

## **ARTICLE 11**

### **Additional Compensation to Directors for “Free” Television Films**

#### **Section 11-100     ADDITIONAL COMPENSATION FOR RERUNS AND FOREIGN TELECASTS**

##### **11-101     Additional Compensation for Reruns**

The salary paid to the Director for his or her 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, its territories and possessions, and Canada in which any television broadcasting stations are hereafter for the first time established.

- (a) 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, its territories and possessions, 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.
- (b) If the Employer desires to telecast any television motion picture for more than one run in the United States, its territories and possessions, and Canada, the employment contract of each Director engaged therein shall contain a separate provision for additional compensation for reruns, which shall not be less than the amounts set forth in the applicable provisions of subparagraphs (1) through (4) below:<sup>6</sup>

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<sup>6</sup> See modifications to this Paragraph 11-101 in Sideletter No. 34 re License of Free Television, Basic Cable or Pay Television Motion Pictures to Secondary Digital Channels.

(1) Network Prime Time - Domestic Reruns

(i) Dramatic Programs

<b>Length</b>	<b>7/1/17 - 6/30/20</b>
½ hour	\$13,254
1 hour	\$24,963
1½ hours	\$37,436
2 hours*	\$49,443

\* Over two (2) hours, residuals will be computed *pro rata* based on the applicable one (1) hour rate.

(ii) Other than Dramatic Programs

<b>Length</b>	<b>7/1/17</b>	<b>7/1/18</b>	<b>7/1/19</b>
½ hour	\$15,135	\$15,513	\$15,901
1 hour	\$28,504	\$29,217	\$29,947
1½ hours	\$42,747	\$43,816	\$44,911
2 hours*	\$56,454	\$57,865	\$59,312

\* Over two (2) hours, residuals will be computed *pro rata* based on the applicable one (1) hour rate.

(2) Base for Network Non-Prime Time and Syndication Residuals<sup>7</sup>

<b>Length</b>	<b>7/1/17</b>	<b>7/1/18</b>	<b>7/1/19</b>
7 minutes and under	\$2,950	\$2,980	\$3,010
8-15 minutes	\$6,165	\$6,227	\$6,289
16-30 minutes	\$15,278	\$15,431	\$15,585
1 hour	\$27,611	\$27,887	\$28,166
1½ hours	\$39,943	\$40,342	\$40,745
2 hours	\$52,277	\$52,800	\$53,328

(3) Percentage of above Base Rate Payable for Domestic Residuals (other than Reruns in Network Prime Time)

	<b>Network</b>	<b>Non-Network</b>
2nd Run	50%	40%
3rd Run	40%	30%
4th Run	25%	25%
5th Run	25%	25%
6th Run	25%	25%
7th Run	15%	15%
8th Run	15%	15%
9th Run	15%	15%
10th Run	15%	15%
11th Run	10%	10%
12th Run	10%	10%

(Continued)

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<sup>7</sup> See Paragraph 24-301 for residual base applicable to multi-camera prime time dramatic pilots and series.

(Continued)

	<b>Network</b>	<b>Non-Network</b>
13th Run and each subsequent Run in perpetuity	5%	5%

- (4) (i) Notwithstanding the provisions of subparagraphs (b)(2) and (3) above, the Employer shall pay the following to the Director of an episode of a one (1) hour network prime time dramatic television series, whether covered under this or a prior Basic Agreement (other than one made for FBC Prime Time prior to July 1, 2005), which has not previously been exhibited in syndication, or of an episode of a one (1) hour prime time dramatic series produced prior to July 1, 2005 for initial broadcast on FBC, which series has not been exhibited in syndication prior to July 1, 2003, for reuse of such episode in syndication:
- (A) Two and six-tenths percent (2.6%) of the “Employer's gross” received for exhibitions in syndication until such time as the “Employer's gross” received therefrom exceeds the sum of \$400,000.
- (B) Thereafter, one and three-quarters percent (1.75%) of the “Employer's gross” received for exhibition(s) in syndication.

However, payments made pursuant to this provision shall not exceed one hundred fifty percent (150%) of the “fixed residual schedule” set forth in subparagraphs (b)(2) and (3) above. Similarly, such payments shall not be less than fifty percent (50%) of such “fixed residual schedule” for such exhibitions, except in the case of series licensed only in markets representing less

than one-half of all United States television households.

- (ii) For the purposes of this Paragraph 11-101(b)(4), the term “Employer's gross” shall have the same meaning as it does in Article 18 with respect to pay television exhibition of a free television film.
  - (iii) Payments due and payable hereunder shall be sent to the Guild within the time and in the manner required by subparagraphs (a), (c) and (d) of Paragraph 18-106.
- (5) If an Employer licenses a television motion picture (including a program or series made for The CW, but excluding any other program or series made for syndication) for exhibition in syndication only in Canada, it shall have the option to elect to pay to the Director thereof four percent (4%) of the “Employer’s gross receipts” (as defined in Paragraph 11-108) derived therefrom, in lieu of any other compensation required under this or any prior Agreement, as applicable, and such exhibition shall not count as a “run” for purposes of calculating residuals under Article 11. The foregoing applies to television motion pictures, whether produced under this BA or any prior BA, as to which residuals would otherwise be payable.

The provisions of this Article 11 are not applicable to commercials or the “bridging” or shooting of added scenes for theatrical films for television release, or to second units, trailers or promos, for which there are no rerun payments.

- (c) The Employer 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 or Canada, or upon the completion of the telecasting of the respective rerun in seventy (70) cities in the United States and Canada, whichever occurs earlier. However, in the event any rerun is telecast on a television network or on The CW, the Employer

shall make the appropriate rerun payment not later than thirty (30) days after the telecast of such rerun.

- (d) The telecasting of a picture over a television network shall mean the telecast of such picture over the network facilities of ABC, CBS, FBC, 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, except (1) pictures telecast on any single regional network presently established and (2) pictures telecast on any single regional network which may hereafter be established and which does not include New York, Chicago or Los Angeles.
- (e) The above formula is a minimum formula and nothing herein shall preclude any Director from bargaining for better terms with respect to such reruns.
- (f) Whenever a payment is due under the foregoing provisions of this Paragraph 11-101 for telecasts, after the effective date of this Agreement, of a television motion picture in a language or languages other than English, then in lieu of such payment, the payment due the Director(s) of such television motion picture shall be an aggregate amount equal to 1.2% of the Employer's “accountable receipts,” as defined in Article 18, from the distribution of such television motion picture for such telecasts. Such payment shall not affect the Employer's obligation to make the applicable rerun payments for telecasts of a motion picture in English.

This subparagraph will apply to all television motion pictures produced on or after July 1, 1971.

- (g) If a substantial portion of a program or an element essential to the program is not shown because the program is interrupted due to governmental regulation or order, strike, the failure of program transmission facilities because of war or other calamity such as fire, earthquake, hurricane, or similar acts of God, or because of the breakdown of program transmission facilities due to causes beyond the reasonable control of the

Employer, or because the program time is pre-empted by a Presidential broadcast, a news emergency, or a special news event, the Guild shall, upon request of the Employer stating the reason therefor, grant a waiver permitting the Employer to re-exhibit the interrupted program in its entirety within a thirty (30) day period following the interrupted exhibition without incurring any additional payment to any director of the program.

- (h) 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 CW or MyNetwork TV. No residual compensation shall be due under Paragraph 11-101 nor Paragraph 11-108 for the second run (which may be either on free television or basic cable) of two programs chosen by the Employer from the pilot and first two episodes broadcast during the first production season, provided the second run occurs within a two 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 Paragraph 11-101(b)(1) nor 11-101(b)(3) of this BA. Employer shall be obligated to report any such run to the Guild as required under this Article 11, notwithstanding the fact that no payment shall be due therefor.

## **11-102      Foreign Telecasting Payments**

- (a) If the Employer desires to telecast any television motion picture in any part of the world outside the United States and Canada, the Employer shall pay additional compensation for such foreign telecasting of not less than fifteen percent (15%) of the applicable “base amount” in effect on the date of commencement of principal photography, not later than thirty (30) days after the Employer obtains knowledge of the first foreign telecast.
- (b) 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

Director shall be entitled to the additional payment of not less than ten percent (10%) of the applicable “base amount” in effect on the date of commencement of principal photography, not later than thirty (30) days after such Gross has been so exceeded.

- (c) 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 Director shall be entitled to the additional payment of not less than ten percent (10%) of the applicable “base amount” in effect on the date of the commencement of principal photography, not later than thirty (30) days after such Gross has been so exceeded.

- (d) The “base amounts” referred to and the applicable payments under subparagraphs (a), (b) and (c) above are as follows:

<b>Length of Program</b>	<b>7/1/17 Residual Base - % and Amount</b>	<b>7/1/18 Residual Base - % and Amount</b>	<b>7/1/19 Residual Base - % and Amount</b>
7 minutes and under	<u>\$2,994</u>	<u>\$3,069</u>	<u>\$3,146</u>
	15% = \$ 449	15% = \$ 460	15% = \$ 472
	10% = \$ 299	10% = \$ 307	10% = \$ 315
	10% = \$ 299	10% = \$ 307	10% = \$ 315
8-15 minutes	<u>\$6,257</u>	<u>\$6,413</u>	<u>\$6,573</u>
	15% = \$ 939	15% = \$ 962	15% = \$ 986
	10% = \$ 626	10% = \$ 641	10% = \$ 657
	10% = \$ 626	10% = \$ 641	10% = \$ 657
16-30 minutes	<u>\$15,505</u>	<u>\$15,893</u>	<u>\$16,290</u>
	15% = \$2,326	15% = \$2,384	15% = \$2,444
	10% = \$1,551	10% = \$1,589	10% = \$1,629
	10% = \$1,551	10% = \$1,589	10% = \$1,629



<b>Length of Program</b>	<b>7/1/17 Residual Base - % and Amount</b>	<b>7/1/18 Residual Base - % and Amount</b>	<b>7/1/19 Residual Base - % and Amount</b>
31-60 minutes	<u>\$28,021</u> 15% = \$4,203 10% = \$2,802 10% = \$2,802	<u>\$28,722</u> 15% = \$4,308 10% = \$2,872 10% = \$2,872	<u>\$29,440</u> 15% = \$4,416 10% = \$2,944 10% = \$2,944
61-90 minutes	<u>\$40,537</u> 15% = \$6,081 10% = \$4,054 10% = \$4,054	<u>\$41,550</u> 15% = \$6,233 10% = \$4,155 10% = \$4,155	<u>\$42,589</u> 15% = \$6,388 10% = \$4,259 10% = \$4,259
91-120 minutes*	<u>\$53,053</u> 15% = \$7,958 10% = \$5,305 10% = \$5,305	<u>\$54,379</u> 15% = \$8,157 10% = \$5,438 10% = \$5,438	<u>\$55,738</u> 15% = \$8,361 10% = \$5,574 10% = \$5,574

\* Over 120 minutes, prorate payment based on one (1) hour rate.

- (e) After the Director has received a total of the amounts specified in subparagraphs (a), (b) and (c) above with respect to any picture, the Director shall be paid one and two-tenths percent (1.2%) of the “Distributor’s Foreign Gross” in excess of:
- (1) \$365,000 in Distributor’s Foreign Gross for one-half (½) hour programs;
  - (2) \$730,000 in Distributor’s Foreign Gross for one (1) hour programs;
  - (3) \$1,860,000 in Distributor’s Foreign Gross for programs more than one (1) hour in length but not more than two (2) hours in length;
  - (4) \$3,120,000 in Distributor’s Foreign Gross for programs more than two (2) hours in length but not more than three (3) hours in length;

- (5) \$4,170,000 in Distributor's Foreign Gross for programs more than three (3) hours in length but not more than four (4) hours in length;
- (6) \$5,210,000 in Distributor's Foreign Gross for programs more than four (4) hours in length but not more than five (5) hours in length;
- (7) \$6,250,000 in Distributor's Foreign Gross for programs more than five (5) hours in length but not more than six (6) hours in length; and
- (8) for programs in excess of six (6) hours, the above applicable thresholds will increase proportionately.

For other than dramatic programs, the one and two-tenths percent (1.2%) payment shall be triggered when the Distributor's Foreign Gross equals fifty percent (50%) of the amounts set forth in subparagraphs (1) through (8) above, as applicable.

For the purpose of this subparagraph (e), 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 Paragraph 11-108, 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 shall apply to "Distributor's Foreign Gross" for purposes of reaching the thresholds in and determining the amount the Director shall be paid pursuant to subparagraphs (1) through (8) above.

The Director shall receive such additional monies pursuant to the payment provisions of Paragraph 18-106, except 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 Employer receives "Distributor's Foreign Gross" for

the picture or at such other time as may be agreed upon in writing by the parties.

- (f) Notwithstanding the foregoing, for those one-hour network prime time dramatic television series referred to in 11-101(b)(4) above, the fifteen percent (15%), ten percent (10%) and ten percent (10%) of the applicable base amount referred to in subparagraphs (a) through (d) above shall be collapsed into a single payment of thirty-five percent (35%) of the applicable base amount payable not later than thirty (30) days after the Employer obtains knowledge of the first foreign telecast and in no event later than six (6) months after the first foreign telecast.
- (g) The term “foreign telecasting,” as used herein, shall mean any telecast (whether simultaneous or delayed) outside the United States, its 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: XEW-TV or XEQ-TV or XHTV or XHGC-TV, Mexico City; and ZBM, Pembroke, Bermuda, for CBS and NBC; and any network affiliate in Tijuana; and ZBF, Hamilton, Bermuda, for ABC.
- (h) 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 for 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:
  - (1) Sums realized or held by the way of deposits or security, until and unless earned, other than such sums as are non-returnable.
  - (i) 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.”

- (A) Such television motion picture is “available” when the first of the following occurs:
  - (1) It 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 Employer 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.
- (C) The amount of the non-returnable sum is “ascertainable” if:
  - (1) the non-returnable sum is for one television motion picture, means of exhibition, and territory, or
  - (2) 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 Employer 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 Employer 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.

- (ii) 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 Employer does not provide the Guild with the information required by the BA 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 Employer receives it.

A non-returnable sum received by an Employer'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 Employer or license or distribution agreement, shall be considered as a non-returnable sum received by the Employer.

- (2) 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.

- (3) 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 BA 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 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 the Distributor's Foreign Gross.

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

#### **11-103      Method of Payment; Guild Access to Records**

All payments of additional compensation for reruns or foreign telecasts shall be made promptly by check, payable to the order of the Director entitled thereto, and shall be delivered to the Guild for forwarding to such Director, and compliance herewith shall constitute payment to Director. The Employer shall accompany such checks

with a statement of the title and production date of the film and the “run” or “runs” for which such payment is made. The Employer shall keep or have access (a) to complete records showing all cities in the United States and Canada in which all television motion pictures subject to this BA have been telecast and the number of telecasts in each such city, the television stations on which telecast, and the dates thereof; and (b) to records reflecting all pertinent gross sums collected from TV exhibition outside of the United States and Canada. The Guild shall have the right at all reasonable times to inspect such records and at its cost make copies of such records. If Employer fails to pay such additional compensation when due and payable, interest shall accrue at the rate of one percent (1%) per month from the date payment is due.

**11-104      Reports for Foreign Telecasting**

With respect to each television motion picture which is distributed for foreign telecasting, Employer shall furnish reports to the Guild showing Distributor's Foreign Gross derived from such motion picture until such picture has been withdrawn from distribution for foreign telecasting.

Such reports shall be rendered to the Guild on a quarterly basis during the first three (3) years in which any such picture is distributed for foreign telecasting, on a semi-annual basis for the next two (2) years and on an annual basis thereafter. Employer agrees to cooperate in responding to reasonable requests from the Guild as to whether any picture is currently being distributed for foreign telecasting.

**11-105      Television Motion Pictures and Contracts to Which Provisions Hereof Are Applicable**

The provisions hereof shall apply to all existing employment contracts in effect on July 1, 2017, as well as future contracts and employments for television motion pictures on which principal photography was commenced on or after July 1, 2017.

**11-106      Employer's Acquisition of Title**

If a signatory Employer is not the actual producer of a television motion picture which was produced by a Guild signatory, but acquires title thereto by purchase, assignment, transfer, voluntary or involuntary, or by foreclosure of a chattel mortgage or security agreement or at a pledgee's sale, such signatory Employer shall be obligated to make the payments herein provided which become due thereafter when such picture is rerun on television or released for foreign telecasting or for theatrical exhibition, by or for the account of such signatory Employer.

**11-107      [Deleted]**

**11-108      Basic Cable Exhibition**

- (a) Except as otherwise provided in Paragraph 11-101(h), upon release, on or after July 1, 2017, to basic cable of free television motion pictures, as to which free television residuals would otherwise be payable, Employer shall pay to the Director thereof the following percentage of the Employer's gross receipts obtained therefrom: With respect to free television motion pictures produced prior to July 1, 1984, said percentage shall be two and one-half percent (2.5%); with respect to free television motion pictures produced after July 1, 1984, said percentage shall be two percent (2%). For the purpose of this provision, the term "basic cable" means one or more basic cable systems which do not meet the definition of pay television as set forth in the BA and wherein the release on basic cable is a separate release and not part of a free television broadcast. The definition of Employer's gross is the same as it is in Article 18 with respect to pay television exhibition of a free television film.
- (b) Payments due and payable hereunder shall be sent to the Guild by check payable to the Director. Reports shall be furnished to the Guild in the manner required by subparagraphs (a), (c) and (d) of Paragraph 18-106.



**Section 11-200      ADDITIONAL COMPENSATION FOR THEATRICAL  
EXHIBITION**

**11-201**      Additional compensation shall immediately accrue and be payable to the Director of a television motion picture when such motion picture is used for theatrical exhibition as follows (excepting the “bridging” of television motion pictures for theatrical release, trailers, promos or second units, for which there will be no additional compensation):

(a)      If a television motion picture is exhibited theatrically outside of the United States and Canada, then upon the release of such television motion picture for theatrical exhibition, the Director shall be paid an amount equal to one hundred percent (100%) of the applicable theatrical minimum. If such television motion picture is released theatrically in the United States or Canada, the Director shall be paid one hundred fifty percent (150%) of such applicable theatrical minimum; provided, however, that the maximum payment under the provisions of this Paragraph 11-201 for theatrical release of a television motion picture shall be one hundred fifty percent (150%) of applicable theatrical minimum.

(b)      In lieu of the payment prescribed by the foregoing paragraph:

(1)      If one (1) or more episodes of a free television, pay television or basic cable series or one or more episodes of a High Budget SVOD series or mini-series (as defined in Sideletter No. 35 to the Basis Agreement), either alone or in combination with another episode of the same or different series, or a long-form television motion picture made for free television, pay television or basic cable (but not one that is a High Budget SVOD Program), is exhibited theatrically with an admission charge after its initial exhibition on television (or, initial availability on a subscription consumer pay platform in the case of a High Budget SVOD series or mini-series), the Employer shall pay to the Director an amount equal to three percent (3%) of the Employer's gross (as defined in Paragraph 18-103(b)) derived from licensing the theatrical

exhibition rights. "Employer's gross," for this purpose, shall include the fair market value of any in-kind consideration, provided that:

- (i) The theatrical exhibition shall take place at least twenty-four (24) hours after the episode's initial telecast (or, for a High Budget SVOD series or mini-series, at least twenty-four (24) hours after the episode has been made available for viewing on the streaming service) or at least thirty (30) days after the initial telecast of a long-form television motion picture;
  - (ii) The theatrical exhibition shall not exceed eight (8) days, which need not be consecutive, unless the initial theatrical exhibition takes place more than one year after the initial telecast or streaming availability, in which case there is no limit on the length of the theatrical exhibition;
  - (iii) The original Director, subject to his or her reasonable availability, shall supervise any additional editing at no additional salary, and be offered employment to shoot any additional footage that may be required at the *pro rata* daily rate applicable to the television or High Budget SVOD motion picture.
- (2) If one (1) or more episodes of a 30-minute or 60-minute free television, pay television or basic cable series or one or more episodes of a 20-35 minute or 36-65 minute High Budget SVOD series, either alone or in combination with another episode of the same or different series, is exhibited theatrically with an admission charge no more than thirty (30) days in advance of or simultaneous with its exhibition on television (or, in the case of an episode of a High Budget SVOD series, thirty (30) days in advance of or on the same date that it is made available for exhibition on a streaming service), the Employer shall pay to the

Director an amount equal to three percent (3%) of the Employer's gross (as defined in Paragraph 18-103(b)) derived from licensing the theatrical exhibition rights. "Employer's gross," for this purpose, shall include the fair market value of any in-kind consideration, provided that:

- (i) The theatrical exhibition shall not exceed six (6) days, which need not be consecutive;
  - (ii) The episode, including the pilot, is part of a series order of at least six (6) episodes;
  - (iii) When Employer has reached an agreement in principle for theatrical exhibition prior to the completion of the Director's Cut of the episode or pilot, the Director shall be entitled to two (2) consecutive days added to the Director's Cut period provided in Paragraph 7-505 to complete his or her Director's Cut of the episode and the theatrical version at no additional salary;
  - (iv) When Employer has reached an agreement in principle for theatrical exhibition after the completion of the Director's Cut, the original Director, subject to his or her reasonable availability, shall be entitled to three (3) additional days for editing for theatrical exhibition at no additional salary;
  - (v) The Director shall be offered employment to shoot any additional footage that may be required at the *pro rata* daily rate applicable to the episode(s) of the television series or High Budget SVOD motion picture.
- (3) Employer shall provide the Director and the Guild with notice of any theatrical exhibition covered under this subparagraph (b) as soon as possible after an agreement

in principle has been reached for the theatrical exhibition.

- (4) The provisions of subparagraphs (b)(1) and (2) apply to a double-length episode, a pilot of any length for which a series has been ordered and any “supersized” episode of a series.
- (5) In the case of dispute as to the manner of allocation of the payment between Directors, or as to which Director(s) will perform the editing services, the Guild will make the determination.
- (6) The provisions of Paragraph 11-202 are superseded by this subparagraph (b).
- (7) The theatrical use fee provided in subparagraph (a) of this Paragraph 11-201, less the amount of the percentage residual payment already paid, shall apply if the foregoing conditions are not met or if the television motion pictures or High Budget SVOD series or mini-series as theatrically exhibited are submitted for theatrical award consideration.
- (8) The provisions of this subparagraph (b) shall apply to the use after July 1, 2017 of any television episode, High Budget SVOD Program or long-form television motion picture for which a theatrical release payment is due, regardless of when produced.
- (9) Within ten (10) days of a request by the Guild, the Employer shall provide for inspection by DGA's designated employee or auditor, at Employer's premises, full access to all unredacted agreements related to the theatrical exhibition of the television motion picture. The information provided to the DGA will be treated as confidential pursuant to Basic Agreement Section 17-400.

- (10) The provisions of this subparagraph (b) shall expire on the termination date of the 2017 Basic Agreement and will be of no force and effect thereafter; however, this subparagraph (b) shall continue to apply to any license agreement entered into before July 1, 2020.
- (c) When a 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 Employer or the Employer's licensee in consideration of the use of the film, no payment shall be due hereunder.
- (d) The foregoing shall not apply to the incidental use of a television excerpt (as that term is generally used in the industry) in a theatrical exhibition. The following provisions shall apply to use of such a television excerpt:
- (1) For use of such an excerpt in a theatrical motion picture, the following payments will be made:
- (A) Excerpt less than thirty (30) seconds, \$499;
- (B) Excerpt thirty (30) seconds to two (2) minutes, \$998;
- (C) Excerpt over two (2) minutes, \$998 plus \$402 for each additional minute or fraction thereof.
- (2) The provisions of this Paragraph 11-201 relating to the use of excerpts apply to the use after July 1, 2017 of any excerpt from a television motion picture, whenever produced.
- (3) The actual production company which produces the program or motion picture containing the excerpt requiring payment is obligated to make the payment, provided the company is signatory to this BA. Employer shall otherwise remain liable for the payment due.

- (4) If two (2) or more Directors are entitled to share any payment, the Guild shall determine the allocation among the Directors.
- (5) If an excerpt is used in a local program and the program is broadcast in no more than one (1) market, the payment for such use shall be fifty percent (50%) of the amount provided in this Paragraph 11-201. If the program is broadcast later in another market, the Director shall be paid the remaining fifty percent (50%).

**11-202      Television Motion Picture Amplified or Combined**

- (a) If one (1) television motion picture is amplified or two (2) or more television films are combined into one (1) integrated motion picture and the same is released for theatrical exhibition, then, in that event, the additional payment due the Director or Directors shall be the sums referred to in Paragraph 11-201 above, ratably divided among them. When applicable, theatrical scale shall be computed based on the combined negative cost of all television segments contained in the compilation. In case of dispute as to the manner of allocation between Directors, the Guild will make the determination.

- (b) Except as otherwise provided in Paragraph 11-201(b) above:

If Employer desires to combine two (2) or more complete television programs or episodes to make a new or expanded motion picture, the original Director (subject to reasonable availability) shall supervise any additional editing or be offered employment to shoot any additional footage required. The Employer shall notify the Director or Directors involved of its intent to amplify or combine the motion pictures no later than five (5) days preceding the commencement of any required services herein. There shall be no compensation for up to one (1) week of editing supervision. Any additional editing supervision and any shooting of additional footage shall be compensated at a rate equal to the *pro rata* rate of the initial compensation paid to Director. If more than one (1) Director is involved and there is a dispute, the Guild will determine which

one among them will perform the above services. In any event, each Director represented by his or her work in the combination shall receive his or her respective residuals thereon, as determined by the Guild.

**11-203      Television Films to Which Additional Compensation Applicable**

Additional compensation, as provided herein, for such theatrical release shall apply only to those television films for which principal photography is commenced on or after July 1, 2017, except as otherwise provided in Paragraph 11-201.

**11-204      Time of Payment for Theatrical Release**

- (a) The amounts of additional compensation for theatrical exhibition of television motion pictures under Paragraph 11-201(a) shall be paid to the Director on the date the Employer releases the television motion pictures for theatrical exhibition unless payment was previously made in accordance with the provisions of Paragraph 4-110.

Subject to the provisions of Paragraph 4-110, Employer, at its option, may make any part or all of the total additional payments for theatrical exhibition provided in Paragraph 11-201(a) at the time of employment of the Director or prior to the time when the same is due.

- (b) Payment for theatrical exhibition of a television motion picture or High Budget SVOD Program under Paragraph 11-201(b) shall be paid to the Director within sixty (60) days after the date the television motion picture or High Budget SVOD Program was released for theatrical exhibition.

**11-205      Method of Payment and Records of Theatrical Releases**

All payments of additional compensation for theatrical release of television films shall be paid by the Employer by checks, payable to the order of the Directors entitled thereto, and mailed to the Guild at the address of the Guild first above written for forwarding to such

Director, and such delivery to the Guild shall constitute payment to the Director. The Employer shall accompany such checks with a statement of the title of the television films and the manner and name of its use in theatrical release.

The Employer shall keep or have access to complete records showing the release or sale of television films for theatrical use. The Guild shall have the right at all reasonable times to inspect all such records.

**11-206 [Deleted]**

**11-207 Excerpts From a Free Television Program**

The use of an excerpt from a free television film shall be deemed a run or foreign telecast of such television film hereunder, except in the following circumstances:

- (a) When used for promotional, trailer, news or review purposes; provided, however, that the length of such excerpt(s) shall not exceed five (5) minutes.

However, the maximum length of excerpts from a free television motion picture, other than a long-form television motion picture (*i.e.*, a television motion picture ninety (90) minutes or more in length), that can be used for promotional purposes without payment of excerpt fee(s) is five (5) minutes; the maximum length of excerpts from a long-form television motion picture that can be used for promotional purposes without payment of excerpt fee(s) is ten (10) minutes; and the Employer may use up to five (5) minutes of excerpts from a free television motion picture or series on any DVD release to advertise or promote the series without payment of excerpt fee(s).

The Guild will give good faith consideration to requests for promotional uses of excerpts which exceed this length limitation, without the payment of fees, provided the use is non-commercial and the Director receives appropriate credit.



For purposes of this subparagraph, a “promotional” use of an excerpt shall be for the purpose of advertising or publicizing the specific program or serial or series from which the excerpt is taken. As used in this subparagraph (a), the term “news” means regularly-scheduled news programs (but not magazine or documentary programs), and special news programs which are not pre-planned and are broadcast within twenty-four (24) hours after the event which gave rise to the program. It is understood that obituary programs are deemed to be “special news programs” even if pre-planned.

- (b) When used as a so-called “stock shot” (as customarily understood in the industry -- *i.e.*, shots excluding dialogue or identifiable characters).
- (c) When used for purposes of recapping the story to date in the context of a serial, multi-part program, episodic series, unit series or anthology; provided, however, that if such recap shall exceed ninety (90) seconds in length when used on a program less than sixty (60) minutes in total length, or exceed three (3) minutes in length when used on a program sixty (60) minutes or more in total length, Employer shall pay to the Director(s) of the program(s) from which the excerpts in the recap were taken an aggregate one-time-only sum equal to \$249.00 for each minute or portion thereof by which the recap exceeds such length limitation; and provided, further, that no such recap shall exceed (without being deemed a run or foreign telecast as set forth above) five (5) minutes.
- (d) When used as a flashback in the context of a serial, multi-part program, episodic series, unit series, one time show or anthology; provided, however, that if such flashback shall exceed thirty (30) seconds in length, Employer shall pay to the Director(s) of the program(s) from which the excerpts in the flashbacks were taken an aggregate, one-time-only sum equal to \$249.00 for each minute or portion thereof by which the flashback exceeds such length limitation; and provided, further, that no such flashback shall exceed (without being deemed a run or foreign telecast as set forth above) five (5) minutes.

- (e) For any use of excerpts which is not within the exceptions provided for in subparagraphs (a) - (d) above nor Paragraph 11-209 below, or if such excerpts are otherwise within subparagraphs (c) and (d) but the aggregate running time of such excerpts from a single program exceeds the maximum applicable footage lengths, the Employer shall pay for use on television of excerpts from a television program the following aggregate one-time-only sum to the Director or Directors determined by the Guild to be entitled to such compensation and prorated as determined by the Guild:
- (1) Ten (10) seconds or less of excerpts from such program -- \$402; or
  - (2) Over ten (10) seconds but not more than two (2) minutes of excerpts from such program -- \$1,201, or the applicable rerun fee, whichever is less; or
  - (3) Over two (2) minutes but not more than ten (10) minutes of excerpts from such program -- \$1,201 for the first two (2) minutes and \$200 for each minute or portion thereof in excess of two (2) minutes, or the applicable rerun fee, whichever is less; or
  - (4) Over ten (10) minutes of excerpts from such program -- the applicable rerun fee;

provided, however, not less than \$402 will be paid for the use of excerpts from a single program.

For the use of an excerpt in a documentary or magazine program, the excerpt fee is six percent (6%) less than the above rates.

- (f) If an excerpt from a free television film is used on pay television or videodiscs/videocassettes, as such terms are used in Article 20, or basic cable, such use shall be treated in the same manner as though the excerpt were used on free television.

- (g) The provisions of this Paragraph 11-207 apply to the use after July 1, 2017 of an excerpt from a free television program, whenever produced.
- (h) The actual production company which produces the program or motion picture containing the excerpt requiring payment is obligated to make the payment required under this Paragraph provided the company is signatory to this BA. Employer shall otherwise remain liable for the payment due.
- (i) If two (2) or more Directors are entitled to share any payment provided in this Paragraph, the Guild shall determine the allocation among the Directors.
- (j) If an excerpt is used in a local program and the program is broadcast in no more than one (1) market, the payment for such use shall be fifty percent (50%) of the amount provided in this Paragraph 11-207. If the program is broadcast later in another market, the Director shall be paid the remaining fifty percent (50%).
- (k) Notwithstanding the foregoing, no excerpt fee shall be payable to the Director of the program in which the excerpt is used if:
  - (1) the program is part of a series order of no fewer than thirteen (13) episodes and the Director has directed, or has a commitment to direct, ninety percent (90%) or more of the series order;
  - (2) the program is an episode of a show such as "*Letterman*" or "*Oprah*," and the Director has been continuously employed on the show for at least one (1) year before production of the episode; or
  - (3) the Director is either a credited Executive Producer or Producer of the program and the credited Director of the program from which the excerpt is derived.

**11-208      Films Exhibited Without Admission Charge**

If a television film is exhibited other than on free television or in a supplemental market, such exhibition shall be deemed a theatrical exhibition with the following additional provisos: If the Employer licenses or grants to any third party the right to place in theatrical exhibition a television film produced after July 1, 2017, which exhibition is to be before a viewing audience which pays no fee or admission charge to view the same, Employer will pay to Director an amount equal in the aggregate to five percent (5%) of the gross amounts received by Employer derived therefrom; provided, however, the sums paid to the Director hereunder shall in no event exceed the applicable amount otherwise payable to such Director under the applicable provisions of Section 11-200 had there been a fee or admission charge paid by the viewing audience. When Employer licenses or grants any such right to a subsidiary or other related entity, the gross amounts referred to in the preceding sentence shall be the amounts specifically paid to the Employer subject to there having been good faith bargaining between the Employer and such subsidiary or related entity. Employer shall account to the Director entitled to payments hereunder on no less than an annual basis, provided that no accounting need be made for any twelve (12) month period following the twelve (12) month period during which the Employer received no gross amounts with respect thereto. There shall be no duplication of the payments provided for in this provision and the payments provided for in any other provision of Section 11-200. That is, any payment made under this provision shall be credited against any payment which may become due the Director under all other provisions of Section 11-200. Conversely, if a theatrical release payment is made to the Director under the provisions of Section 11-200 other than under this provision, then no further sum shall be payable under this provision.

**11-209      Compilation Television Programs**

For “compilation television programs” -- *i.e.*, programs whose running time (excluding commercials and title sequences) is comprised of more than fifty percent (50%) excerpts -- Employer will pay, for each use, to the Director(s) of the excerpted material

contained in the compilation, prorated as determined by the Guild, an aggregate one-time-only sum equal to two hundred fifty percent (250%) of the applicable thirty (30) minute minimum for each thirty (30) minutes of overall program length of the television program in which such excerpts are used. Exhibition of excerpts in such compilation television programs shall not be deemed reruns or other use of the television films from which the excerpts are taken. Payment pursuant to this Paragraph 11-209 relating to compilations shall not reduce or affect other payments which may become due to the Directors for use of the television films from which such excerpts are taken.

**11-210      Lead-Ins**

- (a) An aggregate payment of \$109 (\$112 effective July 1, 2018) shall be made to the Director(s) who direct(s) and/or who directed material used in a lead-in when each program using such lead-in is initially exhibited. Such payment shall not be required for the first program in which the lead-in is used if the Director also directs that program unless the lead-in material originally was recorded for another program. The term “lead-in,” as used in this Paragraph 11-210, includes title sequences.
- (b) In the case of a multiple times per week program, the payment specified above shall constitute payment for the week.
- (c) If more than one Director is entitled to receive a share of the \$109 (\$112 effective July 1, 2018) payment, the Guild shall determine the allocation among such Directors.
- (d) Employer shall send lead-in payments to the Guild within thirty (30) days following the end of the television season during which the programs using the lead-in were initially exhibited. The payments must be accompanied by a statement indicating the length of each excerpt and the name of the Director of each excerpt used in the lead-in. The Guild shall forward such payments to the Director(s).

## **Section 11-300     GENERAL**

### **11-301     No Director May Waive Minimum Salaries or Minimum Additional Compensation for Reruns or Theatrical Use of TV Films**

Since all minimums have been established by collective bargaining, no Employee may, in any event, agree to basic salary below the minimums set forth herein, including, without limitation, basic compensation and additional compensation for reruns or foreign telecasts, nor may he or she by agreement postpone any compensation due to him or her to a period beyond the applicable time provided in this BA.

### **11-302     Payment for Combined or Extended Television Films**

This Paragraph 11-302 shall apply when a previously-broadcast television program, whenever produced, is extended beyond the time category in which it was originally broadcast (*e.g.*, one-half hour, one hour, etc.) with the addition of new photography or when two (2) or more television programs, whenever produced, are combined (with or without the addition of new photography). In any of the said cases, the aggregate payment for the extended or combined program shall be two hundred percent (200%) of the minimum compensation which would otherwise be applicable to a program of such length and type and, if more than one Director is involved, shall be allocated between them. If the Director of the extended or combined program also directed a pre-existing program(s) used in the extended or combined program, the initial compensation paid to such Director for such pre-existing program(s) shall be credited against the portion of such two hundred percent (200%) allocated to him or her.

Residual payments for the extended or combined program shall be two hundred percent (200%) of the minimum residual compensation applicable to the program. If more than one Director is involved, the said amount shall be allocated between them.

In the case of any controversy as to any allocation, the amount allocated to each Director shall be resolved on a reasonable basis by

the Guild, and each individual Director involved shall be bound thereby.

Unless new photography (other than bridging material which in the aggregate does not exceed five (5) minutes) is added, this Paragraph 11-302 shall not apply to the combining of segments of a multi-part closed-end series, to the combining of parts of a multi-part story in an episodic series or to the back-to-back exhibition of two or more episodes or segments of episodes of the same series. The foregoing exclusions shall apply even if photography is deleted. Also, this Paragraph 11-302 shall not apply to the use of excerpts nor to “compilation” programs.

**11-303      Excerpt From a Theatrical Motion Picture**

Complete scenes or portions of any scenes from a theatrical motion picture may not be shown on television for purposes of advertising or exploiting the theatrical motion picture without the consent of the Guild, except that this limitation does not apply to such scenes or portion of a scene, as the case may be, which does not exceed ten (10) minutes. The foregoing shall not be deemed to prohibit the use of trailers advertising or exploiting the exhibition of the picture on television.

Notwithstanding the foregoing, in the event (a) Employer uses any excerpts from a theatrical picture in any television film (other than a magazine or documentary program), including television films which consist substantially of excerpts of theatrical motion pictures, or (b) in the event Employer uses any excerpts from a theatrical motion picture, the principal photography of which commenced on or after July 1, 1984, in another theatrical motion picture, the Employer shall pay the following aggregate one-time-only sum to the Directors determined by and in the amounts prorated and determined by the Guild: (1) thirty (30) seconds or less of excerpts - \$274 (\$282 effective July 1, 2018); (2) over thirty (30) seconds but not over two (2) minutes of excerpts - \$782 (\$805 effective July 1, 2018); (3) over two (2) minutes of excerpts - \$782 (\$805 effective July 1, 2018) for the first two (2) minutes and \$197 (\$203 effective July 1, 2018) for each minute or portion thereof in excess of two (2) minutes. In the

event Employer uses any excerpts from a theatrical motion picture in any magazine or documentary program, including magazine or documentary programs which consist substantially of excerpts of theatrical motion pictures, the Employer shall pay the following aggregate one-time-only sum to the Directors determined by and in the amounts prorated and determined by the Guild: (1) thirty (30) seconds or less of excerpts - \$258 (\$266 effective July 1, 2018); (2) over thirty (30) seconds but not over two (2) minutes of excerpts - \$739 (\$761 effective July 1, 2018); (3) over two (2) minutes of excerpts - \$739 (\$761 effective July 1, 2018) for the first two (2) minutes and \$184 (\$190 effective July 1, 2018) for each minute or portion thereof in excess of two (2) minutes.

The word "excerpts," as used herein, shall not be deemed to apply to excerpts which are used with the consent of the Guild as above stated or to the televising or exhibition of trailers or advertising of a motion picture by shots or scenes substantially in the nature of a trailer or to the use of stock shots or to the televising or exhibition of excerpts for news or review purposes.

The provisions of this Paragraph 11-303 apply to the television use, after July 1, 2017, of an excerpt from any theatrical motion picture, the principal photography of which commenced on or after May 1, 1960.

The actual production company which produces the program or motion picture containing the excerpt requiring payment is obligated to make the payment required under this Paragraph, provided the company is signatory to this BA. Employer shall otherwise remain liable for the payment due.

If two or more Directors are entitled to share any payment provided in this Paragraph, the Guild shall determine the allocation among the Directors.

If an excerpt is used in a local program and the program is broadcast in no more than one market, the payment for such use shall be fifty percent (50%) of the amount provided in this Paragraph 11-303. If



the program is broadcast later in another market, the Director shall be paid the remaining fifty percent (50%).

A one-time only fee in the amount of \$2,704 (\$2,785 effective July 1, 2018) is payable to the Director for the use in interactive programs, such as video games, of excerpts from a theatrical motion picture produced under this Agreement. The foregoing shall not apply when all or substantially all of the motion picture is used in the interactive program.

It is agreed that the \$2,704 (\$2,785 effective July 1, 2018) payment required above for use of excerpts in interactive programs does not cover payments, if any are due, for the use of excerpts on DVDs which are included with games such as "Scene-It." The parties agree that the negotiation of this new payment was not intended to affect the parties' rights and obligations with respect to uses of excerpts in other types of games and each party hereto expressly reserves its position with respect to whether payment is otherwise due for such uses under the provisions of Paragraph 11-303.

**11-304      Special Work for Theatrical Release or Reruns**

Salary which Employer may pay to any Director for combining or integrating existing footage, or shooting additional scenes for or re-editing television films for theatrical release, or for television reruns, shall not be a credit against the amount due for reruns or theatrical release to the Director or Directors who made the television films before adaptation. Employer may employ a Director for such purpose on a daily basis at his or her applicable daily rate as herein provided.

**11-305      Reruns and Payments for Theatrical Release of Television Films are Separate Additions to Minimum Salaries**

It is understood that the additional compensation for reruns and foreign exhibition of television films and the additional compensation for theatrical exhibition of television films constitute an addition to the salaries provided for television films.