

Sideletter No. 25

As of July 1, 2005;
Revised as of July 1, 2008;
Revised as of July 1, 2011;
Revised as of July 1, 2014

Jay D. Roth
National Executive Director
Directors Guild of America, Inc.
7920 Sunset Boulevard
Los Angeles, California 90046

Re: "Supersized" Episodes

Dear Mr. Roth:

The parties agree that the following provisions shall apply to any recorded episode of a one-half hour or one-hour prime time dramatic series, the running time of which extends beyond the regular time period of a typical episode of the series, and to any episode of a live series that exceeds the scheduled running time by more than three minutes or that is planned in advance to be longer than the regular running time of a typical episode.

1. a. Initial compensation for the director of a half-hour episode which is "extended" to have a running time that is forty-five (45) minutes or less (*i.e.*, the episode has a longer running time than a typical episode of the series, but does not exceed 45 minutes) shall be the thirty (30) minute rate plus fifty percent (50%) of the difference between the half-hour rate and the one (1) hour rate. Three (3) extra days shall be added to the guaranteed period. See attached "Initial Compensation" schedule.

b. Initial compensation for the director of a one-hour episode which is "extended" to have a running time that is seventy-five (75) minutes or less shall be the sixty (60) minute rate plus fifty percent (50%) of the difference between the sixty (60) minute rate and the ninety (90) minute rate. Five (5) extra days shall be added to the guaranteed period for network prime time programs; three (3) extra days shall be added for non-network and network non-prime time programs. If the running time of the extended episode is more than seventy-five (75) minutes but less than ninety (90) minutes, the episode shall be considered a 61-90 minute program and the Director shall be compensated accordingly. See attached "Initial Compensation" schedule.

c. The running time of an episode shall be determined by the broadcast schedules which are released by the network, or the exhibition schedules which are released by the cable companies and published in viewer's guides such as *TV Guide*. Commercial time and title sequences, as well as the use of excerpts from previously-recorded programs, shall be considered part of the extended episode when determining running time.

d. If excerpts comprise more than fifty percent (50%) of the running time (excluding commercials and title sequences) of the extended episode, it shall be considered a "compilation program" under Article 23, Paragraph B.4. of the FLTTA, except that:

i. The rate for a compilation program more than thirty (30) minutes but not more than forty-five (45) minutes shall be the rate for a thirty (30) minute compilation program plus fifty percent (50%) of the difference between the rate for a thirty (30) minute compilation program and the rate for a sixty (60) minute compilation program; and

ii. The rate for a compilation program more than sixty (60) minutes but not more than seventy-five (75) minutes shall be the rate for a sixty (60) minute compilation program plus fifty percent (50%) of the difference between the rate for a sixty (60) minute compilation program and the rate for a ninety (90) minute compilation program.

iii. The rate for a compilation program more than seventy-five (75) minutes but not more than ninety (90) minutes shall be the rate for a ninety (90) minute compilation program.

e. The parties understand that there shall be no additional payments for episodes with a running time up to three (3) minutes over the length of a typical episode or to live programs described in Paragraph 1.b. above.

2. a. Residuals for an "extended episode" shall be determined by the residuals schedule attached hereto, except as provided below.

b. Residuals for an "extended" episode of a half-hour series which is shortened after its initial broadcast and run as a half-hour program shall be treated as one-half hour in length for the purpose of calculating the free television rerun payments, both domestic and foreign.

c. Residuals for an "extended" episode of a one-hour series which is subsequently shortened after its initial broadcast and run as a one-hour episode shall be treated as one (1) hour in length for the purpose of calculating free television rerun payments, both domestic and foreign.

d. In the event two (2) or more versions of an episode are delivered as part of a syndication package, each version shall be considered a distinct "television motion picture" for purposes of determining the "run" pursuant to Article 7, Section B.

e. If an extended 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 DGA that an "extended" 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 sell such extended episode separately or for an additional fee.

3. The parties have determined to restrict the application of this Sideletter to "supersized" episodes which exceed the length of a typical episode by half or less because this is the manner in which they have thus far been produced. Should any Employer produce an "extended episode" which exceeds the running time of a typical episode by more than half, the parties agree to negotiate in good faith the rates and conditions applicable to such extended episode.

Sincerely,

Carol A. Lombardini

ACCEPTED AND AGREED:

Jay D. Roth

Supersized Episodes

1. Initial Compensation

(a) Network Prime Time (Includes FBC) - FLTTA Article 6.A.1.

	Running Time	Minimum Compensation	Guaranteed Days	Compensation for Days Beyond Guarantee	Daily Rate (Where Permitted)
7/1/14 [†]	30 Min.	\$25,145	7	\$3,592	\$4,490
	45 MIN.	33,923	10	3,392	4,240
	60 Min.	42,701	15	2,847	3,559
	75 MIN.	56,935	20	2,847	3,559
	90 Min.	71,169	25	2,847	3,559
7/1/15	30 Min.	25,899	7	3,700	4,625
	45 MIN.	34,941	10	3,494	4,368
	60 Min.	43,982	15	2,932	3,665
	75 MIN.	58,643	20	2,932	3,665
	90 Min.	73,304	25	2,932	3,665
7/1/16	30 Min.	26,676	7	3,811	4,764
	45 MIN.	35,989	10	3,599	4,499
	60 Min.	45,301	15	3,020	3,775
	75 MIN.	60,402	20	3,020	3,775
	90 Min.	75,503	25	3,020	3,775

[†] See text of footnote on page 24.

(b) Non-Network or Network Non-Prime Time Dramatic (High Budget) - FLTTA Article 6.A.2.

	Running Time	Minimum Compensation	Guaranteed Days	Compensation for Days Beyond Guarantee
7/1/14 [†]	30 Min.	\$10,336	6	\$1,723
	45 Min.	14,669	9	1,630
	60 Min.	19,001	12	1,583
	75 Min.	24,686	17	1,452
	90 Min.	30,370	24	1,265
7/1/15	30 Min.	10,646	6	1,774
	45 Min.	15,109	9	1,679
	60 Min.	19,571	12	1,631
	75 Min.	25,426	17	1,496
	90 Min.	31,281	24	1,303
7/1/16	30 Min.	10,965	6	1,828
	45 Min.	15,562	9	1,729
	60 Min.	20,158	12	1,680
	75 Min.	26,189	17	1,541
	90 Min.	32,219	24	1,342

[†] See text of footnote on page 24.

(c) Network Prime Time Variety (Includes FBC) - FLTTA Article 6.B.1.(a) and Article 29.B.1.(a)

	Running Time	Minimum Compensation	Guaranteed Days (days need not be consecutive)	Compensation for Days Beyond Guarantee
7/1/14 [†]	16-30 Min.	\$8,924	5(1)	\$1,785
	31-45 Min.	12,199	7(2)	1,743
	46-60 Min.	15,473	9(2)	1,719
	61-75 Min.	23,214	12(3)	1,935
	76-90 Min.	30,954	18(4)	1,720
7/1/15	16-30 Min.	9,192	5(1)	1,838
	31-45 Min.	12,565	7(2)	1,795
	46-60 Min.	15,937	9(2)	1,771
	61-75 Min.	23,910	12(3)	1,993
	76-90 Min.	31,883	18(4)	1,771
7/1/16	16-30 Min.	9,468	5(1)	1,894
	31-45 Min.	12,942	7(2)	1,849
	46-60 Min.	16,415	9(2)	1,824
	61-75 Min.	24,627	12(3)	2,052
	76-90 Min.	32,839	18(4)	1,824

[†] See text of footnote on page 24.

- (d) Non-Network or Non-Prime Time Variety (High Budget) - FLTTA Article 6.B.2. and Article 29.B.1.(b)

	Running Time	Minimum Compensation	Guaranteed Days (days need not be consecutive)	Compensation for Days Beyond Guarantee
7/1/14 [†]	16-30 Min.	\$5,861	6(1)	\$977
	31-45 Min.	7,166	7(2)	1,024
	46-60 Min.	8,470	9(2)	941
	61-75 Min.	9,777	11(3)	889
	76-90 Min.	11,083	14(4)	792
7/1/15	16-30 Min.	6,037	6(1)	1,006
	31-45 Min.	7,381	7(2)	1,054
	46-60 Min.	8,724	9(2)	969
	61-75 Min.	10,070	11(3)	915
	76-90 Min.	11,415	14(4)	815
7/1/16	16-30 Min.	6,218	6(1)	1,036
	31-45 Min.	7,602	7(2)	1,086
	46-60 Min.	8,986	9(2)	998
	61-75 Min.	10,372	11(3)	943
	76-90 Min.	11,757	14(4)	840

[†] See text of footnote on page 24.

- (e) Non-Network or Non-Prime Time Variety (Low Budget) - FLTTA Article 6.B.3. and Article 29.B.1.(b)

	Running Time	Minimum Compensation	Guaranteed Days	Compensation for Days Beyond Guarantee
7/1/14 [†]	16-30 Min.	\$4,152	4	\$1,038
	31-45 Min.	4,769	4	1,192
	46-60 Min.	5,385	5	1,077
	61-75 Min.	6,115	5	1,223
	76-90 Min.	6,845	6	1,141
7/1/15	16-30 Min.	4,277	4	1,069
	31-45 Min.	4,912	4	1,228
	46-60 Min.	5,547	5	1,109
	61-75 Min.	6,299	5	1,260
	76-90 Min.	7,050	6	1,175
7/1/16	16-30 Min.	4,405	4	1,101
	31-45 Min.	5,059	4	1,265
	46-60 Min.	5,713	5	1,143
	61-75 Min.	6,488	5	1,298
	76-90 Min.	7,262	6	1,210

2. Residual Compensation - FLTTA

- (a) Foreign Budget Plateaus - Article 7.D.1.(b) and (c)

All Types	Running Time	First Plateau	Second Plateau
7/1/14 - 6/30/17	30 min.	\$ 7,000	\$10,000
	45 min.	10,000	14,000
	60 min.	13,000	18,000
	75 min.	15,500	21,000
	90 min.	18,000	24,000

[†] See text of footnote on page 24.

- (b) Base for Residual Payments for Reruns of New Multi-Camera Prime Time Dramatic Pilots, Presentations or Series Other than in Network Prime Time - Article 32 programs

Running Time	7/1/2014	7/1/2015	7/1/2016
30 min.	\$12,671	\$13,051	\$13,443
45 min.	17,849	18,384	18,936
60 min.	23,026	23,717	24,429
75 min.	28,740	29,603	30,491
90 min.	34,454	35,488	36,553

- (c) Foreign Budget Plateaus - Article 7.D.1.(d)

Running Time	7/1/14 to 6/30/17
30 min.	\$ 365,000
45 min.	547,500
60 min.	730,000
75 min.	1,295,000
90 min.	1,860,000

- (d) Reruns of Network Prime Time Dramatic Programs in Network Prime Time - Article 7.B.1.(a)

Running Time	7/1/2014	7/1/15	7/1/16
30 min.	\$12,743	\$12,998	\$13,258
45 min.	18,369	18,736	19,111
60 min.	23,994	24,474	24,963
75 min.	29,988	30,588	31,200
90 min.	35,982	36,702	37,436

(e) Reruns of Network Prime Time Dramatic Programs Outside of Network Prime Time - Article 7.B.1.(b)

Running Time	7/1/2014	7/1/2015	7/1/2016
30 min.	\$14,261	\$14,689	\$15,130
45 min.	20,016	20,617	21,235
60 min.	25,771	26,544	27,340
75 min.	31,525	32,470	33,444
90 min.	37,278	38,396	39,548

(f) Residual Base for Foreign Telecasting Payments for Prime Time Dramatic Programs - Article 7.D.2.(a)

Running Time	7/1/2014	7/1/2015	7/1/2016
30 min.	\$14,261	\$14,689	\$15,130
45 min.	20,016	20,617	21,235
60 min.	25,771	26,544	27,340
75 min.	31,525	32,470	33,444
90 min.	37,278	38,396	39,548