

SIDELETTER NO. 12

As of July 1, 2002;
Renewed as of July 1, 2005;
Revised as of July 1, 2014;
Revised as of July 1, 2017

Russell Hollander
National Executive Director
Directors Guild of America, Inc.
7920 Sunset Boulevard
Los Angeles, California 90046

Re: Experiment in Syndication of Half-Hour Series in Markets Representing 50% or Fewer of U.S. Television Households

Dear Mr. Hollander:

Reference is made to the provisions of Paragraph 11-101(b) of the 2002 DGA Basic Agreement. During the 2002 negotiations, the Employers expressed a concern that if a series could only be syndicated in markets representing 50% or fewer of the U.S. television households, residuals payable pursuant to Paragraph 11-101(b) would render such syndication fiscally untenable. The Employers asserted that the payment of any residuals in such circumstances would benefit both the Employer and the individual directors since no payments are presently made.

While the DGA expressed concern that an accommodation might be subject to abuse or otherwise reduce overall syndication residuals, the parties agreed to an experiment for the term of the 2002 Agreement, to be reviewed each successive term, to determine its effectiveness and whether or not it should be extended. The parties have agreed to renew the experiment for an additional term commencing July 1, 2017 and terminating June 30, 2020. Employers agree to provide the DGA with license fee information at the time of the first payment hereunder.

When a half-hour series is syndicated in markets representing in the aggregate fifty percent (50%) or fewer of U.S. television households, residuals for such series shall be payable at twenty percent (20%) of the applicable "base rate" pursuant to Paragraph 11-101(b)(2) for each such run but shall not constitute a "run" for purposes of Paragraph 11-101(b)(3).

If the series is further syndicated and the aggregate of the markets in which the series is syndicated exceeds fifty percent (50%) of the U.S. television households, the payments required pursuant to Paragraph 11-101(b)(2) and (3) shall be due on any subsequent runs.

Sideletter No. 12
Page 2

This experiment will only apply to series that have not yet been placed into syndication as of July 1, 2002.

Sincerely,



Carol A. Lombardini

ACCEPTED AND AGREED:



Russell Hollander
National Executive Director