

ARTICLE 17

Miscellaneous Provisions

Section 17-100 COOPERATION BETWEEN EMPLOYER AND GUILD

17-101 No Strike, No Lockout Provisions

- (a) The Guild agrees that during the term hereof it will not call or engage in or assist any strike, slow-down or stoppage of work affecting motion picture production against the Employer and, in return, the Employer agrees during the term hereof not to lock out Employees covered by the BA. The Guild agrees that it will use its best efforts in good faith to require its members to perform their services for the Employer, even though other persons or groups of persons may be on strike. The Guild and the Employer mutually agree that during the term of this BA they will endeavor to promote good will, mutual understanding and real cooperation between the Guild and the Employer.
- (b) Notwithstanding the foregoing provision, it shall constitute a material violation of the BA for the Employer to attempt to impose discipline as the result of the refusal of any Employee to cross any primary picket line duly authorized by the Guild. Nothing in this subparagraph (b) shall prevent Employer from replacing any Employee who fails to cross the Guild primary picket line.
- (c) In the event any Employee who is also a member of a collective bargaining organization or union other than the Guild ("union") is requested in writing by Employer to cross a picket line of such union, and the Employee crosses such picket line at the request of the Employer to perform services hereunder, then the Employer shall be deemed to have indemnified and held harmless such Employee from any monetary loss, such as, without limitation, fines or claims arising out of the defense of any disciplinary or court action by the union or its members suffered by such Employee as a result thereof including, but

not limited to, attorneys' fees and arbitration and court costs. It shall constitute a material violation of this BA for the Employer to attempt to impose discipline because of the Employee's refusal to cross such picket line of such other union absent the specific written request (and indemnity) of Employer.

17-102 Waiver of Liability Re Strike

Upon condition that the member shall promptly, and upon the Employer's demand, comply with the applicable provisions of Paragraph 17-104, and perform as therein provided, such member shall incur no damage liability to the Employer for his or her breach of his or her employment contract resulting from his or her refusal to perform services during such strike pursuant to such strike call.

17-103 Suspension of Services During Strike

If, after the expiration or other termination of the term of this BA, the Guild shall call a strike against any Employer, then the services of persons subject to this BA (herein for convenience referred to as "members") under all then-existing employment contracts with such Employer shall be deemed automatically suspended while such strike is in effect, and at the Employer's option (exercisable promptly after the termination of such strike) with respect to any such member who shall have been assigned or scheduled by the Employer to a picture, the production or commencement of production of which was interrupted or delayed by such a strike, for such additional period, but not exceeding eight (8) weeks, for a theatrical motion picture budgeted over \$200,000; six (6) weeks for a theatrical motion picture budgeted at \$200,000 or less, or a television film 61 minutes in length; four (4) weeks for a television film 31-60 minutes in length; two (2) weeks for a television film 30 minutes or less in length, as may be required by the Employer for the resumption or commencement of the production of such picture. Any such automatic suspension may be continued for a further period by agreement between the Guild and the Employer. For all purposes of any such employment contract, each member shall be deemed to have refused to render services thereunder during the period of such strike and during any further period of such automatic suspension; and no

compensation shall accrue or be payable to such member during any such period.

17-104 Employer's Options re Strike

In the event of any such strike, the Employer shall have and may exercise as herein provided all or any one or more of the following further rights and options, and the member shall perform as herein provided:

- (a) As to any motion picture which is in production at the time any such strike is commenced, if the member has a contract to render services in connection with such motion picture, or if he or she is under a contract which permits him or her to be assigned to render services in connection with such motion picture and has been so assigned, he or she will, after the termination of such automatic suspension, and upon the Employer's request, report to the Employer and perform his or her services in connection with such motion picture at the same salary and upon the same terms and conditions as were agreed upon prior to the commencement of said strike, as modified, supplemented or extended by or pursuant to the provisions of Paragraphs 17-103, 17-104 and 17-105.
- (b) At any time during such strike and/or during any further period of such automatic suspension, and/or within thirty (30) days (or within fifteen (15) days in the case of a commitment for one television film only) after the termination thereof, the Employer, by written notice to a member, may extend the term of such member's employment contract, and/or extend the respective period of employment term under such employment contract which was current at the commencement of such strike, and/or postpone the commencement of any subsequent employment period under such employment contract and/or postpone all or any relevant starting days, option exercise dates and/or other dates under such member's employment contract, and/or extend the time within which any date or option is required under such member's employment contract to be designated or exercised by the Employer, and/or terminate the employment of such member under his or her employment

contract (and the Employer's obligations thereunder) as to all or any part of such member's services therein provided and which have not theretofore been performed. Any such extension and/or postponement shall, at the Employer's option, be for a period of time equivalent to all or any part of the period of such strike and/or of such automatic suspension. At the request of the Employer, each such member shall promptly execute an agreement in writing with the Employer covering and confirming all extensions and/or postponements (and/or termination) by the Employer pursuant to the provisions of this subparagraph (b) with respect to such member's employment contract, but it is agreed that the same shall be effective whether or not such agreement be executed.

- (c) After the termination of such strike or of such automatic suspension, each such member requested so to do by the Employer will promptly execute a new employment contract in writing with the Employer on the same terms and conditions, and at the same salary as provided in the employment contract which was in effect at the time the strike commenced, except that such new employment contract shall be for a period or periods, including options, equivalent to the unexpired term of the employment contract which was in effect when such strike was commenced; provided, however, that any such new employment contract shall give effect to and incorporate such of the extensions, postponements and/or other changes referred to in (b) above as the Employer may require.

17-105 Exercise of Rights

All or any of the rights or options of the Employer in subparagraphs 17-104(a), (b) and/or (c) (if not theretofore exercised by the Employer), may be exercised by the Employer within a reasonable time after the end of the strike or of the automatic suspension hereinabove provided for. Each and all of the provisions of Paragraphs 17-103 and 17-104 (including but not limited to, the provisions of subparagraphs 17-104(a), (b) and (c)), and the Employer's rights thereunder, shall be construed as cumulative, and no one of them as exclusive of any other.

17-106 Statute of Limitations

The statute of limitations as a defense to any action by the Employer against the member for his or her failure or refusal to render services during such strike is extended by a period equivalent to the duration of such strike plus any further period of the automatic suspension hereinabove provided for. If the member asserts any claim or defense by reason of the expiration of time during which he can be required to perform services by virtue of any statute (such as the 7-year statute), which claim or defense is based in whole or in part on the lapse of time during such strike or such automatic suspension, such waiver of liability by the Employer is ineffective thereupon, and the statute of limitations as to the Employer's rights is waived by the member automatically.

17-107 Right to Sue

The automatic suspension provisions of Paragraph 17-103 shall not affect the Employer's rights to sue and recover judgment against any member for a breach of contract resulting from his or her failure or refusal to render services to the Employer during such strike, or during the period of such automatic suspension, or the Employer's right to exercise any other right or remedy with respect to any such failure or refusal, unless such member shall have complied with his or her obligations under the provisions of Paragraph 17-104. Except as herein otherwise expressly provided, nothing herein contained shall be construed to change, affect, limit or suspend any of the provisions of any such employment contract or deprive the Employer of any rights or remedies of the Employer thereunder or at law or in equity.

17-108 Incorporated in Employment Contract

The provisions of Paragraphs 17-102 through 17-109 shall be deemed included in all employment contracts between any members and Employer which are now in effect and in all such employment contracts which shall be entered into during the effective term of this BA, and each member shall be deemed to have agreed to, and be bound by, each and all of such provisions; and any failure or refusal of any member to perform his or her obligations under and with

respect to any such provisions shall constitute a breach by such member of his or her employment contract.

17-109 Guild's Obligation

The Guild agrees that it will take such affirmative action as may be necessary and lawful in order to require its members to perform and comply with the provisions of Paragraphs 17-102 through 17-109 and their respective obligations hereunder and in connection therewith.

17-110 [Deleted]

17-111 Guild By-Laws to Comply with this BA

The Guild will take proper steps to provide that its By-Laws carry this BA into effect, and during the term of this BA it will not adopt any amendments to its Articles or By-Laws or adopt any rules or orders which will be in conflict with this BA.

17-112 Employer to Effectuate this BA

The Employer will take proper steps to carry this BA into effect and during the term of this BA it will not maintain or adopt any rules, orders, Articles or By-Laws which will be in conflict with this BA.

17-113 Members of Guild to Comply with this BA

The Guild will cause its By-Laws to provide that each of its members shall be bound by the provisions of this BA.

17-114 Any Member of the Guild May Obtain Better Terms

Nothing in this BA shall prevent any person from negotiating with, and obtaining from, the Employer better conditions and/or terms of employment than those provided for in this BA. The terms herein provided are minimum, and not maximum. The Guild will not, by the adoption of By-Laws or otherwise, seek to prevent the inclusion in contracts of employment with Employers of any terms or conditions not violative of this BA.

17-115 No Waiver of Minimum Terms

No waiver of the minimum terms herein provided (unless specifically authorized by the provisions of this BA) may be granted except by the Guild.

17-116 Guild Will Issue Waivers and Act Promptly Thereon

- (a) Whenever any Employer is entitled hereunder to a waiver from the Guild, the Guild agrees to issue the same without cost or conditions and to act promptly upon the request for such waiver, and in the event that the Guild fails so to do, the Employer may proceed as though a waiver had been given.
- (b) The Guild agrees to waive the preparation time guaranteed hereunder in case of emergency, it being understood that the necessity of change, substitution or partial substitution of the Director, or the Assistant Director, as the case may be, when the Employer is incurring substantial expense for the salary of cast actually assigned to the picture involved, or when photography has started or when such substantial expense will be incurred within the period prescribed for preparation time, shall be deemed an emergency and the Director or the Assistant Director, as the case may be, must in such case waive preparation time. In such event, the Guild shall be notified as soon as practicable. Under any other circumstances, the Director or the Assistant Director, as the case may be, may waive preparation time only after the Guild has in writing consented to such waiver.

17-117 Contracts to Comply with this BA -- No Deferment of Minimums

No Employee or Employer shall enter into a contract of employment which contravenes any of the provisions of this BA. Without limiting the generality of the foregoing, there shall be no deferment of any part of the minimum salaries or working conditions established in this BA, but any amount in excess of the minimum salary or working conditions may be deferred.

17-118 Hold Harmless

The Employer shall save the Employee harmless from liability and necessary costs, including by providing the Employee a legal defense or, at the Employer's discretion, by the payment of reasonable attorneys' fees, resulting from any claim of injury to or loss or damage suffered by any person including any member of the cast, or crew or any bystander, occurring in the performance of his or her duties, within the scope of his or her employment, during the production of a motion picture he or she directs or assists in directing or in connection with which he or she renders services to the Employer as a UPM or Associate Director, as the case may be, provided, however, and subject to the conditions that:

- (a) this Paragraph 17-118 shall not apply in any instance in which such injury, loss or damage is the result of or caused by, in whole or in part, the gross negligence or willful misconduct of such Employee;
- (b) immediately upon such Employee, or his or her representative, being informed of any claim or litigation, he or she shall notify the Employer thereof and deliver to the Employer every demand, notice, summons, complaint or other process received by him or her or his or her representative; and
- (c) the Employee shall cooperate fully in the defense of the claim or action, including the attending of hearings and trials, securing and giving evidence, and obtaining the attendance of witnesses.
- (d) Employer agrees that it will arrange to have each Employee who renders services to Employer under the BA named or covered as an insured or an additional insured under its Errors and Omissions (Producer's Liability) Insurance.
- (e) The Employer shall obtain and keep in force during the term of employment of any Employee insurance coverage insuring the Employee against any liability arising out of the performance by the Employee in the course and scope of his/her employment under this BA under the direction and control of

the Employer. Such insurance shall be in the amount of not less than \$2,000,000 for injury to or death of one person in any one accident or occurrence and in an amount not less than \$4,000,000 for injury to or death of more than one person in any one accident or occurrence. Such insurance shall further insure the Employee against liability for property damage of at least \$500,000. The foregoing insurance coverage may be satisfied by a combination of primary and excess insurance policies. Upon request of the Employee or the Guild, Employer shall provide evidence of such insurance coverage.

17-119 Proof of Performance

Nothing herein contained shall prevent the Guild from, at any time, requiring from the Employer a reasonable proof of ability to perform, the depositing of reasonable sums with the Guild, or the posting of a bond if the Guild deems this advisable. This may be required before a member's services commence, or during the performance of such services.

In addition, except as may otherwise be agreed in writing by the Guild and the AMPTP, the Guild, prior to commencement of principal photography of a motion picture on which one (1) or more Employees covered by the Basic Agreement are employed, may require that the Employer provide the Guild with a security interest in the motion picture and those rights necessary for the distribution of said picture for the purpose of securing Residuals, as that term is used in Article 22 of this Agreement, which are or may become due with respect to said motion picture. Before foreclosing on any security interest, the Guild shall notify the Employer and Distributor of the default and advise the Employer of its right to cure same within thirty (30) days.

17-120 UPMs' and Assistant Directors' Residuals

If Employer enters into any collective bargaining agreement with any union or guild other than Directors, Actors, Writers, Producers or Musicians which provides for additional compensation for reruns on free television, or if Employer enters into any collective bargaining agreement with any union or guild other than Directors, Actors,

Writers, Producers, Composers and Lyricists, or Musicians which provides for additional compensation to individuals for theatrical exhibition of television motion pictures, then in such event, such provisions, at the written option of the Guild, may be made applicable to UPMs and Assistant Directors on a commensurate basis to be determined by the parties.

17-121 Delay in Payment or Default

An Employee shall be paid his or her salary on Thursday for services rendered in the preceding week.

If Employer fails to pay initial compensation when due under the BA, interest at the rate of ten percent (10%) per annum shall accrue for a thirty (30) day period after payment is due. Thereafter, if the Guild provides written notice of delinquency and Employer fails to remit payment, interest at the rate of eighteen percent (18%) per annum shall accrue until payment is made. If written notice is not given, no further late payment charges shall accrue.

If the Employer has failed to make such payment because the executed contract was not delivered by the Employee to the Employer, or because of a *bona fide* dispute as to the amount due, then no such interest is due. If the contract is not so delivered by the Employee because of a dispute as to the terms of the contract and the Employer shall be held to be wrong, or if the *bona fide* dispute is resolved in favor of the Employee, the foregoing interest payments shall be applicable.

17-122 Guild Access to Premises

During hours when an Employee is working, Employer shall admit officially designated representatives of the Guild to its pre-production, production and post-production facilities for the purpose of transacting any business relative to this BA or the personal service agreement or deal memo of any Employee. If Employer has a practice of issuing passes, Employer shall, upon receipt of written designation by the Guild, issue the appropriate passes to authorized Guild staff representatives.

17-123 Morals Clause

Employer agrees that it shall not include or enforce any so-called “Morals Clause,” as the term is commonly understood in the motion picture and television industries, in any contract of employment or deal memo for the services of an Employee.

17-124 Delegation of Authority

Employer agrees that it will not delegate to any licensee the right to approve the choice or dismissal of Employees engaged in connection with television programs two (2) hours or less in length other than pilots.

17-125 Waiver of New York City Earned Sick Time Act and Similar Laws

The DGA expressly waives, to the full extent permitted by law, the application of the following to all Employees employed under this Agreement: the New York City Earned Sick Time Act of 2013; Section 1-24-045 of the Municipal Code of Chicago; the Cook County Earned Sick Leave Ordinance (Ordinance No. 16-4229); the San Francisco Paid Sick Leave Ordinance (San Francisco Administrative Code Section 12W); the Paid Sick Leave Ordinance of Berkeley, California (Municipal Code Chapter 13.100); all requirements pertaining to “paid sick leave” in Chapter 37 of Title 5 of the Municipal Code of Emeryville, California (including, but not limited to, Chapter 37.0.1.e), 37.03, 37.07.a)1)B.ii. and 37.07.f)); the Oakland Sick Leave Law (Municipal Code Section 5.92.030.); Chapter 4.62.025 of the Santa Monica Municipal Code (enacted by Ordinance No. 2509); the Seattle Paid Sick and Safe Time Ordinance (Ordinance No. 123698); Chapter 18.10 of Title 18 of the Municipal Code of the City of Tacoma, Washington (enacted by Ordinance No. 28275); Article 8.1 of Title 23, Chapter 2 of the Arizona Revised Statutes; Chapter 160 of the Ordinances of the Township of Bloomfield, New Jersey (enacted by Ordinance No. 15-10); the Paid Sick Time for Private Employees Ordinance of East Orange, New Jersey (Ordinance No. 21-2014; East Orange Code Chapter 140, Section 1 *et seq.*); the Paid Sick Time Law of Jersey City, New Jersey

(Chapter 4 of the Jersey City Municipal Code); Chapter 8.56 of the Revised General Ordinances of the City of New Brunswick, New Jersey; Chapter 8, Article 5 of the Municipal Code of the City of Plainfield, New Jersey; the Sick Leave for Private Employees Ordinances of Elizabeth, New Jersey (Ordinance No. 4617); Irvington, New Jersey (Ordinance No. MC-3513); Montclair, New Jersey; Morristown, New Jersey (Ordinance No. O-35-2016); Newark, New Jersey (City Ordinance 13-2010); Passaic, New Jersey (Ordinance No. 1998-14); Paterson, New Jersey (Paterson Code Chapter 412) and Trenton, New Jersey (Ordinance No. 14-45); and any other ordinance, statute or law requiring paid sick leave that is hereafter enacted. It is understood that the DGA and the AMPTP shall memorialize any such waiver for any newly-enacted law by letter agreement.

Section 17-200 SCOPE AND INTENT OF THIS BA

17-201 Geographical Application of this BA

The provisions of this BA shall apply to work on motion pictures based in the United States and performed in the United States (including its territories and dependencies) and Canada; provided, however, that the provisions of this BA shall also apply to work performed by any Employee employed by the Employer in the United States, to direct, or to be a UPM or an Assistant Director or Associate Director on a motion picture based outside the United States (including its territories and dependencies). If the Director is so employed in the United States, as defined, for photographing of principal photography on a motion picture produced by Employer, then a First Assistant Director shall also be sent. However, no such First Assistant Director need be sent to any foreign production where an applicable foreign labor restriction, quota or law prohibits such an assignment or when such assignment would result in a loss of a foreign production subsidy. The Employer shall give the Guild prompt written notice when a First Assistant Director cannot be taken due to any of the foregoing conditions.

Notwithstanding the foregoing, if the Employee whose services are utilized is a permanent resident of the United States but is temporarily resident abroad and the negotiations are carried out in the United

States by the Employee's attorney, agent or other representative (including the Guild) in the United States, such agreement for the services of the Employee shall be within the scope and coverage of this BA. The foregoing test of coverage shall be met as long as the representative, agent or attorney of the Director is in the United States when the agreement is negotiated even if it is negotiated by telephone with, or mailed or cabled to a representative of the Employer who is not within the United States during all or any part of said negotiation. Any Employee who is transported from the United States for purposes of employment outside the United States is also covered by this BA.

17-202 BA to be Interpreted in Accordance with Law

In the event that any of the terms or conditions of this BA shall be contrary to law or unenforceable by reason of any law or governmental decision, ruling or regulation, performance thereof may not be enforced hereunder, and such terms or conditions shall be deemed to be severable, and the illegality or unenforceability thereof shall not in any manner affect or impair any other terms or conditions of this BA.

17-203 BA Binding on Whom

- (a) This BA, consistent with and subject to the provisions of Paragraph 17-201 above, shall be binding upon the Employer signatory hereto and upon its subsidiaries engaged in the production of theatrical motion pictures and television motion pictures produced anywhere in the world, in which subsidiaries Employer has a fifty percent (50%) or more financial interest, and upon all parties who by reason of mergers, consolidations, reorganizations, sale, assignment or the like shall succeed to or become entitled to a substantial part of the business of the Employer. However, if with respect to a motion picture produced by an independent producer (whether or not such producer is a signatory to the BA) under a contract with Employer for the financing, production and distribution of such motion picture, Employer fails to give the Guild notice within ten (10) days, excluding Saturdays, Sundays or holidays, after the opening of the production account for such motion picture

that such motion picture is not to be covered by this BA, then and in such event, Employer shall be obligated hereunder with respect thereto.

- (b) With respect to any “loan-out” of a Director by Employer or any borrowing of a Director by Employer from a domestic company which is not a signatory to this BA, the Employer shall, promptly after entering into a commitment agreement for such borrowing or loaning of such Director's services, give the Guild written notice of such arrangement and the name of the lending or borrowing company, as the case may be.

Borrowing an Employee's services through a loan-out company will not in any manner deprive the Employee of any benefits of this BA to which the Employee would have been entitled had he or she been employed directly by the Employer; provided that the Employer (as distinguished from the loan-out company) shall be responsible for such benefits only to the extent that they are within the control of the Employer. Such benefits to which the Employee is entitled from the Employer shall include but not be limited to credits, compensation for television licensing of theatrical motion pictures, residuals with respect to television motion pictures, completion of assignment pay, unworked holiday pay, vacation pay and aircraft flight or underwater work allowances.

- (c) When formal negotiations, following a commitment for employment, are conducted in the United States under the auspices of Employer for the employment of an Employee by a non-signatory producer, then Employer shall notify the Guild of such negotiations as soon as such negotiations come to the knowledge of the Employer's studio Executive Producer in Hollywood.
- (d) The Employer agrees not to do indirectly that which it cannot do directly hereunder. For example, the Employer signator will be bound hereunder in connection with a motion picture produced abroad by a non-signator when the Director is employed in the United States by the non-signator and the Employer signator has a fifty percent (50%) or more financial

interest in such motion picture. This provision shall apply regardless of whether the production financing is direct, or in advance of commencement of production of the motion picture by way of either a guarantee or by way of a negative pick-up.

- (e) There can be no loan-out of a Guild member to a non-signator company unless the lending signator remains responsible for the borrowing company's compliance with all the terms of the BA including the required staffing of Guild Assistant Directors.

With respect to compensation, and other payments which may be due under this BA, the Employer shall pay the loan-out company or the Employee at least minimum, but is not responsible for payment by the loan-out company to the Employee.

With respect to grievance and arbitration, claims by the loan-out company against the Employer for unpaid compensation for services under the loan-out agreement shall be subject to grievance and arbitration to the same extent as though the transaction had been an employment contract.

The term "loan-out company," for the purpose of this BA, means a company which is controlled by the Employee.

In the event the Employer borrows an Employee whose employment (had he or she been employed directly by the Employer) would have been covered by this BA, whether from a domestic or foreign company, the Employer shall, within ten (10) days after the deal is agreed upon covering the loan-out transaction, give written notice to the Guild thereof including the name of the lending company.

- (f) However, the above provisions shall not be effective to the extent that they are limited or prohibited by any applicable foreign labor restriction, quotas or laws, and no provision herein shall apply if it would result in the loss of a foreign production subsidy.

- (g) This provision shall not apply to foreign films which are designed primarily for release in foreign countries.

17-204 Subcontracting

Employer agrees that it will not directly or indirectly avoid its obligations hereunder by subcontracting work to third parties which would be performed by Employees if done directly for Employer. This provision shall not be construed in any way as constituting an unlawful prohibition on the right of Employer to contract. To the extent of any inconsistency between the terms hereof and any applicable law, the terms of such law shall control.

17-205 Change of Name by Employer

If the signatory Employer changes its name or conducts its business by an entity other than that by which this BA has been executed, written notice thereof shall be promptly given to the Guild.

17-206 This BA Never to Be Interpreted as a “Closed Shop” Agreement

It is understood that the provisions of Article 1 shall never, under any circumstances, be so construed during the term of this BA as to constitute or permit what is known as a “Closed Shop,” or construed in any manner that will at any time deprive the Employer of its right to employ or continue the employment of an Employee who is not a member of the Guild in good standing, or who does not become a member of the Guild in good standing within the period prescribed in Section 1-400, if the Employer has reasonable grounds for believing that such membership was not available to such Employee on the same terms and conditions generally applicable to other like members of the Guild, or if the Employer has reasonable grounds for believing that membership in the Guild was denied, deferred, suspended or terminated for reasons other than the failure of such person to tender the applicable periodic dues and the initiation fees uniformly required as a condition for acquiring or retaining membership in the Guild.

17-207 Intent to Prevent Breach of Individual Contracts

It is agreed that it is the intent of the Employer and of the Guild that nothing in this BA shall be construed so as to give the Employer or any individual Employee the right to terminate or the right to refuse to perform pursuant to any individual contract, or the right to claim a breach of any individual contract of employment by reason of any breach of any provision of this BA.

It is also the intent of this BA that failure to pay dues or other breach by a Guild member of his or her obligations to the Guild shall not give such member any defense to the Employer's right to enforce the terms of any contract of employment existing with such Guild member, provided this shall not affect the Guild's rights under Paragraph 1-505.

17-208 Working Conditions Used in Interpretation

It is understood that the actual working conditions of Employer are to be considered in any interpretation of this BA, and that it is an element of good faith of and a part of the consideration of this BA that Employer will not make a general rearrangement of duties or change classification of employment for the purpose of defeating the purpose and intent of this BA.

17-209 Guild's Right to Discipline Members

Subject to the limitations hereinabove in Paragraph 1-504 set forth, nothing shall be so construed as to prohibit the Guild from disciplining its members under rules and regulations to be established by it, but the imposition by the Guild of such discipline shall not deprive the Employer of any rights under this BA, or under any personal service contract between the Employer and an Employee, the terms of which do not contravene any of the provisions of this BA.

17-210 Guild's Right to Accept Members Under its By-Laws

Nothing in this BA shall be interpreted or construed to prevent the Guild from granting membership in the Guild to any person who qualifies for membership under the By-Laws of the Guild.

17-211 Assumed Obligations

Employer shall not be responsible for breach by a third party of obligations assumed by such third parties under provisions hereof except as otherwise herein provided.

17-212 Exclusions

Cartoons and newsreels are not to be included in this BA. This BA shall also not be applicable to films made by Employer for its own or industry, non-commercial promotional uses; provided, however, that no such film referred to in this sentence may be exhibited on television or exhibited anywhere for payment.

17-213 Notices, How Given

Whenever Employer is to be notified, it will be deemed sufficient for the notice to be sent to Employer at its current address, or if such address is not known, in care of the Alliance of Motion Picture and Television Producers, Inc., 15301 Ventura Boulevard, Building E, Sherman Oaks, California 91403-5885. Notice to the Guild or any member thereof will be deemed sufficient if sent to the Directors Guild of America, Inc., 7920 Sunset Boulevard, Los Angeles, California 90046.

17-214 Application

Subject to the provisions of Articles 1 and 20 of this BA, the terms and conditions of this BA apply to theatrical and free television motion pictures except that when an Article, Section, Paragraph or particular provision indicates that it specifically applies either for "theatrical motion pictures," on the one hand, or for "television motion pictures," on the other hand, then such Article, Section,

Paragraph or provision which specifies theatrical motion pictures shall apply only to “theatrical motion pictures,” or which specifies television motion pictures shall apply only to “free television motion pictures.”

17-215 Motion Picture and Television Relief Fund

Upon the written authorization of the Employee, the Employer will deduct from such Employee's salary and pay to the Motion Picture and Television Relief Fund the authorized contribution.

Section 17-300 EXPLANATION OF TERMS USED

17-301 All Terms are Used in the Ordinary Accepted Sense in the Industry

- (a) “Shorts,” for the purpose of this BA, are defined as any picture which when released is twenty-seven hundred (2,700) lineal feet or less in length on 35mm film, or one thousand eighty (1,080) lineal feet or less in length on 16mm film, other than pictures known as newsreels, travelogues or news and sports commentations, if such pictures are originally made and originally distributed as such.
- (b) For the purpose of this BA, members of the Guild in good standing are defined as persons who have tendered the initiation fee and periodic dues uniformly required of all members.
- (c) The word “Year,” unless the context clearly indicates otherwise, shall be construed to be a twelve (12) month period commencing with July 1, 2017, and each succeeding twelve (12) month period thereafter.
- (d) “Distant Location” for an Employee is defined as a location on which such Employee is required by Employer to remain away from home and be lodged overnight. All days on which there is travel to or from the distant location shall be deemed distant location days.

- (e) “Studio” employment shall be deemed to be employment in the studio or on locations other than distant locations.

17-302 Significance of Titles and Sub-Titles

The headings of Articles, Sections and other subdivisions hereof are inserted only for the purpose of convenient reference, and it is recognized that they may not adequately or completely describe the contents of the provisions that they head. Such headings shall not be deemed to govern, enlarge, limit, modify or in any other manner affect the scope, meaning or intent of the provisions of this BA or any part or portion thereof, nor shall they otherwise be given any legal effect, except as provided in Paragraph 17-214.

17-303 Terms Used

Unless the context dictates otherwise, terms used herein in the singular include the plural, and the plural includes the singular. Terms which are masculine or feminine are intended to reflect and mean all persons.

Section 17-400 RESIDUALS AUDITS

With regard to audits conducted by the Guild, sometimes in conjunction with other labor organizations, the Employer shall provide access to its books and records which pertain to its obligation under the BA to pay residuals. Such documents shall be made available for the audit at the Employer's business offices or other place or places where such records are customarily kept.

In connection with such an audit, the Employer shall be deemed to have asserted that license agreements or other business records contain highly sensitive, competitive, confidential and proprietary information. Without the Guild conceding that such assertions are necessarily appropriate in all instances, the Guild and the Companies agree as follows:

Prior to the date of audit entry, the Guild will designate its employees, officers, directors or agents (hereinafter “representatives”) to act as liaisons with the auditors and provide the representatives' names and positions to the Employer.

The Guild's representatives will be persons with a “need-to-know” audit-related information.

The Guild also will agree on its own behalf, and will obtain from its auditors and other representatives their agreement, not to divulge information from such license agreements or other business records, or copies of them, to persons other than Guild representatives except: (a) to review, investigate or enforce claims against the audited Employer arising under the BA or applicable law, (b) pursuant to legal process, or (c) after obtaining the Employer's consent, which will not be unreasonably withheld. Any notes taken and/or work papers prepared by the auditors also shall be subject to these provisions; however, the Guild may assert a claim of privilege as to such notes and/or work papers.

Employees and representatives of the Guild may in their discretion discuss the audit findings, including the Employer's position, if known, with Guild-represented Employees. By doing so, the Guild would not be violating a duty of confidentiality, if any, owed to the Employer so long as the Guild's communications are related to its obligation to review, investigate or enforce claims against the audited Employer arising under the BA or applicable law, pursuant to legal process, or after obtaining the Employer's consent, which will not be unreasonably withheld.

If the Guild is required by legal process to disclose information obtained in a residuals audit, the Guild shall provide prompt written notice to the Employer to object or to seek an appropriate protective order.

At the election of the Employer, the auditors and other Guild representatives shall be required to sign an agreement duplicating the confidentiality provisions in the preceding paragraphs of this Section 17-400, but without any modifications to these provisions unless consented to by the Guild.

In consideration of the foregoing agreements in this Section 17-400, the Employer agrees not to require the Guild or its auditors or representatives to execute any other agreement relating to confidentiality as a condition of granting access to its business records.

The foregoing provisions of this Section 17-400 shall not apply to residuals audits conducted by the Guild for which (a) the date of audit entry is prior to July 1, 1996, and (b) there is a written confidentiality agreement executed by the Employer, the Guild and/or its auditors.

Section 17-500 SAFETY

The First Assistant Director may call a meeting to discuss safety issues involved with the continuation of production when members of the shooting crew have worked sixteen (16) hours from general crew call.

Section 17-600 ISAN NUMBERS

Employer shall provide the Guild with the International Standard Audiovisual Number ("ISAN"), if any, for a motion picture where known by the Employer.

Section 17-700 CALIFORNIA SICK LEAVE

- (a) Accrual. Commencing July 1, 2017, eligible Employees (as described in paragraph (b) below) shall accrue one (1) hour of paid sick leave for every thirty (30) hours worked in California for the Employer, up to a maximum of forty-eight (48) hours or six (6) days. Employees are deemed to work forty (40) hours per week if they work on a weekly basis or eight (8) hours per day if they are employed on a daily basis or work for a partial workweek. (In lieu of the foregoing hourly accrual of paid sick leave, and provided that advance notice is given to the Employee, an Employer may elect to provide Employees, upon their eligibility to use sick leave as provided below (*i.e.*, upon working thirty (30) days in California for the Employer within a one (1) year period and after their ninetieth (90th) day of employment in California with the Employer (based on days worked or guaranteed)), with a bank of twenty-four (24) hours or three (3) days of sick leave at the beginning of each year, such year to be measured, as designated by the Employer, as either a calendar year or starting from the Employee's anniversary date. Under this elected option, such banked sick leave days may not be carried over to the following year.) An Employee shall not forfeit sick leave earned during employment with the Employer before July 1, 2017; however, such sick leave shall be counted towards the maximum accrued sick leave set forth above. Nothing herein alters the administration of any sick leave accrued before July 1, 2017.
- (b) To be eligible to accrue paid sick leave, the Employee must have worked for the Employer for at least thirty (30) days in California within a one (1) year period, such year to be measured, as designated by the Employer, as either a calendar year or starting from the Employee's anniversary date. Sick leave

may be used in minimum increments of four (4) hours upon oral or written request after the eligible Employee has been employed by the Employer in California for ninety (90) days (based on days worked or guaranteed), such period to be measured, as designated by the Employer, as either a calendar year or starting from the Employee's anniversary date. Reasonable advance notification of the need for sick leave is required if the use is foreseeable; otherwise, notice is required as soon as practicable. Sick days accrued on an hourly basis shall carry over to the following year of employment; however, the Employer may limit the use of such accrued time to no more than twenty-four (24) hours or three (3) days during each year of employment as defined by the Employer in advance.

- (c) For Employees employed on a daily or weekly basis, a day of sick leave pay shall be equal to one-fifth (1/5th) of the Employee's minimum weekly rate or one-seventh (1/7th) of the Employee's minimum weekly rate on distant location, as applicable (or fifty percent (50%) thereof for a four (4) hour increment of sick leave taken).

Replacements may be hired on a *pro rata* daily basis regardless of any contrary provision in this Agreement. The Employee shall not be required to find a replacement as a condition of exercising his right to paid sick leave.

- (d) Sick leave may be taken for the diagnosis, care or treatment of an existing health condition of, or preventive care for, the Employee or the Employee's "family member."¹⁹ Sick leave also may be taken by an Employee who is a victim of domestic violence, sexual assault or stalking.
- (e) Accrued, unused sick leave is not paid out on termination, resignation or other separation from employment. If an Employee is rehired by the Employer within one (1) year of the Employee's separation from employment, the Employee's accrued and unused sick leave shall be reinstated, and the Employee may begin using the accrued sick leave upon

¹⁹ "Family member" means any of the following: (1) a biological, adopted or foster child, stepchild, legal ward or a child to whom the Employee stands *in loco parentis*; (2) a biological, adoptive or foster parent, stepparent or legal guardian of the Employee or the Employee's spouse or registered domestic partner or a person who stood *in loco parentis* when the Employee was a minor child; (3) a spouse; (4) a registered domestic partner; (5) a grandparent; (6) a grandchild; or (7) a sibling.

rehire if the Employee was previously eligible to use the sick leave or once the Employee becomes eligible as provided above.

- (f) At the Employer's election, the Employer shall either:
- (1) show the amount of available paid sick leave on the Employee's pay stub or a document issued together therewith; or
 - (2) include in the Employee's start paperwork the contact information for the designated Employer representative whom the Employee may contact to confirm eligibility and the amount of accrued sick leave available.

The Employee's start paperwork shall also include information with respect to the year period (*i.e.*, calendar year or the Employee's anniversary date) that the Employer selected to measure the thirty (30) day and ninety (90) day eligibility periods and the cap on accrual set forth in subparagraph (b) above or, alternatively, if the Employer elected to provide Employees with a sick leave bank, the year period (*i.e.*, calendar year or the Employee's anniversary date) that the Employer selected for the bank of three (3) sick days as provided in subparagraph (a) above.

- (g) Any Employer that has a sick leave policy, or paid leave or paid time off policy that permits the use of paid sick time and exceeds or substantially meets the requirements of this Paragraph 17-701, as of June 30, 2017, may continue such policy in lieu of the foregoing. Nothing shall prevent an Employer from negotiating a sick leave policy with better terms and conditions. There shall be no discrimination or retaliation against any Employee for exercising his or her right to use paid sick leave.
- (h) Any dispute with respect to sick leave for Employees covered under this Agreement shall be subject to the grievance and arbitration procedures provided herein.