performer's performances in trailers (whether to promote a single episode or to promote a television series or to promote a multi-part closed-end picture) with any performer who is engaged in one or more episodes in the series or in the multi-part picture at a salary of \$2,500 or more per week, provided the performer's services in making the trailer are rendered within the performer's employment period for such episode or episodes.

(e) Behind-Scene Shots

Scenes photographed simultaneously with a separate camera (behind-scene shots) are to be interchangeable with clips in trailers, and subject to the same limitations set forth in this Section.

(f) The foregoing rates and conditions apply to trailers made under this Agreement whether to promote "live" or "filmed" programs or series.

(g) Notwithstanding the foregoing, if any portion of an episode in a television motion picture is used as a trailer to promote the series as a whole, no additional compensation need be paid to:

(i) performers who are not recognizable, or

(ii) performers or stunt performers appearing in mass action scenes involving a substantial amount of stunt work.

(h) No additional fees shall be payable for the repeated rerun use on television or the theatrical use of any such trailer.

(i) The length of trailers shall not exceed four hundred (400) feet of 35mm film containing not less than two (2) scenes or two hundred (200) feet of 35mm film containing one (1) scene or the equivalent of the foregoing if 16mm film is used.

(j) Thirty (30) Minute (or less) Promotional Films for Theatrical and Television Motion Pictures

(1) The Producer may negotiate at the time of employment with any performer to appear in “behind-the-scenes” photography to be used in such promotional films for no additional compensation.

(2) The Producer may use clips from the motion picture being promoted in such promotional films without the payment of compensation to any performer.

(3) Performers receiving \$32,000 or more for the motion picture: Compensation to such performers for appearing in such promotional films shall be a matter of individual bargaining. The performer may agree to make such promotional films without compensation.

(4) Term contract performers acting in such promotional films during their employment under such contracts: Compensation for such services shall be a matter of individual bargaining. The performer may agree to make such promotional films during the term contract employment without compensation.

(5) All other performers appearing in such promotional films: At the time of employment, Producer may bargain with performer to appear in such promotional films, but the minimum compensation payable shall be day performer minimum scale.

(6) Such promotional films may not be combined to make “specials.”



### **36. REUSE OF PHOTOGRAPHY OR SOUND TRACK**

(a) No part of the photography or sound track of a performer shall be used in any picture, or other programs, whether filmed, taped, live or in any other medium, other than the one for which he was employed, without separately bargaining with the performer and reaching an agreement regarding such use, prior to the time reuse is made. The performer may not agree to such reuse at the time of original employment. The foregoing shall apply only if the performer is recognizable, and as to stunts, only if the stunt is identifiable. No reuse may be made of nude photography without the performer's written consent.

The day performer rate (including additional compensation for reruns, theatrical exhibition, foreign telecasting and Supplemental Market and basic cable use) shall be the minimum for purposes of the bargaining referred to above with respect to such use of such material in any motion picture other than the one for which he was employed. As to any other use of photography or sound track referred to above, the bargaining shall be subject to the minimum wages provided for in the collective bargaining agreement, if any, applicable in the field in which the photography or sound track is used, unless compensation for such other use is already provided for under this Agreement.

The provisions of this subsection (a) shall not limit Producer's right to use photography or sound track in exploiting the picture, or in trailers, promotional films thirty (30) minutes (or less) in length for television motion pictures, or in advertising, as provided in the Producer-Screen Actors Guild Codified Basic Agreement; however, all such uses containing such photography or sound track of the performer shall be subject to the same footage limitations as applied to trailers contained in Section 35 above. Trailers are also subject to Section 35 above. In addition, Producer shall have the right to use photography or sound track for the purpose of recapping the story to date upon payment of the day performer rate to each performer appearing or heard in such photography or sound track who would otherwise be entitled to negotiate or to payment under the provisions of this Section 36, provided that the photography or sound track is used in the same season in which the performer was employed and, provided further, that the recap shall not exceed ninety (90) seconds in length when used in a program up to and including sixty (60) minutes, or exceed one hundred twenty (120) seconds in length when used in a program in excess of sixty (60) minutes in total length. Otherwise, the provisions of this Section 36(a) shall apply.

Whenever photography or sound track is so used in a recap, the Producer shall make payment for the use within sixty (60) business

days from the exhibition of the permitted use. In the event the Producer fails to issue payment to the performer within that period, the Producer shall pay a late payment charge equal to the day performer minimum, in addition to the payment due for the reuse, in lieu of the amount prescribed above.

The Union may, in its discretion, grant waivers of the requirements of this Section with respect to the reuse of photography and sound track in public service, educational and like programs and will follow a liberal policy in granting such waivers.

(b) If Producer fails to separately negotiate as provided in subsection (a) hereof, the performer shall be entitled to damages for such unauthorized use, equivalent to three (3) times the amount originally paid the performer for the number of days of work covered by the material used. If the Producer is unable to find the performer, it shall notify the Union, and if the Union is unable to find the performer within a reasonable time, the Producer may use the photography or sound track without penalty.

(c) If Producer and the performer negotiate for such use and are unable to reach an agreement, and all performers involved have agreed to compensation for such use except a single performer who, Producer claims, is unreasonably refusing to accept an equitable sum, Producer may submit the matter to the Union's Board of Directors for determination and both Producer and performer shall be bound by the determination so made, if the material is used. In all other cases in which Producer and the performer are unable to reach an agreement, Producer shall be prohibited from making such reuse of the material, and in case of violation, or in a case in which the Producer fails to obtain the performer's written consent to reuse nude photography, the performer shall be entitled, at his option, to either accept damages as provided in (b) hereof, or to arbitrate his claim hereunder, or to take legal proceedings in a court of competent jurisdiction.

(d) If the performer is employed under a term contract and the use occurs during the time he is still under contract with Producer, the performer shall not be entitled to additional compensation, but if such reuse occurs at a time when the performer is no longer under contract with Producer, the provisions of subparagraphs (a), (b), and (c) hereof shall apply. Nothing herein shall be deemed to preclude the use, without additional compensation, of photography or sound track of a series contract performer made for an episode in any other episode in which he appears or for which he is paid under his contract.

(e) If, in a continuing story involving two (2) or more episodes or in a multi-part closed-end picture, the opening scenes of a given

episode or a given part of the multi-part picture constitute a flashback to brief scenes from the preceding episode or part (for the purpose of refreshing the recollection of the audience), then as to performers employed in both such episodes, this shall not constitute reuse of film.

(f) Neither Producer nor Union waives its respective claims with respect to the reuse of photography of performers employed under “deal contracts.”

(g) Producer will not publicly exhibit nor license for public exhibition blooper reels without the appropriate consent of the recognizable performer(s) involved, including individual voice-overs.

(h) Except as otherwise provided herein, the late payment provisions of Paragraph 27(b)(2) and 27(b)(7) herein shall apply to reuse of photography payments, except that the time for payment shall be thirty (30) business days from exhibition.

(i) The provisions of this Section shall not limit the Producer’s right to use or authorize the use of clips from television pictures, without bargaining or making additional payment:

(1) within regularly-scheduled news programs; and in connection with other news and review purposes under the same circumstances as in the past;

(2) in Emmy Award programs; and

(3) when sound track or photography of a performer from one episode of a series is reused in a second episode of the same series, provided that: a) the performer appearing and/or heard in such sound track or photography was not hired by the day (unless the performer was a “major role” performer employed under the single day exception on one of the two episodes) and was employed as the same character on both episodes; b) any photography or sound track reused from the first episode was from the episode as aired; and c) except as provided in a) above, the performer’s terms of engagement on the second episode were not less than those on the first episode.

The parties hereby confirm that the provisions of this Section 36(i) allow the Producer to reuse sound track or photography from motion pictures, without compensation to the performers, in pre- and post-Emmy Award programs exhibited from the date that nominations are announced until eight (8) days following the Oscar or Emmy Awards program (as applicable), provided that any clip so used is limited to either 400 feet of 35mm film containing not less than two (2) scenes or

200 feet of 35mm film containing only one (1) scene, or the equivalent in running time if another recording medium is used.

(j) With respect to uses which would otherwise require payment pursuant to this Section 36, a star performer may, at the time of use, waive payment for the use of television film clips containing such performer's voice or likeness, it being understood that such waiver shall not affect other performers entitled to payment hereunder.

(k) With respect to uses of stunt footage which would otherwise require payment or be subject to an obligation to bargain pursuant to this Section 36 (or the corresponding provision of prior SAG Television Agreements), the following shall apply:

(1) Producer shall have the right to reuse photography or sound track of identifiable stunts (including stunts in motion pictures which were produced under prior SAG Agreements which restricted the reuse of such photography or sound tracks) in the media specified below upon payment of the day performer minimum or, if a different amount is specified below, upon payment of the amount so specified, to the stunt performer(s) appearing in the footage. It is not necessary for the Producer to bargain with the stunt performer before reusing the stunt footage.

The foregoing shall apply with respect to the use of stunt footage in:

(i) other theatrical motion pictures, free television motion pictures, motion pictures made for the pay television/videocassette market, and motion pictures made for basic cable;

(ii) commercials, but the required payment shall be the applicable commercial session fee and residuals. As to commercial tie-ins, the following shall apply:

(A) commercial tie-in advertising of a motion picture which is available for sale at the same point of purchase as the other product being advertised shall be considered to "exploit the motion picture" and, thus, may be done without negotiation or payment; and

(B) tag line-type advertising (brief tag or mention of a different product appended to or included in a commercial promoting a motion picture) shall be considered to "exploit the motion picture" and, thus, may be done without negotiation or payment.

(iii) standard openings and closings of television shows, but payment must be made on the same basis as is required under Exhibit A of the SAG Television Agreement for performers;

(iv) theme parks (other than uses that are promotional or exploit the motion picture, for which no bargaining or payment is required) for a period of five (5) years. (If a longer term of use is desired, an additional payment of then-current day performer minimum would be required for each subsequent five (5) year period.) In the alternative, Producer may obtain such rights in perpetuity upon payment to the stunt performer(s) appearing in the footage of a sum equal to three (3) times the then-current day performer minimum; and

(v) in games and interactive videos.

Payment as provided above shall be made for each “excerpt” of photography or sound track which is reused. However, more than one excerpt of stunt photography or sound track may be reused upon payment of a single day performer minimum payment in the following circumstances: (1) if the reused stunts were performed by the same stunt performer in a single day; or (2) if a stunt sequence is intercut with live action as part of a scene which includes footage on a television screen, movie theater screen or other similar viewing device.

Such payments shall be made within sixty (60) business days from the exhibition of the permitted reuse. In the event that the Producer fails to issue payment to the stunt performer within that period, the Producer shall pay a late payment charge equal to the day performer minimum, in addition to the payment due for the reuse, in lieu of the amount prescribed above and in Section 27(b)(2) and (5) of this Agreement.

(2) The provisions of subsections (a) through (j) above shall apply to the reuse of stunt footage in:

(i) music videos other than those which promote, advertise or exploit the motion picture from which the footage was taken. (Stunt footage may continue to be used without bargaining or payment in music videos which promote, advertise or exploit the picture from which the footage is taken, so long as the use meets the contractual criteria for which bargaining is unnecessary.)

(ii) “compilation” stunt programs (*i.e.*, shows comprised substantially of stunt footage).

(3) It is understood that the reuse of stunt footage in generic promos (trailers promoting series) shall be governed by the provisions of Section 35(b) and Section 35(c)(2) of this Agreement.

(l) The provisions of this Section are not applicable to stunt coordinators, except as they apply to stunt performer work performed by a stunt coordinator under a "flat deal" contract.

### **37. PHOTOGRAPHY OF LEGITIMATE STAGE PLAYS, BALLETS OR OPERAS (INSTANT MOVIES)**

Producer will give the Union at least sixty (60) days' advance notice of the employment of any performer in a television motion picture to be made from a currently running legitimate stage play, ballet or opera, or other stage performance, or any such stage performance or ballet which has closed within eight (8) weeks of the commencement of the production of such television motion picture, and which performance staged substantially as presented on the legitimate stage and utilizing substantially the same cast as the stage performance, is to be photographed as a television motion picture. Producer and the Union agree to meet within thirty (30) days from receipt of such notice for the purpose of negotiating with respect to the terms and conditions of such employment. If no agreement is reached with respect thereto within such sixty (60) day period, the Union may instruct its members to withhold services with respect to the production of such television motion picture only.

This provision shall not apply to a motion picture produced from a screenplay written for such motion picture, based on such stage play, ballet, opera or other stage performance and photographed in a normal motion picture manner as distinguished from a recodation, as such, of the stage performance.

### **38. TOURS AND PERSONAL APPEARANCES**

(a) Term and series contract performers may agree in their employment contracts to make tours and personal appearances. If such performer makes a tour or personal appearance and he is simultaneously working in a picture, all hours spent in connection therewith shall be work time for all purposes.

(b) As to all term contract performers under Schedules E and F, if the performer is not working in a picture, he shall receive a day's pay at straight time for each day, including travel days, in which he is engaged in tours or personal appearances.

(c) First-class transportation and reasonable expenses shall be paid to all performers on tours and personal appearances.

(d) Producer shall cooperate to ensure that performers on tour and personal appearances are allowed adequate rest periods.

(e) One (1) personal appearance of any such performer requested by the Producer in connection with the opening of any picture in which such performer has performed, one (1) rehearsal in connection therewith and any period immediately prior thereto, which otherwise would not be work time, shall not be work time for any purpose. Personal appearances requested of any such performer by the Producer in connection with any benefit approved by the Theatre Authority, Inc., so long as the same has the sanction of the Union, or by any similar agency substituted therefor which at the time has the sanction of the Union, rehearsal in connection therewith and any period immediately prior thereto, which otherwise would not be work time, shall not be work time for any purpose.

### **39. SINGERS**

(a) “Over-Dubbing” (Multiple Tracking)

When a singer re-records over the singer’s original track containing the same material as recorded on the original track, the rate for over-dubbing alone shall be thirty-three and one-third percent (33 $\frac{1}{3}$ %) of the applicable rate, as provided in Section 2 hereof. Such over-dubbing shall be without limitation as to the number of tracks.

(b) “Sweetening”

When a singer records a new track containing new or variant material over the singer’s original track, the rate, with or without over-dubbing, shall be one hundred percent (100%) of the applicable rate as provided in Section 2 hereof. Such sweetening shall be without limitation as to the number of tracks.

(c) Contractors

(1) A contractor shall be required on all engagements of groups consisting of three (3) or more singers. The contractor shall be present at all times during the session and, in all cases, shall be a performing member of the group, except in those cases in which the sex of the group precludes the utilization of the contractor’s singing performance, or in the case of hiring a children’s singing group. The contractor shall be considered a member of the vocal group for contract

purposes and shall be covered by all terms of the applicable Union contract.

The foregoing shall not be applicable to three (3) or more singers who are an established group or act.

(2) When a singer is required to perform services as a contractor and is paid additionally, as provided in Section 2, for such services, such additional checks will not be included as part of his applicable minimum salary for rerun, foreign telecast, theatrical release, Supplemental Market or basic cable use purposes.

(d) Use of Singer's Recording

When a professional singer employed or contracted for by Producer, within the geographical jurisdiction of this Agreement, does a recording of a song or other musical composition and the same is included by the Producer in a television motion picture (as finally cut and released), such professional singer shall, for the purpose of this Television Agreement only, have the same rights to compensation as any "off camera" performer if such recording thereafter is included in any other television motion picture or motion pictures.

(e) Single Episode; Non-commercial Openings, Billboards, etc.

Singers employed to perform the services covered by Section 2 of Exhibit A of this Agreement shall be paid the applicable daily television minimum rates.

(f) Step-Out Category

(1) If a solo or duo is called upon to step out of a group to sing up to fifteen (15) cumulative bars during a session, the solo/duo shall be paid an adjustment of fifty percent (50%) of the solo/duo rate in addition to the appropriate group rate for that day.

(2) If a solo or duo is called upon to step out of a group to sing sixteen (16) or more cumulative bars, or remain more than one (1) hour after the group has been released, to perform a solo or duo of any length, the solo/duo shall be paid the full solo/duo rate in addition to the appropriate group rate for that day.

(3) Any member of a group who steps out to perform as part of a smaller group to sing over four (4) consecutive bars shall be paid at the smaller group fee for that day. Such reclassification shall not operate to reduce the size of the overall group with respect to fees payable to the remainder of the group.



(g) Reuse of Recorded Track - Television Series

(1) In General

If written approval of the singer is obtained at the time of singer's original employment, Producer may include singer's recorded performance in other episodes of the series; provided that Producer pays to performer the rate specified herein for performer's original employment and for each episode in which singer's recording is used.

a) Rate

|                   |   |  |
|-------------------|---|--|
| Solo/duo          | - | daily off-camera solo/duo rate plus thirty percent (30%) |
| Three (3) or more | - | daily off-camera solo/duo rate                           |

b) Residuals

Residuals shall be paid for each episode in which performer's services are used, utilizing the appropriate required formula (e.g., rerun, foreign, theatrical, etc.) applied to the minimum provided for herein. All original compensation, including compensation for multiple tracking and sweetening, shall be included in the base used for computing additional compensation for reuse of recorded track.

c) No Crediting

The fee specified for the recording of material may not be applied against any of the additional fees for use in other episodes or against residuals.

(h) If singer's recorded performance is used in more than one (1) episode of a continuing story involving two (2) or more episodes, the singer shall be paid for each episode in which his or her performance is so used.

**40. NIGHT WORK**

(a) Night work is defined as work between 8:00 p.m. and 6:00 a.m., except that a first call for the day at 5:00 a.m. or thereafter shall not constitute night work.

There shall be no premium payable for night work, except that a performer (including a singer) who is called solely for the purpose of looping, singing or automatic dialogue replacement (ADR) work during post-production shall receive premium pay for each straight time hour of night work equal to ten percent (10%) of his hourly rate for such hours. However, such premium shall not be payable to a performer (or singer) if the looping, singing or ADR work is scheduled at night to accommodate the schedule of that performer (or singer).

Such premium pay shall be payable to any Schedule A performer who is earning in excess of \$1,200 on the basis of \$1,200.

Such night premium pay shall not be paid on any overtime hours.

(b) To the extent known, Producer shall provide advance notice, *i.e.*, on a day prior, that night work will be required and whether such night work will involve interiors or exteriors.

(c) Dismissal - New York City. Any performer required to work at night who is requested to report within the twenty-five (25) mile New York zone described in Schedules A through E of the Producer–Screen Actors Guild Codified Basic Agreement, but outside the eight (8) mile zone described therein, and not dismissed by 9:30 p.m. will be provided transportation by Producer to Grand Central Station, Penn Station or the Port Authority, unless such place of dismissal is within a zone bordered by 34th Street on the south, 59th Street on the north, and Third and Eighth Avenues on the east and west, respectively.

#### **41. ADDITIONAL COMPENSATION FOR RERUNS, FOREIGN TELECASTS, BASIC CABLE EXHIBITION, THEATRICAL EXHIBITION AND SUPPLEMENTAL MARKET USE, AS WAGES**

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Additional compensation for reruns, foreign telecasts, basic cable exhibition, theatrical exhibition or Supplemental Market use (herein sometimes called “residuals”) which accrues to the performer, as provided in Sections 18, 18.1, 19, 20, and 20.1 herein, shall be considered and treated for all purposes as any other wages due and owing to the performer hereunder. Such wages are subject to Social Security, withholding, unemployment insurance taxes and disability insurance taxes required by law. Others who assume such contractual obligation shall make the required payments and/or reports and withholding with respect to such taxes.

## **42. PREEMPTION OF TIME OF PROGRAM**

If a television network preempts the time during which a motion picture series is to be telecast, in order to telecast an event or events of national importance or in the public interest and, as a result, the sponsor cancels delivery of any episode or episodes in such series, or reduces the number of episodes in the succeeding program group of such series, the Producer may, likewise and to the same extent, reduce the number of episodes guaranteed to a performer under a series contract without penalty. Such reduction, as far as possible, shall be made from the next succeeding episodes in the same series; provided further, that (i) the total number of episodes which may be cancelled by the Producer by virtue of such preemption of network time may not in any event exceed a maximum of two (2) in any series of thirteen (13) episodes, and (ii) no such reduction may be made from the first thirteen (13) episodes produced for the first broadcast year of any series.

### **42.1 DEFINITION OF NETWORK**

The term “network,” as used in this Agreement, means ABC, CBS, Fox Broadcasting Company (“FBC”) and NBC, or any other entity which qualifies as a “network” under Section 73.662(f) of the rules of the Federal Communications Commission, unless the FCC determines that such entity is not a “network” for purposes of such Section.

## **43. NOTICE TO PERFORMER**

Whenever the Producer:

(i) exercises an option for an additional term following a hiatus under a term contract, or

(ii) exercises an option for a series following the production of a pilot motion picture, or

(iii) exercises an option for additional episodes of a series after an interval between the completion of the production period of the preceding episodes and the commencement of the production period of such additional episodes, or exercises an option for a subsequent contract year,

the performer shall, except as provided in Section 11(a)(3) and Section 11(b)(3), be given at least thirty (30) days’ advance written notice of the date on which he is to report for work in the next series or in the next term, but such period of time may be reduced to ten (10) days if such

shortened notice does not conflict with any other commitment previously made by the performer. It is understood that neither span nor work time shall commence until the performer is recalled to work.

#### **44. SCOPE OF AGREEMENT**

(a) When Producer has its base of production in the United States or any commonwealth, territory or possession of the United States, the terms of this Agreement shall apply, excluding only the Union Security provisions of the Producer–Screen Actors Guild Codified Basic Agreement in any commonwealth, territory or possession of the United States until the Union establishes a Branch in such area.

(b) When Producer has its base of production as provided in subsection (a) above and goes on location in Canada, the terms of this Agreement, excluding the Union Security provisions of the Producer–Screen Actors Guild Codified Basic Agreement, shall apply to all performers hired by Producer at such location.

(c) When Producer employs a performer in the United States and transports him anywhere outside of the United States for a motion picture, the terms of this Agreement shall apply.

#### **45. CHILDREN SUBJECT TO UNION SECURITY AND PREFERENCE OF EMPLOYMENT PROVISIONS**

The provisions of Section 2, “**Union Security,**” of the General Provisions of the Producer–Screen Actors Guild Codified Basic Agreement shall be applicable to all children of the age of four (4) years and over, and the provisions of Section 14, “**Preference of Employment,**” shall be applicable to all children of the age of eighteen (18) years and over.

#### **46. EMPLOYMENT IN MOTION PICTURES OF FIFTEEN (15) MINUTES OR LESS IN LENGTH**

It is agreed that performers may be employed in motion pictures of fifteen (15) minutes or less in length, without limit as to the number of episodes in which they work on any day as day performers, weekly freelance performers or term contract performers at the applicable minimums set forth herein; provided, however, that in all such cases, the performer shall be paid not less than the applicable day performer rate for each episode in which his services are used.

#### **47. LIMITATION ON CREDITING**

(a) No compensation paid to a performer for his services in excess of the minimum may be credited against overtime, penalties or any other compensation otherwise due the performer under this Agreement. Advance payment for reruns, theatrical exhibition or foreign telecasts when made in compliance with Sections 18 and 19 of this Agreement shall not be deemed to be crediting nor subject to this Section.

(b) No compensation payable to any performer as salary or advances against reruns or theatrical rights, under employment contracts in existence on July 1, 2005, shall be reallocated so as to deprive such performer of any benefits under this Agreement; provided that a reduction in the amount of overscale payments resulting from an increase in applicable Union scales or minimums shall not be deemed to constitute such reallocation.

#### **48. INCORPORATION IN INDIVIDUAL CONTRACTS**

Except as otherwise herein expressly provided, the minimum terms and conditions hereof shall be deemed incorporated in all individual contracts of employment in effect on the effective date hereof or thereafter executed, with respect to all services rendered on or after such effective date.

#### **49. APPLICATION OF AGREEMENT**

Except as herein otherwise expressly provided, this Agreement shall:

(a) Apply to all services performed on or after July 1, 2005 and during the term of this Agreement, under either employment contracts in existence on July 1, 2005 or employment contracts entered into thereafter.

(b) Not apply to services performed prior to July 1, 2005; and

(c) Not apply to television motion pictures, principal photography of which was completed prior to July 1, 2005.

With respect to subsections (b) and (c), the appropriate prior Screen Actors Guild Television Agreement shall be applicable.

## 50. ARBITRATION

Disputes shall be arbitrable only as hereafter in this Section set forth:

(a) Disputes involving or relating to injunctive relief are not arbitrable.

(b) Disputes involving or relating to the right of termination of a performer's individual employment contract are not arbitrable, except: (i) with respect to day performers, stunt performers, stunt coordinators, airplane pilots, singers, dancers, professional puppeteers and body doubles, and as to performers under contract for multiple pictures per week, performers under three-day contracts and freelance contracts whose guaranteed salary is less than \$50,000 per picture; and (ii) except as provided in subsection (c)(4)a) below.

(c) Individual disputes between performer and Producer:

Subject to the provisions of subsections (a) and (b) above and subsection (e) below, only the following disputes are arbitrable:

(1) As to a day performer, stunt performer, stunt coordinator, airplane pilot, singer, dancer, professional puppeteer or body double, and as to a performer under contract for multiple pictures per week, or a three-day contract or a freelance contract whose guaranteed compensation is less than \$150,000 per picture: The issue of whether a contract was entered into and any dispute involving the interpretation, performance, non-performance or an alleged breach of a term or condition of the performer's contract, including claims for compensation at scale or overscale, and all disputes arising under the applicable terms of the collective bargaining agreement relating to such performer; provided, however, that if such performer's guaranteed compensation exceeds \$75,000 for the picture, the dispute shall be arbitrable only if the total amount of money claimed by the performer does not exceed \$100,000; if the total amount of money claimed by the performer exceeds \$100,000, the dispute shall not be arbitrable, in whole or in part;

(2) As to a performer under a series contract receiving a weekly compensation up to and including \$30,000 per week, or as to a performer under a series contract receiving a weekly compensation between \$30,000 and \$50,000 per week whose claim for payment does not exceed \$250,000 (if the amount claimed exceeds \$250,000, the dispute shall not be arbitrable in whole or in part) or a term contract performer receiving a weekly compensation up to and including \$7,100 per week, any dispute arising under the applicable terms of the collective

bargaining agreement relating to such performer and any dispute arising under the performer's individual employment contract concerning the payment of compensation at scale or overscale;

(3) As to all performers not expressly covered in (1) and (2) above, and except as provided in subsection (c)(4)a) and in the succeeding sentence, only disputes arising under the applicable terms of the collective bargaining agreement shall be arbitrable. Any disputes relating to additional compensation for reruns, theatrical exhibition, and foreign telecasting above scale shall be arbitrable provided (i) the claim involved in such arbitration includes all performers who render services in the picture or for whom it is claimed such additional compensation is due, and (ii) there is no offset or counterclaim asserted therein against such performers who are not included in (1) or (2) above. Except as provided in said subsection (c)(4)a), and in the preceding sentence, disputes arising under the individual employment contract of such performers, including claims for compensation therein provided, shall not be arbitrable;

(4) As to performers under term contracts receiving \$7,000 or less per week and performers under series contracts receiving \$30,000 or less per week, performers under contract for multiple pictures per week or freelance contracts guaranteed less than \$75,000 per week, the following provisions shall apply when disputes as to any such performer arising under his individual employment contract or the collective bargaining agreement involve both a claim of compensation and the issue of termination:

a) When the Producer claims to have terminated or seeks a termination of the performer's individual employment contract: (i) if the total amount of money claimed by the performer does not exceed \$250,000, the entire dispute shall be arbitrable, it being agreed that the performer's entire claim shall be presented in a single arbitration; (ii) if the total amount of money claimed by the performer exceeds \$250,000, the dispute shall not be arbitrable, in whole or in part.

b) When the performer claims to have terminated or seeks a termination of his individual employment contract, the dispute shall not be arbitrable, in whole or in part.

c) If either party claims to have terminated or seeks a termination of the performer's individual employment contract, such party shall so notify the other, in writing, at any time prior to the expiration of the ten (10) days following delivery of the written statement of grievance provided for in subsection (f)(3) of this Section.

(d) Disputes between Union and Producer

(1) Starting Date - Freelance Performers: Any dispute between the Union and any Producer with respect to the issuance of any waiver referred to in the provisions of Section 4(c) of Schedules B and C of the Producer–Screen Actors Guild Codified Basic Agreement shall be determined, at the request of either party, by arbitration.

(2) “Phantom Stages:” The Union has heretofore, upon request, issued waivers permitting the giving of weather-permitting calls for work on certain stages, such as the so-called “Phantom Stage” at Universal City Studios when rain, wind or hail rendered sound recording unusable. Similarly, waivers have been granted authorizing weather-permitting calls when caused by fog, wind, rain or hail on uncovered, tarpaulin-covered or open structures. It is agreed that weather-permitting calls within the limits provided by the contract may be given to performers on such or similar stages and on open or uncovered structures when the making of usable sound track is rendered impossible because of rain, wind or hail, or when usable photography on an uncovered structure is rendered impossible by fog, wind, rain or hail. Disputes which may arise hereunder are subject to arbitration.

(3) All disputes between the Union and a Producer as to the interpretation of this collective bargaining agreement shall be arbitrable.

(e) Any dispute described in subsection (b) or (c) above shall be arbitrable only if the amount in controversy on a per performer, per project, per dispute basis is \$250,000 or less; if the amount in controversy on a per performer, per project, per dispute basis exceeds \$250,000, the dispute shall not be arbitrable, in whole or in part. Any dispute described in subsection (d) above, other than a dispute over residuals, shall be arbitrable only if the amount in controversy is \$250,000 or less; if the amount in controversy is more than \$250,000, the dispute shall not be arbitrable, in whole or in part. There shall be no monetary limit on the amount in controversy in connection with disputes over residuals under subsection (d) above.

Any performer whose dispute involves an amount in controversy which exceeds the monetary limits set forth in subsections (b) or (c) above may waive his/her claim to those amounts exceeding the limitations in order to make the claim subject to arbitration. If the performer does so waive the excess amount, arbitration shall be the exclusive remedy for such claim and the performer shall waive the right to commence court proceedings.

No performer shall be permitted to split a claim in order to come within the foregoing arbitration limits.



(f) Procedure

(1) Whenever any dispute arises which is arbitrable under the provisions of this Agreement, a representative of the Union and a representative of the Producer involved shall meet within ten (10) days after a request is made for conciliation by either party and endeavor to conciliate such dispute.

The filing of a formal claim by the Union shall be deemed an automatic request for conciliation. Claims hereunder (other than residuals claims, claims concerning screen credit and claims for upgrades of background actors) shall be filed not later than the later of: (i) six (6) months after the occurrence of the facts upon which the claim is based; or (ii) within six (6) months after the employee or the Union, or the Producer, as the case may be, has had a reasonable opportunity to become aware of the occurrence. Otherwise, such claims shall be deemed waived. The time period for filing claims shall be tolled while discussions to resolve the matter are taking place between the Producer and the performer's agent.

Claims concerning screen credit (Section 54) must be filed within one (1) year of the first television broadcast of a television film.

Residuals claims shall be filed not later than the later of (i) one (1) year after the occurrence of the facts upon which the claim is based; or (ii) within one (1) year after the employee or the Guild, or the Producer, as the case may be, has had a reasonable opportunity to become aware of the occurrence.

Claims for the upgrade of background actors shall be filed not later than three (3) months after the occurrence of the facts on which the claim is based.

(2) In the event Producer has authorized an employer association to represent Producer, Producer shall have the right to have a representative of the appropriate employer association present at such conciliation.

(3) In the event of a failure to settle the dispute under the applicable procedure provided above, or if a party fails or refuses to meet after a request for conciliation, then, in either of such events, the Union or Producer shall deliver to the other a written demand for arbitration setting forth the material facts concerning the dispute.

The demand for arbitration shall be filed not later than one (1) year after the date of filing of the grievance. A demand for

arbitration may be filed prior to initiation or conclusion of the conciliation proceeding if it reasonably appears that the conciliation proceedings will not be concluded in sufficient time to permit the arbitration proceeding to be commenced in time.

The demand for arbitration shall be served upon the other party by first class mail addressed to the representative of the Union or the Producer designated to receive such service at such party's last-known address or by personal service within or without the state where the proceeding is to be held. The other party may file a written reply within ten (10) days following the receipt of the demand for arbitration.

The arbitrator shall be selected within fifteen (15) days of the date the arbitration demand is served from a predetermined list of arbitrators mutually agreed upon by the Guild and the AMPTP. The Union and the AMPTP shall agree upon a panel of arbitrators for Los Angeles within thirty (30) days after the date of ratification and a panel of arbitrators for New York within sixty (60) days after the date of ratification. Until such time as the arbitration panels have been chosen, the arbitrator shall be selected in accordance with the procedures of the American Arbitration Association.

The parties shall attempt to mutually agree upon an arbitrator to hear and determine the dispute. If the parties cannot agree upon the arbitrator to be appointed, then each party shall have the right to alternately strike one name from the list until such time as one arbitrator is left. A coin toss shall determine the party who is to strike first. The arbitrator who is left shall be appointed as the arbitrator in the proceedings.

In the event that the Producer fails to participate in the selection process and the Producer is a member of an employer association, the Union will contact the association, which will participate in the selection process on behalf of the Producer within ten (10) days of notification from the Union. In those instances in which the employer association fails to select on behalf of the Producer or in which the Producer who is not a member of an employer association fails to participate in the selection process, the Union may unilaterally select the arbitrator from the panel. The Producer shall unilaterally select the arbitrator from the panel if the Union fails to participate in the selection process.

The arbitration hearing will be commenced within sixty (60) days of the date that the arbitrator is selected. The arbitration award will be issued within thirty (30) days of the date of submission.

All of the time periods herein may be extended in any particular case upon the written agreement of the parties.

Nothing herein contained shall be deemed to deprive any party of the right to assert at any time and in any proceeding, or otherwise, that the matter in question was not arbitrable hereunder.

(4) All arbitrations hereunder, which are not instituted by Producer, shall be brought by and in the name of the Screen Actors Guild, Inc., whether such arbitration is on its own behalf or on behalf of a performer and, in the latter case, the Union may, but shall not be required to, represent the performer. The Union may, however, in its discretion, permit a performer to bring an arbitration in the name of the performer. It shall, however, be solely within the discretion of the Union whether or not the claim of a performer shall be brought to arbitration.

(5) The cost and expenses of the arbitrator shall be shared equally by the Union and the Producer involved.

(6) The arbitrator's decision and award shall be in writing and shall be final and binding on the Producer, the Union, the performer or performers involved and, when applicable, the performer's loan-out company.

(7) The arbitrator shall only have authority to determine the dispute presented by the written demand for arbitration, and then only to the extent and in the manner as expressly provided by the applicable provisions of this collective bargaining agreement as limited by the provisions of this Section 50. The arbitrator shall have no power or authority to make a finding or an award relating to the termination or right of termination of an individual employment contract of a performer, except as otherwise expressly provided in this Section 50. Nor shall the arbitrator have any power or authority to make a finding or award for or against injunctive relief. Nor shall the arbitrator have any power or authority to reform any contract involved in the arbitration.

(8) Termination or expiration of this collective bargaining agreement shall not affect the application of the arbitration provisions of this Agreement to arbitrable disputes arising during the term of this Agreement.

(g) Recognizing that, in some cases, a dispute may involve one or more matters which are arbitrable hereunder, and one or more matters which are not arbitrable hereunder, it is agreed that no award in an arbitration hereunder shall affect, be used or be admissible in any other action or proceeding relating to matters which are not arbitrable

hereunder; and no judgment or order in any other action or proceeding shall affect, be used or be admissible in any arbitration hereunder, but it is expressly agreed that an arbitration award made in accordance with the provisions of this Section 50 shall not be affected by any court action or proceeding, but nothing herein shall preclude any court of competent jurisdiction from confirming, setting aside or modifying any arbitration award hereunder, in any proceeding brought for any such purpose, in accordance with applicable law.

(h) In no case may any arbitration hereunder or any award therein affect any rights of the Producer or performer in or to or with respect to the results and proceeds of the performer's services or in or to or with respect to the use of the performer's name, voice or likeness.

(i) All references in this Section 50 to the termination of an individual employment contract shall include a termination of the performer's employment under such contract or with respect to one or more pictures thereunder.

(j) Notwithstanding the provisions of this Section 50, the Union may, at its option, and on behalf of any performer or performers involved, waive arbitration and institute in its own name, on behalf of such performer or performers, legal proceedings in any court of competent jurisdiction for the collection of additional compensation for reruns, theatrical rights, foreign telecasting, Supplemental Market and basic cable use, for and on behalf of all performers involved.

## **51. LOAN-OUTS**

A performer borrowed from a domestic company or a foreign company shall receive the same working conditions as those provided in the Television Agreement or the Producer–Screen Actors Guild Codified Basic Agreement. The Union Security provisions shall apply when the lending company is a signatory to the Producer–Screen Actors Guild Codified Basic Agreement or the Television Agreement, whether such company is a domestic or a foreign company, provided the services are performed under the jurisdiction of this Agreement. The obligation to make the payment of pension and health contributions is subject to the provisions of Section 22(a)(5). Producer shall give reasonable notice to the Union prior to the commencement of the term of the loan-out when it borrows the services of any performer from a non-signatory lending company, foreign or domestic, to render services within the jurisdiction of this Agreement.

## **52. TERM AND EFFECTIVE DATE**

The term of this Agreement shall be for a period of three (3) years, commencing July 1, 2005 and expiring June 30, 2008, but continue thereafter until terminated by either party on at least sixty (60) days' written notice.

The effective date of this Agreement shall be July 1, 2005. Except as specifically otherwise provided, the provisions hereof relating to wage increases and working conditions shall be effective on and after said date, and shall apply to services rendered on and after such date under existing contracts of employment and contracts of employment entered into on or after said date, and to motion pictures whose principal photography commenced after such effective date.

## **53. STANDARD OPENINGS AND CLOSINGS**

Attached hereto as Exhibit A, and incorporated herein, is a schedule of minimum rates and conditions for standard non-commercial openings and closings and other related matters.

## **54. SCREEN CREDIT AND BILLING**

(a) (1) Producer agrees that a cast of characters on at least one card shall be placed at the end of each television motion picture naming the performer and the role portrayed. All credits on this card shall be in the same size and style of type with the arrangement, number and selection of performers listed to be at the sole discretion of Producer. All such credits shall be in a readily readable color, size and speed. The Union will not unreasonably withhold waivers in connection with the foregoing. Any performer identified by name and role elsewhere in the picture, or any performer playing a major continuing role and identified by name elsewhere in the picture, need not be listed in the cast of characters at the end of the picture. Such credits may be displayed over action or background; provided, however, that the cast of characters may not be superimposed over commercial background material except only for commercial background material presented on behalf of the single sponsor or alternate-week sponsor of a series.

The parties to this Agreement agree to establish a joint credits committee to examine the interpretation and application of the foregoing credits provision.

(2) If the Union contends that a particular credit is not in conformity with the credit requirements of this Section, the Union shall

give prompt notice to the Producer. If the parties cannot resolve the matter, the Union may refer the matter to the Cooperative Committee at any time not later than fifteen (15) days after the program is televised. The Committee shall promptly meet and, if a majority of the Committee agrees that the credit requirements have been violated, the Producer, on notice from the Cooperative Committee, shall correct or replace such credits with appropriate credits prior to any further use of the program involved. Any such dispute not so resolved by a majority of the Cooperative Committee within ten (10) days after the matter was considered by the Cooperative Committee may be submitted by the Union to arbitration, as herein provided, to determine whether or not the credits given comply with the foregoing credit requirements and, if not, to require that the credits be corrected or replaced prior to the further use of the program involved.

(b) (1) Producer shall honor individually-negotiated billing for the screen as to placement, size and description as agreed upon in performer's individual contract.

(2) In its distribution and licensing agreements with exhibitors, distributors, broadcasters, etc., Producer will include a provision prohibiting the licensee from eliminating or changing the billing as it appears on the positive prints of the motion picture.

(3) Disputes as to whether agreed-upon screen credit has been accorded shall be arbitrable. A panel of arbitrators for this purpose shall be agreed upon. A single arbitrator shall hear and determine the dispute. The cost of such arbitrator shall be shared equally by the Union and Producer. The decision and award shall be in writing and shall be final and binding on the parties and performers involved.

(4) The provisions hereof shall not apply to Schedule F or when termination of a contract is involved, as provided by Section 50(c)(4)b) of this Agreement.

(5) Liquidated Damages - As to Schedule A and B performers, if a breach occurs and the facts are not in dispute or if a breach is found by an arbitrator, damages in the following amounts shall be payable:

a) In the case of a day performer, his daily rate but not in excess of the amount payable under c) of this subparagraph (b)(5).

b) In the case of a three-day performer in television, his three-day rate but not in excess of the amount payable under c) of this subparagraph (b)(5).

c) In the case of a weekly freelance performer, his weekly rate (not exceeding the limits of Schedule B).

Such liquidated damages shall be the exclusive remedy for such performers.

(6) As to all other performers subject to the provisions hereof, the arbitrator shall have the authority to award appropriate relief consisting of damages, correction of prints subject to subparagraph (7) below, or both.

(7) Correction of prints with respect to the first broadcast or first rerun may be awarded by the arbitrator if Producer received notice of the alleged breach in sufficient time to make the necessary correction for the applicable run.

(8) Inadvertent oversight by Producer shall not be a defense to any claim of breach hereunder, but may be considered with respect to the issue of appropriate relief.

(9) All claims must be filed within one (1) year after the first television broadcast of a television film.

(c) The foregoing provisions of this section do not apply to performers employed as body doubles.

## **55. INDUSTRY-UNION COOPERATIVE COMMITTEE**

A committee is hereby established to be known as the "Industry-Union Cooperative Committee." The Cooperative Committee shall consist of five (5) Producer representatives and two (2) alternates, and five (5) Union representatives and two (2) alternates, to be named. The names of the initial members of the Cooperative Committee shall be provided by the Producers above-named and the Union, respectively, by written notice to the other, as soon as practicable following the execution of this Agreement. Upon written notice by the Producers or the Union, respectively, any such Industry committee member or alternate may be replaced at any time by the Producers, and any Union committee member or alternate may be replaced at any time by the Union.

The Committee shall meet from time to time, upon request of either party, and may establish such regular meetings as it may deem proper. In order for the Committee to act, a quorum must be present. A quorum shall consist of at least four (4) Industry and four (4) Union representatives. The Committee shall have the following functions:

(a) To discuss, investigate and make recommendations as to the solution of problems arising in the construction, interpretation and administration of this Agreement, and as to any abuses or grievances which arise during the term hereof affecting performer-Producer relationships generally and for which no remedy is provided for hereunder.

(b) To make every effort to prevent and remedy abuses arising under this Agreement; to eliminate tensions; to promote cooperation and to assist in a mutual understanding of the problems of employer and employee.

(c) To discuss, investigate and make recommendations with respect to any and all other matters affecting the operation and application of this Agreement and which will aid in promoting harmonious performer-Producer relationships.

(d) To review and make recommendations with respect to revisions and standardization of production time reports and other appropriate records subject to this Agreement.

(e) To study the application of NAB Rules and Regulations with respect to the "forty second" rule applicable to credits and to make recommendations for improving such Rules and Regulations.

(f) To act pursuant to the provisions of Section 54 hereof, entitled "**Screen Credit and Billing.**"

(g) To review examples of credits from continuing series prior to commencement of each new television season for the purpose of making recommendations with respect to conforming credits to the requirements of this Agreement.

(h) To act pursuant to the authority provided in Section 22(a) with respect to an allocation of prospective pension and health contributions.

(i) To act as a committee on fair employment practices as set forth herein.

(j) To establish a safety education program and safety standards at all studios with respect to the employment of performers.

(k) To study the forms of series contracts presently in use in the industry for the purpose of:



(1) simplifying and standardizing provisions, particularly with respect to options, exclusivity, force majeure, and “turnaround” periods; and

(2) bringing such form contracts into strict compliance with the requirements of this collective bargaining agreement.

(l) If either the Producer or the Union claims a case of deliberate misconduct of any individual, such claim may be brought before the Cooperative Committee. Such Committee shall endeavor to resolve the matter and use every effort to persuade the parties to immediately correct such conduct. Nothing herein shall affect the legal rights of any party.

(m) It shall act pursuant to the provisions herein with respect to coding.

(n) It shall study and review the appropriateness of the Section relating to *per diem* rates.

(o) To assure compliance with Section 70 and to hear complaints of any violation thereof; however, referral of any such complaint to the Cooperative Committee by the Union or any individual performer shall not constitute a waiver of any other available remedy.

## **56. TRANSPORTATION AND MILEAGE ALLOWANCE**

(a) First-class transportation shall be provided on commercial airlines when the performer is required to fly at the request of the Producer. The foregoing shall apply to jet flights as well as to prop-driven aircraft. The foregoing shall not apply when first-class transportation is not available or if six (6) or more performers travel together on the same flight and in the coach class on jet flights. Coach class does not include “economy class;” however, short flights commonly known as “commuter” flights are acceptable. Charter flights may be used which provide substantially equivalent accommodations. Notwithstanding the foregoing, first-class air transportation need not be provided with respect to auditions and interviews.

### **(b) Thirty (30) Mile Studio Zone (Hollywood)**

Performers may be required to report anywhere within the studio zone provided that, when the place of reporting is other than the Producer’s studio, the following shall apply:

(1) Performers shall be paid thirty cents (\$.30) per mile mileage allowance figured from the studio to the place of reporting and back, except that no mileage allowance is required if the performer is employed on a one (1) hour episodic television series (other than one first broadcast prior to July 1, 2001), or a one-half (½) hour or one (1) hour pilot, and is required to report for work at a site within a ten (10) mile radius of a point designated by the Producer. (The reporting site must still be within the thirty (30) mile zone.) Producer shall give prior notice to the Union of the point so designated. Such point may be changed by Producer at the beginning of each season. Commencing outside the ten (10) mile radius, a mileage allowance will be paid as provided above. The Union will not unreasonably refuse a request from the Producer that performer report to a location which is a reasonable distance beyond the Los Angeles thirty (30) mile zone.

(2) Distances shall be clearly stated on the performer's production time report.

(3) If, during the term of this Agreement, the International Alliance of Theatrical Stage Employees, through its collective bargaining agreement, negotiates with Producer a more favorable mileage allowance than the foregoing thirty cents (\$.30) per mile allowance, then, in such event, from such date forward, the Union will be entitled to the benefits of such increase.

(4) The mileage allowance may be paid as a portion of the performer's payroll check, provided it is separately identified as such mileage reimbursement.

The amount of the mileage allowance shall be reviewable by the Cooperative Committee.

(c) Reporting Other than at Producer's Studio

When a performer is required to report for work other than at a studio, Producer shall pay for parking in a supervised public parking lot. If no such public parking is available, Producer will provide supervised or secured parking.

(d) With respect to studios situated in San Francisco, California, the "studio zone" shall include all territory within the radius of thirty (30) miles from the intersection of Market and Powell Streets.

## 57. STUNT PERFORMERS

(a) Upon a written request from the Union, the Producer will submit to the Union a report for the previous sixty (60) day period indicating whether, in that period, any background actor has been adjusted on one (1) day to a sum equal to the day performer rate or more. Upon the written request of the Union, the Producer will also furnish a copy of the scripts involved and make the film available to the Union for viewing.

(b) For violations occurring under Section 9.B., Schedule H, Part I of the Producer–Screen Actors Guild Codified Basic Agreement, the following liquidated damages shall apply:

(1) \$275.00 for the first violation;

(2) \$350.00 for the second and each succeeding violation thereafter.

These penalties shall not apply if there is a *bona fide* dispute as to whether the work is “hazardous” or “stunt work.”

The foregoing schedule shall be applicable on a per picture basis. When several violations occur in a single incident, for example, if six (6) persons are involved in one incident, if each were entitled to damages, each would be entitled to \$275.00 only.

(c) Stunt performers employed by the day shall receive separate daily checks for each day of employment.

(d) Stunt Performers Employed by the Day - Travel

The exception for travel time contained in Schedule H, Part I, Section 8.C. is deleted.

(e) Dressing Rooms

See Section 33 of this Agreement.

(f) Payroll Itemization

Producer will make time cards available at the studio upon request.

(g) Injuries to Persons or Property During Performance

Producer will extend the insurance coverage provided by Section 68 of this Agreement to stunt performers whether or not performing a stunt, if such coverage is obtainable.

(h) Non-script Stunts; Adjustment of Extras

The liquidated damages provision of Schedule H, Part I, Section 9.F. is amended to provide as follows:

(1) \$250.00 for the first violation; and

(2) \$375.00 for the second and each succeeding violation thereafter.

(i) Definition of Emergency

“Emergency on location,” as provided in Schedule H, Part I, Section 9.B., shall be defined as a situation on location in which a member of the cast (stunt performer) cannot perform because of unavailability for any reason. The Union, in its discretion, may grant waivers in light of other circumstances not expressly covered by such definition.

**58. LOOPING, RETAKES, ADDED SCENES, ETC.**

Day performers and weekly freelance performers may be recalled to loop (record sound track) after completion of principal photography at one-half (½) of the performer’s *pro rata* daily salary for a looping session not in excess of four (4) hours. If the session exceeds four (4) hours, a full day’s *pro rata* salary shall be payable.

The Producer may bargain with any day performer earning \$5,000 or more per day to include one (1) prepaid looping day in his compensation. The performer’s employment contract shall contain a separate provision to that effect and a box must be provided next to the prepayment provision for the performer to initial to indicate acceptance.

The performer’s contract shall not include guarantees for looping, retakes, added scenes, process transparencies, trick shots, trailers, changes or foreign versions (subject to availability) outside the period of consecutive employment, except for Schedule F performers and except that advance payment for looping, retakes, etc. is permitted as to Schedule C performers whose salaries equal or exceed:

| <b>Program Length</b> | <b>Per Episode or Program</b> |
|-----------------------|-------------------------------|
| ½ hour                | \$ 5,000                      |
| 1 hour                | \$ 7,500                      |
| more than 1 hour      | \$10,000                      |

**59. POLICY OF NON-DISCRIMINATION AND DIVERSITY**

(a) Policy

(1) The parties hereto reaffirm their commitment to: a) a policy of non-discrimination and fair employment in connection with the engagement and treatment of performers on the basis of sex, race, color, creed, national origin, age, marital status, disability or sexual orientation, in accordance with applicable state and federal law; and b) to continue the active promotion of diversity, as set forth herein, in all categories of employment covered by this Agreement.

(2) In accordance with the foregoing policy, the Union reaffirms its policy of non-discrimination with respect to admission to membership and rights of membership.

(3) Producer shall cast performers in accordance with the policy set forth in Section 59(a)(1) above in all types of roles, having due regard for the requirements of, and suitability for, the role so that, for example, the American scene shall be portrayed realistically.

(4) Consistent with the foregoing, every effort shall be made to include minorities, women, performers with disabilities (defined as those covered under the employment provisions of the Americans with Disabilities Act) and performers aged 40 or over who are protected under the Age Discrimination in Employment Act in the casting of each motion picture, thereby creating fair and equal employment opportunity and eliminating stereotyping in casting.

When a role being cast depicts a person with a specific disability, the Producer agrees to include that fact in the casting specifications so as to enhance the opportunity for performers with similar disabilities to audition for the role.

(5) When applicable, and with due regard to the safety of the individuals, cast and crew, women and minorities shall be considered for doubling roles and for descript and non-descript stunts on a functional, non-discriminatory basis. In furtherance of this policy, Producer shall furnish a copy of the following policy statement to each stunt coordinator engaged by Producer:

a) Stunt coordinators shall endeavor to cast performers with physical disabilities for descript and non-descript stunts for which they are qualified and with due regard to safety, in roles portraying their particular disability, such as wheel chair stunts or stunts involving the use of other adaptive devices, *e.g.*, crutches, prostheses, etc. The Union's skills and talent bank is among the resources that can be utilized in ascertaining the availability of such performers.

b) When the stunt performer doubles for a role which is identifiable as female and/or Black, Hispanic, Asian Pacific or Native American and the race and/or sex of the double are also so identifiable, stunt coordinators shall endeavor to cast qualified persons of the same sex and/or race involved. When the stuntperson is not identifiable, stunt coordinators shall endeavor to increase the employment of qualified women and minorities for such stunts. To achieve the objectives set forth in this paragraph, stunt coordinators should endeavor to identify and recruit qualified minority and female stuntpersons and qualified stuntpersons with disabilities prior to the commencement of production.

(6) In furtherance of the policies expressed in this Section:

a) There will be no pre-employment inquiries as to the performer's marital status, sexual orientation, age (except such lawful inquiries as may relate to the age of a minor), creed, disability (except such lawful inquiries as may relate to the ability of the performer to fulfill the requirements of the engagement, subject to the limitations imposed on such inquiries by the Americans with Disabilities Act), national origin nor ancestry of the performer, except when the same is a *bona fide* occupational qualification for a role.

b) Representation by an agent or other performer's representative shall not be required as a condition for an audition.

c) Producer shall include the following statement in script breakdowns circulated by Producer to agents:

“Submissions for non-descript roles will be accepted for all performers, regardless of age, sex, ethnicity or disability.”

Producer will make good faith efforts to insure that outside casting services, breakdown services and agents with whom it does business include the same statement in breakdowns circulated by them. It is understood that inclusion of such statement on a breakdown is intended to encourage the implementation of the policies expressed in this Section throughout the community, but it is recognized that Producer may have legitimate casting objectives, dictated by such

matters as the script, historic or geographic setting, creative concepts, etc., which may limit the appropriateness of certain submissions for particular roles and/or productions.

In order to encourage the implementation of the policies expressed in this Section, the AMPTP has agreed to meet with representatives of the Screen Actors Guild to discuss the casting of performers when members of classes protected by applicable federal and state anti-discrimination laws are substantially under-represented.

d) The Producer agrees that each performer's INS I-9 form will be maintained in the manner required under the Immigration Reform and Control Act. The Producer further agrees that it will use the information contained in any performer's INS I-9 form solely for the purpose of verifying his/her eligibility to work in the United States.

e) The practice known as "painting down" is presumptively improper; the Producers will continue their dialogue with SAG and the stunt community on this issue.

(7) It is understood that the provisions of this Agreement dealing with dressing rooms, transportation, lodging and access to the casting process apply to performers with disabilities so that, with respect to facilities under the control of the Producer, including but not limited to studios and location sets, reasonable accommodation under all the circumstances will be made when applying such provisions to performers with disabilities, in accordance with and to the extent required by the employment provisions of the Americans with Disabilities Act.

(8) In accordance with the employment provisions of the Americans with Disabilities Act of 1990, the Producer agrees to provide reasonable accommodations for hearing-impaired and/or visually-impaired performers during interviews, auditions and any engagement.

(b) Data

(1) Within twenty (20) days after the end of each calendar quarter, Producer will submit to the Union a report of the sex, ethnicity and age of performers (other than stunt performers and stunt coordinators) employed by Producer under this Agreement on each television motion picture and each episode of each television series produced by Producer on which principal photography was completed during such quarter. The report will be submitted on the form attached hereto as Exhibit E, it being understood that a report produced by Producer's data processing system which furnishes the same information as required in this form shall be acceptable. A separate quarterly report

shall be submitted to the Union for stunt performers and stunt coordinators, containing data on the sex, ethnicity and age of stunt performers and stunt coordinators, stunt performer and stunt coordinator totals and whether, for the stunt performer, the stunt is descript, non-descript or unknown. The report will be submitted on the form attached hereto as Exhibit E-1, it being understood that a report produced by Producer's data processing system which furnishes the same information as required in this form shall be acceptable. The parties will cooperate in devising a method for compiling employment data as to performers with disabilities, which may include data from the Union's skills and talent bank and SAG pension and health records. When a method for compiling employment data with respect to performers with disabilities has been agreed upon, Producer shall report such employment data in one of the reporting forms provided above.

(2) In the event the Producer fails to submit a report within the time specified in paragraph (1) above, the Union may send a written notice of delinquency to the Producer requesting submission of the report within ten (10) working days of receipt of the notice.

If there is a substantial breach of the foregoing reporting requirements with respect to any individual quarterly report, liquidated damages in the amount of \$600 shall be payable to the Union; in the event there is a dispute as to whether or not a substantial breach has occurred, the matter may be referred to arbitration. With respect to the data furnished on age and ethnicity and any data furnished on performers with disabilities, it is recognized that, while Producers shall be obligated to make reasonable efforts to ascertain such information, subject to any legal restriction applicable thereto, there may be individual circumstances in which Producer will be unable to secure the data or vouch for its accuracy. It is understood that as to employment data on performers with disabilities, such liquidated damages shall apply only to the extent that the parties have devised a method for compiling employment data for performers with disabilities.

(3) The data which is furnished by Producer in accordance with this Section shall be for the purpose of facilitating the meeting which the Union may request pursuant to subsection (c) below, and is in no way intended to abridge the Producer's creative rights in the production of films.

(c) Meetings With Producer Representatives

(1) On ten (10) days notice, the Union or Producer may request a meeting to discuss any matter relating to discrimination, fair employment, the policy expressed herein, its further implementation, the data submitted or any other matter relevant to equal employment



opportunity for performers. If particular scripts or script breakdowns are relevant to the subject matter of the requested meeting, the Union may request the Producer to furnish such scripts and/or breakdowns to a designated Union official for review prior to the meeting. When the Producer utilizes market research data to support its contention that in a particular production the American scene has been portrayed realistically, the Union may request to review such data at the meeting.

(2) If the Union has information which is the basis for a genuine concern that the policies expressed in this Section are being violated, and the matter is of such a nature that the procedures outlined in subparagraph (1) above are not adequate to handle the immediacy of the situation, the Union may request the type of meeting specified in subparagraph (1) above on three (3) working days notice. Such request may be made before, during or after the casting of the production.

(3) The script breakdowns referred to in subparagraph (1) are those that are prepared and circulated by outside services for casting purposes or those prepared by Producer and circulated to agents, and it is understood that such services or procedures might not be utilized by all Producers. Scripts and breakdowns will be treated as confidential, will not be copied while in the possession of the Union official and will be returned to the Producer at the conclusion of the meeting. Consistent with subparagraph (b)(3) above, nothing in this subsection (c) will require a Producer to furnish scripts or breakdowns prior to the completion of casting for any particular production.

(4) If the Producer has an official with responsibilities for matters involving equal opportunity, the Union's request for a meeting shall be referred to such person, who shall then be responsible for arranging the meeting with the appropriate Producer representatives. If the Producer has no such person on staff, the Producer will designate such a person for the purpose of arranging the requested meeting and the Union will be notified in writing of the person so designated.

(5) If, following the procedures set forth above in this Section 59(c), the Guild makes a good faith determination that a Producer has not made reasonable and satisfactory progress in providing employment opportunities for women, minorities and performers aged 40 or over, particularly in the casting and employment of such persons in non-descript roles and in portraying the American scene in a realistic manner as required by this Agreement, the following procedures shall be followed:

a) For a Producer represented by the Alliance, the Guild shall notify the Alliance and the Producer in writing and provide

copies of any available statistics on employment that are available to the Guild.

b) The Alliance, represented by its chief executive, and the Guild, represented by its National Executive Director, shall meet with such Producer within fifteen (15) days after such notice. The Producer shall participate in such meeting and shall include persons with appropriate executive and creative authority involved or responsible for casting and employing actors. If it is determined in such meeting that specific plans and programs are necessary to provide such employment opportunities, then Producer will implement same.

c) If the Producer has failed to make such good faith efforts within six (6) months after such meeting, the Guild shall again confer with the Producer and the Alliance. Thereafter, if the Guild is able to demonstrate that the Producer has not made good faith efforts in this regard, it shall have the right, upon giving the Producer ten (10) days written notice, to publicly release all statistics and data in the possession of the Guild relating to the employment practices of the Producer.

d) For non-Alliance Producers, the above procedure shall apply, except that the representatives of the Alliance shall not be involved.

(6) In addition, each Producer will designate one or more high level creative, production or programming executives to meet on an individual Producer basis at least once per year with members of SAG who have been designated by the Board of Directors of SAG. Each such meeting will be held at the request of SAG or the Producer, and any subject that SAG or Producer executives wish to discuss relating to diversity will be suitable for discussion. The agenda for any such meeting may include issues relating to background actors in addition to issues relating to performers. Additional meetings may be scheduled by mutual agreement of the Producer and the Guild. Upon mutual agreement, the parties may seek the involvement and participation of the WGA, AFTRA and the DGA.

(d) Arbitration

Except as provided in subsection (b) above with respect to the submission of data, the matters covered in this Section are not subject to the provisions of Section 50 herein. It is understood that as to data on performers with physical disabilities, the provisions with respect to arbitration shall only apply when a method for compiling such data has been devised by the parties.

(e) Industry-Union Cooperative Committee

An Industry-Union Cooperative Committee shall be established for the purpose of providing a forum for the discussion and resolution of problems, concerns or disputes relating to the provisions of Section 59(a).

Either Producer or Union may submit a request, which shall be in writing, that a dispute under Section 59(a) be brought before the Industry-Union Cooperative Committee. The Cooperative Committee shall convene within sixty (60) days after receipt by the non-moving party of such written notice, except that the parties may, by mutual agreement, extend such sixty (60) day period. If the meeting is not held due to the failure of the non-moving party to attend such meeting, the moving party may refer the matter to a non-binding mediation with an independent mediator.

Producer and Union agree to seek funding for the mediation program from the IACF.

**60. EXTENSION TO SUBSIDIARIES, ETC.**

With respect to a motion picture produced by an independent producer under a contract with Producer for the financing, production and distribution of such motion picture, if Producer gives the Union ten (10) days' advance notice before principal photography commences that such motion picture is not to be covered by this Agreement, then Producer shall not be obligated hereunder with respect to such picture.

If Producer does not give the Union such notice, then Producer shall be obligated hereunder with respect to such motion picture.

This provision applies only to motion pictures produced within the geographical jurisdiction of the Union hereunder.

This provision applies to signatory or non-signatory independent companies.

**61. FORCE MAJEURE AND ILLNESS**

If a production for which the performer is engaged is necessarily prevented, suspended or postponed, during the course thereof, by reason of fire, accident, strike, riot, act of God, or the public enemy, or by any executive or judicial order or by reason of the illness of any other

member of the cast or of the director, the following provisions shall apply:

(a) Day Performer Contracts

Producer shall have the right to terminate the services of the performer without further liability, except for compensation for services previously rendered (including compensation for reruns, foreign telecasts, theatrical exhibition and use in Supplemental Markets and on basic cable); provided, however, that (i) if such termination occurs before the performer is used or (ii) if the performer is subsequently replaced in the picture (other than because of his unavailability), the performer shall be entitled, in addition to compensation for services previously rendered, if any, to one day's salary or his guarantee, whichever is greater. In the event of such termination, Producer shall have the right to recall the performer, without compensation for intervening time, in the event of the resumption of production, as and when the Producer may request, and at the same rate as that previously applicable, unless the performer is otherwise employed, but if otherwise employed the performer will cooperate to the fullest extent in trying to make his services available to the Producer. If such period of intervening time is less than fourteen (14) days, performer shall receive an additional one day's salary. As an alternative to terminating, the Producer shall have the right to convert the performer's engagement into a weekly freelance contract, in which event the Producer shall have the rights provided below for weekly contracts to which the engagement is converted.

(b) Three-Day Contracts, Weekly Contracts and Multiple Picture Weekly Contracts

It shall be the duty of the Producer during the first week of any prevention, suspension or postponement to notify the performer in writing whether the Producer will entirely discontinue the production or further suspend or postpone it.

(1) Except as hereinafter in subsection (d) of this Section otherwise provided, the Producer may suspend the performer's services and place the performer on one-half ( $\frac{1}{2}$ ) salary, subject to the Producer's right to terminate the performer's employment at any time during such prevention, suspension or postponement. The performer shall have the right to terminate the employment effective at the end of the third week of suspension at half salary or, in the case of a three-day performer, effective at the end of the second week of suspension at half salary or, at any time thereafter, unless the Producer, upon receipt of performer's notice of termination, commences and continues thereafter to pay performer his full compensation.

(2) At any time after the commencement of such prevention, suspension or postponement, and prior to any resumption by the performer of his services in such employment, the Producer may terminate the services of the performer without further liability, except for compensation for services previously rendered (including compensation for reruns, foreign telecasts, theatrical exhibition and use in Supplemental Markets and on basic cable) and except as provided in the next sentence. If the Producer elects to terminate said employment by reason of the illness of any other member of the cast or of the director, then the Producer shall be obligated to also pay the performer one-half week's compensation, or in the case of a three-day performer, one and one-half day's compensation. In the event of such termination, Producer shall have the right at any time after three (3) weeks (in the case of a three-day performer after two (2) weeks) from the date of such termination to recall the performer, without compensation for intervening time, in the event of the resumption of production and the performer agrees to resume his services pursuant to the performer's contract on such picture as and when the Producer may request unless the performer is otherwise employed, but if otherwise employed, the performer will cooperate to the fullest extent in trying to make his services available to the Producer. Such resumed services shall be at the same rate as that specified in the performer's contract, unless such resumption occurs later than three (3) months following the termination of the performer's services, and shall be payable only from the date of commencement of the performer's services in such resumed production.

(3) As to any performer employed under a multiple-picture weekly contract, the Producer shall have the right to continue the employment of the performer with regard to any such picture as is not prevented, suspended or postponed until the performer's services therein are completed and, then, Producer may invoke the provisions of this subsection (b) with regard to any picture prevented, suspended or postponed.

(c) Series Contracts

(1) Except as hereinafter in subsection (d) of this Section otherwise provided, if the production of the series is prevented, suspended or postponed, the Producer may suspend the performer's services for a period of not to exceed five (5) weeks or for a period ending not later than performer's then-current guaranteed employment period, whichever first occurs. During such suspension, the performer shall be paid half salary. Performer shall have the right to terminate the employment effective at the end of the fifth week of suspension unless the Producer, upon receipt of the performer's notice of termination, commences and continues thereafter to pay performer his full compensation for the remainder, if any, of the then-current guaranteed

employment period. If, on the last date upon which Producer is obligated to employ performer for the next following guaranteed employment period, the production of the series continues to be prevented, suspended or postponed, and the five (5) week suspension period has been used up, performer shall be returned to full salary, subject to any rights of termination which performer or Producer may otherwise have.

(2) At any time after the commencement of such prevention, suspension or postponement, and prior to any resumption by the performer of his services in such employment, Producer may terminate the services of the performer without further liability, except for compensation for services previously rendered (including compensation for reruns, foreign telecasts, theatrical exhibition and use in Supplemental Markets and on basic cable) and except as provided in the next sentence. If the Producer elects to terminate said employment by reason of the illness of any other member of the cast or of the director, then the Producer shall be obligated to also pay the performer one (1) week's compensation. In the event of such termination, Producer shall have the right to recall the performer, without compensation for intervening time, in the event of the resumption of production as and when the Producer may request and at the same rate as previously applicable, unless the performer is otherwise employed, but if otherwise employed, the performer will cooperate to the fullest extent in trying to make his services available to Producer. In the event of the resumption of production, the Producer will not use force majeure or illness as an excuse for not recalling the performer in the absence of supervening circumstances or conditions which make the continuation of his role impracticable.

(d) In case of suspension of a performer under subsection (b) or (c) of this Section, by reason of illness of another member of the cast or the director, such suspension shall be effective as of the beginning of the event only when the duration of the illness causing suspension is three (3) days or more, but if the duration is less than three (3) days, the suspension shall be ineffective and the performer shall be paid full salary.

(e) Term Contracts

The Producer's rights of suspension and termination because of force majeure or illness of any other member of the cast or of the director shall be determined by individual bargaining with any term contract performer; provided, however, that with respect to any term contract performer engaged at less than double minimum, the Producer shall not have the right to suspend without salary for more than four (4) consecutive weeks nor at half (1/2) salary for more than eight (8)

additional consecutive weeks. The term “term contract performer,” as used herein, shall not include a combination term contract performer unless, at the time of the prevention, suspension or postponement, such performer was being utilized in a continuing role in a television series.

(f) Extension

Any guaranteed employment hereunder may be extended by the period of any suspension hereunder, by giving written notice to such effect not later than the date of resumption of production following such suspension.

(g) As used herein, the term “otherwise employed” includes the acceptance of any commitment which would conflict with the performance of his services in connection with resumption of production after termination.

**62. BODY DOUBLES**

Body doubles employed in scenes requiring nudity or conduct of a sexual nature shall be principal performers, except that the provisions relating to residuals, screen credit, consecutive employment and preference of employment shall not apply to such persons. Notwithstanding the foregoing:

(a) body doubles shall be paid for intervening days on an overnight location when required to remain at such location by the Producer; and

(b) when employed to work in the Background Actor Zones covered by Schedule X, Part I of the Codified Basic Agreement, the preference of employment provisions thereof (*i.e.*, Section 43 of Schedule X, Part I) shall apply to the employment of body doubles; when employed in the Background Actor Zones covered by Schedule X, Part II of the Codified Basic Agreement, the preference of employment provisions thereof (*i.e.*, Section 45 of Schedule X, Part II) shall apply to the employment of body doubles.

**63. VIDEOTAPE**

All of the terms and conditions of this Agreement shall apply to the employment of performers in videotaped programs.

#### 64. VERIFICATION - CODING

(a) Producer hereby authorizes television stations to make available to representatives of the Union their station logs, to verify the station plays of television programs.

(b) Regarding a possible system of coding product which appears on television or is exhibited through the Internet, a joint Producer-Union Committee will be established and will meet within ninety (90) days after the effective date of this Agreement to consider any workable system when it is available, and such Committee shall investigate and make recommendations, which will be given consideration by the Producers.

#### 65. OVERNIGHT LOCATIONS

(a) Notification:

Performers shall be notified by Producer at the time of engagement, to the extent such information is then known, whether the engagement requires overnight location work and, if so, the approximate time and duration of such location work.

(b) Per Diem:

All performers shall be entitled to a basic *per diem* allowance for meals on overnight locations, which shall be as follows:

|           |              |
|-----------|--------------|
| Breakfast | \$12.00      |
| Lunch     | 18.00        |
| Dinner    | <u>30.00</u> |
| TOTAL:    | \$60.00      |

The foregoing *per diems* are minimums only and are subject to individual bargaining at not less than the indicated *per diem* rate.

Producers recognize that, on some locations, the prevailing reasonable cost for meals exceeds the foregoing amounts and, in such instances, Producer will adjust the *per diem* rates accordingly.

Regardless of the time of call, the first major meal (either lunch or dinner) served shall be deducted at the lunch rate.

The Producer shall have the right to deduct from the *per diem* the appropriate amount for each such meal furnished.



(c) Check Cashing Facilities

When a production company is on an overnight location for two (2) weeks or more, Producer shall make arrangements with a local bank for the cashing of compensation and *per diem* checks issued to performers working on such location, unless the bank(s) in the locale will not make such arrangements. The performer shall not be charged a check-cashing fee.

**66. CASTING**

(a) Casting which is done outside the studio shall be conducted on a business-like basis, with regular business hours and telephone service.

(b) Producer will not delegate to any licensee the right to approve the hiring or firing of the following performers:

(1) Day performers, three-day performers and freelance performers appearing in episodes of a television series or a pilot (excluding guest stars in a pilot and series contract performers); and

(2) Any performer appearing in a dramatic television program which is not a series episode nor a pilot and which is two (2) hours or less in length.

(c) At least once per month, Producer will send a casting director, if one is then engaged, to the showcases jointly sponsored by the Union and CSA. Such casting director may instead expend a comparable amount of time holding general interviews.

**67. PRODUCTION STAFF**

(a) Persons employed as members of Producer's casting or production staff will neither be engaged nor utilized as performers in any pictures on which they also render any services on Producer's casting or production staff without the express consent of the Union.

(b) The only exceptions shall be the following:

(1) animal handlers (appearing in a scene in which they handle animals);

(2) performer/directors, performer/writers or performer/producers engaged under written contract as such prior to the commencement of principal photography of a motion picture;

(3) in an “emergency” on location. “Emergency” is defined as a situation, on location, in which a member of the cast cannot perform because of unavailability for any reason.

(c) Violations of the foregoing shall require payment of liquidated damages, as follows:

|                       |          |
|-----------------------|----------|
| Day Performers:       | \$500.00 |
| Three-Day Performers: | \$600.00 |
| Freelance Performers: | \$800.00 |

## **68. INJURIES TO PERSONS OR PROPERTY DURING PERFORMANCE**

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(a) Subject to the provisions of subsections (b), (c) and (d) hereof, in the event any other member of the cast, production staff, crew or any other person, firm or corporation shall suffer injury to his or her person and/or property, of any kind whatsoever, by reason of, or as a result of, the performance by any performer, stunt performer or stunt coordinator (hereinafter in this Section called “performer”) of a stunt or act in the course and scope of his employment under this collective bargaining agreement, under the direction and control of the Producer, Producer shall at all times indemnify and save the performer harmless from and against all liability, loss, damages and costs, including counsel fees, which the performer may for any cause at any time sustain or incur by reason of such performance. In the event legal action is taken against the performer, either jointly with the Producer or alone, the Producer shall, at its own cost and expense and without undue delay, provide the defense of the performer in all such litigation.

(b) The performer shall notify the Producer promptly, in writing, in case knowledge shall come to the performer of any claim or litigation arising out of such performance and thereafter deliver to the Producer every demand, notice, summons, complaint or other process received by him or his representative relating thereto.

(c) The performer shall cooperate fully in the defense so provided by Producer of such claim or action and, upon the Producer’s request, shall attend hearings and trials and, whenever possible assist in (i) securing and giving evidence, and (ii) obtaining the attendance of witnesses at such hearings and trials.

(d) The performer shall not make any settlement or compromise of any such claim or litigation without the prior written consent of the Producer. Any settlement or compromise by the performer without Producer's prior written consent of any such claim or litigation shall nullify Producer's obligation under subsection (a) above.

(e) The Producer shall obtain and keep in force during the term of employment of the performer a policy of comprehensive public liability insurance insuring the performer against any liability arising out of the performance by the performer in the course and scope of his employment under this collective bargaining agreement, under the direction and control of the Producer. Such insurance shall be in the amount of not less than \$1,000,000 for injury to or death of one person in any one accident or occurrence and in an amount not less than \$2,000,000 for injury to or death of more than one person in any one accident or occurrence. Such insurance shall further insure performer against liability for property damage of at least \$250,000. Upon request of the performer, Producer shall provide evidence of such insurance coverage before performer shall be required to perform any stunt or act. Upon request of the Producer, the Union shall waive the requirements of this subparagraph (e) upon a showing satisfactory to the Union of adequate financial responsibility of the Producer.

(f) Nothing herein contained shall be construed to: (i) deprive Producer of any lawful defense to such claim or action, including the defense that such claim arose by reason of performer's acts outside the scope of his employment; or (ii) expand Producer's liability to any person under the applicable Worker's Compensation Law.

(g) In the event of injury in the course of employment which results in medical attention, Producer will prepare and send to the Union, as soon as practicable, a report setting forth the date, time, place, circumstances and nature of the injury claimed.

## **69. PROTECTION OF PERFORMERS, STUNT PERFORMERS AND STUNT COORDINATORS - SAFETY**

It shall be the policy of the parties to this Agreement that performers employed hereunder shall, to the extent possible, not be placed in circumstances hazardous or dangerous to the individual. In furtherance of this policy, it is agreed:

(a) When Producer requires script or non-script stunts or stunt-related activity of a performer, an individual qualified by training and/or experience in the planning, setting up and/or performance of the type of stunt involved shall be engaged and present on the set. No performer

without such requisite training and/or experience shall be required to perform a stunt or stunt-related activity without an opportunity for prior consultation by the performer with such individual. The foregoing provisions of this subparagraph (a) shall not apply to a stunt performer who both plans and performs a stunt which does not involve other performers.

Persons involved in the planning and execution of a stunt shall be entitled to inspect any vehicle, mechanical device and/or equipment to be used in the stunt on the day prior to its use, provided it is available. In any event, such persons shall have reasonable time for such inspections. No payment shall be due for any inspection.

(b) No performer shall be required to work with an animal which a reasonable person would regard as dangerous in the circumstances, unless an animal handler or trainer qualified by training and/or experience is present.

(c) No performer shall be rigged with any type of explosive charge of any nature whatsoever without the use of a qualified special effects person.

(d) The performer's consent shall be a requisite precondition to performing stunts or other hazardous activity. The performer's consent shall be limited to the stunt or activity described to the performer at the time consent was given. In the case of a minor, written consent to perform a stunt must be given by the minor's parent or guardian.

Violation of this provision shall be subject to liquidated damages in the amount of \$900.

(e) Protection of Stunt Performer; Safety

(1) All reasonable requests and requirements for safety equipment in connection with the performance of stunts shall be complied with by Producer or Producer's representatives on the set or location.

(2) Equipment provided by Producer (e.g., autos, cycles, wagons, etc.), shall be in suitable repair for the safe and proper performance of the stunt.

(f) Protection of Performers, Stunt Performers and Stunt Coordinators; Safety

A person qualified under the circumstances to administer medical assistance on an emergency basis shall be present or readily

available at all rehearsals and all performances during which hazardous actions or work under hazardous conditions is planned. Such person will have visible identification. The Producer will provide readily accessible first aid equipment necessary to administer such medical assistance. In such circumstances, transportation to the nearest medical facility providing emergency services shall be readily available. When such action or work is planned on location, the production company shall determine the nearest emergency medical facilities and capabilities thereof and communication therewith and assure that transportation to such facilities is readily available at all times during the performance of such work. The transportation vehicle referred to above shall be capable of accommodating a stretcher and first aid equipment. The parties agree to recommend that the Industry-wide Labor/Management Safety Committee develop appropriate guidelines as to first aid equipment and visible identification for the aforementioned person qualified to administer medical assistance on an emergency basis.

(g) The performer's consent shall be required for flying in a helicopter.

(h) Notice of Scripted Stunts

Producer shall instruct stunt coordinators to notify the Union of scripted stunts involving non-stunt performers, which notice shall include the date, location and Producer involved, to the extent known.

(i) Safety Guidelines

The Producer shall obtain copies of all safety guidelines issued by the Industry-wide Labor/Management Safety Committee. Copies of such guidelines shall be available at the offices of the Alliance of Motion Picture & Television Producers and the Union. The Alliance of Motion Picture & Television Producers and the Union agree to cooperate in disseminating such guidelines to Producers as they are formulated during the course of this Agreement.

(j) On-Camera Vehicle Driving

When any of the following conditions is planned as part of a driving sequence and special expertise is necessary in order to perform such driving sequence in a safe manner, the on-camera driver shall qualify as a stunt performer under Schedule H of this Agreement:

- (1) When any or all wheels will leave the driving surface.
- (2) When tire traction will be broken, *e.g.*, skids, slides, etc.

(3) Impaired vision - when the driver's vision will be substantially impaired by:

- (a) Dust
- (b) Spray (when driving through water, mud, etc.)
- (c) Blinding lights
- (d) Restrictive covering over the windshield
- (e) Smoke
- (f) Any other conditions which will substantially restrict the driver's normal vision.

(4) The speed of the vehicle will be greater than normally safe for the conditions of the driving surface, or when other conditions such as obstacles or difficulty of terrain will exist or off-road driving, other than normal low-speed driving for which the vehicle was designed, will occur.

(5) When any aircraft, fixed-wing or helicopter is flown in close proximity to the vehicle creating a hazardous driving condition.

(6) Whenever high speed or close proximity of two (2) or more vehicles creates conditions dangerous to the drivers, passengers, film crew or vehicles.

Nothing herein shall require the performer to be doubled when the performer has the special expertise to perform the sequence in a safe manner.

(k) Stunt Doubling

When, for safety reasons, a performer is doubled on-camera as the driver of a vehicle, the double shall qualify as a stunt performer under Schedule H of this Agreement. This would also apply to passengers in a vehicle who must be doubled for their safety.

## **70. HUMANE TREATMENT OF ANIMALS - STATEMENT OF POLICY**

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(a) The Producers believe that they have a highly commendable record of protecting animals and of preventing their abuse during production of motion picture and television films. They believe that this has been a responsibility most filmmakers have accepted and exercised with diligence over the years.

(b) Producers believe that trained animals are available which can perform with realism and without danger of injury or death and, in

addition, as part of a long-term policy, Producers have cooperated with the Hollywood office of the American Humane Association. Producers believe it is important for this liaison to continue in the interest of assuring responsible, decent and humane treatment of animals.

(c) Producer shall not utilize any performer to perform in a scene for any motion picture in which an animal is intentionally tormented or killed, except that the photography of animals being killed pursuant to the provisions of a legal hunting season shall be excluded.

(d) The Producer shall notify the American Humane Association prior to the commencement of any work involving an animal or animals and advise it of the nature of the work to be performed. Script scenes involving animals shall be made available to the American Humane Association.

(e) Representatives of the American Humane Association may be present at any time during the filming of a motion picture when any animals are used.

#### **71. ENGAGEMENT OF FREELANCE PERFORMERS - NOT INCLUDING SERIES PERFORMERS**

Freelance performers under Schedules B, C, G-II, H (other than Part I) and I shall be considered definitely engaged in any of the following events:

- (a) when the performer is given written notice of acceptance;
- (b) when a form contract signed by Producer is delivered to the performer or when an unsigned contract is delivered by Producer to performer and is executed by performer as so delivered and returned to Producer;
- (c) when a script is delivered to the performer by Producer; however, this does not include the delivery of a script for a test, audition or interview nor the submission of a script for the purpose of permitting the performer to determine if he desires the engagement;
- (d) when a performer is fitted for work; this shall not apply to wardrobe tests; and
- (e) when the performer is given a verbal call by Producer or an authorized company representative, which is accepted.

The existing “engagement” provisions of Schedules A, G-I and H (Part I) shall be revised to conform to the foregoing, except that subparagraph (6) of Section 4(a) shall remain as is.

**72. DELIVERY OF CONTRACTS - DAY PERFORMERS AND FREELANCE PERFORMERS - NOT INCLUDING SERIES PERFORMERS (SCHEDULES A, B, C, G, H AND I)**

(a) To the extent that the agreement reached between the Producer and the performer can be reflected on the form required by the collective bargaining agreement plus Producer’s standard riders to be filed with the Union, Producer shall deliver a copy of such contract to the performer not later than the first day of performer’s employment. When the agreement cannot be so reflected, Producer shall deliver a copy of such contract to the performer not later than the first day of performer’s employment or four (4) business days after such agreement has been reached, whichever is later.

The present rule that a performer may not be required to sign contracts on the set shall continue. Delivery to a performer’s agent constitutes delivery to the performer.

(b) When Producer chooses to deliver a copy of a contract to the performer on the set, an extra copy for retention by the performer shall be provided.

(c) Liquidated damages in the amounts provided in Section 27(b) hereof for late payment shall be payable until a written contract is delivered to the performer.

(d) The foregoing shall not apply to Schedule F performers.

(e) Delivery of Booking Slip

A copy of the “booking slip” shall be provided to performer no later than the day next preceding the first day of performer’s employment.

(1) Definition of Booking Slip. A booking slip is a document containing a designation of the role, salary and number of days of guaranteed employment.

(2) If performer is engaged after 6:00 p.m. on the day prior to the first day of performer’s employment, the booking slip will be included with the script provided to performer. However, if the script



was provided to performer prior to such date and hour, Producer need not provide such booking slip.

(3) The foregoing requirements for delivery of a booking slip shall not apply if performer's contract has previously been delivered to performer or performer's agent.

### **73. PERFORMER'S START DATE**

In the event a performer is engaged in accordance with Section 71 hereof, but a start date has not yet been provided to the performer by the Producer, performer may terminate such engagement in order to accept conflicting *bona fide* employment by a third party, subject, however, to the performer first giving Producer the following minimum period during which Producer may specify a start date which then becomes binding, which conflicts with the proffered third party employment:

(a) if a performer informs Producer before noon of a business day, by the end of the same day; or

(b) if performer informs Producer at any other time, by noon of the next business day.

### **74. MISCELLANEOUS PROVISIONS**

#### **(a) Holiday Breaks**

It is understood that some series customarily take a hiatus for one (1) week at Thanksgiving and for one (1) week which includes Christmas Day, or one (1) week which includes New Year's Day, or no more than two (2) weeks, which includes Christmas Day and New Year's Day. Such holiday breaks, if taken, shall not be counted in calculating the production span rules for any television series.

The consecutive employment provisions in the Schedules of the Codified Basic Agreement do not apply to days off during a break of up to two (2) weeks, which break includes the Christmas and New Year's holidays.

#### **(b) Shooting Schedules**

On some series, the entire cast may decide upon a type of shooting schedule which cannot be made to conform to the rules set forth elsewhere herein relating to span. In the event special arrangements in this regard are desired, a waiver will be requested of the

Union, which waiver will not be unreasonably withheld when and if the Union ascertains that each and every performer in the cast engaged for the cycle affected consents to the waiver requested.

(c) Disputes between Performers and Producers

The recent proliferation of disputes between performers in television series and Producers is a disturbing situation that is a matter of increasing industry-wide concern. Accordingly, the Union and the Alliance of Motion Picture & Television Producers shall convene a blue ribbon panel to be comprised of five (5) persons representing performers' interests (Union, agents, attorneys, etc.), five (5) persons from Producer companies and other mutually agreeable interested parties. The purpose of the panel shall be to make recommendations to the Union and Producer companies with respect to proposed solutions to these problems. The panel shall be convened as soon as possible.

(d) Non-Paying Audience Market

The parties agree that a joint committee shall be convened to explore alternative compensation arrangements for performers in connection with the distribution of television programs in the non-paying audience market.

**75. EMPLOYMENT ON MULTI-PART CLOSED-END PICTURES (EXCEEDING THREE (3) HOURS IN LENGTH)**

The following shall apply to contracts for employment of performers on multi-part closed-end pictures exceeding three (3) hours in length:

(a) Initial Compensation

A performer, other than a Schedule F performer as defined below, shall be employed by the part or parts on a multi-part closed-end picture at not less than the applicable minimum rate. The term "part" means each separately telecast installment of the picture (*i.e.*, Part I, Part II, etc.), as initially telecast. Producer shall advise the Guild of the contemplated telecast pattern, when known.

In the event that a performer (other than a Schedule F performer as defined below) appears in a part or parts of such picture for which he was not engaged ("additional parts"), including a recap (reprise) in an additional part, the performer shall be paid an additional amount equal to the minimum day performer rate for each additional part in which the performer appears, except that no such additional

amount shall be due if the performer's performance is entirely removed from the original part and is moved into not more than one additional part.

A Schedule F performer shall be employed on a per picture basis on a multi-part closed-end picture. For purposes of employment in multi-part closed-end pictures, a Schedule F performer is defined as any performer whose weekly guaranteed salary is in excess of \$4,250 per week and who is guaranteed \$40,000 or more for the entire multi-part picture.

(b) Residual Compensation

All performers shall be paid residual compensation in accordance with the manner in which the multi-part closed-end picture is initially telecast.

(c) Pension and Health Contributions

The ceilings on pension and health contributions for performers employed on a multi-part closed-end picture shall be applied on a per part basis in accordance with the manner in which the picture is initially telecast; provided, however, pension and health contributions shall not be paid on aggregate compensation in excess of the ceilings set forth in Section 22(a)(1).

(d) Trailers and Promotional Films

A multi-part closed-end picture shall be treated as a single picture for purposes of Sections 35 and 36 of the Screen Actors Guild Television Agreement.

**76. FAVORED NATIONS CLAUSE**

If, during the term of this Agreement, any union through its collective bargaining agreement negotiated with the Alliance of Motion Picture & Television Producers, obtains a "Cost of Living Escalation Clause" with respect to minimum rates, then, in such event, SAG will be entitled to the benefits of such clause commencing with the third year of this collective bargaining agreement.

**77. TRANSLATION**

Performer may not be required to translate another performer's dialogue into any language other than that in which a script is written.

However, performer may bargain separately for such non-covered services.

## **78. ORIGINAL EMPLOYMENT - PAY TELEVISION, VIDEODISC/VIDEOCASSETTE MARKETS**

### **(a) Introduction and Scope**

(1) These provisions shall apply to the employment of performers on entertainment programs of the type historically produced under the SAG Agreement when produced primarily for the pay television and/or the videodisc/videocassette markets.

(2) The term “videodisc/videocassette,” as used in this Section, means program material produced primarily for disc, cassette, cartridge and the like, which is sold or rented for play on home-type television screens in the home.

(3) The term “pay television,” as used in this Section, shall mean exhibition on a television screen in the home by means of telecast, cable, closed-circuit or CATV when substantially all systems to which the program is licensed meet the following tests:

a) A separate channel is provided for which the subscriber pays a separate fee (which fee is a major charge relative to other charges made to the subscriber) for that channel; and/or

b) The subscriber pays for each program he selects (except that a program he selects, for which only a token charge is made, shall not be considered a pay television program); and/or

c) The subscriber pays a fee for an encoded telecast, which fee is a major charge relative to other fees paid for encoded telecasts.

### **(b) Initial Compensation and Working Conditions**

(1) The minimum initial compensation and working conditions applicable to entertainment programs of the type historically produced under the SAG Agreement when produced primarily for the pay television and/or videodisc/videocassette market shall be the same as:

a) The minimum applicable rates and working conditions contained in the SAG Television Agreement for programs of the following types:

(i) Drama (including situation comedy) of the type produced for prime-time television;

(ii) Drama of the type produced for theatrical motion pictures; and

(iii) Book musicals.

b) The minimum applicable rates and working conditions contained in the AFTRA Code of Fair Practice for Network Television Broadcasting may be utilized by the Producer for programs of the type listed below:

(i) Variety programs in the format historically produced for network prime time television; *e.g.*, “*The Carol Burnett Show*,” “*The Ed Sullivan Show*;”

(ii) Television game shows; and

(iii) Television quiz shows.

c) The minimum applicable rates and working conditions contained in the AFTRA Code of Fair Practice for Television Network Broadcasting may apply to programs of the multiple times per week tape television drama type done for non-prime time television, except, however, that premiums for work on the sixth and seventh days of the workweek and holiday work shall be those provided in the SAG Television Agreement.

d) Producer agrees that prior to the employment of any performer in an entertainment program of the type historically produced under the SAG Agreement when intended primarily for exhibition on pay television which is not described in subparagraphs a) through c) above, Producer will give at least sixty (60) days of advance notice to the Screen Actors Guild of such proposed employment. Producer and Screen Actors Guild agree to meet within thirty (30) days from receipt of such notice for the purpose of negotiating with respect to the terms and conditions for such employment. If no agreement is reached with respect thereto within such sixty (60) day period, Screen Actors Guild may, upon a thirty (30) day written notice to Producer, instruct its members to withhold services with respect to the production of such program. Any dispute between Screen Actors Guild and the Producer as to whether such program is included in one of the categories described in subparagraphs a) through c) above shall be subject to arbitration under the provisions of this Agreement.

(2) The initial compensation set forth in this subsection (b) shall constitute payment in full for ten (10) exhibition days for a program (with no limit on the number of broadcasts commenced in any calendar day) over all services in the United States and Canada to which the program is licensed in the Pay Television market within a period of one (1) year from the initial exhibition on each such service, but on no more than one (1) United States national pay television subscription service. For this purpose, commonly-owned pay television services, such as HBO/Cinemax/Festival and Showtime/The Movie Channel, shall each be considered a single service. However, with respect to programs produced primarily for play specifically relating to the holidays set forth below, the period shall be ten (10) exhibition days in three (3) consecutive holiday seasons:

New Year's Day, Valentine's Day, St. Patrick's Day, Easter, Passover, Independence Day (July 4th), Halloween, Thanksgiving, Chanukah and Christmas.

If a performer is engaged for a holiday program, it shall be so stated in his booking slip, if applicable, and in his contract.

The initial compensation shall also include payment for the first one hundred thousand (100,000) net unit sales, in the aggregate, in the videodisc/videocassette worldwide market, except that in the case of dramatic programming of a type made for network prime time which is made primarily for the pay television market, initial compensation shall also include payment only for the first seventy-five thousand (75,000) net unit sales, in the aggregate, in the videodisc/videocassette worldwide market.

An exhibition day shall commence at one second after midnight and end at midnight, unless any exhibition of a program shall commence prior to midnight and continue past midnight, in which case the exhibition day shall be deemed to begin when the program commenced.

(3) The parties recognize that the March 25, 1982 Supplement to the 1980-1983 AFTRA Code of Fair Practice for Phonograph Recordings may cover categories of programs not described in subsection (b)(1) above and that nothing herein shall preclude any signatory hereof from producing such programs pursuant to such Code.

(c) Additional Compensation

(1) Pay Television - For covered programs released in the pay television market:

a) For exhibition days on any pay television service in the United States and Canada, either in excess of ten (10) or subsequent to one (1) year from the date of the initial exhibition on such service, or for exhibitions on foreign (*i.e.*, other than the United States and Canada) pay television, or for exhibitions on a second or subsequent United States national pay television subscription service, Producer shall pay six percent (6%) (plus pension and health payments in accordance with this Agreement) of the Distributor's gross receipts, as defined in Section 5.2 E.(2) and 5.2 E.(4) of the Codified Basic Agreement, from such excess exhibition days on such service, or from such other exhibitions referred to above in this subsection (c)(1)a), except that in the case of covered programs, the cast of which (exclusive of those members of the cast who would not be entitled to residuals if the program had been produced for free television) is four (4) performers or fewer, the total percentage shall be computed on the basis of one and one-half percent (1.5%) per performer (plus pension and health payments in accordance with this Agreement). The computation of the number of performers in the cast, for purposes of determining the percentage payable, shall exclude off-camera announcers, provided however, that when the only performer(s) on a program is an off-camera announcer(s), the percentage shall be one-half of one percent (.5%), plus pension and health. However, off-camera announcers shall not be excluded for purposes of determining the rateable distribution provided in subsection (e) hereof.

b) If any license, whether an initial or subsequent license, for a program on any service covers exhibition days in excess of ten (10), each such day shall be given equal monetary weight in determining the sums subject to the payment described in subparagraph a) hereof. As an example, if the initial license encompasses seventeen (17) exhibition days, seven-seventenths (7/17) of the sums actually received from such license shall be subject to the appropriate payment under this subsection (c). As a further example, if a second or subsequent license is for ten (10) days and covers the ninth through eighteenth days, eight-tenths (8/10) of the sum actually received from such license shall be subject to the appropriate payment under this subsection (c).

c) When a license covers exhibition days both within and outside the one (1) year limitation set forth in subsection (b)(2) above, all days shall be given equal monetary weight. For example, if a license is for fourteen (14) days use in eighteen (18) months, and five (5)

exhibition days occur after the one (1) year period, each day of exhibition which actually occurs after the one (1) year period shall be given equal monetary weight, and five-fourteenths (5/14) of the license fee shall be subject to the appropriate payment under this subsection (c).

d) The provisions of Section 18(f) and Section 19(g) of this Agreement, relating to the application of contingent compensation against the payments to any individual performer, shall be applicable also to the payments required herein.

e) (i) The provisions of Section 5.2 C., 5.2 E., 5.2 H. and 5.2 I. of the Codified Basic Agreement relating to foreign proration, definition of Distributor's gross receipts, effect of individual contracts and reporting, and Section 21 of this Agreement relating to responsibility for payments, are incorporated herein.

(ii) Payment shall be made quarterly and each such payment shall be accompanied by the reports required under subsection (i) of this Agreement.

## (2) Videodisc/Videocassette Market

a) For sales of a covered program in the videodisc/videocassette market, the Producer shall pay six percent (6%) (plus pension and health payments in accordance with this Agreement) of the fee or other payment actually received by the Producer from net unit sales in excess of one hundred thousand (100,000) units in the aggregate, except that: (i) the one hundred thousand (100,000) unit figure shall be reduced to seventy-five thousand (75,000) units in the aggregate for dramatic programs of a type made for network prime time which are made primarily for the pay television market; and (ii) in the case of covered programs, the cast of which (exclusive of those members of the cast who would not be entitled to residuals if the program had been produced for network television) is four (4) performers or fewer, the total percentage shall be computed on the basis of one and one-half percent (1.5%) per performer (plus pension and health payments in accordance with this Agreement).

The computation of the number of performers in the cast, for purposes of this paragraph only (but not for the purpose of determining rateable distribution provided in subsection (e) hereof), shall exclude off-camera announcer(s), provided however, that when the only performer(s) on a program is an off-camera announcer(s), the percentage shall be one-half of one percent (.5%), plus pension and health.



b) The term “disc,” as used in this paragraph, shall refer to both videodiscs and videocassettes. The term “unit” shall refer to the disc or aggregate discs in each package released by the Producer for sale or rental. “Net unit sales” shall mean sales of units which are released by the Producer or its distributor for sale and are not returned, or are released by the Producer or its distributor for rental purposes.

c) It is recognized that some companies hereunder may act both as producers and as distributors of disc units in covered sales. In such a case, the payments set forth above shall be based on either (i) the fee or other payment received by the subsidiary, division or other department of the company which serves as the production branch from the subsidiary, division or other department of the company which serves as the distribution branch, or (ii) when no separate subsidiary, division or other department serves as the production branch, a reasonable allocation of the gross receipts of the company from covered sales attributable solely to fees or other payments which would be made to a production subsidiary, division or other department of the company, if one existed, or would be made to an outside producer. The reasonableness of such allocation in (ii) above, or of the fee or other payment received by the production subsidiary, division or other department in (i) above, shall be determined in its license fee payments to outside producers for comparable disc units or, in the absence of such practice, by generally prevailing trade practice in the videodisc industry.

d) The provisions of Sections 18(f) and 19(g) of this Agreement relating to application of contingent compensation against the payments to any individual performer shall be applicable also to the payments required herein.

(d) Release in Other Media

(1) If and when a program produced hereunder, for which the minimum initial compensation is governed by subsection (b)(1)a) hereof, is broadcast in free television, Producer shall be obligated to pay to the performers the applicable additional compensation for reruns (*e.g.*, network prime time, network non-prime time or syndication, as the case may be) provided under this Agreement.

(2) If and when a program produced hereunder, for which the minimum initial compensation is governed by subsection (b)(1)b) or (b)(1)c) herein, is broadcast in free television, Producer shall be obligated to pay to the performers, for the first such broadcast, the applicable first replay fee set forth in the AFTRA Code of Fair Practice for Network Television Broadcasting for such broadcast, and any subsequent broadcasts of such program shall comply with such replay formula.

(3) If a program produced hereunder is released in theatrical exhibition, Producer shall be obligated to pay to the performers the additional compensation provided in Section 19 of this Agreement.

(4) If a program hereunder is licensed for exhibition on domestic basic cable (other than as a relay of a domestic free television broadcast), the Producer shall pay to the Union for rateable distribution to the performers in the cast six percent (6%) (plus pension and health contributions) of distributor's gross receipts from such exhibition, subject to the one and one-half percent (1.5%) (plus pension and health contributions) limitation when four (4) or fewer performers are involved, and subject to the compensation limits set forth in the last two sentences of subsection (c)(1)a) hereof.

(5) If a program produced hereunder is licensed for exhibition in other supplemental markets (such as "in-flight"), the Producer shall pay in accordance with the SAG or AFTRA Supplemental Markets formula, whichever is applicable.

(e) Distribution Formula

Sums received by the Union hereunder shall be distributed as follows:

Units will be assigned to performers entitled to participate as follows:

(1) Time Units

With respect to each performer, units for time worked shall be computed as follows:

|           |   |                      |
|-----------|---|----------------------|
| Each day  | = | one-fifth (1/5) unit |
| Each week | = | one (1) unit         |

No more than five (5) time units may be credited to any performer.

(2) Salary Units

With respect to each performer, units for total compensation received from the film shall be credited with units as follows:

a) Day Performer

Each multiple of daily scale equals one-fifth (1/5) unit. A fraction of daily scale, when more than one-half (1/2), shall be credited as another one-fifth (1/5) unit.

b) All Other Performers

Each multiple of weekly scale equals one (1) unit. A fraction of a multiple, when more than one-half (1/2) of weekly scale, shall be credited as another weekly unit.

c) No more than ten (10) salary units may be credited to any performer.

d) Stunt coordinators and body doubles are not eligible to participate in residuals payments due pursuant to subsection (c) or (d) of this Section 78.

(3) Computation

Each performer shall be credited with the sum of time and salary units as computed above. All performers' salary units shall be totaled and each performer will receive that rateable proportion of the monies as the performer's number of units bears to the total number of units for the entire cast.

(4) Allocation

With respect to such pictures made outside of the United States, when part of the cast is composed of performers subject to this Agreement and part of the cast of performers is not subject to this Agreement, then sums payable hereunder shall be prorated based on the proportion which the salaries and the time worked payable to the performers subject to this Agreement bear to the total performers' salaries and time worked for the picture. If records reflecting time worked are not reasonably available, then the aforementioned proration may be based on salaries alone.

(f) A committee, comprising representatives of AFTRA, the Union and the Producers, shall be established to discuss the formulation of a single contract for product covered hereunder.

(g) In the event Producer fails to pay additional compensation as required under Section 78(c), within ten (10) days from the date of a notice in writing to Producer from the Union, a late payment penalty

shall accrue at the rate of one percent (1%) per month from the date of such notice.

The foregoing shall not preclude the Producer from recovering an erroneous payment. If there is a dispute over the amount due the performer, and Producer pays the undisputed amount on time, or if there is a *bona fide* dispute as to the Producer's liability therefor, there will be no late payment charge during the pendency of the dispute.

(h) The parties agree that the working conditions, including compensation, applicable to entertainment programs under the Union's jurisdiction produced for the basic cable market will be negotiated in good faith upon request of either party.

#### **79. MOVING PHOTOGRAPHY OR SOUND TRACK TO DIFFERENT EPISODE**

A performer who is engaged for an episode of a series whose performance is moved to another episode need not be paid additional compensation, provided that the episode into which the performance is moved is in the same season as the original episode for which the performer was engaged and provided that the performer's performance is entirely removed from the original episode and is moved into not more than one other episode.

#### **80. RESIDUAL STUDY**

The Producers shall provide to the Guild, no later than May 31, 2006, the same information, compiled in the same format, with respect to the 2002-03, 2003-04 and 2004-05 television seasons as was provided to the Guild pursuant to the Industry Residual Study. The same conditions with respect to use, distribution and confidentiality of such information as applied to the information produced under the original Residual Study agreement shall apply to the information with respect to the 2002-03, 2003-04 and 2004-05 television seasons.

In addition, twice during the term of the 2005 Television Agreement, the Producers will make their industry and market experts available for discussion and dialogue with representatives of the Guild in order to evaluate the economics of television production and distribution.

The Union may elect to have the Directors Guild of America, Inc. ("DGA") and/or the Writers Guild of America ("WGA") participate in the Study, subject to the execution of an agreement between each Guild

and the Producers relating to their participation in the Study. The parties agree that participation by the DGA and/or the WGA shall not limit the scope of the information to be provided to the Union pursuant to this Agreement.

## **81. PURPOSES OF CODIFICATION**

(a) The purpose of this Agreement is to present in a more convenient and usable form the effective provisions contained in the 2001 Screen Actors Guild Television Agreement, as modified by the Extension Agreement for 2001 Screen Actors Guild Codified Basic Agreement, 2001 Screen Actors Guild Television Agreement, 2001 Screen Actors Guild Television Animation Agreement, 2001 Screen Actors Guild Network Side Letters, Exhibit A of the AFTRA National Code of Fair Practice for Network Television Broadcasting, and for Prime Time Dramatic Programming Under the AFTRA Code of Fair Practice for Network Television Broadcasting and by the Producers' Final Offer to Screen Actors Guild and American Federation of Television and Radio Artists dated January 20, 2005, without in any manner changing the intent or meaning of any provisions of said Agreements or Final Offer.

(b) In the event that the Union or any Producer shall discover that any effective provision contained in the foregoing Agreements has been unintentionally altered or omitted from this codification, such party may request its inclusion herein; the Union and the Alliance of Motion Picture & Television Producers agree to promptly discuss the request and, if they determine that the provision was unintentionally altered or omitted, then the parties agree to include or correct such provision in this codification.

(c) Except as otherwise provided, this Agreement covers new or increased minimum scale compensation for services (including such new or increased compensation resulting from new or different working conditions), new or increased minimum payments or contributions based upon compensation, and new or increased rerun and residual payments to be paid to the employees covered by the terms of this Agreement.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement on the day and year first herein written.

On behalf of the Producers in the multi-employer unit listed on Exhibit 1 hereto, represented by the **ALLIANCE OF MOTION PICTURE & TELEVISION PRODUCERS**

By: \_\_\_\_\_  
J. Nicholas Counter III  
President

Date: \_\_\_\_\_

**SCREEN ACTORS GUILD, INC.**

By: \_\_\_\_\_  
Peter Frank  
Interim National Executive Director/  
Chief Executive Officer

Date: \_\_\_\_\_

## EXHIBIT 1

### 2005 SCREEN ACTORS GUILD CODIFIED BASIC AGREEMENT AND TELEVISION AGREEMENT AUTHORIZATION LIST

3 Oh! 5 Creative, Inc.  
5 Aces Productions, Inc.  
10dB, Inc.  
21 Films LLC

ABACAB Productions, Incorporated  
Ace Films Inc.  
Adaptation Productions, Inc.  
A G Media Corporation Limited, Inc.  
AGV Productions T4, LLC  
AJA Productions, Inc.  
Alan Bernhard Creative Enterprises, Inc.  
Alex Entertainment, Inc.  
Allenford Productions, Inc.  
Alpine Productions, Inc.  
The American Lives Film Project, Inc.  
The American Lives II Film Project, LLC  
American Princess, Inc.  
Angie Miceli  
Anything for Billy, Inc  
Appleton Productions, Inc.  
Arclight Limited  
Argosy Productions Limited  
Arlington Productions, Inc.  
Arthur L. Swerdloff Productions  
Ashland Productions, Inc.  
Avery Pix, Inc.  
The Avnet/Kerner Company

The Barn Productions, Inc.  
The Baseball Film Project, Inc.  
BBK Productions, Inc.  
Belleville Productions, Inc.  
Beneday Limited  
Big Bounce Productions, LLC  
Big Snake, Inc.  
Big Ticket Productions Inc.  
Blue Ruin LLC  
Boiler Room, Inc.  
BOT Productions, Inc.  
Brad Lachman Productions, Inc.

Brosier Limited  
Bultaco, Inc.

Cado, Inc.  
Calliope Films, Inc.  
Canterbury Productions, Inc.  
CAPS Inc.  
Carla Singer Productions Inc.  
Cartoon Network Studios, Inc.  
Castle Rock Pictures, Inc.  
Catwoman Pictures, Inc.  
Cave Productions LLC  
Chainsaw Productions LLC  
Chance Films, Inc.  
Circuit, LLC  
Cliche, Inc.  
Columbia Pictures Industries, Inc.  
Colvin Group  
Concorde-New Horizons Corp.  
Cookout Productions LLC  
Corapeake Productions, Inc.  
Cordelles Limited  
Corretier Limited  
Corsica Productions, Inc.  
Cosgrove/Meurer Productions Inc.  
Crittterpix, Inc.  
Crookshanks Limited  
Crusader Entertainment, LLC  
Crystal Lake Entertainment, Inc.  
Culpons Limited  
Cumedia (formerly Corporate Video Services, Inc.)  
Curve of Happiness Partners, LLC

Daniel H. Blatt Productions, Inc. II  
Daughter Productions, LLC  
Dawpate Limited  
Deal Pictures Ltd.  
Dean River Productions, Inc.  
DIC Post, Inc.  
dick clark productions, inc.  
Divine Productions, LLC  
Doze, Inc.  
DreamWorks Animation LLC  
DreamWorks Dramatic Television LLC  
DreamWorks Productions LLC  
DreamWorks SKG TV LLC



Eastern Show, LLC  
El-Don Productions Ltd., Inc.  
Elastic Media Corporation  
Elizabeth Street Productions, Inc.  
Elmo in Grouchland Productions, Inc.  
ELP Communications  
Emmett Street Films, Inc.  
E.O.B. Productions, Inc.  
Erosion LLC  
Everwood Utah, Inc.

Faconde Limited  
Famous Players, Inc.  
Fast Sofa Productions, Inc.  
FCM Productions, Inc.  
Fierce People Productions, Corp.  
Fighting Words Productions, L.L.C.  
FilmQuest Pictures Corporation  
Finlan Productions  
The FKPS Company  
Flashframe Productions, LLC  
Floresta Productions, Inc.  
Fox Square Productions, Inc.  
FRB Productions, Inc.  
The Frederick S. Pierce Company, Inc.  
FRT Productions, Inc.  
Furious Pictures Corporation

Gas Station Zebra, LLC  
Ginger Productions, Ltd.  
Giorgio Moroder Enterprises  
Gladiator Productions LLC  
Glenhill Productions, Inc.  
Good Films Factory, Inc.  
A Good Woman UK Ltd  
Gramercy Productions LLC  
Granada US Productions  
Granville Productions, Inc.  
The Greenblatt Janollari Studio, Inc.  
Grice Limited  
Grindlow Limited  
Guernica Limited

H & H 1031 Productions, LLC  
Hallmark Entertainment Distribution, LLC  
Hatbox Productions, Inc.  
Hearst Entertainment, Inc.

Higglings Limited  
High Productions, Inc.  
Hillard Productions, Inc.  
Hogsmeade Limited  
Hollyvista Productions, Inc.  
Hoofbeats Productions, Inc.  
Hostage Productions, Inc.  
Hot & Cold Running Productions, Inc.  
Hudson Productions, Inc.  
Hunky Dory, Inc.

IEG, Inc.  
Invader Productions, Inc.

The Jazz Film Project, Inc.  
Jazz Pictures, Inc.  
The Jon Avnet Co. II

KCGT Entertainment, Inc.  
Kelley Productions, Inc. dba David E. Kelley Productions  
Killer Films, Inc.  
K.M.H. Realty Corp.  
Knock Out Creative, Inc. (formerly Global Doghouse, Inc.)

La Mesa Productions, Inc.  
Ladron Limited  
Lafitte Productions, Inc.  
Latter Days The Movie, LLC  
Lee Mendelson Film Productions, Inc.  
Limbus Productions, Inc.  
Lightning Bolts Productions, Inc.  
Love & War Productions, Inc.  
Lumiere Productions, Inc.

Madison Avenue Productions, Inc.  
Madison Productions, Inc.  
The Magnolia Project, Inc.  
McFarlane Productions, Inc.  
Messel Limited  
Metro-Goldwyn-Mayer Pictures Inc.  
MFV Productions LLC  
MGM Television Entertainment Inc.  
Michael Dugan Productions  
Mile High Productions, LLC  
Mitchell Entertainment, Inc.  
MM Smith, Inc.  
Montrose Productions, Inc.

Morgan Creek Productions, Inc.  
Mountie Productions LLC  
Muggles Limited

The National Parks Film Project, LLC  
National Studios, Inc.  
New Regency Productions, Inc.  
NFocus Visual Communications, Inc.  
Nicholas Entertainment, Inc.  
Nightlife Inc.  
Niki Marvin Productions, Inc.  
None of the Above, Inc.  
Nort Limited  
NVF Slate 1, LLC

O.C.P.I., Inc.  
October Holdings, Inc.  
Ollivanders Limited  
Orcel Limited  
Osage Productions, Inc.  
Outland Films  
Over Easy Productions, LLC

Paramount Pictures Corporation  
Party In A Parlor, Inc.  
Patwil Productions, Inc.  
Paulist Pictures, Inc.  
Payroll Entertainment Services, Inc.  
Pegasus Productions Inc.  
Pellam, Inc.  
Pequad Limited  
Percheron Limited  
Pet II Productions, Inc.  
Phoenix Pictures Development Corp.  
Playa, Inc.  
Pollack Pictures, Inc.  
Pretty Horses, Inc.  
Probate-Heart, LLC  
Prok Pictures, Inc.  
Protean Productions, Inc.  
Punch Productions, Inc.

Racing Stripes Productions, LLC  
Radius Films, Inc.  
Randall Scherrer Advertising  
Random Hearts Productions, Inc.  
Readcrest Productions Inc.

Red Rock Entertainment Inc.  
Rednavel FLMworx, Inc.  
Regency Television Productions, Inc.  
Remstar Production Inc.  
Retro, Inc.  
Revolution Production Services, LLC  
Rezonance, Inc.  
Riot of Color, Inc.  
Rivelin Limited  
Riverside Actors Holdings, Inc.  
Robert Chartoff Productions, Inc.  
Rosecrans Productions, Inc.  
Rush Hour Productions, Inc.

Saint Mortimer Films, Inc.  
Samuel Goldwyn Productions LLC  
San Vicente Productions, Inc.  
The Saul Zaentz Company  
Scabbers Limited  
SCFV Productions, Inc.  
Seat Filler, LLC  
Seneca Productions, Inc.  
Sense of Austen, Inc.  
Sepia Films Ltd.  
September Productions  
Shadowland, LLC  
Shawmut River Productions, Inc.  
Showel Limited  
Single Productions, LLC  
The SKPS Company  
Small Town Pictures, Inc.  
Smith & Stilwell, Inc. d/b/a Broadcast Business Affairs  
Snipes Productions, LLC  
Somerland Limited  
Sonus Limited  
Sony Pictures Animation  
Spartan Productions, Inc.  
Spelling Television Inc.  
Spinnaker Films, Inc.  
Spliced Bread Productions, Inc.  
St. Francis of Assisi Pictures  
Stoneblood Film Productions, Inc.  
Stripped Down, LLC  
Strike-a-Match Productions  
Studio City™  
Switching Channels, Inc.

Taking Lives Pictures, Inc.  
Talent Court Productions, Inc.  
The Talent Fund, Inc.  
Talk Productions, Inc.  
Tally-Ho Ventures, Inc.  
Taweel-Loos & Company (dba TLC Entertainment)  
TDP Productions, Inc.  
Technobabble, Inc.  
Terley Productions, Inc.  
Thrill Street Entertainment, Inc.  
Thunder Bolt, Inc. DBA Pongo Productions  
Tiny Tot Productions, Inc.  
Toluca Holdings, Inc.  
Topanga Productions, Inc.  
Touchstone Television Productions, LLC  
Toxico Inc.  
Traffic City Productions LLC  
Traffic Jam Productions, Inc.  
Tripoli Limited  
TriStar Television, Inc.  
Troy Productions, Ltd.  
Turner Films, Inc.  
Tuxedo Terrace Productions LLC  
TV is OK Prods. Inc.  
TVM Productions, Inc.  
Twentieth Century Fox Film Corporation  
Twin Falls Productions, LLC  
Two Brothers, Inc.

United Artists Pictures Inc.  
United General Film Corp.  
Universal Cartoon Studios LLC  
Universal City Studios LLLP  
Universal Network Television LLC  
Universal Pictures Company LLC  
Universal Studios Network Programming  
USI Network Development LLC

Vasanta Productions, Inc.  
VF Films LLC  
Viacom Productions Inc.  
Virtucon, Inc.  
Volcanic Ocean Films Inc.

Walt Disney Pictures & Television  
Warner Bros. Pictures, Inc.  
Warner Bros. Television Production Inc.

Washo Bros. Entertainment, Inc.  
The Weisman Company, Inc.  
Westgate Productions, Inc.  
Westholme Productions, Inc.  
WGBH Educational Foundation  
When Do We Eat?, Inc.  
Wilshire/Hauser Company  
Winston Davis & Associates, Inc.  
WIP Productions Inc.  
Wooster Productions, Inc.  
Worldwide Media, Inc.

Xmastime Productions LLC

Zodiac Productions, Inc.

## EXHIBIT A

### **1. MINIMUM RATES FOR STANDARD NON-COMMERCIAL BILLBOARDS AND STANDARD NON-COMMERCIAL OPENINGS, CLOSINGS, LEAD-INS TO AND LEAD-OUTS FROM COMMERCIALS, BRIDGING LINES AND MUSICAL SIGNATURES (ALL HEREIN SOMETIMES CALLED "MATERIAL"), INTENDED FOR USE WITH THREE (3) OR MORE EPISODES OF A DESIGNATED SERIES OF TELEVISION ENTERTAINMENT FILMS**

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(The term "non-commercial" means that no mention is made of the sponsor's name, product or service.)

#### **A. On-Camera**

(1) Minimum compensation for one day's services: \$2,411.00 for the period July 1, 2005 through September 30, 2005; \$2,483.00 for the period October 1, 2005 through June 30, 2006; \$2,557.00 for the period July 1, 2006 through June 30, 2007; and \$2,634.00 for the period July 1, 2007 through June 30, 2008.

If additional time is required, performer shall be employed on a daily basis at the following minimum rate: \$695.00 for the period July 1, 2005 through September 30, 2005; \$716.00 for the period October 1, 2005 through June 30, 2006; \$737.00 for the period July 1, 2006 through June 30, 2007 and \$759.00 for the period July 1, 2007 through June 30, 2008.

(2) Notwithstanding the provisions of subparagraph (1) hereof, a performer who is otherwise employed in the series may agree in writing at the time of employment to include such work as a part of his performance in the series, without additional compensation. However, in such case, the material may be used only in connection with episodes in the series in which the performer otherwise appears.

(3) Notwithstanding the provisions of subparagraph (1) hereof, if a performer is otherwise employed or paid for at least seven (7) out of thirteen (13) episodes in the series and receives compensation for a thirteen (13) week period aggregating a sum which exceeds the applicable minimum rate under his type of employment contract by an amount equal to the freelance weekly rate provided herein, he may agree, in writing, at the time of his employment that such material may be used in those of the thirteen (13) episodes in which he does not appear.

(4) For the purpose of this Agreement, a performer shall be deemed to have “appeared” or “performed” in every episode for which he has been paid.

**B. Off-Camera - Performers Other Than Singers**

(1) Minimum compensation for one day’s services: \$2,411.00 for the period July 1, 2005 through September 30, 2005; \$2,483.00 for the period October 1, 2005 through June 30, 2006; \$2,557.00 for the period July 1, 2006 through June 30, 2007; and \$2,634.00 for the period July 1, 2007 through June 30, 2008.

If additional time is required, performer shall be employed on a daily basis at the following minimum rate: \$695.00 for the period July 1, 2005 through September 30, 2005; \$716.00 for the period October 1, 2005 through June 30, 2006; \$737.00 for the period July 1, 2006 through June 30, 2007 and \$759.00 for the period July 1, 2007 through June 30, 2008.

(2) Notwithstanding the provisions of subparagraph (1) hereof, a performer who is otherwise employed or paid for at least seven (7) out of thirteen (13) episodes in the series may agree, in writing, at the time of employment, to include such work as a part of his performance in the series, without additional compensation. However, in such case, the material may be used only in connection with episodes in the series in which the performer otherwise performs.

(3) Notwithstanding the provisions of subparagraph (1) hereof, if a performer is otherwise employed or paid for at least seven (7) out of thirteen (13) episodes in the series and receives compensation aggregating (for services in not to exceed thirteen (13) episodes of the series) a sum which exceeds the applicable minimum rate under his type of employment contract by an amount equal to the freelance weekly rate provided herein, he may agree, in writing, at the time of his employment that such material may be used in those of the thirteen (13) episodes in which he does not appear.

**C. Singers - Off-Camera**

(1) Minimum compensation for one day’s services:

|                  | <b>7/1/05-<br/>9/30/05</b> | <b>10/1/05-<br/>6/30/06</b> | <b>7/1/06-<br/>6/30/07</b> | <b>7/1/07-<br/>6/30/08</b> |
|------------------|----------------------------|-----------------------------|----------------------------|----------------------------|
| Solo and Duo     | \$1,860                    | \$1,916                     | \$1,973                    | \$2,032                    |
| Groups 3-8       | 1,757                      | 1,810                       | 1,864                      | 1,920                      |
| Groups 9 or more | 1,620                      | 1,669                       | 1,719                      | 1,771                      |



If additional time is required, performer shall be employed on a daily basis at the rate applicable to on-camera singers.

(2) Signature numbers only:

Minimum compensation for one day's services:

|                  | 7/1/05-<br>9/30/05 | 10/1/05-<br>6/30/06 | 7/1/06-<br>6/30/07 | 7/1/07-<br>6/30/08 |
|------------------|--------------------|---------------------|--------------------|--------------------|
| Solo and Duo     | \$1,860            | \$1,916             | \$1,973            | \$2,032            |
| Groups 3-8       | 1,757              | 1,810               | 1,864              | 1,920              |
| Groups 9 or more | 1,620              | 1,669               | 1,719              | 1,771              |

If additional time is required, performer shall be employed on a daily basis at the rate applicable to on-camera singers.

D. Rights Granted - Additional Compensation for Extended Use

The above-specified initial compensation shall constitute payment for the first thirteen (13) episodes in which the material is used. If the material is used with more than thirteen (13) episodes, the performer shall be paid, for each additional episode in which the material is used, an additional amount in initial compensation of not less than one-thirteenth (1/13) of the minimum applicable amount set forth in subsection 1.A., 1.B. or 1.C. of Exhibit A of the collective bargaining agreement in effect at the time of production of the episode with which the Exhibit A material is used.

E. Additional Compensation for Reruns, Foreign Telecasting, Basic Cable Exhibition, Theatrical Exhibition and Supplemental Market Use

Performers shall be paid the applicable residual payment set forth in Section 18 of the Television Agreement on a "per episode" basis, for each such episode that is rerun, whether in network broadcast or in syndication. The base upon which such residual payments are calculated shall be one-thirteenth (1/13) of the performer's "total actual compensation" or one-thirteenth (1/13) of the performer's "total applicable minimum salary," whichever is applicable, in accordance with Section 18. Upon payment to the performer of the appropriate compensation as provided above, Producer shall acquire rerun rights for the use of such material in such episode.

The formula of Section 18, 18.1, 19, 20 or 20.1, as the case may be, of this Agreement shall apply when any material in which the performer's services are rendered under subsections A.(1) and A.(3), B.(1) and B.(3) or C. hereof is used with one (1) or more episodes which

are being given a foreign telecast or being exhibited on basic cable, theatrically or in Supplemental Markets. For this purpose, the compensation provided in subsections A.(1), B.(1) and C. hereof shall be deemed to be the performer's applicable minimum compensation for his services in making such material, and upon payment to the performer of the appropriate compensation as provided in Section 18, 18.1, 19, 20 or 20.1, as the case may be, of this Agreement, Producer shall acquire foreign telecast, basic cable, theatrical exhibition and Supplemental Market use rights for the use of such material in connection with the telecasting or exhibition of up to thirteen (13) episodes of the series. If the material is used with an additional group of thirteen (13) episodes, as above provided, and such additional group is telecast or exhibited under circumstances requiring payment under said Section 18, 18.1, 19, 20 or 20.1, as the case may be, an additional payment will be made for telecasting or exhibiting the material as provided in said Section 18, 18.1, 19, 20 or 20.1, as the case may be.

**2. MINIMUM RATES FOR NON-COMMERCIAL BILLBOARDS AND NON-COMMERCIAL OPENINGS, CLOSINGS, LEAD-INS TO AND LEAD-OUTS FROM COMMERCIALS, BRIDGING LINES AND MUSICAL SIGNATURES INTENDED FOR USE WITH ONE (1) EPISODE OF A DESIGNATED SERIES OF TELEVISION ENTERTAINMENT FILMS**

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A. Minimum Compensation - On-Camera and Off-Camera

(1) Performers other than Singers:

Minimum compensation for one (1) day's services:  
\$695.00 for the period July 1, 2005 through September 30, 2005;  
\$716.00 for the period October 1, 2005 through June 30, 2006; \$737.00 for the period July 1, 2005 through June 30, 2006; and \$759.00 for the period July 1, 2007 through June 30, 2008. If additional time is required, performer shall be employed on a daily basis at the applicable minimum.

(2) Singers:

Minimum compensation for one day's services:

|                  | <b>7/1/05-<br/>9/30/05</b> | <b>10/1/05-<br/>6/30/06</b> | <b>7/1/06-<br/>6/30/07</b> | <b>7/1/07-<br/>6/30/08</b> |
|------------------|----------------------------|-----------------------------|----------------------------|----------------------------|
| Solo and Duo     | \$750                      | \$773                       | \$796                      | \$820                      |
| Groups 3-8       | 659                        | 679                         | 699                        | 720                        |
| Groups 9 or more | 575                        | 592                         | 610                        | 628                        |

If additional time is required, performer shall be employed on a daily basis at the applicable minimum.

B. Rights Granted - Additional Compensation for Extended Uses

(1) The above-specified compensation shall constitute compensation to the performer for the use of such material with one (1) episode of the series. The performer may agree at the time of employment that, upon payment to him at any time of not less than an additional applicable minimum, Producer may thereafter use such material with one (1) additional episode of the series. A similar payment shall be made for the use of such material with each additional episode of the series.

(2) The performer may also agree at the time of employment that, upon payment to him at any time of not less than an additional applicable minimum provided by 1.A.(1) hereof if his services were performed on-camera, or an additional applicable minimum provided by 1.B.(1) hereof if his services were performed off-camera, Producer may thereafter use such material with up to thirteen (13) additional episodes of the series. A similar payment shall be made for the use of such material with each additional group of thirteen (13) episodes of the series.

However, the extended uses to which a performer may agree pursuant to this paragraph B.(1) or (2) hereof shall be limited to episodes produced for the same broadcast season as the original episode for which the performer was employed.

C. Additional Compensation for Reruns, Foreign Telecasting, Basic Cable Exhibition, Theatrical Exhibition and Supplemental Market Use

The formula of Section 18, 18.1, 19, 20 or 20.1, as the case may be, of this Agreement, shall apply when any material in which the performer's services are rendered under subsection A. hereof is used

with any episode or episodes which are being rerun or being given a foreign telecast or being exhibited on basic cable, theatrically or in Supplemental Markets. For this purpose, the compensation provided in subsection A. hereof shall be deemed to be the performer's applicable minimum compensation for his services in making such material and, upon payment to the performer of the appropriate compensation as provided in Section 18, 18.1, 19, 20 or 20.1, as the case may be, of this Agreement, Producer shall acquire rerun, foreign telecast, basic cable exhibition, theatrical exhibition and Supplemental Market use rights for the use of such material in connection with any such episode. In the event Producer acquires the right to use such material in thirteen (13) additional episodes of the series under subsection B.(2) hereof, then the provisions of Section 1.E. hereof shall govern when any such episodes using such material are rerun, given a foreign telecast or exhibited on basic cable, theatrically or in Supplemental Markets.

### **3. PAYMENT PROCEDURE**

All additional payments due the performer hereunder for extended use and for reruns, foreign telecast, basic cable exhibition, theatrical exhibition or Supplemental Market use of such material shall be made by Producer promptly by check, payable to the order of the performer, and transmitted to the Union for delivery to the performer, as provided in Section 18, 18.1, 19, 20 or 20.1, as the case may be, of this Agreement. Such payment shall be accompanied by a written statement identifying the materials and the series with which it is used and specifying the use for which the payment is made.

### **4. EXISTING CONTRACTS**

This Agreement shall be applicable to all individual employment contracts now in effect or hereafter executed; provided, however, that when, under any employment contract in effect on the effective date of this Agreement, a performer has agreed to render services covered hereby, the terms of such performer's existing contract shall govern the use of such material when used only with episodes of a designated series in which the performer otherwise appears and, in those cases when the material is used in episodes in which the performer does not appear, the performer shall receive the minimum additional payments provided herein for the use of such material. However, no term or provision in any existing contract which is more favorable to the performer than the terms and provisions herein specified shall be deemed modified by this Exhibit A.

## **5. KEEPING OF RECORDS**

Producer shall maintain or cause to be maintained adequate records with respect to the employment of performers in the production of the type of material covered by this Exhibit A, which records shall show the nature of the material, the names of the performers employed therein, the dates of rendition of services, the amount paid therefor, the name of the series with which the material is to be used, the date of first use thereof, if known to Producer, the number of subsequent uses thereof, the fees paid to the performer and such other data as will enable the Union to determine the amounts payable hereunder to such performers. The Union shall have the right to examine such records at all reasonable times and, when requested by the Union, Producer shall furnish the Union with a copy of such records as to any designated performer.

Producer shall send a list of the performers in such standard openings and closings to the Guild not later than thirty (30) days after initial exhibition of the episode containing such standard opening and closing.

## **6. APPLICATION OF DAY PERFORMER CONDITIONS**

Except as otherwise herein expressly provided, day performer conditions shall be applicable to the employment of performers who are employed by the day to perform the kind of services herein covered; in all other cases, the conditions applicable to the kind of contract under which the performer is employed shall govern the performer's employment.

## **7. REUSE OF PHOTOGRAPHY AND SOUND TRACK**

In the event that any material covered by this Exhibit A is used in any picture or other programs, whether filmed, taped, live or on any other medium, other than as provided in this Exhibit A, the provisions of Section 36 of this Agreement shall apply.

**EXHIBIT B**

**PERFORMER'S TELEVISION MOTION PICTURE DAILY  
CONTRACT**

Company \_\_\_\_\_ Date \_\_\_\_\_

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Date Employment Starts                      Name

---

Part    Address

---

Production Title                                      Telephone No.

---

Production Number                                  Social Security No.

---

Daily Rate    Weekly Conversion Rate

**THIS AGREEMENT** covers the employment of the above-named performer by \_\_\_\_\_ in the production and at the rate of compensation set forth above and is subject to and shall include, for the benefit of the performer and the Producer, all of the applicable provisions and conditions contained or provided for in the 2005 Screen Actors Guild Television Agreement (herein called the "Television Agreement"). Performer's employment shall include performance in non-commercial openings, closings, bridges, etc., and no added compensation shall be payable to performer so long as such are used in the role and episode covered hereunder in which performer appears; for other use, performer shall be paid the added minimum compensation, if any, required under the provisions of the Screen Actors Guild agreements with Producer.

Producer shall have all the rights in and to the results and proceeds of the performer's services rendered hereunder, as are provided with respect to "photoplays" in Schedule A of the Producer-Screen Actors Guild Codified Basic Agreement and the right to Supplemental Market use as defined in the Television Agreement.

Producer shall have the unlimited right throughout the world to telecast the film and exhibit the film on basic cable, theatrically and in

Supplemental Markets in accordance with the terms and conditions of the Television Agreement.

If the motion picture is rerun on television in the United States or Canada and contains any of the results and proceeds of the performer's services, the performer will be paid, for each day of employment hereunder, the additional compensation prescribed therefor by the Television Agreement, unless there is an agreement to pay an amount in excess thereof as follows:

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If the motion picture is exhibited on basic cable anywhere in the world and contains any of the results and proceeds of the performer's services, the performer will be paid the amount in the blank space below or, if such blank space is not filled in, then the performer will be paid the minimum additional compensation prescribed therefor by the Television Agreement.

If there is foreign telecasting of the motion picture as defined in the Television Agreement, and such motion picture contains any of the results and proceeds of the performer's services, the performer will be paid the amount in the blank space below for each day of employment hereunder or, if such blank space is not filled in, then the performer will be paid the minimum additional compensation prescribed therefor by the Television Agreement.

If the motion picture is exhibited theatrically anywhere in the world and contains any of the results and proceeds of the performer's services, the performer will be paid for each day of employment hereunder \$ \_\_\_\_\_ or, if this blank is not filled in, then the performer will be paid the minimum additional compensation prescribed therefor by the Television Agreement.

If the motion picture is exhibited in Supplemental Markets anywhere in the world and contains any of the results and proceeds of the performer's services, the performer will be paid the Supplemental Market fees prescribed by the applicable provisions of the Television Agreement.

If the performer places his initials in the box, he thereby authorizes Producer to use portions of said television motion picture as a trailer to promote another episode or the series as a whole, upon payment to the performer of the additional compensation prescribed by the applicable provisions of the Television Agreement.

|                |
|----------------|
| <u>Initial</u> |
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By \_\_\_\_\_  
Producer

By \_\_\_\_\_  
Performer

**NOTICE TO PERFORMER:  
IT IS IMPORTANT THAT YOU RETAIN A COPY OF THIS  
CONTRACT FOR YOUR PERMANENT RECORDS**

Production time reports are available on the set at the end of each day, which reports shall be signed or initialed by the performer.

Attached hereto for your use are the following: (1) Declaration Regarding Income Tax Withholding (“Part Year Employment Method of Withholding”) and (2) Declaration Regarding Income Tax Withholding. You may utilize the applicable form by delivering same to Producer. Only one of such forms may be used.



**DECLARATION REGARDING INCOME TAX WITHHOLDING**  
**“Part Year Employment Method of Withholding”**

\_\_\_\_\_  
(Name of Employer)

\_\_\_\_\_  
Name of Performer Calendar Year  
20\_\_

\_\_\_\_\_  
Address

\_\_\_\_\_  
City State Zip Social Security No.

The undersigned performer requests the employer named above to compute the amount of tax to be withheld from his/her wages according to the part year employment method described in Section 31.3402(h)(4)-1(c) of the Internal Revenue Code Regulations, or any applicable successor regulations, and submits the following required information:

1. My last day of employment (if any) by any employer prior to current term of continuous employment during the calendar year specified above was \_\_\_\_\_.
  
2. I reasonably anticipate that:
  - a) I will earn no more than \$30,000 in gross income from all sources during the calendar year specified above; and
  
  - b) I will work no more than two hundred forty-five (245) days of employment during the calendar year specified above or during the current term of continuous employment during the calendar year specified above and the following year (including days on which services were not performed by me because of illness, vacation, holidays and weekends).
  
3. I use a calendar year accounting method.

I declare, under penalty of perjury, that the information set forth on this Declaration is true to the best of my knowledge and belief.

Date: \_\_\_\_\_ Signature \_\_\_\_\_

**DECLARATION REGARDING INCOME TAX WITHHOLDING**

**Day Performer Only**

I, \_\_\_\_\_, declare:

1. That \_\_\_\_\_  
is the only employer for whom I am working during the  
calendar week commencing on \_\_\_\_\_, 20\_\_\_\_.
2. That should I hereafter secure additional employment for  
wages during said calendar week, I will notify the  
above-named employer of said fact within ten (10) days after  
the beginning of said additional employment.
3. That it is my desire to have my federal income taxes withheld  
on a weekly rather than daily schedule pursuant to Internal  
Revenue Code Regulation Section 31.3402(c) - 1(d)(2), or  
any applicable successor regulations.

I declare, under penalty of perjury, that the foregoing is true and correct.

Date: \_\_\_\_\_  
\_\_\_\_\_  
Signature

**EXHIBIT C**

**PERFORMER'S TELEVISION MOTION PICTURE MINIMUM  
THREE-DAY CONTRACT**

**Continuous Employment - Three Day Basis  
Three-day Salary/Three-day Minimum Employment**

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**THIS AGREEMENT** is made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_, between \_\_\_\_\_, a corporation, hereinafter called "Producer," and \_\_\_\_\_ hereinafter called "Performer."

**WITNESSETH:**

1. Photoplay; Role and Guarantee. Producer hereby engages performer to render service as such in the role of \_\_\_\_\_ in a photoplay produced primarily for exhibition over free television, the working title of which is now \_\_\_\_\_. Performer accepts such engagement upon the terms herein specified. Producer guarantees that it will furnish performer not less than \_\_\_ days' employment. (If this blank is not filled in, the guarantee shall be three (3) days.)

2. Salary. The Producer will pay to the performer, and the performer agrees to accept for three (3) days (and *pro rata* for each additional day beyond three (3) days) the following salary rate: \$ \_\_\_\_\_.

3. Producer shall have the unlimited right throughout the world to telecast the film and exhibit the film theatrically and in Supplemental Markets in accordance with the terms and conditions of the 2005 Screen Actors Guild Television Agreement (herein referred to as the "Television Agreement").

4. If the motion picture is rerun on television in the United States or Canada and contains any of the results and proceeds of the performer's services, the performer will be paid the additional compensation prescribed therefor by the Television Agreement plus an amount equal to one-third (1/3) thereof for each day of employment in excess of three (3) days, unless there is an agreement to pay an amount in excess thereof as follows: \_\_\_\_\_

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5. If the motion picture is exhibited on basic cable anywhere in the world and contains any of the results and proceeds of

performer's services, the performer will be paid the additional compensation prescribed therefor by the Television Agreement.

6. If there is foreign telecasting of the motion picture, as defined in the Television Agreement, and such motion picture contains any of the results and proceeds of the performer's services, the performer will be paid the amount in the blank space below plus an amount equal to one-third ( $\frac{1}{3}$ ) thereof for each day of employment in excess of three (3) days, or, if such blank space is not filled in, then the performer will be paid the minimum additional compensation prescribed therefor by the Television Agreement.

7. If the motion picture is exhibited theatrically anywhere in the world and contains any of the results and proceeds of the performer's services, the performer will be paid \$ \_\_\_\_\_, plus an amount equal to one-third ( $\frac{1}{3}$ ) thereof for each day of employment in excess of three (3) days, but in no event shall the total payment for such use be less than \$2,411.00 for the period July 1, 2005 through September 30, 2005; \$2,483.00 for the period October 1, 2005 through June 30, 2006; \$2,557.00 for the period July 1, 2006 through June 30, 2007; and \$2,634.00 for the period July 1, 2007 through June 30, 2008. If this blank is not filled in, the performer will be paid the applicable minimum additional compensation prescribed therefor by the Television Agreement.

8. If the motion picture is exhibited in Supplemental Markets anywhere in the world and contains any of the results and proceeds of the performer's services, the performer will be paid the Supplemental Market fees prescribed by the applicable provisions of the Television Agreement.

9. Term. The term of employment hereunder shall begin on \_\_\_\_\_, \_\_\_\_\_, on or about\* \_\_\_\_\_ and shall continue thereafter until the completion of the photography and recordation of said role.

10. Incorporation of Television Agreement. The applicable provisions of the Television Agreement are incorporated herein by reference. Performer's employment shall include performance in non-commercial openings, closings, bridges, etc., and no added compensation shall be payable to performer so long as such are used in the role and episode covered hereunder and in which performer appears; for other use, performer shall be paid the added minimum compensation, if any, required under the provisions of the Screen Actors Guild

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\* The "on or about clause" may only be used when the contract is delivered to the performer at least three (3) days before the starting date. (The performer may not waive any provision of the foregoing contract without the written consent of Screen Actors Guild, Inc.)

agreements with Producer. Performer's employment shall be upon the terms, conditions and exceptions of the provisions applicable to the rate of salary and guarantee specified in Paragraphs 1. and 2. hereof.

11. Arbitration of Disputes. Should any dispute or controversy arise between the parties hereto with reference to this contract, or the employment herein provided for, such dispute or controversy shall be settled and determined by conciliation and arbitration in accordance with and to the extent provided in the conciliation and arbitration provisions of the Television Agreement, and such provisions are hereby referred to and by such reference incorporated herein and made a part of this contract with the same effect as though the same were set forth herein in detail.

12. Performer's Address. All notices which the Producer is required or may desire to give to the performer may be given either by mailing the same addressed to the performer at \_\_\_\_\_ or such notice may be given to the performer personally, either orally or in writing.

13. Performer's Telephone. The performer must keep the Producer's casting office or the assistant director of said photoplay advised as to where the performer may be reached by telephone without unreasonable delay. The current telephone number of the performer is ( ) \_\_\_\_\_.

14. If the performer places his initials in the box, he thereby authorizes Producer to use portions of said television motion picture as a trailer to promote another episode or the series as a whole, upon payment to the performer of the additional compensation prescribed by the Television Agreement.

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| <u>Initial</u> |
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15. Furnishing of Wardrobe. The performer agrees to furnish all modern wardrobe and wearing apparel reasonably necessary for the portrayal of said role; it being agreed, however, that should so-called "character" or "period" costumes be required, the Producer shall supply the same.

16. Next Starting Date. The starting date of performer's next engagement is \_\_\_\_\_.

**IN WITNESS WHEREOF**, the parties have executed this contract on the day and year first above written.

By \_\_\_\_\_  
Producer

\_\_\_\_\_  
Performer

**NOTICE TO PERFORMER:**  
**IT IS IMPORTANT THAT YOU RETAIN A COPY OF THIS**  
**CONTRACT FOR YOUR PERMANENT RECORDS.**

Production time reports are available on the set at the end of each day, which reports shall be signed or initialed by the performer.

Attached hereto for your use is a Declaration Regarding Income Tax Withholding (“Part Year Employment Method of Withholding”). You may utilize such form by delivering same to Producer.

**DECLARATION REGARDING INCOME TAX WITHHOLDING**  
**“Part Year Employment Method of Withholding”**

\_\_\_\_\_  
(Name of Employer)

Name of Performer \_\_\_\_\_ Calendar Year \_\_\_\_\_ 20\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ Social Security No. \_\_\_\_\_

The undersigned performer requests the employer named above to compute the amount of tax to be withheld from his/her wages according to the part year employment method described in Section 31.3402(h)(4)-1(c) of the Internal Revenue Code Regulations, or any applicable successor regulations, and submits the following required information:

1. My last day of employment (if any) by any employer prior to current term of continuous employment during the calendar year specified above was \_\_\_\_\_.
  
2. I reasonably anticipate that:
  - a) I will earn no more than \$30,000 in gross income from all sources during the calendar year specified above; and
  
  - b) I will work no more than two hundred forty-five (245) days of employment during the calendar year specified above or during the current term of continuous employment during the calendar year specified above and the following year (including days on which services were not performed by me because of illness, vacation, holidays and weekends).
  
3. I use a calendar year accounting method.

I declare, under penalty of perjury, that the information set forth in this Declaration is true to the best of my knowledge and belief.

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature

**EXHIBIT D**

**PERFORMER'S TELEVISION MOTION PICTURE MINIMUM  
FREELANCE WEEKLY CONTRACT  
Continuous Employment - Weekly Basis  
Weekly Salary - One Week Minimum Employment**

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**THIS AGREEMENT** is made this \_\_\_\_ day of \_\_\_\_\_,  
20\_\_\_, between \_\_\_\_\_,  
a corporation, hereinafter called "Producer," and \_\_\_\_\_  
hereinafter called "Performer."

**WITNESSETH:**

1. Photoplay; Role and Guarantee. Producer hereby engages performer to render services as such in the role of \_\_\_\_\_ in a photoplay produced primarily for exhibition over free television, the working title of which is now \_\_\_\_\_. Performer accepts such engagement upon the terms herein specified. Producer guarantees that it will furnish performer not less than \_\_\_ weeks' employment. (If this blank is not filled in, the guarantee shall be one week.)

2. Salary. The Producer will pay to the performer, and the performer agrees to accept weekly (and *pro rata* for each additional day beyond one (1) week) the following salary rate: \$ \_\_\_\_\_.

3. Producer shall have the unlimited right throughout the world to telecast the film and exhibit the film theatrically and in Supplemental Markets in accordance with the terms and conditions of the 2005 Screen Actors Guild Television Agreement (herein referred to as the "Television Agreement").

4. If the motion picture is rerun on television in the United States or Canada and contains any of the results and proceeds of the performer's services, the performer will be paid the additional compensation prescribed therefor by the Television Agreement plus *pro rata* thereof for each day of employment in excess of one (1) week, unless there is an agreement to pay an amount in excess thereof as follows: \_\_\_\_\_

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5. If the motion picture is exhibited on basic cable anywhere in the world and contains any of the results and proceeds of the performer's services, the performer will be paid the amount in the



blank space below, or if such blank space is not filled in, then the performer will be paid the minimum additional compensation prescribed therefor by the Television Agreement.

6. If there is foreign telecasting of the motion picture, as defined in the Television Agreement, and such motion picture contains any of the results and proceeds of the performer's services, the performer will be paid the amount in the blank space below plus *pro rata* thereof for each day of employment in excess of one (1) week or, if such blank space is not filled in, then the performer will be paid the minimum additional compensation prescribed therefor by the Television Agreement.

7. If the motion picture is exhibited theatrically anywhere in the world and contains any of the results and proceeds of the performer's services, the performer will be paid \$ \_\_\_\_\_, plus *pro rata* thereof for each day of employment in excess of one (1) week or, if this blank is not filled in, then the performer will be paid the minimum additional compensation prescribed therefor by the Television Agreement.

8. If the motion picture is exhibited in Supplemental Markets anywhere in the world and contains any of the results and proceeds of the performer's services, the performer will be paid the Supplemental Market fees prescribed by the applicable provisions of the Television Agreement.

9. Term. The term of employment hereunder shall begin on \_\_\_\_\_, on or about\* \_\_\_\_\_ and shall continue thereafter until the completion of the photography and recordation of said role(s).

10. Incorporation of Television Agreement. The applicable provisions of the Television Agreement are incorporated herein by reference. Performer's employment shall include performance in non-commercial openings, closings, bridges, etc., and no added compensation shall be payable to performer so long as such are used in the role(s) and episode(s) covered hereunder and in which performer appears; for other use, performer shall be paid the added minimum compensation, if any, required under the provisions of the Screen Actors Guild agreements with Producer. Performer's employment shall be upon the terms, conditions and exceptions of said provisions applicable to the rate of salary and guarantee specified in Paragraphs 1. and 2. hereof.

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\* The "on or about clause" may only be used when the contract is delivered to the performer at least three (3) days before the starting date. (The performer may not waive any provision of the foregoing contract without the written consent of Screen Actors Guild, Inc.)

11. Arbitration of Disputes. Should any dispute or controversy arise between the parties hereto with reference to this contract, or the employment herein provided for, such dispute or controversy shall be settled and determined by conciliation and arbitration in accordance with and to the extent provided in the conciliation and arbitration provisions of the Television Agreement, and such provisions are hereby referred to and by such reference incorporated herein and made a part of this contract with the same effect as though the same were set forth herein in detail.

12. Performer's Address. All notices which the Producer is required or may desire to give to the performer may be given either by mailing the same addressed to the performer at \_\_\_\_\_, or such notice may be given to the performer personally, either orally or in writing.

13. Performer's Telephone. The performer must keep the Producer's casting office or the assistant director of said photoplay advised as to where the performer may be reached by telephone without unreasonable delay. The current telephone number of the performer is ( ) \_\_\_\_\_.

14. If the performer places his initials in the box, he thereby authorizes Producer to use portions of said television motion picture as a trailer to promote another episode or the series as a whole, upon payment to the performer of the additional compensation prescribed by the Television Agreement.

|                        |
|------------------------|
| <u>Initial</u><br><br> |
|------------------------|

15. Furnishing of Wardrobe. The performer agrees to furnish all modern wardrobe and wearing apparel reasonably necessary for the portrayal of said role(s); it being agreed, however, that should so-called "character" or "period" costumes be required, the Producer shall supply the same.

16. Next Starting Date. The starting date of performer's next engagement is \_\_\_\_\_.

**IN WITNESS WHEREOF**, the parties have executed this contract on the day and year first above written.

By \_\_\_\_\_  
Producer

\_\_\_\_\_  
Performer

**NOTICE TO PERFORMER:**  
**IT IS IMPORTANT THAT YOU RETAIN A COPY OF THIS**  
**CONTRACT FOR YOUR PERMANENT RECORDS.**

Production time reports are available on the set at the end of each day, which reports shall be signed or initialed by the performer.

Attached hereto for your use is a Declaration Regarding Income Tax Withholding (“Part Year Employment Method of Withholding”). You may utilize such form by delivering same to Producer.

**DECLARATION REGARDING INCOME TAX WITHHOLDING**  
**“Part Year Employment Method of Withholding”**

\_\_\_\_\_  
(Name of Employer)

\_\_\_\_\_  
Name of Performer

\_\_\_\_\_  
Calendar Year  
20\_\_

\_\_\_\_\_  
Address

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
Zip

\_\_\_\_\_  
Social Security No.

The undersigned performer requests the employer named above to compute the amount of tax to be withheld from his/her wages according to the part year employment method described in Section 31.3402(h)(4)-1(c) of the Internal Revenue Code Regulations, or any applicable successor regulations, and submits the following required information:

1. My last day of employment (if any) by any employer prior to current term of continuous employment during the calendar year specified above was  
\_\_\_\_\_.
  
2. I reasonably anticipate that:
  - a) I will earn no more than \$30,000 in gross income from all sources during the calendar year specified above; and
  
  - b) I will work no more than two hundred forty-five (245) days of employment during the calendar year specified above or during the current term of continuous employment during the calendar year specified above and the following year (including days on which services were not performed by me because of illness, vacation, holidays and weekends).
  
3. I use a calendar year accounting method.

I declare, under penalty of perjury, that the information set forth on this Declaration is true to the best of my knowledge and belief.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature

INSERT EXHIBIT E

## EXHIBIT E INSTRUCTIONS

1. Indicate the Production Company (*e.g.*, “THE XYZ COMPANY”).
2. Indicate the quarter/year (*e.g.*, “1st quarter, 2005”).

The quarters consist of:

|         |   |           |       |
|---------|---|-----------|-------|
| January | - | March     | (1st) |
| April   | - | June      | (2nd) |
| July    | - | September | (3rd) |
| October | - | December  | (4th) |

3. Indicate the name of the film for which you are reporting.
4. Indicate the type of project (movie, television series).
5. Use a number to respond to this question.
6. Indicate the name of the person completing this form and the telephone number for same.
7. Two separate reports are required, one for performers only and one for stunt performers and stunt coordinators only. If there were no stunt performers or stunt coordinators employed on the film, check the “No Stunt” box. If stunt performers or stunt coordinators were employed, complete the casting data report form for stunt performers and stunt coordinators.
8. Part I. Indicate the total number of lead and supporting (non-stunt) performers in each of the applicable categories.
9. Use numbers only to indicate the total number of performers in the category.
10. Use numbers only to indicate the total number of days worked by all (non-stunt) performers in the category.
11. Use numbers only to indicate how many of the non-stunt performers were in each age group.
12. Part II. Indicate the total number of males and females in each category.
13. Use numbers only to indicate the total number of days worked by all the performers in male and female category.

14. Use numbers only to indicate how many performers were in each age group.

NOTE: Please make every effort to ensure that your numbers correspond across categories and between Parts I and II.

INSERT EXHIBIT E-1



## **EXHIBIT E-1 INSTRUCTIONS**

### **(STUNT PERFORMERS AND STUNT COORDINATORS ONLY)**

1. Indicate the Production Company (*e.g.*, “THE XYZ COMPANY”).
2. Indicate the quarter/year (*e.g.*, “1st quarter, 2005”).

The quarters consist of:

|         |   |           |       |
|---------|---|-----------|-------|
| January | - | March     | (1st) |
| April   | - | June      | (2nd) |
| July    | - | September | (3rd) |
| October | - | December  | (4th) |

3. Indicate the name of the film for which you are reporting.
4. Indicate the type of project (feature, television series).
5. Use a number to respond to this question.
6. Indicate the name of the person completing this form and the telephone number for same.
7. Part I. Indicate the total number of males and females in each category.
8. Use numbers only to indicate the total number of stunt performers and stunt coordinators in the category.
9. Use numbers only to indicate the total number of days worked by all stunt performers and stunt coordinators in the category.
10. Use numbers only to indicate how many of the stunt performers and stunt coordinators are in a certain age group.
11. Use numbers only to indicate the stunts as descript or non-descript.
12. Part II. Indicate the total number of males and females in each category.
13. Use numbers only to indicate the total number of days worked by all stunt performers and stunt coordinators in each category.
14. Use numbers only to indicate how many stunt performers and stunt coordinators were in each age group.

15. Indicate the stunts as descript or non-descript.

NOTE: Please make every effort to ensure that your numbers correspond across categories and between Parts I and II.

As of July 1, 1986

Kendall Orsatti  
National Executive Secretary  
Screen Actors Guild, Inc.  
7065 Hollywood Boulevard  
Los Angeles, California 90028-7594

Re: Television Screen Credits

Dear Ken:

During the 1986 negotiations between the Producers represented by the Alliance of Motion Picture & Television Producers and the Screen Actors Guild, the Screen Actors Guild contended that the credits on the cast of characters card at the end of certain television shows are not "in a readily readable color, size and speed" as required by Section 25(a)(1) of the Television Agreement. To address this problem, the parties agreed that meetings, comprising representatives of the Screen Actors Guild, the AMPTP, the studio and the Executive Producer of the television program involved, shall be convened upon the request of the Screen Actors Guild. The purpose of such meetings is to discuss, devise, develop and implement means by which the parties may conciliate such disputes. However, the foregoing shall not affect any other rights or remedies any party may have under the Agreement.

Sincerely,

J. Nicholas Counter III

ACCEPTED AND AGREED:

By \_\_\_\_\_  
Kendall Orsatti  
National Executive Secretary

JNC:sjk

As of July 1, 2005

J. Nicholas Counter III  
President  
Alliance of Motion Picture & Television Producers  
15503 Ventura Blvd.  
Encino, California 91436

**Re: Waiver re Domestic Free Television Residuals for One-Hour Dramatic Series**

Dear Nick:

A. Revenues Contracted For: The Screen Actors Guild hereby grants a limited waiver from the provisions of Section 18(b)(2) of the 2005 Screen Actors Guild Television Agreement, and the comparable provisions of all prior Television Agreements, to all Producers signatory hereto with regard to residuals payable pursuant thereto (“fixed residual payments”) for episodes of one-hour network prime time dramatic series, which series have not been exhibited in syndication prior to July 1, 2005 (except those series which have been released in syndication prior to that date under the terms of Sideletter B of the 1989, 1992, 1995, 1998 or 2001 SAG Television Agreements are eligible to be paid under Sideletter B of those Agreements).

The Guild also hereby grants a limited waiver from the provisions of Section 18(b)(2) of the 2005 Screen Actors Guild Television Agreement, and the comparable provisions of all prior Television Agreements, to all Producers signatory hereto with regard to fixed residuals payments for episodes of the following one-hour series which have not been exhibited in syndication prior to July 1, 2005 (except those series which have been released in syndication prior to that date under the terms of Sideletter B of the 1989, 1992, 1995, 1998 or 2001 SAG Television Agreements are eligible to be paid under Sideletter B of those Agreements): (i) one-hour dramatic series made for “late night” network broadcast which are rerun in syndication, and (ii) one-hour dramatic series made for network prime time which are rerun on “late night” network television, provided that all performers employed on any such episodes covered under this subparagraph (ii) which were produced after June 30, 2005 must have been employed under residual terms and conditions not less favorable than those provided under this Agreement. For this purpose, “late night” is defined as the hours between 11:00 p.m. in the Eastern and Pacific time zones (10:00 p.m. in the Central and Mountain time zones) and 6:00 a.m. in the Eastern and Pacific time zones (5:00 a.m. in the Central and Mountain time zones).

Residuals for episodes of such series shall be computed by multiplying the fixed residual amount otherwise due by a ratio, the numerator of which is the revenue contracted for by the distributor, as may be adjusted below, and the denominator of which is six hundred fifty thousand dollars (\$650,000.00). As subsequent payments are made for any episode, appropriate payments or credits shall be made to bring earlier residual payments into conformity with any increase or decrease in the multiplier. In no event, however, shall any payment made pursuant to this limited waiver exceed one hundred fifty percent (150%) of the fixed residual payment otherwise due. Similarly, any such payment shall not be less than fifty percent (50%) of the fixed residual payment otherwise due, except in the case of series licensed only in markets representing fewer than one-third of all United States television households.

B. Combination Sales: If a series qualifying hereunder is sold in combination with any other series or other program, the Producer shall allocate to each episode of the series qualifying hereunder a fair and reasonable portion of the revenues contracted for and shall include such amount in the numerator referred to above. The Producer shall notify the Guild when a series qualifying hereunder is sold in combination with another series or program and in such notice identify the other series or program involved. If the Guild contends that the amounts so allocated were not fair and reasonable, such claim may be determined by submission to arbitration and the arbitrator shall have the authority to determine the fair and reasonable amount to be so allocated.

C. Barter Syndication: If any series qualifying hereunder is syndicated with advertising time withheld by the distributor (*i.e.*, barter syndication), the fair market value of the amount allocated to the “barter” portion of the deal shall be included in the numerator referred to above. The Producer shall notify the Guild when a series qualifying hereunder is syndicated in any barter arrangement. If the Guild contends that the amount so allocated does not represent the fair market value of the “barter,” such claim may be determined by submission to arbitration and the arbitrator shall have the authority to determine the fair market value to be so allocated.

D. Reporting:

1. The Producer shall make the foregoing payments within the time period set forth in Section 18(b)(5) and in the manner required by Section 18(e). Simultaneously with each payment due hereunder, the Producer shall submit to the Guild a statement showing the per-episode market-by-market<sup>1</sup> revenue amounts, detailed to reflect the cash and barter

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<sup>1</sup> The Guild agrees to maintain such information on a strictly confidential basis. The regular practice required by this Agreement is for the Producer to send the Guild the market-by-market information in the statement; however, it is recognized that in certain limited instances, the Producer may have business reasons, unrelated to compliance with this Basic Agreement, for believing that the inclusion in the written statements of specific market revenues contracted for, or some of them (as distinguished from the total revenues contracted for), may not be appropriate. In such instances, the Producer will advise the Guild that such figures are being omitted from its

components of the revenue, used to compute the multiplier for the episode. In calculating the numerator of such multiplier, the revenue contracted for by the distributor shall be adjusted by the Producer to take into account uncollected revenues, to the extent that such are evidenced by bankruptcy, contract restructuring (including amendments and cancellations), reorganizations or accounts that are more than 270 days delinquent. In its statement to the Guild, the Producer shall notify the Guild of any such adjustments and the basis therefor.

2. If the Producer excludes any amounts not collected with respect to contracts with any party whose debts have been discharged or whose contracts have been modified in a bankruptcy or reorganization proceeding, the Producer shall notify the Guild of the exclusion and, upon request, shall promptly provide the Guild with copies of court documents, including those which substantiate the discharge, reorganization or contract modification.

3. Upon collection of any revenues previously treated as “uncollected” under Section D. above, the Producer shall add such collected revenues back into the numerator of the multiplier. Any increased amounts shall be due with the next payment otherwise required hereunder, but in no event later than four (4) months from recovery or collection of such revenues by the Producer. In its statement to the Guild, the Producer shall notify the Guild of the amount of such a collection and the basis therefor.

4. In any dispute over a decrease in the numerator alleged to have been made under this Section D., the burden of proof shall be on the Producer to establish that such decrease comports with the terms and conditions hereof.

5. The Producer affirms its obligations under Section 18(e)(2) and (3). Upon written request of the Guild, the Producer shall promptly send to the Guild copies of those parts of the contracts showing the financial terms relevant to the determination of the accuracy of the payments to be made hereunder.<sup>2</sup> The Producer shall also, upon request of the Guild, provide the Guild promptly with access to any and all documents or records of the Producer reasonably necessary to confirm compliance with the foregoing terms and conditions and, thereafter, upon written request of the Guild, the Producer shall provide the Guild with copies of such documents and records. If the Producer in good faith contends that any of such documents or records are proprietary and/or confidential, the Guild shall in good faith seek to address appropriate

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statement and the reasons therefor. In such cases, Producer will meet promptly to provide such figures in a confidential setting, limited to appropriate executives of the Guild and the Producer.

<sup>2</sup> The Guild agrees to maintain such information on a strictly confidential basis. It is recognized that in certain limited instances, the Producer may have business reasons, unrelated to compliance with this Basic Agreement, for believing that sending copies of financial terms of certain contracts to the Guild may not be appropriate. In such instances, the Producer may confer with the Guild to explain its concerns. The Guild shall in good faith consider the Producer’s concerns and, if it concurs with the Producer, it shall so indicate in writing and the Producer shall not be required to send such items.

Producer concerns. The Producer may withhold copies pending an agreement with the Guild on how the Guild shall maintain appropriate confidentiality. If such an agreement is not reached, the Producer may withhold such documents pending action by an arbitrator.

E. Termination of Waiver: If the Guild desires to terminate one or more of the limited waivers set forth herein, it may, once during the term of this Agreement, so advise the AMPTP not later than June 1 of any year of this Agreement. In such event, the parties shall promptly submit to a neutral fact-finder for an expeditious determination the issue of whether the economics of the off-network domestic syndication market for one-hour dramatic programs which are eligible for the limited waiver(s) set forth in this sideletter have recovered sufficiently to justify the expiration of the limited waiver applicable to such programs. The neutral fact-finder, who shall be chosen by mutual agreement of the parties or, absent such agreement of the parties, from a panel of arbitrators of the American Arbitration Association (AAA) in accordance with AAA rules, shall issue his/her findings in writing prior to the commencement of the fall television season. The parties hereto agree that such written findings constitute an arbitration award for the purpose of proceedings to enforce, modify or vacate an arbitration award in any court of competent jurisdiction.

In the event the neutral fact-finder determines that the syndication market has recovered sufficiently to justify the expiration of such limited waiver(s), the Guild shall have the option to terminate such limited waiver(s) prior to the commencement of the fall television season and, in lieu thereof, to reinstate the fixed residual formula, as provided in Section 18(b)(2). In the event the Guild elects to terminate one or more of the waiver(s), such election shall apply to series premiering in the fall season(s) following the Guild's request for fact-finding.

Very truly yours,

**SCREEN ACTORS GUILD**

By: \_\_\_\_\_  
Peter Frank  
Interim National Executive Director/  
Chief Executive Officer

J. Nicholas Counter III  
As of July 1, 2005  
Page 5

**ACCEPTED AND AGREED:**

On behalf of the respective signatory companies represented by the  
**ALLIANCE OF MOTION PICTURE & TELEVISION PRODUCERS, INC.**

By: \_\_\_\_\_  
J. Nicholas Counter III  
President



As of July 1, 2005

J. Nicholas Counter III  
President  
Alliance of Motion Picture & Television Producers  
15503 Ventura Blvd.  
Encino, California 91436

**Re: Waiver re Domestic Free Television Residuals for Long-Form Television Motion Pictures**

Dear Nick:

A. Revenues Contracted For: The Screen Actors Guild hereby grants a limited waiver from the provisions of Section 18(b)(2) of the 2005 Screen Actors Guild Television Agreement, and the comparable provisions of all prior Television Agreements, to all Producers signatory hereto with regard to residuals payable pursuant thereto (“fixed residual payments”) for long-form (90 minutes or longer) television motion pictures which have not been exhibited in syndication prior to July 1, 2005 (except those long-form television motion pictures which have been released in syndication prior to that date under the terms of Sideletter B-1 of the 1992, 1995, 1998 or 2001 SAG Television Agreement are eligible to be paid under Sideletter B-1 of that Agreement). The limited waiver shall apply to: (I) dramatic long-form television motion pictures made for network prime time which are rerun in syndication, (ii) dramatic long-form television pictures made for “late night” network broadcast which are rerun in syndication, and (iii) dramatic long-form television motion pictures made for network prime time which are rerun on “late night” network television, provided that all performers employed on any such television motion picture covered under this subparagraph (iii) which were produced after June 30, 2005 must have been employed under residual terms and conditions not less favorable than those provided under this Agreement. For this purpose, “late night” is defined as the hours between 11:00 p.m. in the Eastern and Pacific time zones (10:00 p.m. in the Central and Mountain time zones) and 6:00 a.m. in the Eastern and Pacific time zones (5:00 a.m. in the Central and Mountain time zones).

Residuals for such television motion pictures shall be computed by multiplying the fixed residual amount otherwise due by a ratio, the numerator of which is the revenue contracted for by the distributor, as adjusted below, and the denominator of which is six hundred

fifty thousand dollars (\$650,000.00). As subsequent payments are made for any episode, appropriate payments or credits shall be made to bring earlier residual payments into conformity with any increase or decrease in the multiplier. In no event, however, shall any payment made pursuant to this limited waiver exceed one hundred fifty percent (150%) of the fixed residual payment otherwise due, nor shall any such payment be less than six percent (6%) of the fee received by the Producer from licensing the television motion picture in syndication or for "late night" network broadcasts.

B. Combination Sales: If a television motion picture qualifying hereunder is sold in combination with any series or other motion picture, the Producer shall allocate to each long-form television motion picture qualifying hereunder a fair and reasonable portion of the revenues contracted for and shall include such amount in the numerator referred to above. If the Guild contends that the amounts so allocated were not fair and reasonable, such claim may be determined by submission to arbitration and the arbitrator shall have the authority to determine the fair and reasonable amount to be so allocated.

C. Barter Syndication: If any television motion picture qualifying hereunder is syndicated with advertising time withheld by the distributor (*i.e.*, barter syndication), the fair market value of the amount allocated to the "barter" portion of the deal shall be included in the numerator referred to above. If the Guild contends that the amount so allocated does not represent the fair market value of the "barter," such claim may be determined by submission to arbitration and the arbitrator shall have the authority to determine the fair market value to be so allocated.

D. Reporting: The Producer shall make the foregoing payments within the time period set forth in Section 18(b)(5) and in the manner required by Section 18(e). Simultaneously with each payment due hereunder, the Producer shall submit to the Guild a statement showing the per-program revenue amounts, detailed to reflect the cash and barter components of the revenue, used to compute the multiplier for the program. In calculating the numerator of such multiplier, the revenue contracted for by the distributor shall be adjusted to take into account uncollected revenues, to the extent that such are evidenced by bankruptcy, contract restructuring (including amendments and cancellations), reorganizations or accounts that are more than 270 days delinquent. In any dispute over a decrease in the numerator alleged to have been made under this Section D., the burden of proof shall be on the Producer to establish that such decrease comports with the terms and conditions hereof.

The Producer affirms that, in addition to its obligations under Section 18(e)(2) and (3), it shall, upon request, provide the Guild with prompt access to any and all documents or records of the Producer reasonably necessary to confirm compliance with the foregoing terms and conditions.

Upon written request of the Guild, the Producer shall promptly send to the Guild copies of those parts of the contracts showing the financial terms relevant to the determination of

the accuracy of the payments to be made hereunder.<sup>3</sup> The Producer shall also, upon request of the Guild, provide the Guild promptly with access to any and all documents or records of the Producer reasonably necessary to confirm compliance with the foregoing terms and conditions and, thereafter, upon written request of the Guild, the Producer shall provide the Guild with copies of such documents and records. If the Producer in good faith contends that any of such documents or records are proprietary and/or confidential, the Guild shall in good faith seek to address appropriate Producer concerns. The Producer may withhold copies pending an agreement with the Guild on how the Guild shall maintain appropriate confidentiality. If such an agreement is not reached, the Producer may withhold such documents pending action by an arbitrator.

E. Uncollected Revenues: Upon collection of any revenues previously treated as “uncollected” under Section D. above, the Producer shall add such collected revenues back into the numerator of the multiplier. Any increased amounts shall be due with the next payment otherwise required hereunder, but in no event later than four (4) months from recovery or collection of such revenues by the Producer.

F. Termination of Waiver: This provision shall automatically terminate on June 30, 2008.

Very truly yours,

**SCREEN ACTORS GUILD**

By: \_\_\_\_\_  
Peter Frank  
Interim National Executive Director/  
Chief Executive Officer

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<sup>3</sup> The Guild agrees to maintain such information on a strictly confidential basis. It is recognized that in certain limited instances, the Producer may have business reasons, unrelated to compliance with this Basic Agreement, for believing that sending copies of financial terms of certain contracts to the Guild may not be appropriate. In such instances, the Producer may confer with the Guild to explain its concerns. The Guild shall in good faith consider the Producer’s concerns and, if it concurs with the Producer, it shall so indicate in writing and the Producer shall not be required to send such items.

J. Nicholas Counter III  
As of July 1, 2005  
Page 4

**ACCEPTED AND AGREED:**

On behalf of the respective signatory companies represented by the  
**ALLIANCE OF MOTION PICTURE & TELEVISION PRODUCERS, INC.**

By: \_\_\_\_\_  
J. Nicholas Counter III  
President

As of July 1, 2005

Peter Frank  
Interim National Executive Director/Chief Executive Officer  
Screen Actors Guild, Inc.  
5757 Wilshire Boulevard  
Los Angeles, California 90036-3600

**Re: Sideletter to Section 18(b)(2)c) – Experiment in Syndication of Half-Hour Series in Markets Representing 50% or Fewer of U.S. Television Households**

Dear Peter:

Reference is made to the provisions of Section 18(b)(2)c) of the 2005 SAG Television Agreement. During the 2005 negotiations, the Producers expressed a concern that if a series could only be syndicated in markets representing 50% or fewer of the U.S. television households, residuals payable pursuant to Section 18(b)(2)c) would render such syndication fiscally untenable. The Producers asserted that the payment of any residuals in such circumstances would benefit both the Producer and the individual performers since no payments are presently made.

While the Guild expressed concern that an accommodation might be subject to abuse or otherwise reduce overall syndication residuals, the parties agreed to an experiment for the term of this Agreement, to be reviewed by June 30, 2008 to determine its effectiveness and whether or not it should be extended. In such regard, the Producers agree to provide the Guild with license fee information at the time of the first payment hereunder together with a detail of markets covered by the license agreement. If the series is later syndicated in additional markets, the Producer shall provide the Guild with a detail of the additional markets at the time of the payment immediately following such later syndication.

When a half-hour series is syndicated in markets representing in the aggregate fifty percent (50%) or fewer of U.S. television households, residuals for such series shall be payable at twenty percent (20%) of the “total applicable minimum salary” pursuant to Section 18(b)(4)b) for each such run, but shall not constitute a “run” for purposes of Section 18(b)(2)c).

If the series is further syndicated and the aggregate of the markets in which the series is syndicated exceeds fifty percent (50%) of the U.S. television households, the payments required pursuant to Section 18(b)(2)c) shall be due on any subsequent runs.

Peter Frank  
As of July 1, 2005  
Page 2

This experiment will only apply to series that have not yet been placed into syndication as of July 1, 2005.

Very truly yours,

On behalf of the respective signatory companies  
represented by the **ALLIANCE OF MOTION  
PICTURE & TELEVISION PRODUCERS,  
INC.**

By: \_\_\_\_\_  
J. Nicholas Counter III  
President

**ACCEPTED AND AGREED:**

**SCREEN ACTORS GUILD, INC.**

By: \_\_\_\_\_  
Peter Frank  
Interim National Executive Director/Chief Executive Officer

## EXHIBIT TO SIDELETTER B-2

The following chart provides examples of the cumulative residual payments due for a half-hour series that is initially sold to syndication markets representing 50% or fewer of U.S. television households. The examples assume one network exhibition prior to the first run in syndication.

When a half-hour series is syndicated in markets representing in the aggregate 50% or fewer of U.S. television households, residuals for such series are payable at 20% of the total applicable minimum salary for each such run. If the series is further syndicated and the aggregate of the markets in which the series is syndicated exceeds 50% of U.S. television households, the payments required under the full syndication formula are due on any subsequent runs.

This chart is designed to provide examples as to how the new formula will work when a series initially sold to syndication in markets representing 50% or fewer of U.S. television households is subsequently sold to markets that exceed the 50% threshold.

In Example 1, six runs of a half-hour series (with one prior run on a network) are sold in syndication to markets representing less than 50% of U.S. television households. After three runs in syndication in those markets, the series is subsequently sold to additional markets, the aggregate of which then exceeds 50% of U.S. television households. For the first three runs, the Producer pays 60% of the total applicable minimum salary (20% of total applicable minimum for each run) to each performer. The next run in syndication is payable under the full syndication formula as if the first three runs in syndication had not taken place. Accordingly, the fourth run is paid as if it were the second run in syndication (remember one run already occurred on the network) at 40% of the total applicable minimum salary; the fifth run is paid at 30% of the total applicable minimum salary; and the sixth run is paid at 25% of the total applicable minimum salary.

In Example 2, six runs of a half-hour series (with one prior run on a network) are sold in syndication to markets representing less than 50% of U.S. television households. After four runs in syndication in those markets, the series is subsequently sold to additional markets, the aggregate of which then exceeds 50% of U.S. television households. For the first four runs, the Producer pays 80% of the total applicable minimum salary (20% of total applicable minimum for each run) to each performer. The next run in syndication is payable under the full syndication formula as if the first four runs in syndication had not taken place. Accordingly, the fifth run is paid as if it were the second run in syndication (remember one run already occurred on the network) at 40% of the total applicable minimum salary and the sixth run is paid at 30% of the total applicable minimum salary.

In Example 3, six runs of a half-hour series (with one prior run on a network) are sold in syndication to markets representing less than 50% of U.S. television households. After five runs in syndication in those markets, the series is subsequently sold to additional markets, the aggregate of which then exceeds 50% of U.S. television households. For the first five runs, the Producer pays 100% of the total applicable minimum salary (20% of total applicable minimum for each run) to each performer. The next run in syndication is payable under the full

syndication formula as if the first five runs in syndication had not taken place. Accordingly, the sixth run is paid as if it were the second run in syndication (remember one run already occurred on the network) at 40% of the total applicable minimum salary.

| Run  | Full Syndication | 50% Syndication | Example 1 | Example 2 | Example 3 |
|------|------------------|-----------------|-----------|-----------|-----------|
| 2nd  | 40%              | 20%             | 20%       | 20%       | 20%       |
| 3rd  | 30%              | 20%             | 20%       | 20%       | 20%       |
| 4th  | 25%              | 20%             | 20%       | 20%       | 20%       |
| 5th  | 25%              | 20%             | 40%       | 20%       | 20%       |
| 6th  | 25%              | 20%             | 30%       | 40%       | 20%       |
| 7th  | 15%              | 20%             | 25%       | 30%       | 40%       |
| 8th  | 15%              | 20%             | 25%       | 25%       | 30%       |
| 9th  | 15%              | 20%             | 25%       | 25%       | 25%       |
| 10th | 15%              | 20%             | 15%       | 25%       | 25%       |
| 11th | 10%              | 20%             | 15%       | 15%       | 25%       |
| 12th | 10%              | 20%             | 15%       | 15%       | 15%       |
| 13th | 5%               | 20%             | 15%       | 15%       | 15%       |
| 14th | 5%               | 20%             | 10%       | 15%       | 15%       |



As of July 1, 1995  
Revised as of July 1, 2001  
Revised as of July 1, 2005

Peter Frank  
Interim National Executive Director/Chief Executive Officer  
Screen Actors Guild, Inc.  
5757 Wilshire Boulevard  
Los Angeles, California 90036-3600

**Re: “Major Role Performers” in Episodic Series**

Dear Peter:

This will confirm the understandings reached in connection with our agreement for a provision governing minimum guarantees for “major role performers” employed on episodic series:

(1) Under the terms of our agreement, the definition of a “major role performer” is linked to specified forms of credit (*i.e.*, “Guest Star,” “Special Guest Star,” “Starring” or “Special Appearance By”) negotiated by the performer. The original definition proposed by the Screen Actors Guild included performers who received the above-referenced credits “or variations thereof.” The parties have agreed to delete the “or variations thereof” language in light of their mutual understanding that the new provision was intended to cover only that class of performers which was traditionally receiving “top of the show” rates in the past. Since the aforementioned credit designations best described that class, the parties agreed that the “or variations thereof” language was not necessary.

Consistent with the foregoing, the parties reaffirm their intent neither to expand nor diminish the class of “major role performers.” To that end, it is agreed that new forms of credit will not be devised as a means of diminishing the number of performers who would otherwise be classified as “major role performers.”

Peter Frank

As of July 1, 1995; Revised as of July 1, 2001; Revised as of July 1, 2005

Page 2

(2) The salary rates for a “major role” performer, other than one employed under the day performer exception, are as follows:

| <b>Program</b> | <b>7/1/05-<br/>9/30/05</b> | <b>10/1/05-<br/>6/30/06</b> | <b>7/1/06-<br/>6/30/07</b> | <b>7/1/07-<br/>6/30/08</b> |
|----------------|----------------------------|-----------------------------|----------------------------|----------------------------|
| One-Half Hour  | \$3,736                    | \$3,849                     | \$3,961                    | \$4,080                    |
| One Hour       | 5,977                      | 6,158                       | 6,338                      | 6,527                      |

(3) The new salary guarantee for “major role performers” is a minimum term only insofar as initial compensation and compensation for network prime time reruns are concerned. For all other purposes (*e.g.*, overtime or residuals for exhibition in syndication), minimum compensation for such performers shall be calculated on the same basis as for other weekly schedule performers employed under the same schedule.

(4) It is permissible for agency commission fees to be deducted from the new salary guarantee for major role performers. However, this does not preclude the performer’s agent and the Producer from negotiating agency commission fees which are in addition to the new salary guarantee.

(5) The parties agree to study casting practices with regard to “major role performers” and the possibility of identifying major role performers by Occupation Code when reported to the Plans.

Sincerely,

J. Nicholas Counter III

JNC:kb

**ACCEPTED AND AGREED:**

\_\_\_\_\_  
Peter Frank

Date: \_\_\_\_\_

As of July 1, 1986

Kendall Orsatti  
National Executive Secretary  
Screen Actors Guild, Inc.  
7065 Hollywood Boulevard  
Los Angeles, California 90028-7594

**Re: Situs of Arbitration Hearings**

Dear Ken:

During the 1986 negotiations between the Screen Actors Guild and the Producers represented by the Alliance of Motion Picture and Television Producers, the parties agreed to establish a panel of arbitrators to hear disputes in New York. The parties had agreed in 1983 to establish such a panel for Los Angeles.

In order to avoid confusion as to the proper situs of arbitration hearings, the parties hereby confirm their agreement to continue the past practice as follows: If there is no dispute as to the situs, the arbitration shall be held in the city designated in the arbitration demand. If there is a dispute, the situs shall be determined in accordance with the rules and procedures of the American Arbitration Association.

Sincerely,

J. Nicholas Counter III

ACCEPTED AND AGREED:

By: \_\_\_\_\_  
Kendall Orsatti  
National Executive Secretary

JNC:sjk

**SIDELETTER TO SECTION 50 OF THE TELEVISION AGREEMENT;  
ARBITRATION OF DISPUTES CONCERNING TRI-GUILD RESIDUALS AUDITS**

As of July 1, 2005

This Sideletter is entered into by and among the Writers Guild of America, west, Inc., on behalf of itself and its affiliate, Writers Guild of America East, Inc. (“WGA”), the Directors Guild of America, Inc. and the Screen Actors Guild, Inc. (collectively “Guilds”), on the one hand, and the Alliance of Motion Picture & Television Producers (“AMPTP”), on behalf of the entities it represented in the negotiation of the 2004 Writers Guild of America Theatrical and Television Basic Agreement, the Directors Guild of America, Inc. (“DGA”) Basic Agreement of 2002, the DGA Freelance Live and Tape Television Agreement of 2002, the Producer-Screen Actors Guild (“SAG”) Codified Basic Agreement of 2001 and the 2001 SAG Television Agreement (including the Extension Agreement dated July 1, 2004) [and all predecessor agreements listed in Exhibit A hereto to which such named parties were (are) signatory, (collectively referred to as “Basic Agreements”)], on the other hand.

**A. MATTERS SUBJECT TO TRI-GUILD ARBITRATION**

When there is unanimous agreement among the Guilds, the following matters shall be submitted to a tri-Guild arbitration:

Any dispute arising out of an audit conducted under the tri-Guild Gross Receipts Residuals Payment Monitoring Fund program concerning the interpretation or application, or alleged breach, of any residuals provisions of the Guilds’ current or predecessor Basic Agreements, when such provisions are the same or substantially similar.

This tri-Guild procedure is not available when the residuals obligation(s) at issue is (are) payable, guaranteed or assumed by a “Qualified Distributor,” “Qualified Buyer” and/or a “Qualified Residuals Payor,” except by mutual agreement.

**B. GENERAL RULES**

**1. Parties**

- a. To the extent not inconsistent herewith, the arbitration provisions of the Guilds’ Basic Agreements shall define the parties to a tri-Guild arbitration. Individuals and their respective loan-out companies shall not be parties to proceedings under this Sideletter.
- b. The party against whom a tri-Guild arbitration is commenced is sometimes referred to herein as the respondent. Use of such term in the singular shall be deemed to include the plural.

**2. Time Limits**

The claim of each Guild is subject to the time limits set forth in its Basic Agreement.

**3. Place of Hearing**

All tri-Guild arbitrations shall be in Los Angeles, absent unanimous agreement of the parties to another situs.

The selection of the situs of the hearing room within the appropriate city shall be by mutual agreement of the Guilds and the respondent. If there is no such agreement, those parties will alternate in selecting the hearing room, with the party making the selection supplying the room at no charge to the other.

**4. Award**

The arbitrator may make any appropriate award to a Guild as permitted in that Guild's Basic Agreement. Such award shall be in writing and shall be limited as provided in each Guild's Basic Agreements. Subject to the provisions of those Basic Agreements, the award shall be final and binding upon the parties to the proceeding, whether participating in the proceeding or not.

**5. Costs**

The court reporter's per diem charges and the fee and the expenses of the arbitrator shall be borne fifty percent (50%) by the Guilds and fifty percent (50%) by the respondent. The cost of the arbitrator's copy of the transcript shall be shared seventy-five percent (75%) by the Guilds and twenty-five percent (25%) by the respondent.

**6. Notices**

a. All written notices referred to in this Sideletter commencing a tri-Guild proceeding shall be sent to the respondent by registered or certified mail or by personal delivery. If the moving party(ies) is (are) unable to effect service in this manner, service may then be effected by first class mail, postage prepaid, to the address for service last designated in writing to each of the Guilds by the respondent, together with publication in *Daily Variety*, *The Hollywood Reporter*, *The Los Angeles Times* and *The New York Times*. All other written notices may be sent to each party by messenger, certified mail, first class mail, facsimile or any other means agreed upon by the parties.

b. All notices sent by the Guilds to the respondent shall be sent to the address(es) designated by the respondent in writing to each of the Guilds at the time the respondent becomes signatory to each Guild's Basic

Agreement. Should a signatory company change its address for the purpose of receiving notices relating to arbitration, the signatory company shall notify the Guilds of such new address, which shall then be substituted for the prior address.

- c. Unless otherwise designated by a signatory company in a written notice to the Guilds, all notices sent by the Guilds to the respondent shall be addressed to the attention of its Labor or Industrial Relations Department or, in the absence of such department, to an officer of the respondent. If the respondent maintains an office in Los Angeles, California or its vicinity, all such notices shall be sent to said office.
- d. A petition to confirm, modify or vacate, as the case may be, an arbitration award filed in any court of competent jurisdiction shall be served upon the respondent in such proceeding by registered or certified mail or by personal delivery. If the petitioner is unable to effect service in this manner, service then may be effected by first class mail, postage prepaid, to the address for service last designated in writing by the Company, together with publication in *Daily Variety*, *The Hollywood Reporter*, *The Los Angeles Times* and *The New York Times*.

## **7. Conduct of Proceedings**

Except as set forth elsewhere herein, the arbitrator shall adopt such rules of procedure and shall conduct proceedings in such manner as he/she shall determine to be proper; provided, however, that each party to any arbitration shall be afforded a reasonable opportunity to present evidence and argument before the arbitrator.

All hearings, deliberations and proceedings of the arbitrator shall be closed to the public. Only interested parties, their representatives and witnesses may attend.

## **C. ARBITRATION**

### **1. Initiation of Proceedings**

#### **a. When One or More Guilds Have Previously Served Separate Arbitration Claims and/or Grievances**

A tri-Guild arbitration shall be initiated by the Guilds by written notice setting forth the particulars of the claim. The written notice shall describe all previously served claim(s) and/or grievance(s) to be submitted to the tri-Guild proceeding. The written notice shall be sent in accord with the procedures described in Section B.6. above, within eighteen (18) months following the date of the final audit report.

The tri-Guild procedure would not be available, however, when an arbitrator has been selected to hear a claim filed separately by one of the Guilds.

**b. When No Arbitration Claims Have Been Previously Served By Any Guild**

A tri-Guild arbitration shall be initiated by the Guilds by joint (*i.e.*, single) written notice setting forth the particulars of the claim, to be sent in accord with the procedures described in Section B.6. above. No grievance proceedings shall be utilized.

**2. Respondent's Written Statement of Position**

The respondent shall, within ten (10) business days following receipt of the notice of invocation of a tri-Guild proceeding, inform all Guilds of its representatives and serve a written statement of its position.

**3. Selection of Arbitrator**

The arbitrator shall be a neutral third party. The parties shall in good faith attempt to mutually agree upon an arbitrator within ten (10) business days after the respondent's receipt of the notice of invocation of a tri-Guild proceeding. Should the parties fail to so agree, the arbitrator shall be selected by the "Strike Process" as follows:

- a. The arbitrators listed in subparagraph e.(2) below shall constitute the list of arbitrators.
- b. On a respondent-by-respondent basis, the Guilds collectively and the respondent shall alternate on a case-by-case basis in first striking a name from the list of arbitrators. Thereafter, the other party shall "strike" a name from the list. The parties shall continue to alternate in striking names from the list, until one (1) arbitrator's name remains.
- c. The arbitrator whose name remains (after the Strike Process is completed) shall be the arbitrator.
- d. The Strike Process shall commence within two (2) business days following completion of the ten (10) business day period referred to in Section 3. above and must conclude no later than three (3) business days following completion of the ten (10) day period referred to in Section 3. above.
- e. In the event that one of the parties fails to participate in the Strike Process, or fails to strike in order and/or timely, the other party may thereupon select the arbitrator to hear the matter.

- (1) If there is more than one respondent, then the respondent which is the real party in interest shall participate in the striking process with the Guilds. In the event that such respondents cannot agree on which of them is the real party in interest, then such respondents shall determine by lot which of them shall participate in the striking process with the Guilds.
- (2) The authorized list of arbitrators is as follows:

Sara Adler  
Howard Block  
Dixon Dern  
Gerry Fellman  
Joe Gentile  
Fredric Horowitz  
Edgar A. Jones, Jr.  
Anita Knowlton  
Michael Rappaport  
Sol Rosenthal  
Charles Silverberg

Additional names may be added from time to time by mutual agreement of the parties, provided that the panel shall consist of an odd number of arbitrators at all times.

#### **4. Substitution of Arbitrators**

If the arbitrator selected cannot serve, a substitute shall be selected in accordance with Section 3. above.

#### **5. Notice of Hearing**

The arbitrator or, at his/her request, one of the parties shall give written notice to the parties of the time and place of the arbitration hearing. In fixing such date, the arbitrator shall consult the parties and shall consider the time reasonably necessary for the parties to prepare their cases.

#### **6. Exchange of Information**

The parties will cooperate in the exchange of information reasonably in advance of the hearing date regarding the expected utilization of documents and physical evidence. Not later than thirty (30) days prior to the arbitration hearing, any party may make a written request to the other to produce, on a date not later than five (5) days before the hearing, documentary evidence of the type producible pursuant to a *subpoena duces tecum*. The documents must be produced on the date requested, but the other party may object to the production of the documents



to the same extent as though the documents were subpoenaed. Any such objection shall be considered by the arbitrator at the hearing.

The introduction of documents or physical evidence shall not be precluded because they were not exchanged in advance of the hearing.

**7. Hearing**

- a. The arbitrator may, upon a showing of good cause, continue the hearing. The arbitration hearing shall be continued by mutual agreement of the parties.
- b. The arbitration shall take place as noticed or continued regardless of whether one (1) or more of the parties fails to participate.

**8. Defenses**

The respondent may assert any and all defenses available to it, including those available against only one or two Guilds.

**9. Waiver of Time Limits**

Any and all time limits in this Sideletter may be waived by the mutual consent of the parties.

**10. Confidentiality**

The parties and the arbitrator shall maintain the confidentiality of business records and/or other documents introduced at the hearing as if the provisions of Article 53.B. of the WGA Minimum Basic Agreement, Article 17-400 of the DGA Basic Agreement, Article 7.H. of the DGA Freelance Live and Tape Television Agreement and Article 6.1 of the SAG Codified Basic Agreement applied.

**D. ARBITRATION OF DISPUTES WHICH INVOLVE QUESTIONS OF JURISDICTION OR ARBITRABILITY**

**1. General**

An objection to jurisdiction or arbitrability shall first be determined by the arbitrator prior to proceeding with a hearing on the merits. If the arbitrator determines that there is jurisdiction and that the dispute is arbitrable, the arbitrator shall proceed to a decision on the merits; provided, however, that the party contesting arbitration or jurisdiction shall not, by proceeding to a determination of the merits of such arbitration, be deemed to have waived its position that the dispute is not arbitrable or that the arbitrator does not have jurisdiction. If the

arbitrator rules he/she has no jurisdiction over the dispute or that the dispute is not arbitrable, then each party shall be free to pursue the remedies available to it.

**2. Timeliness Defense**

If the respondent alleges that the claim is time-barred under one or more of the Guilds' Agreements, such defense shall be bifurcated and heard in a separate proceeding in advance of the proceeding on the merits, absent consent of all parties to decide this defense in the same proceeding. In a bifurcated proceeding, only the parties to the Agreement under which the timeliness defense has been raised shall be parties. These parties shall select a different arbitrator to decide the timeliness defense under the procedures described above in Section C.3., unless they agree to use the same arbitrator selected to decide the merits of the tri-Guild claim. The arbitrator shall refrain from issuing a decision on the merits of any tri-Guild claim subject to a timeliness defense until issuance of the decision on such defense.

**E. ARBITRATION EXCLUSIVE REMEDY**

Arbitration under this Sideletter shall be the exclusive remedy in connection with claims hereunder against the respondent concerning the interpretation or application, or alleged breach, of any residuals provisions of the Guilds' current or predecessor Basic Agreements.

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Directors Guild of America, Inc.

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Screen Actors Guild, Inc.

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Writers Guild of America, west, Inc.,  
on behalf of itself and its affiliate,  
Writers Guild of America, East, Inc.

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J. Nicholas Counter III, President  
Alliance of Motion Picture &  
Television Producers, Inc.

## Exhibit A

### WGA Collective Bargaining Agreements:

|   |   |
|---|---|
| 1960 Network TV Film Agreement                  | 1971 Ext. to 1968 Live TV Agreement (Networks)      |
| 1960 Network Live TV Agreement                  | 1971 Network Documentary Agreement                  |
| 1960 Network Documentary Agreement              | 1973 Networks Basic Agreement                       |
| 1960 Theatrical Agreement                       | 1973 Network Documentary Agreement                  |
| 1960 Screen Agreement (Universal)               | 1973 Theatrical & TV Agreement (AMPTP)              |
| 1960 TV Film Agreement (AMPP)                   | 1977 Networks Basic Agreement                       |
| 1960 TV Film Agreement (Independent)            | 1977 Network Documentary Agreement                  |
| 1960 TV Film Agreement (Freelance)              | 1977 Theatrical & TV MBA (AMPTP)                    |
| 1963 Live TV Agreement (Networks)               | 1977 Theatrical & TV MBA (8 Companies)              |
| 1963 Network Documentary Agreement              | 1981 Theatrical & TV MBA (AMPTP)                    |
| 1963 Screen Agreement                           | 1985 Theatrical & TV MBA (AMPTP)                    |
| 1963 Screen Agreement (Universal)               | 1988 Theatrical & TV Agreement (Independent)        |
| 1965 Live TV Agreement (Networks)               | 1988 Theatrical & TV Agreement (Indep. Revised)     |
| 1965 Network Documentary Agreement              | 1988 Theatrical & TV MBA (AMPTP)                    |
| 1965 Screen Agreement (Universal)               | 1992 Ext. To 1988 Theatrical & TV Agreement         |
| 1966 Theatrical Agreement (Independent)         | 1995 Theatrical and Television Agreement (AMPTP)    |
| 1966 TV Film Agreement (Freelance)              | 1995 Theatrical and Television Agreement (Networks) |
| 1967 Ext. to 1966 TV Film Agreement (Freelance) | 1998 Theatrical and Television Agreement (AMPTP)    |
| 1968 Live TV Agreement (Networks)               | 1998 Theatrical and Television Agreement (Networks) |
| 1968 Network Documentary Agreement              | 2001 Theatrical and Television Agreement (AMPTP)    |
| 1970 Network Film MBA                           | 2001 Theatrical and Television Agreement (Networks) |
| 1970 Theatrical & TV MBA (AMPTP)                |   |

**DGA Collective Bargaining Agreements:**

- 1960 Directors Guild of America Basic Agreement
- 1964 Directors Guild of America Basic Agreement
- 1968 Directors Guild of America Basic Agreement
- 1973 Directors Guild of America Basic Agreement
- 1975 Directors Guild of America Freelance Live and Tape Television Agreement
- 1978 Directors Guild of America Basic Agreement
- 1978 Directors Guild of America Freelance Live and Tape Television Agreement
- 1981 Directors Guild of America Basic Agreement
- 1981 Directors Guild of America Freelance Live and Tape Television Agreement
- 1984 Directors Guild of America Basic Agreement
- 1984 Directors Guild of America Freelance Live and Tape Television Agreement
- 1987 Directors Guild of America Basic Agreement
- 1987 Directors Guild of America Freelance Live and Tape Television Agreement
- 1990 Directors Guild of America Basic Agreement
- 1990 Directors Guild of America Freelance Live and Tape Television Agreement
- 1993 Directors Guild of America Basic Agreement
- 1993 Directors Guild of America Freelance Live and Tape Television Agreement
- 1996 Directors Guild of America Basic Agreement
- 1996 Directors Guild of America Freelance Live and Tape Television Agreement
- 1999 Directors Guild of America Basic Agreement
- 1999 Directors Guild of America Freelance Live and Tape Television Agreement
- 2002 Directors Guild of America Basic Agreement
- 2002 Directors Guild of America Freelance Live and Tape Television Agreement

## **SAG Collective Bargaining Agreements:**

Producer-Screen Actors Guild, Inc. Memorandum of Agreement of 1960 to the Producer-Screen Actors Guild Codified Basic Agreement of 1952 and the 1956 Supplement

1960 Screen Actors Guild Television Agreement

Producer-Screen Actors Guild, Inc. Memorandum of Agreement of 1963 to the Producer-Screen Actors Guild Codified Basic Agreement of 1952, the 1956 Supplement and the Producer-Screen Actors Guild, Inc. Memorandum of Agreement of 1960

1964 Screen Actors Guild Television Agreement

Producer-Screen Actors Guild, Inc. Memorandum of Agreement of 1965 to the Producer-Screen Actors Guild Codified Basic Agreement of 1952, the 1956 Supplement, the Producer-Screen Actors Guild, Inc. Memorandum of Agreement of 1960 and the Producer-Screen Actors Guild, Inc. Memorandum of Agreement of 1963

Producer-Screen Actors Guild Codified Basic Agreement of 1967

1967 Screen Actors Guild Television Agreement

1971 Supplement to the Producer-Screen Actors Guild Codified Basic Agreement of 1967

1971 Screen Actors Guild Television Agreement

Producer-Screen Actors Guild Memorandum Agreement of 1974 to the Producer-Screen Actors Guild Codified Basic Agreement of 1967 and the 1971 Supplement and the 1971 Screen Actors Guild Television Agreement

1974 Screen Actors Guild Television Agreement

Producer-Screen Actors Guild Codified Basic Agreement of 1977

1977 Screen Actors Guild Television Agreement

1980 Supplement to the Producer-Screen Actors Guild Codified Basic Agreement of 1977 and 1977 Screen Actors Guild Television Agreement

1983 Memorandum of Agreement between AMPTP and Screen Actors Guild, Inc. to the Producer-Screen Actors Guild Codified Basic Agreement of 1977, the 1977 Screen Actors Guild Television Agreement and the 1980 Supplement.

Producer-Screen Actors Guild Codified Basic Agreement of 1986

1986 Screen Actors Guild Television Agreement

1986 Memorandum of Agreement between Independent Producers and Screen Actors Guild to the Producer-Screen Actors Guild Codified Basic Agreement of 1977, the 1977 Screen Actors Guild Television Agreement, the 1980 Supplement and the 1983 Memorandum of Agreement between AMPTP and Screen Actors Guild, Inc.

Producer-Screen Actors Guild Codified Basic Agreement of 1989

1989 Screen Actors Guild Television Agreement

Screen Actors Guild Codified Basic Agreement of 1989 for Independent Producers

Screen Actors Guild Television Agreement of 1989 for Independent Producers

Producer-Screen Actors Guild Codified Basic Agreement of 1992

1992 Screen Actors Guild Television Agreement

1992 Memorandum of Agreement between Independent Motion Picture and Television Producers and Screen Actors Guild to the Screen Actors Guild Codified Basic Agreement of 1989 for Independent Producers and the Screen Actors Guild Television Agreement of 1989 for Independent Producers

Producer-Screen Actors Guild Codified Basic Agreement of 1995

1995 Screen Actors Guild Television Agreement

Screen Actors Guild Codified Basic Agreement of 1995 for Independent Producers

Screen Actors Guild Television Agreement of 1995 for Independent Producers

Producer-Screen Actors Guild Basic Agreement of 1998

1998 Screen Actors Guild Television Agreement

Screen Actors Guild Codified Basic Agreement of 1998 for Independent Producers

Screen Actors Guild Television Agreement of 1998 for Independent Producers

Producer-Screen Actors Guild Codified Basic Agreement of 2001 (including the Extension Agreement dated July 1, 2004)

2001 Screen Actors Guild Television Agreement (including the Extension Agreement dated July 1, 2004)

Screen Actors Guild Codified Basic Agreement of 2001 for Independent Producers (including the Extension Agreement dated July 1, 2004)

Screen Actors Guild Television Agreement of 2001 for Independent Producers (including the Extension Agreement dated July 1, 2004)

As of July 1, 1998

John McGuire  
Associate National Executive Director  
Screen Actors Guild  
1515 Broadway, 44<sup>th</sup> Floor  
New York, NY 10036

**Re: Small Residual Checks**

Dear John:

Reference is made to the provisions of Section 18.1(d) of the 1998 Screen Actors Guild Television Agreement which provides that late payment charges will be assessed under 18(b)(2) and (3) whenever payments due pursuant to Section 18.1 are not made timely, except in connection with checks that are less than \$10.00.

This sideletter will confirm that, in the course of our discussions during the 1998 negotiations with respect to late payments, the parties agreed that they will endeavor to formulate a solution for the payment of monies to performers whose checks are less than \$10.00 per year.

Sincerely,

J. Nicholas Counter III

ACCEPTED AND AGREED:

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John McGuire

As of July 1, 1983

Ken Orsatti  
National Executive Director  
Screen Actors Guild  
7750 Sunset Boulevard  
Los Angeles, California 90046

**Re: Other than Network Prime Time Dramatic Programs**

Dear Ken:

This letter will confirm that in the 1983 negotiations, the parties agreed that with respect to non-Exhibit A shows under the Television Agreement, the Screen Actors Guild will freely grant waivers to Screen Actors Guild signatories to produce non-Exhibit A-type programs under a Screen Actors Guild Agreement using AFTRA terms and conditions.

Sincerely,

J. Nicholas Counter III

ACCEPTED AND AGREED:

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Ken Orsatti  
National Executive Secretary

JNC:sjk



As of July 1, 2001  
Revised as of July 1, 2005

Peter Frank  
Interim National Executive Director/Chief Executive Officer  
Screen Actors Guild, Inc.  
5757 Wilshire Boulevard  
Los Angeles, California 90036-3600

**Re: Programs Made for the Internet**

Dear Peter:

This Sideletter confirms the understanding of the Screen Actors Guild (“the Guild”) and the Producers (collectively “the parties”) concerning the application of the 2005 Producer–Screen Actors Guild Codified Basic Agreement and Screen Actors Guild Television Agreement to audio-visual entertainment programs made for the Internet or other similar delivery systems (“Internet”). With respect to such programs intended for initial use on the Internet, the parties agree as follows:

**Part A – Letter of Adherence**

Part A of this Sideletter authorizes a letter of adherence for Producers producing audio-visual entertainment programs made for the Internet of the type that have traditionally been covered under the SAG Codified Basic Agreement or Television Agreement as well as other types of programs made for the Internet.

A Producer, at its option, may execute a letter of adherence to cover any such program or multiple programs made for the Internet, provided that the Producer has first provided to SAG at least sixty (60) days notice of its intention to do so and meets with SAG to discuss terms of the letter of adherence if requested to do so by SAG. Any such letter of adherence shall be binding upon the Guild and the Producer, and shall, at a minimum, require the Producer to make contributions on behalf of performers employed on such program(s) to the Pension Plan and Health Fund at the rates set forth in Section 34 of the 2005 SAG Codified Basic Agreement or in Section 22 of the 2005 SAG Television Agreement. The provisions of Section 2 of the Codified Basic Agreement, “Union Security,” also shall apply to any such letter. No other terms of the Codified Basic Agreement or Television Agreement shall apply to the employment of such performer, unless agreed in writing between the Guild and the performer, on the one hand, and the Producer, on the other hand.

**Part B – Notices to SAG**

Any Producer who intends to produce a program intended for initial use on the Internet shall provide to SAG at least sixty (60) days' notice of its intention to do so and shall meet with SAG to discuss terms and conditions of employment of performers, if requested to do so by SAG. Any Producer who does produce any such program, whether or not the Producer has entered into a letter of adherence or other agreement with SAG, shall provide to SAG information regarding the employment of performers on such program, including, but not limited to, the compensation paid to such performers, the nature of the work performed, and the receipts generated by the exhibition or distribution of any such program.

**Part C – Mutual Reservation of Rights**

Nothing contained in this Sideletter shall be deemed a waiver of any party's legal position with respect to the application of this or any prior Codified Basic Agreement or Television Agreement to programs made for the Internet. The parties reserve all of their legal positions with respect to such programs.

Very truly yours,

On behalf of the respective signatory  
companies represented by the  
**ALLIANCE OF MOTION PICTURE &  
TELEVISION PRODUCERS, INC.**

By: \_\_\_\_\_  
J. Nicholas Counter III  
President

**ACCEPTED AND AGREED:**

**SCREEN ACTORS GUILD, INC.**

By: \_\_\_\_\_  
Peter Frank  
Interim National Executive Director/Chief Executive Officer

As of July 1, 2001  
Revised as of July 1, 2005

Peter Frank  
Interim National Executive Director/Chief Executive Officer  
Screen Actors Guild, Inc.  
5757 Wilshire Boulevard  
Los Angeles, California 90036-3600

**Re: Exhibition of Motion Pictures Transmitted via the Internet**

Dear Peter:

This Sideletter confirms the understanding of the Screen Actors Guild (“the Guild”) and the Producers (collectively “the parties”) concerning the application of the 2005 Producer-Screen Actors Guild Codified Basic Agreement and Screen Actors Guild Television Agreement to the exhibition of covered theatrical motion pictures, the principal photography of which commenced on or after July 1, 1971, and covered television motion pictures, the principal photography of which commenced on or after July 20, 1952, on or by means of the Internet or other similar delivery systems (“Internet”).

1. **License for Limited Period or Fixed Number of Exhibitions.** When the subscriber pays for the program either on a subscription or per-picture basis, and when the payment is in exchange for the right to view the motion picture for a fixed and limited period of time or a fixed number of exhibitions, the Producer shall pay to the performer(s) an aggregate sum equal to three and six-tenths percent (3.6%) of the license fee paid by the licensee for the right to exhibit such picture on the Internet.\*

When the Producer’s receipts from the licensing of such exhibition are received from an entity which acts as the exhibitor and in which the Producer has a financial interest, the reasonableness of the fee received by the Producer from the licensing of such exhibition

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\*As bargaining history, this language is based upon the following model: studio licenses to Moviefly the right to transmit the motion picture on the Internet to the viewer who pays Moviefly on a subscription or per-picture basis. Such payment would enable the viewer to view the motion picture for a fixed and limited period of time or limited number of exhibitions. For example, if Columbia Pictures, through Columbia-TriStar Home Entertainment, licenses to Moviefly the right to exhibit a Columbia Pictures film, the residuals shall be based upon 100% of the license fee paid by Moviefly to Columbia-TriStar Home Entertainment for such picture.

shall be determined by the exhibitor's license fee payments to unrelated entities for comparable motion pictures.

The parties agree that the residuals due to performers under this paragraph 1 shall be payable in the same manner and to the same extent as applicable to pay television and pay-per-view as provided in the following provisions in the Codified Basic Agreement or Television Agreement, as applicable (subject to conforming changes as necessary):

- Sections 5.2.E.(4)(d), 5.2.E.(5) and 5.2.E.(7) of the Codified Basic Agreement and Sections 20.(b)(3)d) and 20.(b)(5) of the Television Agreement (with respect to supplemental markets exhibition of motion pictures, the principal photography of which commenced after 7/1/52, but prior to 7/21/80) (foreign receipts and non-returnable advances);
  - Section 5.2.B. of the Codified Basic Agreement (allocation among performers);
  - Sections 5.2.G. and 5.2.I. of the Codified Basic Agreement (time of payment, payment requirements and reporting);
  - Section 5.2.H. of the Codified Basic Agreement (gross participation);
  - Sections 6.D., 6.E., 6.F., and 6.G. of the Codified Basic Agreement (transfer and assumption);
  - Sections 6.A., 6.B., 6.C., 6.H., and 6.I. of the Codified Basic Agreement and Section 21 of the Television Agreement (financial responsibility); and
  - Section 5.1. of the Codified Basic Agreement (supplemental markets distribution of motion pictures, the principal photography of which commenced after 6/30/71 but prior to 7/21/80), to the extent it refers to 5.2.E.(4)(d), 5.2.E.(5), and 5.2.E.(7) of the Codified Basic Agreement and Section 20.1 of the Television Agreement (supplemental markets distribution of programs produced on or after 10/6/80), to the extent it refers to the provisions of 5.2. of the Codified Basic Agreement set forth above.
2. **Other Exhibitions.** For all other Internet-transmitted exhibitions ("other exhibitions"), including a sale or license of the right to view the motion picture for an unlimited time, the parties acknowledge that the markets for such other exhibitions are evolving, and that the basis for payment of residuals shall be determined at a later time. Accordingly, in the event the AMPTP negotiates a residual formula with the DGA with respect to other exhibitions of covered motion pictures, either: (a) the Guild shall have the right to elect the entire agreement reached with the DGA with respect to the licensing of such other exhibitions, and only such entire agreement, but with appropriate equivalent adjustment

for performers for provisions peculiar to directors; or (b) alternatively, the Guild may reopen this agreement as to such other exhibitions on or after December 1, 2002.

The parties reserve all of their respective legal positions with respect to such other exhibitions.

With respect to theatrical and television motion pictures, the Producer has agreed to a separate payment for this use on the Internet because Internet exhibition is at this time outside the primary market. The Producer reserves the right in future negotiations to contend that the pattern of release has changed so that this use constitutes or is a part of the primary market of distribution of theatrical or television motion pictures, and that, therefore, no additional payment pursuant hereto should be made with respect to the exhibition of theatrical or television motion pictures (including those covered by this Agreement) on the Internet. The Guild reserves the right in future negotiations to contend to the contrary, and further to assert that regardless of whether other exhibitions are or have become part of the primary market, payment provisions for performers employed on motion pictures so exhibited should be improved.

Very truly yours,

On behalf of the respective signatory  
companies represented by the  
**ALLIANCE OF MOTION PICTURE &  
TELEVISION PRODUCERS, INC.**

By: \_\_\_\_\_  
J. Nicholas Counter III  
President

**ACCEPTED AND AGREED:**

**SCREEN ACTORS GUILD, INC.**

By: \_\_\_\_\_  
Peter Frank  
Interim National Executive Director/Chief Executive Officer

As of July 1, 2005

Peter Frank  
Interim National Executive Director/Chief Executive Officer  
Screen Actors Guild, Inc.  
5757 Wilshire Boulevard  
Los Angeles, California 90036-3600

**Re: Obvious Physical Disabilities**

Dear Peter:

In accordance with the agreement reached in 2001, the parties met to discuss how the Casting Data Reporting form (included in this Agreement as Exhibit E) can be revised to provide for reporting information on performers with obvious physical disabilities. The parties were unable to reach agreement, in part because of legal concerns expressed by the Producers. The parties agreed to discuss the subject further on a Company-by-Company basis, with the understanding that the Screen Actors Guild shall have the right to invite the American Federation of Television and Radio Artists to participate in such meetings.

During the 2005 negotiations, the parties agreed to seek a written opinion from the General Counsel of the Equal Employment Opportunity Commission and from those agencies responsible for administering disability discrimination laws in major production centers with regard to the legality of compiling employment data on performers with obvious physical impairments. The parties agreed to meet within ninety (90) days following ratification of the 2005 Agreement to formulate a letter to be sent to those agencies; in connection therewith, the parties shall review the list of obvious physical impairments which are proposed to be compiled as part of the reporting.

Each Producer agrees that if and when, through the processes outlined in this sideletter, the parties or any individual Producer agree upon a form and method of reporting such information, the parties or the individual Producer, as applicable, will promptly implement the agreed-upon procedures.

Sincerely,

J. Nicholas Counter III

Peter Frank  
As of July 1, 2005  
Page 2

**ACCEPTED AND AGREED:**

By: \_\_\_\_\_  
Peter Frank

As of July 1, 2005

Peter Frank  
Interim National Executive Director/Chief Executive Officer  
Screen Actors Guild, Inc.  
5757 Wilshire Boulevard  
Los Angeles, California 90036-3600

**Re: Special Conditions for Pilots, Presentations and New Series**

Dear Peter:

During the negotiations for the 2005 Screen Actors Guild Television Agreement, the parties agreed that the following special conditions shall apply to pilots or presentations produced on or after July 1, 2005 and to the first two (2) seasons of any new one (1) hour series\* first exhibited on or after July 1, 2005:

a. Pension and Health Contributions Rates

The pension and health contribution rate for all performers and background actors shall be set at thirteen and one-half (13.5%) of compensation.

b. IACF Contributions

Producer shall not be obligated to make any percentage payment to the Industry Advancement and Cooperative Fund on behalf of performers employed on such television motion pictures.

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\* For this purpose, a one-hour series shall be considered “new” if it is initially exhibited in the 2005-06 television season, regardless of the fact that a pilot or one (1) or more episodes of the series may have been produced prior to July 1, 2005 under the 2001 SAG Television Agreement, the 2004 SAG Extension Agreement, Exhibit A of the 2001 or 2004 AFTRA Network Code, or the WB/UPN Supplement to the 2001 or 2004 AFTRA Network Code.



Peter Frank  
July 1, 2005  
Page 2

Unless renewed by the parties, this sideletter shall automatically terminate upon expiration of the 2005 Screen Actors Guild Television Agreement.

Very truly yours,

On behalf of the respective signatory  
companies represented by the  
**ALLIANCE OF MOTION PICTURE &  
TELEVISION PRODUCERS, INC.**

By: \_\_\_\_\_  
J. Nicholas Counter III  
President

**ACCEPTED AND AGREED:**

**SCREEN ACTORS GUILD, INC.**

By: \_\_\_\_\_  
Peter Frank  
Interim National Executive Director/Chief Executive Officer

As of July 1, 2005

Peter Frank  
Interim National Executive Director/Chief Executive Officer  
Screen Actors Guild, Inc.  
5757 Wilshire Boulevard  
Los Angeles, California 90036-3600

**Re: “Supersized” Episodes**

Dear Peter:

This Sideletter applies to any episode of a one-half hour or one-hour dramatic series covered under the SAG Television Agreement, Exhibit A of the AFTRA Network Code or the WB/UPN Supplement to the AFTRA Network Code and produced for broadcast in prime time on ABC, CBS, NBC, FBC, The WB or UPN, the running time of which extends beyond the regular length of a typical episode of the series, but which does not consume a standard one-half hour, one (1) hour, or longer time period (*e.g.*, a forty-three (43) minute episode of a series which is ordinarily one-half hour in length). These episodes shall be referred to as “supersized episodes.” The parties agree that an episode which exceeds the length of a typical episode by up to three (3) minutes shall not be considered a “supersized episode” and no additional payment shall be due therefor.

The minimum compensation rates for performers and background actors shall not be adjusted.

The compensation amounts above which contributions to the SAG-Producers Pension and Health Plans or the AFTRA Health and Retirement Funds are not required (*i.e.*, the caps) shall be adjusted as follows: in connection with a supersized episode of a series which is ordinarily one-half hour in length, the cap shall be adjusted to the figure midway between the one-half hour and one (1) hour caps, and in connection with a supersized episode of a series which is ordinarily one (1) hour in length, the cap shall be adjusted to a figure midway between the one (1) hour and one and one-half (1-1/2) hour caps.

If an episode of a series which is ordinarily one-half hour in length is rerun in network prime time at the supersized length, the network prime time rerun ceiling shall be adjusted to the figure midway between the one-half hour and one (1) hour ceilings. If an episode of a series which is ordinarily one (1) hour in length is rerun in network prime time at the supersized length, the network prime time rerun ceiling shall be adjusted to the one and one-half hour ceiling, except that if the length exceeds ninety (90) minutes, the ceiling shall be adjusted to the two (2) hour ceiling.

Peter Frank  
July 1, 2005  
Page 2

If an episode of a series produced for The WB or UPN is "supersized," residuals for reuse of the program shall be based upon the program fee for the length of the program as it is rerun. Performers shall be notified of this provision at the time of employment.

If the episode is rerun in network prime time after being edited to run as a one-half hour or one (1) hour episode, as applicable, it is agreed that the network prime time rerun ceiling for such rerun shall be the ceiling applicable to the length of a non-"supersized" episode of the series.

In the event two (2) versions of an episode are delivered as part of a syndicated package, each version will be considered a distinct television motion picture for purposes of determining the run number.

If a supersized episode is sold to a foreign subdistributor (or a foreign distributor affiliated with Employer) and there is a distinct valuation of that episode (*i.e.*, it is sold separately or for an additional fee), the foreign residual (including the "base" and all residuals payments) shall be determined by the episode's delivered length and the Employer shall report to the Guild that a supersized version was delivered or sold in a foreign territory. In all other cases, the residual shall be based on the typical episode time. This provision shall not imply any obligation to license such extended episode separately or for an additional fee.

Very truly yours,

On behalf of the respective signatory  
companies represented by the  
**ALLIANCE OF MOTION PICTURE &  
TELEVISION PRODUCERS, INC.**

By: \_\_\_\_\_  
J. Nicholas Counter III  
President

**ACCEPTED AND AGREED:**

**SCREEN ACTORS GUILD, INC.**

By: \_\_\_\_\_  
Peter Frank  
Interim National Executive Director/Chief Executive Officer