Sideletter No. 25

As of July 1, 2005; Revised as of July 1, 2008; Revised as of July 1, 2011; Revised as of July 1, 2014; Revised as of July 1, 2017; Revised as of July 1, 2020

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

Re: "Supersized" Episodes

Dear Mr. Hollander:

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

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

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

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

Sideletter No. 25 Page 2

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

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

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

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

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

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

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

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

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

e. If an extended episode is sold to a foreign subdistributor (or a foreign distributor affiliated with Employer) and there is a distinct valuation of that episode (*i.e.*, it is sold separately or for an additional fee) the foreign residual (including the "base" and all residuals payments)

Sideletter No. 25 Page 3

shall be determined by the episode's delivered length and the Employer shall report to the DGA that an "extended" version was delivered or sold in a foreign territory. In all other cases, the residual shall be based on the typical episode time. This provision shall not imply any obligation to sell such extended episode separately or for an additional fee.

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

Sincerely,

Carol A. Lombardini

Carol A. Lonioardini

ACCEPTED AND AGREED:

Russell Hollander

Supersized Episodes

1. Initial Compensation

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

	Running Time	Minimum Compensation	Guaranteed Days	Compensation for Days Beyond Guarantee	Daily Rate (Where Permitted)
7/1/20	30 Min.	\$28,452	7	\$4,065	\$5,081
	45 MIN.	38,385	10	3,839	4,799
	60 Min.	48,318	15	3,221	4,026
	75 MIN.	64,425	20	3,221	4,026
	90 Min.	80,532	25	3,221	4,026
7/1/21	30 Min.	29,163	7	4,166	5,208
	45 MIN.	39,345	10	3,935	4,919
	60 Min.	49,526	15	3,302	4,128
	75 MIN.	66,036	20	3,302	4,128
	90 Min.	82,545	25	3,302	4,128
7/1/22†	30 Min.	29,892	7	4,270	5,338
	45 MIN.	40,328	10	4,033	5,041
	60 Min.	50,764	15	3,384	4,230
	75 MIN.	67,687	20	3,384	4,230
	90 Min.	84,609	25	3,384	4,230

[†] See text of footnote 12 on page 135.

	Running Time	Minimum Compensation	Guaranteed Days	Compensation for Days Beyond Guarantee
7/1/20	30 Min.	\$12,103	6	\$2,017
	45 Min.	17,177	9	1,909
	60 Min.	22,251	12	1,854
	75 Min.	28,907	17	1,700
	90 Min.	35,563	24	1,482
7/1/21	30 Min.	12,406	6	2,068
	45 Min.	17,607	9	1,956
	60 Min.	22,807	12	1,901
	75 Min.	29,630	17	1,743
	90 Min.	36,452	24	1,519
7/1/22†	30 Min.	12,778	6	2,130
	45 Min.	18,135	9	2,015
	60 Min.	23,491	12	1,958
	75 Min.	30,519	17	1,795
	90 Min.	37,546	24	1,564

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

[†] See text of footnote 12 on page 135.

	Running Time	Minimum Compensation	Guaranteed Days (days need not be consecutive)	Compensation for Days Beyond Guarantee
7/1/20	16-30 Min.	\$10,452	5(1)	\$2,090
	31-45 Min.	14,286	7(2)	2,041
	46-60 Min.	18,119	9(2)	2,013
	61-75 Min.	27,184	12(3)	2,265
	76-90 Min.	36,249	18(4)	2,014
7/1/21	16-30 Min.	10,713	5(1)	2,143
	31-45 Min.	14,643	7(2)	2,092
	46-60 Min.	18,572	9(2)	2,064
	61-75 Min.	27,864	12(3)	2,322
	76-90 Min.	37,155	18(4)	2,064
7/1/22 [†]	16-30 Min.	11,034	5(1)	2,207
	31-45 Min.	15,082	7(2)	2,155
	46-60 Min.	19,129	9(2)	2,125
	61-75 Min.	28,700	12(3)	2,392
	76-90 Min.	38,270	18(4)	2,126

(c) Network Prime Time Variety (Includes FBC) - FLTTA Article 6.B.1.(a) and Article 29.B.9.(a)

[†] See text of footnote 12 on page 135.

	Running Time	Minimum Compensation	Guaranteed Days (days need not be consecutive)	Compensation for Days Beyond Guarantee
7/1/20	16-30 Min.	\$6,862	6(1)	\$1,144
	31-45 Min.	8,391	7(2)	1,199
	46-60 Min.	9,919	9(2)	1,102
	61-75 Min.	11,449	11(3)	1,041
	76-90 Min.	12,978	14(4)	927
7/1/21	16-30 Min.	7,034	6(1)	1,172
	31-45 Min.	8,601	7(2)	1,229
	46-60 Min.	10,167	9(2)	1,130
	61-75 Min.	11,735	11(3)	1,067
	76-90 Min.	13,302	14(4)	950
7/1/22†	16-30 Min.	7,245	6(1)	1,208
	31-45 Min.	8,859	7(2)	1,266
	46-60 Min.	10,472	9(2)	1,164
	61-75 Min.	12,087	11(3)	1,099
	76-90 Min.	13,701	14(4)	979

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

[†] See text of footnote 12 on page 135.

	Running Time	Minimum Compensation	Guaranteed Days	Compensation for Days Beyond Guarantee
7/1/20	16-30 Min.	\$4,863	4	\$1,216
	31-45 Min.	5,585	4	1,396
	46-60 Min.	6,306	5	1,261
	61-75 Min.	7,162	5	1,432
	76-90 Min.	8,017	6	1,336
7/1/21	16-30 Min.	4,985	4	1,246
	31-45 Min.	5,725	4	1,431
	46-60 Min.	6,464	5	1,293
	61-75 Min.	7,341	5	1,468
	76-90 Min.	8,217	6	1,370
$7/1/22^{\dagger}$	16-30 Min.	5,135	4	1,284
	31-45 Min.	5,897	4	1,474
	46-60 Min.	6,658	5	1,332
	61-75 Min.	7,561	5	1,512
	76-90 Min.	8,464	6	1,411

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

[†] See text of footnote 12 on page 135.

(f) 30-Minute Dramatic Program Made for Basic Cable in its Second or Subsequent Season and Budgeted at \$1,575,000 (\$1,610,000 effective July 1, 2022) or More or 60-Minute Dramatic Program Made for Basic Cable in its Second or Subsequent Season Budgeted at \$2,900,000 (\$3,000,000 effective July 1, 2022) or More - FLTTA Articles 31.A.2.(a) and 31.A.2.(b)

	Running Time	Minimum Compensation	Guaranteed Days	Compensation for Days Beyond Guarantee	Daily Rate (Where Permitted)
7/1/20	30 Min.	\$16,046	7	\$2,292	\$2,865
	45 Min.	24,070	10	2,407	3,009
	60 Min.	32,093	14	2,292	2,865
	75 Min.	33,828	17	1,990	2,488
7/1/21	30 Min.	16,447	7	2,350	2,938
	45 Min.	24,671	10	2,467	3,084
	60 Min.	32,895	14	2,350	2,938
	75 Min.	34,674	17	2,040	2,550
$7/1/22^{\dagger}$	30 Min.	16,940	7	2,420	3,025
	45 Min.	25,411	10	2,541	3,176
	60 Min.	33,882	14	2,420	3,025
	75 Min.	35,714	17	2,101	2,626

2. <u>Residual Compensation - FLTTA</u>

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

All Types	Running Time	First Plateau	Second Plateau
7/1/20 -	30 min.	\$ 7,000	\$10,000
6/30/23	45 min.	10,000	14,000
	60 min.	13,000	18,000
	75 min.	15,500	21,000
	90 min.	18,000	24,000

[†] See text of footnote 12 on page 135.

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

Running Time	7/1/2020	7/1/2021	7/1/2022 [†]
30 min.	\$14,127	\$14,480	\$14,842
45 min.	19,900	20,397	20,907
60 min.	25,672	26,314	26,972
75 min.	32,043	32,844	33,665
90 min.	38,414	39,374	40,358

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

Running Time	7/1/20 to 6/30/23
30 min.	\$ 365,000
45 min.	547,500
60 min.	730,000
75 min.	1,295,000
90 min.	1,860,000

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

Running Time	7/1/20 to 6/30/23
30 min.	\$13,258
45 min.	19,111
60 min.	24,963
75 min.	31,200
90 min.	37,436

[†] See text of footnote 12 on page 135.

Running Time	7/1/2020	7/1/2021	$7/1/2022^{\dagger}$
30 min.	\$15,900	\$16,298	\$16,705
45 min.	22,316	22,874	23,445
60 min.	28,731	29,449	30,185
75 min.	35,146	36,024	36,925
90 min.	41,560	42,599	43,664

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

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

Running Time	7/1/2020	7/1/2021	$7/1/2022^{\dagger}$
30 min.	\$16,700	\$17,118	\$17,632
45 min.	23,440	24,026	24,747
60 min.	30,179	30,933	31,861
75 min.	36,917	37,839	38,974
90 min.	43,654	44,745	46,087

[†] See text of footnote 12 on page 135.