

Summary of Netflix Agreement

1. Term: The Netflix Agreement expires on June 20, 2022.
2. Applicability of AMPTP Agreements:
 - a. Except as modified by this Netflix Agreement, the 2017 Codified Basic Agreement and 2017 Television Agreement will apply.
 - b. The outcome of the 2020 AMPTP negotiation for successors to the above-referenced agreements shall be binding upon Netflix except for any terms that are specifically targeted at Netflix.
 - c. If the parties cannot agree on whether a particular term agreed to during the 2020 AMPTP negotiations is targeted at Netflix, that question may be submitted to arbitration.
3. Consecutive Employment: The below changes are applicable only to episodic productions.
 - a. Drop/Pick-Up:
 - i. Allow up to 3 drop/pickups per program for day performers.
 - ii. Create a drop/pickup for weekly performers that can be used up to twice per program.
 - iii. Pick-up dates for both daily and weekly drop/pickups can be moved within a 10-day window, subject to the performer's professional availability.
 - iv. Should the performer be offered conflicting employment during the 10-day window surrounding the pick-up date, performer shall advise Netflix.
 1. Netflix may preempt such employment by providing a conflicting guaranteed pick-up date.
 2. Netflix shall endeavor to respond by the close of business of the day that the performer advises Netflix if the performer advises Netflix before noon or by noon the following day if the performer advises Netflix after noon.
 3. In any event, if Netflix does not respond within 24 hours, the performer shall be free to accept the engagement.

b. Flexible Scheduling Fee:

- i. Weekly performers may agree to a “Flexible Scheduling Fee” in exchange for clearing conflicting job offers for 3 weeks following their employment. The Flexible Scheduling Fee does not apply to theatrical motion pictures.
- ii. Netflix may preempt such conflicting job offers within 24 hours by guaranteeing a conflicting work date. Additional days worked shall be paid at the higher of the performer’s prorated daily rate or daily scale.
- iii. The “Flexible Scheduling Fee” shall be not less than \$5,000. The \$5,000 shall increase by the amount of general wage increases and be subject to benefit fund contributions.
- iv. The “Flexible Scheduling Fee” can be used up to 3 times per performer per episode on up to six episodes per season.

c. Modified Deal Performer:

- i. Performers engaged as “Modified Deal Performers” must be paid not less than \$20,000 per episode. The \$20,000 shall increase by the amount of general wage increases.
- ii. Modified Deal Performers may agree at the time of engagement to up to 10 work days scheduled within a 30-day period per episode. Performers may work in more than one episode in a day.
- iii. Consecutive employment shall not apply to intervening days between the bargained work days. Performer shall be free to accept other employment on intervening days with no obligation to advise Netflix and no ability for Netflix to preempt such engagements.

4. Looping/ADR:

- a. For series and mini-series, if Performer loops for at least 2 episodes in a session, Performer shall receive 100% of the applicable fee for the first episode and 50% for each subsequent episode.
- b. Session rules are unmodified and remain limited to 4 hours.
- c. This provision applies only to Performers looping their own on-camera performances and has no application to loop groups.

5. Security Deposits & Financial Assurances:

- a. Netflix shall provide a \$1,000,000 rolling security deposit for all productions produced under this Netflix Agreement.
- b. The parties shall develop a streamlined process for taking liens in theatrical, long-form and multi-part pictures.
- c. Netflix agrees to require “mandatory serial assumption” from any buyer of a program produced under this Netflix Agreement, thereby obligating that buyer to obtain an assumption agreement from any future subsequent buyer. This ensures that residuals obligations will remain attached to content produced under this Netflix Agreement notwithstanding any future sale(s) of the programs.

6. Affirmative Action/Diversity:

- a. The unlawful harassment language that has now been bargained into the SAG-AFTRA Commercials Contract and the National Code of Fair Practice for Network Television Broadcasting will be included in this Netflix Agreement.
- b. The language prohibiting auditions in hotel rooms that has now been bargained into the SAG-AFTRA Commercials Contract and the National Code of Fair Practice for Network Television Broadcasting will be included in this Netflix Agreement.
- c. The parties will discuss Netflix Voluntary Training Initiative, which is designed to increase Netflix’s pipeline of diverse talent, and whether it will qualify as relevant training and education for preference of employment purposes.

7. Holidays: Add Martin Luther King Day as contractual holiday and remove Good Friday.

8. Theatrical Residuals: Residuals for the exhibition of theatrical motion pictures produced by Netflix for exhibition on the Netflix platform shall be paid at 3.6% of an imputed license fee calculated and paid as follows:

- a. For pictures budgeted at or under \$30 million, the imputed license fee shall be 90% of budget.
- b. For pictures budgeted over \$30 million, an additional percentage of each additional \$10 million up to \$120 million shall be added to the imputed license fee as follows: 80%, 75%, 67.5%, 60%, 52.5%, 42.5%, 32.5%, 15%, 10%.
- c. Residuals calculated as set forth above shall due over the course of 7 years with the following percentage of the total due each year: 30%, 20%, 10%, 10%, 10%,

10%, 10%. In the event that the picture is removed from the Netflix platform during the 7-year period, the payment obligation shall be suspended. Should the picture thereafter return to the Netflix platform, the payment obligation shall resume from the point of suspension.

- d. Residuals calculated as set forth above shall pay for 20 years of exhibition on the Netflix platform. After 20 years, payment of the Year 7 amount set forth in subparagraph c above shall pay for an additional 5 years.
 - e. For exhibition other than on Netflix platforms, residuals will be paid pursuant to CBA formulas.
9. Digital Doubles: Digital replications of background actors will not be used to fulfill coverage minimums
10. Stunt Performers: For performers engaged under Schedule H, Part II on episodic productions only, adjustments will not be taken into account in determining the applicable schedule break, but overtime will continue to be calculated including adjustments subject to the applicable money break.
11. Advance Payment of Residuals: Performers who are guaranteed less than \$75,000 per episode may not be advance paid more than 15% of their compensation. Above \$75,000 per episode, performer may bargain freely with respect to advance payment.
12. Dubbing:
- a. All Netflix foreign-language live action and animated motion pictures dubbed into English in the United States will be covered under this Netflix Agreement.
 - b. Performers shall be paid not less than \$83.25 per hour, which shall increase by the amount of any general wage increases. Overtime shall due in quarter-hour increments.
 - c. Netflix may acquire rights to use the dubbed performance in perpetuity in all media in exchange for an additional 50% of compensation.
 - d. Netflix may dub multiple episodes in a session.
 - e. The professional singer rates from the Television Animation Agreement shall apply to the engagement of professional singers to dub animated programs.
 - f. Preference of employment shall not be applicable to dubbing.

13. Performance Capture:

- a. Netflix recognizes that performances captured with performance capture technology are covered services under this Netflix Agreement.
- b. “Reference modeling” and “kinesthesiology studies” are excluded, however, so long as the performer is not subject to facial scanning or capture and is not assigned a “performance” beyond basic movements.
- c. The parties reserve their respective positions with respect to the coverage of performance capture services on fully animated motion pictures.
- d. The parties recognize that there will need to be future discussions regarding when performers may be engaged as background actors to render performance capture services.

14. Below-the-Threshold SVOD: Sideletters 21 (CBA) and H (TVA) shall apply to the production of programs for Netflix that do not trigger the terms for “High Budget SVOD” except that minimum compensation rates and the requirement of 12-hour turnaround shall apply to such programs

15. Union Bug: Netflix shall use best efforts to include the Union Bug on all productions produced under this Netflix Agreement. Inadvertent omissions, however, cannot be grieved.

16. Options:

- a. Section 24(c) money break to bargain freely on options shall increase from \$32,000 per episode to \$40,000 per episode.
- b. Netflix agrees to work with the union to resolve individual circumstances where performers have been held to unreasonable periods of exclusivity because of how their options have been exercised and to meet-and-confer with the Union should its practice with respect to the exercise of options change.

17. Exclusivity:

- a. Section 23(a)(3) money breaks to bargain freely on exclusivity shall increase from \$15,000 for a half-hour program and \$20,000 for a one-hour program to \$40,000 for all programs.
- b. The number of allowable guest star appearances referenced in section 23(a)(3) of the TV Agreement shall increase from 3 to 8 per each 13-week period. The prohibition on those guest star appearances constituting a “continuing role” shall

be deleted. Instead, up to 5 of the 8 appearances may be part of a continuing role.

- c. Such guest star appearances shall be subject to Netflix's approval, which shall only be refused for legitimate, work-related reasons, and are subject to the following conditions and prohibitions.
 - i. The guest star appearance may not be in a role that is substantially similar to the Netflix role;
 - ii. The performer may not voluntarily make permanent changes to their appearance (e.g., hair dye is acceptable, a haircut is not);
 - iii. No two performers on the same Netflix series may guest star on the same season of another series;
 - iv. The guest star appearance may not be in a program that parodies the Netflix series;
 - v. Performer may not perform publicity, advertising or marketing services for the other program or agree that their likeness may be used for such purposes with respect to other program;
 - vi. The guest star appearance may not be on a program made for pay television, a streaming service, a linear channel with the right to exhibit the program on a SVOD service within 30 days of initial broadcast or a channel, market or platform that is not known at the time of engagement.
- d. No automatic rejection: Even as to guest star employment opportunities that do not meet the conditions set forth in subparagraph c above, Netflix shall not automatically reject any request, but shall engage, as appropriate, with the performer, the performer's representative, the other employer and/or network and the union to allow the performer to accept the opportunity whenever possible.
- e. Record of Requests: Netflix shall maintain a record of requests by series regulars to work on other programs, Netflix's response and the reasons for Netflix's response. Netflix agree to review those records upon request at least twice per year.