Directors Guild
of America, Inc.

2020 - 2023

FREELANCE LIVE

& TAPE TELEVISION

AGREEMENT

DIRECTORS GUILD OF AMERICA, INC. FREELANCE LIVE AND TAPE TELEVISION AGREEMENT OF 2020

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DIRECTORS GUILD OF AMERICA, INC.
FREELANCE LIVE AND TAPE TELEVISION AGREEMENT OF 2020

THIS AGREEMENT is entered into as of this first day of July, 2020 by and between the **DIRECTORS GUILD OF AMERICA, INC.**, a corporation duly organized under the laws of the State of California, having its National Office at 7920 Sunset Boulevard, Hollywood, California 90046 (hereafter referred to as the "Guild") and

12:05 AM Productions, LLC
40 North Productions, LLC
1440 Productions LLC
4423 Productions LLC

ABC Signature Studios, Inc.
ABC Studios New York, LLC
Abominable Pictures, Inc.
Acacia Productions, Inc.
Academy of Motion Picture Arts and Sciences
Acid Zoo Productions, LLC
AEG Ehrlich Ventures, LLC
Alameda Productions, LLC (d/b/a Legendary Alameda Productions, LLC)
Alcon Entertainment, LLC
Alive and Kicking, Inc.
Amazon Studios LLC
Ambient Sounds Productions LLC
American Humane
Anonymous Content, LLC
Apple Studios LLC
Ashland Productions, Inc.
Atlantic 2.1 Entertainment Group, Inc.
Auckland Productions, Inc.
Avoca Productions, Inc.

Bard Enterprises, Ltd.
Base Light Productions LLC
BCurious Productions Inc.

Bell-Phillip Television Productions, Inc.
Bonanza Productions Inc.
Brad Lachman Productions, Inc.
Breakout Kings Productions LLC
Breakthrough Awards Productions, Inc.
Brightstar Fox Productions LLC
BTW Productions, Inc.

Califon Productions, Inc.
Camdrew Productions LLC
Carnival Row Productions, LLC
CBS Studios Inc.
Colony Way Productions, Inc.
Country Music Association, Inc.
CPT Holdings, Inc.

DANJAQ, LLC
Delightful Productions, LLC
Delta Blues Productions LLC
Digital 49 Productions, Inc.
Digital 360 Productions, Inc.
Direct Court Productions, Inc.
DW Dramatic Television L.L.C.
DW SKG TV L.L.C.
DW Studios Productions L.L.C.
DW Television L.L.C.
DWP Productions, Inc.
Dyminium Productions, LLC

Earlham Productions, Inc.
Egregious Entertainment, LLC
ELP Communications
Entrada Productions, Inc.
Evolutionary Pictures, LLC
Expanding Universe Productions, LLC
Eye Productions Inc.

Film 49 Productions, Inc.
Five Points High LLC
Four Five Productions, Inc.

Fox Film Worldwide Services, Inc.
Fox Sports Productions, LLC
Fox Square Productions, Inc.
Fox Television Studios, Inc.
FTP Productions, LLC

GC Films, Inc.
Gemini 3 Productions
Great Guns USA Inc.
GWave Productions, LLC

HDReady LLC
Honors Productions, Inc.
Hop, Skip & Jump Productions, Inc.
Horizon Productions, Inc.
Horizon Scripted Television Inc.
Hostage Productions, Inc.

Icon Productions LLC
Interpol Pictures, LLC
It's A Laugh Productions, Inc.

Jay Square Productions LLC
Just Rewards Productions, Inc.

Kapital Productions, LLC
Keep Calm and Carry On Productions, Inc.
Kelley Productions, Inc. dba David E. Kelley Productions
Kent Gordis Productions, Inc.
Kenwood TV Productions, Inc.
Keystone TV Productions LLC

Legendary Features Productions US, LLC
Legendary Pictures Funding, LLC
Legendary Pictures Productions, LLC
Leverage Productions, Inc.
LGDG Films Inc.
LGTV Productions, Inc.

Lincolnwood Drive, LLC
Linear Productions LLC
Lions Gate Television Development LLC
Living Proof Productions, LLC
Love Child Pictures, LLC

Madison Productions, Inc.
Main Gate Productions LLC
Main Lot Productions LLC
Marvel Eastern Productions LLC
Marvel Film Productions LLC
Marvel Picture Works LLC
Mesquite Productions, Inc.
Metro-Goldwyn-Mayer Pictures Inc.
MGM Television Entertainment Inc.
Milk Street Productions, LLC
Minim Louisiana Productions, LLC
Minim Productions, Inc.
Montrose Productions, Inc.
Moxie Pictures, Inc.
MRC Live & Alternative, LLC fka dick clark productions, llc

New Regency Productions, Inc.
NM Talent Inc.
NS Pictures, Inc.
NWF Inc.

Ocotillo Productions, Inc.
October Holdings, Inc.
Olive Avenue Productions LLC
Olive Productions, LLC
On The Brink Productions, Inc.
Open 4 Business Productions LLC
Orange Cone Productions LLC
Orchard Road Productions, LLC

Pacific 2.1 Entertainment Group, Inc.
Palladin Productions LLC
Paramount Overseas Productions, Inc.

Paramount Pictures Corporation
Patch Bay Productions LLC
Perdido Productions, Inc.
Pet II Productions Inc.
Pool Mate Pictures, LLC
PP21 Productions LLC
Prodco, Inc.
Produced Bayou, Inc.
Proximity Productions LLC

Quadra Productions, Inc.

Ralph Edwards Productions
Ralph Edwards/Stu Billett Productions
Riverside Olive Productions, Inc.
Ruff Draft Productions, LLC
Rush Hour Productions, Inc.

Salty Pictures, Inc.
San Vicente Productions, Inc.
Sidestreet Entertainment, Inc.
Singular Productions LLC
SKE Productions, LLC
Skydance Pictures, LLC
Somma Productions, Inc.
Stage 29 Productions, LLC
Storyteller Production Co., LLC
Summerdale Productions, LLC
Summit Productions, LLC
Sunny Television Productions, Inc.
Superstar Productions USA Inc.

Tenth Planet Productions Inc.
Topanga Productions, Inc.
Touchstone Television Productions, LLC
dba ABC Studios
Trackdown Productions, Inc.
Tree Tree Tree, Inc.
Triage Entertainment, LLC
Triple Point Productions LLC

TriStar Television, Inc.
Turner Films, Inc.
Turner North Center Productions, Inc.
TVM Productions, Inc.
Twentieth Century Fox Film Corporation

Universal City Studios LLC
Universal Content Productions LLC
United Artists Pictures Inc.

Valleycrest Productions LTD
Vertical Hold Productions LLC
Vinton Productions, Inc.

Walt Disney Pictures
Warner Bros. Television
Waveform Productions LLC
Woodridge Productions, Inc.

YANDR Productions, LLC
YNFS Productions LLC

each hereinafter referred to as the "Company" or the "Employer" and collectively referred to as "Companies" or "Employers," and all of which constitute a single multi-employer bargaining unit.

W I T N E S S E T H :

In consideration of the mutual agreements herein contained, the parties hereto agree as follows:

ARTICLE 1.

SECTION A. DEFINITION OF TERMS

When used in this Agreement, unless the context otherwise requires:

1. The term *"Guild"* means the Directors Guild of America, Inc.

2. The term *"Company"* means any signatory to this Agreement and any corporation(s), firm(s) or individual(s) which shall be successor to such company or companies, whether by operation of law or otherwise, and may be referred to as *"Employer."*

3. The term *"Director"* means anyone employed by the Company who directs any element, audio or video, of a *"television program"* (as hereinafter defined in Section A. of Article 2), or segment thereof, or audition thereof, or directs any closed circuit as specified in Paragraph 6. of this Article 1.A., or directs any commercial, and same may be referred to herein as *"Employee."*

4. The term *"Associate Director"* means anyone employed by the Company who performs the duties set forth in Section B. of Article 2 hereof in connection with television programs as defined in Paragraph 6. hereof, or in connection with any closed circuit specified in Paragraph 6. hereof, or in connection with any commercial, and same may be referred to herein as *"Employee."*

5. The term *"Stage Manager"* means anyone employed by the Company who performs the duties set forth in Section C. of Article 2 hereof, or in connection with any closed circuit specified in Paragraph 6. hereof, or in connection with any commercial, and same may be referred to herein as *"Employee."*

6. The terms *"television program," "program," "show"* or *"commercial,"* as used in this Agreement (hereinafter collectively referred to as *"programs"*), shall include, in addition to programs simultaneously originated for broadcast for a live performance, each of the following:

(a) Programs produced or recorded by means of any electronic audio or video equipment (including, but not limited to, a combination electronic and motion picture or "slave" camera), used either in connection with live broadcasting or in connection with electronic video recording, whether by means of disc, wire, tape, kinescope, audio tape recorders, video tape recorders, wire recorders, disc recorders or any other live or recording apparatus now known or hereafter developed.

(b) Recorded sequences, including film, made by Company for insertion in the programs covered above. If the aggregate of such film sequences exceeds twenty-five percent (25%) of the total length of a dramatic program, or fifty percent (50%) of the total length of any other type of program, the Assistant Director rates of the Basic Film Agreement shall apply with respect to the persons assisting the Director of such film sequences, which persons may be Associate Director(s) or Stage Manager(s).

(c) All closed circuits, including those transmitted to paying audiences.

(d) All non-broadcast presentations such as educational, medical, governmental, industrial, sales or instructional programs, which require duties covered by this Agreement. (Rates to be negotiated.)

7. *"Simulcast"* means the broadcast of a single performance of a program for radio and television, whether or not the radio and television broadcasts are made at the same time, and regardless of whether or not the program is subsequently edited for time, commercials or otherwise.

8. *"Custom commercial"* means any commercial which is produced for use only in connection with a single television program and is directed by the Director of the television program. In connection with a program series, the precise program in such series on which such commercial is to be used need not have been determined prior to production of the commercial, but in order to be classified as a

custom commercial hereunder, the program must have been directed by the Director who directs the commercial.

9. *"Non-custom commercial"* means any commercial other than a custom commercial, regardless of type, including commercials made for use as spot announcements, or for use in connection with more than one series of television programs, or in connection with more than one program in a particular series, as well as any custom commercials reused in whole or part except in connection with the same program.

10. A *"promo"* or *"promotional program"* shall be considered as a commercial as defined above.

11. *"Person"* includes any individual, firm or corporation.

12. *"Distant location"* for a Director, Associate Director or Stage Manager means and is defined as a remote on which such Director, Associate Director or Stage Manager, as the case may be, is required by Employer to remain away from home and be lodged overnight.

13. *"Studio day"* or *"week"* means and is defined as employment in the studio or remotes other than distant locations.

14. The term *"basic cable,"* as distinguished from pay television or free television, refers to that type of exhibition which is commonly understood in the industry today to be basic cable exhibition.

15. The term *"network,"* as used in this Agreement, means ABC, CBS, Fox Broadcasting Company (hereinafter “FBC”) and 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.

SECTION B. SCOPE

1. The provisions of this Agreement shall apply only to work on programs 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 Agreement shall also apply to work performed by any Director, Associate Director or Stage Manager employed by the Employer in the United States to direct, or to be an Associate Director or Stage Manager on, a program based outside the United States (including its territories and dependencies). If the Director is so employed in the United States and sent by Employer from the United States outside the United States, as defined, for directing a television program or segment thereof (other than segments excluded under Section B.4.(b)(ii) hereof or analogous to second unit photography or pick-ups or segments excluded under Section B.4.(c) below) produced by Employer, then an Associate Director shall also be sent. However, no such Associate Director need be sent to any foreign production when an applicable foreign labor restriction, quota or law prohibits such an assignment or when such assignment would result in the loss of a foreign production subsidy. The Employer shall give the Guild prompt written notice when an Associate Director cannot be taken due to any of the foregoing conditions.

2. 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 Agreement. 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, mailed or cabled with 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 Agreement.

3. Motion Picture Film

(a) By execution of this Agreement, the parties shall be deemed to have concurrently executed the applicable Directors Guild of America, Inc. Basic Agreement establishing the minimum terms and conditions for the production of motion picture film, which Basic Agreement, except as modified by this Freelance Agreement, shall be in full force and effect between the parties with respect to all motion picture film produced by the Company, except film inserts for use in television programs to the extent permitted herein.

(b) In the event the Company transfers a taped program to film for theatrical release, the provisions of the applicable Directors Guild of America, Inc. Basic Agreement relating to Director's compensation and residuals shall apply, and the Director shall be entitled to the compensation and residuals that he or she would have been entitled to had the program been originally produced on film.

4. Staffing

(a) The Company shall employ a Director for each program and commercial it produces.

(b) (i) Unless the services of an Associate Director ("AD") and Stage Manager ("SM") are provided for the Company under a Guild Agreement as part of an arrangement for facilities and services, or except as limited by Article 9, Section B.3. hereof, the Company shall employ at least one AD and at least one SM on each program it produces. Additional ADs and SMs shall be employed as required.

If an AD and SM are not sent to a remote under the arrangement for facilities and services, the Company shall assign an AD and SM to the remote unless such assignment is not required elsewhere in this Agreement.

(ii) The foregoing shall not apply to audio pre-recording nor to the following itemized procedures when such procedures are simple, one-camera, unswitched procedures on which the AD or SM functions can be reasonably performed by the Director thereof without assistance:

Talent Tests
Pick-Up Shots
Titles
Run-Bys
Establishing Shots
Promos

Notwithstanding the provisions of Article 1, Section B.4.(b)(i), a combination Associate Director/Stage Manager may be assigned to perform such Associate Director and Stage Manager duties as are required to be performed on simple, one-camera, unswitched wraparounds and simple, one-camera, unswitched "talking head" shots. Such combination Associate Director/Stage Manager shall be compensated at one hundred forty percent (140%) of the applicable Associate Director rate.

On programs on which an AD and SM are assigned, the Company will assign, to simple, one-camera, unswitched segments thereof, such ADs and SMs as are necessary to perform the AD and SM duties to be performed on such segment. On such segments on which either, but not both, the AD or SM duties which are to be performed are extremely minimal, the Guild will consider a request made by the Company to have such duties performed on that segment by a combination AD/SM. On such segments on which no AD or SM duties are performed whatsoever, no AD or SM, respectively, need be assigned. Notwithstanding the foregoing provisions of this subparagraph (ii), if, on any such procedures, the AD or SM functions are to be performed by anyone other than the Director, then an AD and/or SM, as the case may be, shall be assigned in accordance with the terms of this Agreement.

(c) The following applies only to "All Other Programs" covered under Article 6.E. of this Agreement and to "reality-type" programs covered under Article 6.B. of this Agreement.

It is agreed that work required to be performed in connection with the below-listed operations may be assigned, at the discretion of the Employer, either to persons employed under this Agreement, or to persons not so employed who would be performing any such work in addition to, but not necessarily simultaneous with, other duties (not covered by a DGA collective bargaining agreement) to which such persons are normally assigned:

(i) Non-studio pickups of programs or material utilizing one (1) camera.

(ii) In the case of a segment or portion(s) thereof shot without a DGA-represented Employee pursuant to this subparagraph (c), which is used in an "All Other" or "reality-type" program, it is agreed that:

(A) This subparagraph (c) applies only to pre-recorded material, when no more than one (1) video source is utilized at the site of the pickup, and is limited to:

(1) interviews, reports, commentary, editorials, "stand-uppers;"

(2) actuality shooting;

(3) "head shots" and "beauty shots;"

(4) interior and/or exterior establishing photography;

(5) "man-on-the-street" and similar pieces which do not include material which is primarily the portrayal of a role by an actor.

(B) Any such segment or portion(s) thereof will not exceed ten (10) minutes in length as broadcast.

ARTICLE 2.

SECTION A. DIRECTORS

Subject only to the supervision and control of the Producer, the Executive Producer, or the Company executive to whom he/she reports, the authority and responsibility of the Director includes the following:

1. All changes and cuts in the script at the time of recording or "on-the-air" to bring the script into conformity with the Director's artistic interpretation and time requirements.

2. Casting and auditioning for casting during the period of his or her employment. In addition, the Director shall be advised of all prior casting commitments at the time of his or her engagement and will thereafter be advised of all proposed casting.

3. Determining, in production conferences with any persons assigned to the program or commercial, all audio and video elements of the program or commercial.

4. Selection and approval of music.

5. Directing of all elements of each television program or commercial.

6. On-the-air integration of the various elements that make up a multi-mobile unit or multi-point origination.

7. Directing all closed circuits and non-broadcast presentations which require the duties of a Director.

8. Surveying all remote locations.

9. The Director or, at his or her option, an Associate Director or Stage Manager, shall issue instructions directly to the technical crew.

10. The Director who directs the recording of the production of a pre-recorded television program or commercial shall edit such recording

(including sweetening, if any) for initial broadcast, including exhibition on any type of closed circuit or non-broadcast presentation.

If the Company edits the program for subsequent broadcast, the Company will assign a Director or Associate Director to edit such program.

SECTION B. ASSOCIATE DIRECTORS

Subject only to the supervision and control of the Producer, the Executive Producer, or the Company executive to whom he/she reports, an Associate Director shall perform the following functions or supervise the performance of them by others:

1. Pre-production

   (a) Confer with the Producer and the Director, or the Producer-Director, on plans for the programs, closed circuits, non-broadcast presentations and commercials and attend production meetings in connection therewith.

   (b) When requested by the Director, prepare and/or check for the Director the production breakdown of the program and/or segments thereof prepared by others.

   (c) On musical shows, notwithstanding the reference to audio pre-recording in Article 1.B.4.(b), audio pre-recording of musical elements.

2. Dry Rehearsal

   (a) Lay out floor plans to scale.

   (b) Time rehearsals.

   (c) Notify cast and other persons concerned of script change.

   (d) Assist the Director in preparation of shooting scripts and see that copies are distributed to all persons concerned.

3. Camera Rehearsal, Dress Rehearsal, Production (Live or Tape)

(a) Preset cues as assigned by the Director.

(b) Check all facilities in the studio.

(c) Work out, in conjunction with the Stage Manager, the complete set and strike routine.

(d) Perform all timing functions and give all time cues.

(e) Hold the book during camera blocking and prompt cast when not done by the Stage Manager.

(f) Assist the Director in maintaining communication with all personnel connected in any way with the television program or commercial.

(g) Prepare telecast reports, top sheets, etc. as required by the Company and forward the "as broadcast" script for filing.

4. Subject to the provisions of this Article as elsewhere herein provided, no one other than an Associate Director shall perform any of the aforesaid functions, or any other function of an Associate Director not specified above, as those functions are commonly known in the television broadcasting industry. In addition, Associate Directors may perform, upon assignment by the Company, any additional management functions.

5. In the event that, by means of technological advances, the Company changes its method of operations, functions now performed by the Associate Director at the time of broadcast or pre-recording will continue to be performed by Associate Directors, if such functions remain necessary, even though the performance of such functions may be at a different time or place in relation to the broadcast or pre-recording.

6. If, with the approval of the Company, the Director who directs the production of a pre-recorded television program is not available to edit such program, the Company will assign the Associate Director to

edit such program under the supervision of the Producer or Executive Producer of the program. If the Associate Director is not available, then the editing may be done by the Producer or Executive Producer of the program or by another Director. Sweetening shall be treated as a function of editing.

The foregoing provisions of this subparagraph 6. do not apply to multi-camera prime time dramatic programs.

See Article 10, Part 1, Section C.1. concerning additional duties for Associate Directors employed on prime time dramatic programs.

SECTION C. STAGE MANAGERS

Subject only to the supervision and control of the Producer, the Executive Producer, or the Company executive to whom he/she reports, a Stage Manager shall serve as the sole liaison between the Director or Producer-Director, Associate Director and all persons and facilities in the studio, on location or on the stage during all stagehand rehearsals where the stagehands are performing their functions (this does not include set-ups), camera rehearsals, pre-recording and performances. Specifically, he or she shall:

1. Supervise the stagehands, chief carpenters and property persons in

   (a) marking positions of scenery and properties, special effects, art work and title cards;

   (b) flying or bringing in all drops during rehearsal and on the air;

   (c) operating travelers, tabs, curtains and similar devices.

2. Recommend, subject to the Director, Producer or Producer-Director, when extra persons should be brought in.

3. Relay information to persons directly involved on the stage or studio floor or on location, including specifically:

   (a) Relaying stage directions of the Associate Director, Director or Producer-Director.

(b) Responsibility for notifying performers on the set of the time for subsequent rehearsals and the announcement of rehearsal breaks.

(c) Assigning the allocated dressing rooms to be used during camera rehearsals, prior to such rehearsal, in accordance with the importance and the needs of the cast.

(d) Holding the book during camera blocking and prompting the cast when not done by the Associate Director.

(e) Marking all positions on the set for performers.

(f) Designating proper locations for costume changes and giving necessary costume change information to the wardrobe person.

(g) Holding cards which give directions from the Director, Producer-Director or Associate Director and timing information to the cast.

(h) Give all cues from the floor or, if on location, the equivalent thereof.

4. If there is a production meeting(s) during the period of his or her employment, a Stage Manager shall be assigned to at least one production meeting on all programs.

5. It shall be the sole responsibility of the Stage Manager to make up and put before the camera the slate or any other visual identification used in substitution thereof.

6. The use of telex, IFB or other related communications or intercommunication device(s) will not replace the use of the Stage Manager.

7. Subject to the provisions of this Article as elsewhere herein provided, no one other than a Stage Manager shall perform any of the aforesaid functions, or any other functions of a Stage Manager not specified above, as those functions are commonly known in the television broadcasting industry. In addition, Stage Managers may perform,

upon assignment by the Company, any additional management functions.

See Article 10, Part 1, Section C.2. concerning additional duties for Stage Managers employed on prime time dramatic programs.

SECTION D. CONSTRUCTION

The foregoing description of Director, Associate Director and Stage Manager duties is not intended, nor shall it be construed, either to enlarge or diminish the duties or functions of Directors, Associate Directors or Stage Managers, as such duties or functions have been customarily performed in the television industry. The foregoing description of Director, Associate Director and Stage Manager duties is not intended, nor shall it be construed, either to enlarge or diminish, in consultation with the Director, Associate Director or Stage Manager, the duties or functions of Company executives and/or departments as such duties or functions have been customarily performed for the Company.

The foregoing language will be construed in accordance with the following examples:

EXAMPLE 1: One of the above-described duties makes editing for initial broadcast a duty of either the Director or the Associate Director (other than on multi-camera prime time dramatic programs). The foregoing language would not prohibit the presence of the Executive Producer in the editing room, nor the performance of his or her customary functions therein, provided that the performance of those functions does not usurp the Director or Associate Director functions or duties as set forth in Article 2.

EXAMPLE 2: Director A is directing a dramatic program for Company Y. The Producer is on stage giving acting suggestions to talent. The foregoing language would prohibit the Producer from giving those suggestions to anyone other than the Director without consulting with and getting the approval of the Director. The foregoing language would not prohibit the Producer from being on stage. No one other than the Director may act as the Director of the talent, camera crew or sound crew on the set.

EXAMPLE 3: At Company Z, the Production Assistant is doing pre-production timing, prior to the contractually required time for the employment of an Associate Director. The foregoing language would not prohibit this.

ARTICLE 3.

RECOGNITION

SECTION A.

The Guild is recognized by the Employer as the sole collective bargaining agent for all Directors, Associate Directors and Stage Managers in the television industry.

SECTION B.

The phrase *"television industry,"* as used in Section A. above and limited to Section A. above only, shall be deemed to mean the production by the undersigned Company of all types of television programs on film (as provided in Article 1.A.6.(b) and Article 1.B.3. hereof) or on tape or transferred from tape to film or film to tape, or on digital hard drives or other storage media, or otherwise, of any gauge or size or type, or live, whether for public or private showings as theatrical, television, supplemental markets, industrial, religious, educational, commercial, documentary or government films or films made for the Internet, mobile devices or any other "New Media" platform known as of July 1, 2008 (but excluding news, sports and documentary programs made for the Internet, mobile devices or any other New Media platform known as of July 1, 2008 and excluding "Experimental New Media Productions," as defined in Section B. of Sideletter No. 28 re Programs Produced for New Media), whether produced by means of motion picture cameras, electronic cameras or devices, tape devices or any combination thereof, or other means, methods or devices now known or yet to be devised, in connection with which a Director, Associate Director or Stage Manager renders services as an employee.

ARTICLE 4.

GUILD SECURITY

During the term of this Agreement, the Company will maintain in its employ as Directors, Associate Directors or Stage Managers only such persons who are members of the Directors Guild of America, Inc. in good standing or who shall make application for membership in the Directors Guild of America, Inc. within the time permitted by law.

Subject to the provisions of this Article and to the extent that it shall be lawful so to do, the Employer agrees that in every future employment agreement it enters into with an Employee, the Employee shall promise to be or become a member of the Guild in good standing, as herein provided, and shall remain so for the duration of the employment agreement; that subject to the provisions of this Article and to the extent that it may be lawful so to do, the Employer shall require such person to agree that if he or she shall fail or refuse to so become or remain a member of the Guild in good standing, as herein provided, the Employer will terminate its further obligations under such employment agreement. The terms of this Agreement shall be part of such employment agreement.

The term "member of the Guild in good standing" means a person who offers to pay (and, if the Guild accepts the offer, pays) Union initiation fees and dues as financial obligations in accordance with the requirements of applicable law.

Before termination of any employment becomes effective, the Guild shall give written notice to the Employee of the initiation, reinstatement or upgrade fee and/or delinquent dues payable. If the Employee fails to pay such fees and dues, the Guild shall give written notice to the Employer of such failure and the amount of fees and/or dues payable. If such amount is paid within five (5) days after such notice to the Employer, the Employee's dismissal shall not be required by reason of non-payment of such fees or dues.

The term *"dues,"* as used in this Article 4, shall not include fines, penalties, assessments or initiation fees.

ARTICLE 5.

REPORTING OF EARNINGS

Within fifteen (15) days after the close of each quarter, the Employer will submit a list of all Employees employed by Employer during the quarter showing each Employee's earnings for that period. For the purpose of this Article, earnings shall include only direct compensation of all types required hereunder (including so-called "overscale" amounts) paid to Employee, and shall not include, without limitation, profit participations, gross participations, payments for services and rights not covered by this Agreement, payments received by Director for exhibition of a theatrical motion picture on free television, payments for free television reruns, supplemental markets and residual payments under Article 29, and per diem, travel allowance, and other reimbursements which are not compensation for services rendered pursuant to this Agreement.

ARTICLE 6.

BASIC MINIMUM COMPENSATION AND CONDITIONS FOR DIRECTORS

SECTION A. DRAMATIC PROGRAMS

1. Network Prime Time

Program Length	7/1/20 - 6/30/21	7/1/21 - 6/30/22	7/1/22 - 6/30/23	Included Days
0 - 15 Minutes	$ 18,499	$ 18,961	$ 19,435	4 days
16 - 30 Minutes	28,452	29,163	29,892	7, 1 day of which need not be consecutive
31 - 60 Minutes	48,318	49,526	50,764	15, 2 days of which need not be consecutive
61 - 90 Minutes	80,532	82,545	84,609	25, 4 days of which need not be consecutive
91 - 120 Minutes	135,287	138,669	142,136	42, 7 days of which need not be consecutive

For programs in excess of two (2) hours, the minimum and included days shall be computed at the two (2) hour rate plus a proration of the one (1) hour schedule for any such time in excess of two (2) hours.

2. Non-Network or Network Non-Prime Time - High Budget

Program Length	7/1/20	7/1/21	7/1/22†	Included Days
0 - 15 Minutes	$ 6,358	$ 6,517	$ 6,713	3 days
16 - 30 Minutes	12,103	12,406	12,778	6, 1 day of which need not be consecutive
31 - 60 Minutes	22,251	22,807	23,491	12, 2 days of which need not be consecutive
61 - 90 Minutes	35,563	36,452	37,546	24, 4 days of which need not be consecutive
91 - 120 Minutes	42,797	43,867	45,183	24, 5 days of which need not be consecutive

3. Non-Network or Network Non-Prime Time - Low Budget

Program Length	7/1/20	7/1/21	7/1/22†	Included Days
0 - 15 Minutes	$3,166	$3,245	$3,342	2
16 - 30 Minutes	5,440	5,576	5,743	4
31 - 60 Minutes	6,306	6,464	6,658	5
61 - 90 Minutes	8,017	8,217	8,464	6
91 - 120 Minutes	9,638	9,879	10,175	7

For programs in excess of two (2) hours, the minimum and included days shall be computed at the two (2) hour rate plus a proration of the one (1) hour schedule for any such time in excess of two (2) hours.

† See text of footnote 12 on page 135.

4. The following shall apply with respect to episodes of single-camera one-half hour television series covered under Paragraphs 1 and 2 above:

The Employer shall notify the Director of the date, time and place of any table read as soon as the Employer has scheduled the table read, but in no event less than seventy-two (72) hours prior to the table read, except in the event of an unplanned change to the scheduling of the table read, in which case the Employer will notify the Director as soon as possible.

If the Director of an episode is guaranteed three (3) days of preparation and participates in a table read that occurs outside the guaranteed prep period, the Director shall be paid the full *pro rata* daily salary.

If the Director of an episode is guaranteed four (4) days of preparation consecutive with the first day of principal photography (including when a scheduled hiatus intervenes between prep and the commencement of principal photography) and participates in a table read for the episode that occurs on the business day immediately preceding the four (4) day prep period, the Director shall receive no additional payment.

If the Director of an episode is guaranteed four (4) days of preparation not consecutive with the first day of principal photography and participates in a table read that occurs outside the four (4) day prep period, or if the Director of an episode is guaranteed four (4) days of preparation consecutive with the first day of principal photography and participates in a table read that occurs more than one (1) business day prior to the start of the four (4) day prep period, the Director shall be paid a "table read fee" equal to 25% of the applicable *pro rata* daily salary.

A Director of an episode who is guaranteed five (5) days of preparation need not be paid any additional fee for participating in a table read that occurs outside the guaranteed prep period.

This provision does not prohibit the Employer from utilizing one preparation day as a non-consecutive day, and the Director shall not

receive the "table read fee" for any day which is already included in the guaranteed prep period or for which he or she is paid the full *pro rata* daily salary.

SECTION B. VARIETY PROGRAMS

(This category shall include specials such as beauty pageants and awards programs. This category shall also include parades for which broadcast rights are purchased and which include variety acts employed by and staged by the Company. Other parades shall be classified as "All Other." The rates below shall also apply to the overall Director of "reality-type" programs of the type of "*Real People*" and "*That's Incredible*.")

1. Network Prime Time

(a) Network Prime Time Series

Program Length	**7/1/20**	**7/1/21**	**7/1/22**†	**Included Days**
0 - 15 Minutes	$ 6,801	$ 6,971	$ 7,180	3 days
16 - 30 Minutes	10,452	10,713	11,034	5, 1 day of which need not be consecutive
31 - 60 Minutes	18,119	18,572	19,129	9 days, 2 of which need not be consecutive
61 - 90 Minutes	36,249	37,155	38,270	18, 4 of which need not be consecutive
Over 90 Minutes	41,826	42,872	44,158	24 days, 5 of which need not be consecutive

† See text of footnote 12 on page 135.

(b) Network Prime Time Variety Specials (This category shall not include programs in the "in-concert" format unless the program contains production elements that are generally associated with prime time variety programs.)

Program Length	**7/1/20**	**7/1/21**	**7/1/22**†	**Included Days**
0 - 30 Minutes	$23,719	$24,312	$25,041	10 days, 2 of which need not be consecutive
31 - 60 Minutes	40,272	41,279	42,517	18 days, 4 of which need not be consecutive
61 - 90 Minutes	67,117	68,795	70,859	36 days, 8 of which need not be consecutive
Over 90 Minutes	97,134	99,562	102,549	48 days, 10 of which need not be consecutive

2. Non-Network or Non-Prime Time - High Budget

Program Length	**7/1/20**	**7/1/21**	**7/1/22**†	**Included Days**
0 - 15 Minutes	$ 4,474	$ 4,586	$ 4,724	3 days
16 - 30 Minutes	6,862	7,034	7,245	6, 1 day of which need not be consecutive
31 - 60 Minutes	9,919	10,167	10,472	9, 2 days of which need not be consecutive
61 - 90 Minutes	12,978	13,302	13,701	14, 4 of which need not be consecutive
Over 90 Minutes	18,340	18,799	19,363	18, 5 days of which need not be consecutive

† See text of footnote 12 on page 135.

3. Non-Network or Non-Prime Time - Low Budget

Program Length	7/1/20	7/1/21	7/1/22†	Included Days
10 - 15 Minutes	$3,166	$3,245	$3,342	2
16 - 30 Minutes	4,863	4,985	5,135	4
31 - 60 Minutes	6,306	6,464	6,658	5
61 - 90 Minutes	8,017	8,217	8,464	6
Over 90 Minutes	9,638	9,879	10,175	7

4. Segments

Program Length	7/1/20	7/1/21	7/1/22†	Included Days
Segments less than five (5) minutes in length by an additional Director	$2,430	$2,491	$2,566	1 day

SECTION C. QUIZ AND GAME PROGRAMS

1. Network Prime Time

Program Length	7/1/20	7/1/21	7/1/22†	Included Days
0 - 15 Minutes	$3,484	$3,571	$3,678	2 days
16 - 30 Minutes	5,343	5,477	5,641	3 days
31 - 60 Minutes	6,892	7,064	7,276	4 days
61 - 90 Minutes	7,936	8,134	8,378	5 days

† See text of footnote 12 on page 135.

2. Non-Network Prime Time

Program Length	7/1/20	7/1/21	7/1/22†	Included Days
0 - 15 Minutes	$3,311	$3,394	$3,496	2 days
16 - 30 Minutes	5,093	5,220	5,377	3 days
31 - 60 Minutes	6,577	6,741	6,943	4 days
61 - 90 Minutes	7,557	7,746	7,978	5 days

SECTION D. STRIP PROGRAMS

1. Dramatic - Non-Network and Network Non-Prime Time - Per Show

Program Length	7/1/20	7/1/21	7/1/22	Included Days
0 - 15 Minutes	$1,780	$1,825	$1,871	1 day
16 - 30 Minutes	2,738	2,806	2,876	2 days
31 - 60 Minutes	4,772	4,891	5,013	3 days

2. Variety - 5 Per Week

Program Length	7/1/20	7/1/21	7/1/22†	Included Days
0 - 15 Minutes	$ 5,319	$ 5,452	$ 5,616	3 days
16 - 30 Minutes	8,192	8,397	8,649	6 days
31 - 60 Minutes	10,183	10,438	10,751	7 days
Over 60 Minutes	12,016	12,316	12,685	8 days

(a) The minimum fee for a replacement Director will be one-fourth (¼) of the applicable five-times-a-week fee.

(b) A Director who is employed on a strip variety program on a basis other than five (5) times per week shall receive the applicable minimum compensation computed as a percentage

† See text of footnote 12 on page 135.

of the applicable minimum compensation for programs broadcast five (5) times per week, according to the following schedule:

Number of Programs	Applicable Percentage
1 time per week	40%
2 times per week	60%
3 times per week	75%
4 times per week	85%
6 times per week	120%
7 times per week	140%

(c) The foregoing rates in this Section D.2. apply to the overall director of a reality-type program of the type of *"Real People"* or *"That's Incredible,"* when produced on a strip basis.

3. Quiz and Game - 5 per Week

Program Length	7/1/20	7/1/21	7/1/22[†]	Included Days
0 - 15 Minutes	$ 5,207	$ 5,337	$ 5,497	3 days
16 - 30 Minutes	8,017	8,217	8,464	6 days
31 - 60 Minutes	9,467	9,704	9,995	7 days
Over 60 Minutes	10,920	11,193	11,529	8 days

(a) The minimum fee for a replacement Director will be one-fourth (¼) of the applicable five-times-a-week fee.

(b) A Director who is employed on a strip quiz and game program on a basis other than five (5) times per week shall receive the applicable minimum compensation computed as a percentage of the applicable minimum compensation for programs broadcast five (5) times per week, according to the following schedule:

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

Number of Programs	Applicable Percentage
1 time per week	40%
2 times per week	60%
3 times per week	75%
4 times per week	85%
6 times per week	120%
7 times per week	140%

SECTION E. ALL OTHER PROGRAMS

	1 Per Week	2 Per Week	3 Per Week	4 Per Week	5 Per Week	6 Per Week	7 Per Week

1. 5 Minutes or less

7/1/20	$833	$1,327	$1,602	$1,832	$2,018	$2,154	$2,301
7/1/21	854	1,360	1,642	1,878	2,068	2,208	2,359
7/1/22†	880	1,401	1,691	1,934	2,130	2,274	2,430

2. Over 5 Minutes to 10 Minutes

7/1/20	$1,257	$1,678	$2,100	$2,501	$2,862	$3,135	$3,417
7/1/21	1,288	1,720	2,153	2,564	2,934	3,213	3,502
7/1/22†	1,327	1,772	2,218	2,641	3,022	3,309	3,607

† See text of footnote 12 on page 135.

	1 Per Week	2 Per Week	3 Per Week	4 Per Week	5 Per Week	6 Per Week	7 Per Week

3. Over 10 Minutes to 15 Minutes

7/1/20	$1,748	$2,640	$3,347	$4,198	$4,897	$5,241	$5,565
7/1/21	1,792	2,706	3,431	4,303	5,019	5,372	5,704
7/1/22[†]	1,846	2,787	3,534	4,432	5,170	5,533	5,875

4. Over 15 Minutes to 30 Minutes

7/1/20	$4,198	$5,574	$6,270	$7,171	$8,017	$8,700	$9,394
7/1/21	4,303	5,713	6,427	7,350	8,217	8,918	9,629
7/1/22[†]	4,432	5,884	6,620	7,571	8,464	9,186	9,918

5. Over 30 Minutes to 45 Minutes

7/1/20	$4,538	$5,920	$6,964	$7,883	$8,728	$9,408	$10,120
7/1/21	4,651	6,068	7,138	8,080	8,946	9,643	10,373
7/1/22[†]	4,791	6,250	7,352	8,322	9,214	9,932	10,684

6. Over 45 Minutes to 60 Minutes

7/1/20	$5,656	$6,720	$7,778	$8,692	$9,535	$10,236	$10,939
7/1/21	5,797	6,888	7,972	8,909	9,773	10,492	11,212
7/1/22[†]	5,971	7,095	8,211	9,176	10,066	10,807	11,548

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

	1 Per Week	2 Per Week	3 Per Week	4 Per Week	5 Per Week	6 Per Week	7 Per Week

7. Over 60 Minutes: Applicable hour rate plus rate for each additional half-hour:

7/1/20	$1,453	$1,160	$1,507	$1,513	$1,523	$1,531	$1,552
7/1/21	1,489	1,189	1,545	1,551	1,561	1,569	1,591
7/1/22†	1,534	1,225	1,591	1,598	1,608	1,616	1,639

8. Minimum Daily Rate

7/1/20	7/1/21	7/1/22†
$1,213	$1,243	$1,280

9. "All Other Programs" in prime time at one hundred fifty percent (150%) of the above schedule.

10. The rates in this Section E. shall also be used to compute the rates for Directors of segments of "reality-type" programs of the type of "*Real People*" and "*That's Incredible*."

SECTION F. SPORTS

1. Directors of sports programs shall be paid an "event" rate of $2,360 ($2,407 effective July 1, 2021 and $2,467†† effective July 1, 2022) per program. In the case of extended events such as the Olympics, each day's coverage shall be treated as a single event. Included days per event: 3.

2. Directors of the following shall be compensated at one hundred fifty percent (150%) of the event rate:

† See text of footnote 12 on page 135.

†† See second paragraph of footnote 12 on page 135.

NFL Super Bowl, Rose Bowl, Cotton Bowl, Sugar Bowl, Orange Bowl, World Series, Major League Baseball All-Star Game, NBA Championship Series, NFL Divisional Playoffs, NFL Conference Championships.

3. Directors of all network prime time sporting event programs not covered by paragraph 2. above shall be compensated at one hundred twenty-five percent (125%) of the event rate.

4. An included day shall be considered a day of employment. For purposes of this Section, "days of employment" shall be defined as those days spent by the Director, pursuant to assignment, at remote locations performing directorial functions. Days spent traveling, except for one such day, or days spent at production meetings shall not be defined as days of employment.

5. Pre-game and Post-game Shows

When the Director of a sports event also directs a separate pre-game program and/or a separate post-game program, the minimum commercial fee for each such separate program shall be $552.00 ($563.00 effective July 1, 2021 and $577.00[††] effective July 1, 2022).

SECTION G. NEWS AND COMMENTARY PROGRAMS

	Program Length	**7/1/20**	**7/1/21**	**7/1/22[††]**
1.	Minimum Daily Guarantee	$ 741	$ 756	$ 775
2.	Minimum Weekly Guarantee (5 days)	3,140	3,203	3,283
3.	Additional Days @ 1/5 of Weekly Rate	628	641	657

[††] See second paragraph of footnote 12 on page 135.

	1/week	2/week	3/week	4/week	5/week

4. 5 Minutes or less

7/1/20	$180	$279	$411	$536	$664
7/1/21	184	285	419	547	677
7/1/22††	189	292	429	561	694

5. Less Than 15 Minutes

7/1/20	$214	$380	$542	$683	$801
7/1/21	218	388	553	697	817
7/1/22††	223	398	567	714	837

6. 15 Minutes and Over but Less Than 30 Minutes

7/1/20	$461	$735	$970	$1,190	$1,361
7/1/21	470	750	989	1,214	1,388
7/1/22††	482	769	1,014	1,244	1,423

7. 30 Minutes and Over but Less Than 45 Minutes

7/1/20	$1,209	$1,463	$1,708	$1,907	$2,077
7/1/21	1,233	1,492	1,742	1,945	2,119
7/1/22††	1,264	1,529	1,786	1,994	2,172

8. 45 Minutes and Over but Less Than 60 Minutes

7/1/20	$1,294	$1,620	$1,884	$2,109	$2,280
7/1/21	1,320	1,652	1,922	2,151	2,326
7/1/22††	1,353	1,693	1,970	2,205	2,384

†† See second paragraph of footnote 12 on page 135.

	1/week	2/week	3/week	4/week	5/week

9. 60 Minutes and Over but Less Than 90 Minutes

7/1/20	$1,571	$1,823	$2,080	$2,299	$2,472
7/1/21	1,602	1,859	2,122	2,345	2,521
7/1/22††	1,642	1,905	2,175	2,404	2,584

10. 90 Minutes and Over but Less Than 120 Minutes

7/1/20	$1,703	$2,046	$2,350	$2,591	$2,817
7/1/21	1,737	2,087	2,397	2,643	2,873
7/1/22††	1,780	2,139	2,457	2,709	2,945

11. 120 Minutes

7/1/20	$1,961	$2,337	$2,644	$2,892	$3,064
7/1/21	2,000	2,384	2,697	2,950	3,125
7/1/22††	2,050	2,444	2,764	3,024	3,203

12. In the event that a Director directs, in one week, more than five (5) programs, all of which fall within the same program length category in the above schedule, he or she shall receive an additional fifteen percent (15%) of the applicable five times per week rate for each such program which he or she directs beyond the fifth.

13. Programs in Excess of One Hundred Twenty (120) Minutes

In the case of a program of more than one hundred twenty (120) minutes cumulative air time within a twenty-four (24) hour period, the minimum rate will be the "120 minute rate" plus an additional ten percent (10%) of such rate; if the cumulative air time exceeds six (6) hours, a further additional ten percent (10%) will be paid. In the case

†† See second paragraph of footnote 12 on page 135.

of programs which extend over a number of days (*e.g.*, conventions, space shots), the multiple-times-per-week rate shall be applicable and for each day in such week that the cumulative air time of the program equals more than one hundred twenty (120) minutes, an additional ten percent (10%) of the "1 per week 120 minutes" rate will be added to the appropriate fee, and for each day in such week that the cumulative air time exceeds six (6) hours, a further additional ten percent (10%) of such rate will be paid.

SECTION H. LOCAL FREELANCE DIRECTORS

1. The following rates shall apply to employment by Company of local freelance Directors to direct local live and taped television programs.

2. Compensation

		7/1/20 - 6/30/23
(a)	Daily Rate	$ 766
(b)	Weekly Rate	3,066

(c) For the second program of thirty (30) minutes or over directed on the same day, an additional seventy-five percent (75%) of the applicable daily rate will be paid.

(d) For each additional program of thirty (30) minutes or over directed on the same day, an additional sixty percent (60%) of the applicable daily rate will be paid.

SECTION I. BUDGET TABLE

High budget programs are individual programs in which the costs of the productions are budgeted over:

Length of Program	
0 - 15 minutes	$100,000
16 - 30 minutes	150,000
31 - 60 minutes	200,000

Length of Program	
61 - 90 minutes	300,000
91 minutes and over	600,000

SECTION J. SEGMENTS

Compensation for the segment Director(s) (which shall be in addition to the applicable minimum compensation payable to the program Director) shall be determined by the length of the segment(s). When one segment comprises one-half or more of the entertainment portion of the program, the Director of such segment(s) shall receive the applicable minimum compensation for the program.

SECTION K. LEAD-INS

1. An aggregate payment of $112 ($115 effective July 1, 2021) 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. In the case of a multiple-times-per-week program, the payment specified in this Paragraph 1. shall constitute payment for the week.

   A Director who is employed to direct footage to be used in a lead-in or main title sequence shall be paid on a daily basis for each day of shooting required. The daily rate shall be computed by dividing the minimum rate applicable to the type of program in which the footage is to be used by the number of days guaranteed (*i.e.*, the included days) for the program, then multiplying that figure by five (5) and dividing that product by four (4).

2. A single aggregate payment of $751 ($774 effective July 1, 2021) shall be made to the Director(s) employed on a non-prime time strip program who directs and/or who directed material used in a lead-in. No further payment for use of the lead-in shall be required as long as the Director(s) continues to be employed on such program. If a

Director who has directed and/or who directed material used in a lead-in is no longer employed on the program and the lead-in continues to be used, such Director shall receive a proportionate share of $112 ($115 effective July 1, 2021) per week as long as the lead-in and/or the material, as applicable, he or she directed continues to be used.

3. If more than one Director is entitled to receive a share of the $112 ($115 effective July 1, 2021) or the $751 ($774 effective July 1, 2021) payment, the Guild shall determine the allocation among such Directors.

4. With respect to daytime serials, any $751 ($774 effective July 1, 2021) payment shall be made following the first exhibition of the lead-in and any $112 ($115 effective July 1, 2021) payment shall be made at the end of each calendar quarter in which the programs using the lead-in were initially exhibited. All other lead-in payments shall be made within thirty (30) days following the end of the television season during which the programs using the lead-in were initially exhibited.

5. Employer shall send all lead-in payments to the Guild for forwarding to the Director(s). 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.

SECTION L. TALENT TEST

A Director employed for the purpose of directing a talent test(s) or audition(s), as those terms are generally understood in the industry, shall be compensated at the rate of $1,583 ($1,623 effective July 1, 2021 and $1,672[†] effective July 1, 2022).

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

SECTION M. INTENDED BROADCAST PATTERN AND ADJUSTMENT OF DIRECTOR'S SALARY

1. With respect to pre-recorded programs, the computation of payment to a Director for his or her services, under the multiple-times-per-week formula, shall be based on the intended broadcast pattern, which shall be specified in the Director's individual contract or deal memo. However, if the actual broadcast pattern consists of a lesser number of broadcasts per week than the intended broadcast pattern, an adjustment shall be made so that the computation is based instead on the actual broadcast pattern.

   Example A. If a program recorded at the rate of five per week is specified as intended for broadcast at the rate of one per week, the applicable one-a-week rate applies, whether or not the program is actually broadcast or rebroadcast at the rate of one per week or more than one per week.

   Example B. If a program recorded at the rate of one per week is specified as intended for broadcast at the rate of five per week and is actually broadcast at that rate, the applicable five-a-week rate applies, but if the pattern of actual broadcasts or rebroadcasts should be changed from five per week to one per week, the one-a-week rate, rather than the five-a-week rate, would apply and the amount paid the Director would be adjusted accordingly.

   Example C. If programs are aired originally on a five-a-week or more basis and are rerun on a one-a-week or less basis, replay payment will be based upon the rate that would have applied if the original broadcast had been in the one-a-week pattern.

2. If a program originally produced for non-Prime Time Network broadcast is initially broadcast on non-Network Prime Time and is then broadcast in Network Prime Time, either for its first or second rerun, the Director's salary shall be adjusted to the applicable Network Prime Time show rate. There shall be no such salary adjustment if such picture is first broadcast in Network Prime Time in its third or any subsequent rerun.

If a program is produced for non-Prime Time Network broadcast under a budget equivalent to that of a similar type of television program produced within the last three (3) years for Network Prime Time broadcast, the Director's salary shall be paid at the applicable Network Prime Time show rate.

SECTION N. PILOTS, PRESENTATIONS AND WORKSHOPS

1. Pilot and Spinoff Payments

In connection with the pilot or spinoff episodes for network prime time:

Dramatic, Variety, Quiz and Game, and programs of the genre of "*Battle Of the Network Stars*" and programs of the genre of "*People*," provided that such program(s) is not covered by another collective bargaining agreement between the Company and the Guild.

With regard to the aforementioned program categories, the Director will be paid not less than two hundred eighty-five percent (285%) of the applicable one-half (½) hour program fee (included days - two hundred percent (200%) of the applicable included days); two hundred twenty percent (220%) of the applicable one-hour program fee (included days - one hundred sixty-five percent (165%) of the applicable included days); one hundred seventy percent (170%) of the applicable ninety (90) minute program fee (included days - one hundred thirty-five percent (135%) of the applicable included days); and one hundred forty percent (140%) of the applicable two (2) hour program fee (included days - one hundred twenty percent (120%) of the applicable included days), based on the length of the pilot and not of the proposed or actual series. For each additional hour over two (2) hours, the applicable network prime time program minimum rates based on the one (1) hour rate or fraction thereof will be payable. Days in excess of maximum will be prorated to actual salary, but in no event at a rate of less than two hundred percent (200%) of applicable rate for additional days. For all other pilots or spinoffs, the Director shall be paid no less than one hundred percent (100%) of the applicable minimum fee for any such pilot or spinoff he or she directs. If such pilot or spinoff is subsequently broadcast, the pilot or

spinoff Director shall be paid no less than an additional one hundred percent (100%) of the applicable minimum fee.

2. De Facto Pilot

If a television series is produced based upon fictional characters in a dramatic television program not originally intended as a pilot or spinoff episode (or, in the case of non-fictional characters, when the series has the same context and framework as an earlier single television program, including setting, theme and premise), or if a non-dramatic television series is produced which has the same context and framework as an earlier single television program not originally intended as a pilot or spinoff, including setting, theme and premise, the Director of such earlier program shall be paid the difference between the compensation originally paid to said Director for such program and the applicable pilot fee set forth above. The payment of such difference shall be made promptly after such new series is produced. Only one such payment shall be made for any new series. The Guild will determine allocation if there is more than one Director entitled to the payment.

3. Series Without Pilot

In connection with the first produced television program of an open-ended series that is ordered without a pilot, excluding sports and news series, minimum initial compensation shall be one hundred fifty percent (150%) of scale. The first produced program of an open-ended series ordered without a pilot in the genre of "*Good Morning America*" or "*Greatest Legends of Sports*," regardless of what category it may be placed in for other purposes under the Agreement, shall be subject to the one hundred fifty percent (150%) of scale payment required by this Paragraph if it is not covered by another collective bargaining agreement between the Company and the Guild.

4. Series Bonus

If an open-ended network prime time series featuring one or more fictional characters is sold subsequent to the production of a pilot tape in any of the forms above, then the Director of the spinoff or pilot or of the tape introducing the character(s) shall be entitled to additional aggregate series bonus payments for each production year as follows:

Program Length	**7/1/20**	**7/1/21**	**7/1/22**[†]
½ hour	$ 4,351	$ 4,460	$ 4,594
1 hour	8,698	8,915	9,182
90 minutes or longer	11,594	11,884	12,241

Payment is to be made within five (5) days after firm order for production. Only one set of series bonus payments pursuant to this subsection N.4. need be made in connection with any one series and, in case of a dispute between two (2) directors who might be entitled to those payments, the Guild will determine the allocation.

5. Presentations

The following applies to prime time dramatic television programs produced on film or tape:

It is agreed that "presentation programs" are not pilots.

A "presentation program" is a program shot on film or tape, no more than thirty (30) minutes in length, produced for the purpose of selling a proposed series, but not intended for broadcast.

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

The minimum rate for the director of a "presentation program" is as follows:

	7/1/20	**7/1/21**	**7/1/22**[†]	**Included Days**
0-15 minutes	$30,329	$31,087	$32,020	10 days, of which 4 must be consecutive
16-30 minutes	$60,668 (or the applicable pilot fee, if less, but in no event less than $30,329)	$62,185 (or the applicable pilot fee, if less, but in no event less than $31,087)	$64,051 (or the applicable pilot fee, if less, but in no event less than $32,020)	14 days, of which 6 must be consecutive

The director of a "presentation program" shall receive additional compensation so that his or her initial compensation is not less than the minimum pilot rate, based on the length of the presentation, (a) if the "presentation program" leads directly to the sale of the series (*i.e.,* there is no subsequent presentation or pilot produced); (b) if footage in excess of two (2) minutes (not including "stock shots" or establishing shots) from the "presentation program" is used in a subsequent presentation or pilot program which does sell the series; or (c) more than ten (10) minutes of footage from the presentation is used in any episode of the series. If two (2) minutes or less of footage from the presentation (not including "stock shots" or establishing shots) is used in a subsequent pilot or presentation or if less than ten (10) minutes is used in any other program, the applicable excerpt fee must be paid to the director of the presentation from which the footage or excerpt is taken.

6. Workshops

The parties reserve their respective positions with regard to "workshops."

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

SECTION O. ADDITIONAL DAYS

Each additional day worked beyond the included days in any program category shall be paid on a *pro rata* basis, computed by dividing the minimum program fee per program by the number of included days for that program.

SECTION P. SPECIAL PROVISIONS APPLICABLE TO SERIALS

1. Location Days

When a Director on a serial program is required to render services on location (whether local or distant), Producer agrees to pay the Director $1,340 ($1,374 effective July 1, 2021 and $1,415[†] effective July 1, 2022) for each shooting day on location in addition to any other compensation required to be paid for such services (such as program or segment fees, or "additional day" payments, when required). Travel days, and non-shooting and non-work days on location, shall be paid or credited at the "additional day" rate.

At the Company's option, a Director may be hired or assigned for work on a location (whether local or distant), at the rate of $7,038 per shooting day ($7,214 effective July 1, 2021 and $7,430[†] effective July 1, 2022), to direct any number of scenes for any number of programs. The option must be exercised in advance of the assignment. Such payment shall "buy out" all compensation required to be paid to such Director for all work performed on such day, except payments required under Article 23.[1] All non-shooting days (preparation, travel, editing, etc.) of such Director will be paid for at the applicable "additional day" rate. If this option is exercised, a single Director, who is compensated in accordance with Article 6, Section D.1., must direct at least seventy percent (70%) (sixty-five percent (65%) in the

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

[1] During the 1987 negotiations and drafting sessions following the negotiations, the parties agreed to this language. However, this language is not intended to reflect in any way on any issue as to whether residual payments are or are not payable for reruns, foreign or supplemental market uses or subsequent exhibition on basic cable of material recorded under this or any other provision of this Agreement.

case of a half-hour program) of the material used in such program as broadcast.

It is not intended that the use of this option will result in unusually long days for the Director employed pursuant to this option. The Employer will therefore use its best efforts to avoid assigning such Director to unusually long days.

2. Vacation

A Director who has been employed on one or more serial programs produced by the same Company during cycles covering at least fifty (50) consecutive weeks shall be entitled to a vacation for that year of two (2) weeks (increased to three (3) weeks after five (5) consecutive years of such employment). For each such week of vacation, the Director shall be paid or credited with vacation pay at the Director's applicable minimum compensation for the average number of programs per week guaranteed. The Director and the Company shall mutually agree on vacation scheduling.

3. Sick Leave

When a Director on a serial program has been employed by the Company for more than twenty-six (26) weeks under any one contract or extension or renewal thereof, his or her individual contract of employment may not be suspended or terminated because of unavoidable absence for a period not in excess of four (4) weeks when such absence is due to sickness or other incapacity beyond his or her control; provided, however, that if such illness or other incapacity occurs at a period when the Company has the right to terminate such contract, this provision shall not in any way affect such right. The Company shall be obligated to compensate the Director during the first two (2) weeks of any such absence. Any payments made by the Company pursuant to Article 9, Section B.22. shall be credited towards the Company's obligation to provide the Director up to two (2) weeks' compensation under this Section P.3.

4. Work on Holidays

If a serial Director is assigned to work in the studio or on location on Christmas Day (December 25), Thanksgiving Day, New Year's Day (January 1) or the fourth holiday as determined below, the Company shall pay the Director, in addition to any other compensation due the Director for such assignment, a further payment equivalent to one-half (½) of the applicable "additional day" payment. By March 15 of each calendar year, each serial Company shall designate a fourth holiday from the following list: Memorial Day (fourth Monday in May), July 4, Labor Day or the Friday after Thanksgiving.

5. Daytime Serial Cooperative Committee

The parties agree to establish a Daytime Serial Cooperative Committee to discuss creative matters and production problems concerning daytime serial programming. The parties will invite, and make good faith efforts to encourage and induce, the companies producing daytime serials, including but not limited to Bell-Phillips TV Productions, Inc.; CPT Holdings, Inc; Corday Productions, Inc; Sunset Beach Productions, Inc.; Capital Cities/ABC, Inc.; D'Arcy Masius Benton & Bowles and Televest Daytime, Inc., to participate in the Cooperative Committee.

The Committee shall include Directors of daytime serials and the Employers' production executives who are above the line producer and executive producer and have responsibility for overseeing the production and quality of the show.

The Committee shall meet once in New York in the first year of the Agreement and once in Los Angeles in the third year of the Agreement.

The Code of Preferred Practices shall be published after the next meeting of the Daytime Serial Cooperative Committee.

6. The parties agree to meet on an Employer-by-Employer basis to discuss segment fee issues with respect to serial Directors.

SECTION Q. COMPENSATION ON RECALL FOR PARTICULAR SERVICES

Should a Director be recalled subsequent to the final taping of a program for additional shooting, compensation for such additional shooting shall be payable at the additional day rate. It is agreed, however, that no compensation shall be payable for such services to the extent that they are rendered within the included days.

There shall be no minimum preparation requirement for performing such services when the original Director is recalled. If the original Director is not available or does not agree to perform such services and another Director is to perform such services, one day of preparation time shall be provided regardless of the length of employment; provided, however, if the Director is called for a single day's employment and the additional shooting takes five (5) hours or less, then the preparation requirement shall be included in the same day and only one day's compensation shall be paid.

SECTION R. DOUBLE LENGTH EPISODE

For a double length episode of a prime time dramatic episodic series or serial, Director may be employed at two hundred percent (200%) of minimum and two hundred percent (200%) of the included days appearing in Section A.1. above. For network prime time dramatic programs in excess of two (2) hours, the minimum and included days shall be computed at the two (2) hour rate plus *pro rata* of the one (1) hour schedule.

SECTION S. PAYMENT FOR COMBINED OR EXTENDED PROGRAMS

This Section S. shall apply when a previously-broadcast prime time dramatic 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 or more prime time dramatic 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 Section S. 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 Section S. shall not apply to the use of excerpts nor to "compilation" programs.

SECTION T. ONE DIRECTOR TO A PRIME TIME DRAMATIC PROGRAM

There will be only one Director assigned to direct a prime time dramatic program at any given time. However, such limitations shall not be construed as precluding assignment of *bona fide* teams or of more than one Director to direct pick-ups, added scenes or different segments of a multi-storied or multi-lingual motion picture (*e.g.*, "*Tales of Manhattan*," "*Love Boat*" and "*Tora-Tora-Tora*") or different segments of a multi-part closed-end television series (*e.g.*, "*Roots*") or the assignment of more than one Director when required by foreign laws, regulations or subsidies, or assignment of a segment Director or any specially skilled Director (*e.g.*, underwater work or aerial work) to work under the supervision of the Director or a similar customary practice not inconsistent with the general intent of this Section T. The Directors' Council of the Guild shall not unreasonably

withhold its consent to a waiver of the above provisions when two (2) Directors apply for the same based on professional necessity.

SECTION U. LITERARY MATERIAL

When the Director of a prime time dramatic program is assigned, at his or her request, any existing script or outline in whatever form intended for the production of the program shall be immediately delivered to him or her. Any changes or additions in such script shall be submitted to the Director promptly and before such changes or additions are made available for general distribution. The individual Producer or other appropriate person will confer with the Director to discuss and consider the Director's suggestions and opinion with respect to such changes or additions and will confer with the Director to discuss and consider any script changes or revisions which the Director recommends.

SECTION V. DIRECTOR RESIDENCY

Notwithstanding anything to the contrary in this Agreement, the following shall apply to television directors for purposes of establishing where the director may be employed as a "local hire." The director shall designate the production center in which he/she wishes to be employed as a "local hire" in accordance with the rules and procedures currently followed by the Guild. In addition, the Guild, upon request of the Employer, shall grant an automatic and unconditional waiver to each Los Angeles-based episodic series to employ up to four directors per season whose designated production center is not Los Angeles and to treat those directors as "local hires." However, each such episodic series may hire the same director for only one episode per season as a "local hire." The Guild will provide, upon the Employer’s request, a list of "local hires" for each production center.

ARTICLE 7.

ADDITIONAL COMPENSATION FOR RERUNS, SEGMENT RE-USE AND FOREIGN USE PAYMENTS

SECTION A. HOW PAID

1. The salary paid to the Director for his or her services in connection with a television program shall constitute payment in full for the broadcasting of such program once in each city in the United States, its territories, possessions and Canada, in which any television broadcasting stations are now located and once in each city in the United States, its territories, possessions and Canada, in which any television broadcasting stations are hereafter for the first time established.

   (a) A television program which has been telecast not more than once in any city in the United States, its territories, possessions and Canada, is in its first run. A television program which has been telecast more than once, but not more than twice in any city in the United States, its territories, possessions and Canada, is in its second run. A similar test applies in determining when a television program is in its third and succeeding runs.

   (b) If the Company desires to telecast any television program(s) described in Article 6 for more than one run in the United States, its territories, possessions and Canada, the employment contract of each Director engaged therein shall contain a separate provision for additional compensation for reruns which shall be not less than those amounts and percentages found in Section B.

SECTION B. ADDITIONAL COMPENSATION FOR RERUNS[2]

1. Network Prime Time Dramatic

(a) Reruns of Network Prime Time Dramatic Programs in Network Prime Time

	7/1/20-6/30/23
0 - 15 Minutes	$ 7,945
16 - 30 Minutes	13,258
31 - 60 Minutes	24,963
61 - 90 Minutes	37,436
91 - 120 Minutes	49,443

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

(b) Reruns of Network Prime Time Dramatic Programs Outside of Network Prime Time[3]

Base for Such Purpose	**7/1/20**	**7/1/21**	**7/1/22**
0 - 15 Minutes	$10,334	$10,592	$10,857
16 - 30 Minutes	15,900	16,298	16,705
31 - 60 Minutes	28,731	29,449	30,185
61 - 90 Minutes	41,560	42,599	43,664
91 - 120 Minutes	54,395	55,755	57,149

[2] See modifications to this Article 7.B. in Article 7.B.8. and Sideletter No. 18 re: License to Secondary Digital Channels of Free Television, Basic Cable or Pay Television Motion Pictures or Motion Pictures Made for Home Video.

[3] The residual bases for multi-camera prime time dramatic pilots or series are as set forth in Section 24-301 of the BA, not those set forth in this Article 7.B.1.(b).

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

Percentage of Above Base Payable for Domestic Reruns of Network Prime Time Dramatic Programs Outside of Network Prime Time

	Network	**Non-Network**
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%
13th Run and Each Subsequent Run in Perpetuity	5%	5%

(c) (i) Notwithstanding the provisions of subsections B.1.(b) of Article 7, the Company 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 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 pursuant to a license entered into prior to July 1, 2020:

(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 subparagraph 1.(b) 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. (The parties' mutual understandings of the interpretation of this residual formula are set forth in Sideletter No. 11 of this FLTTA.)

(ii) For the purposes of this Section B.1.(c), the term "Employer's gross" shall have the same meaning as it does in Article 24 with respect to pay television exhibition of a free television program.

(iii) Payments due and payable hereunder shall be sent to the Guild within the time and in the manner required by the first nine paragraphs of Article 24, Section F.

(d) 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 this Section B. 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 this Section B. Employer shall be obligated to

report any such run to the Guild as required under this Article 7, notwithstanding the fact that no payment shall be due therefor.

2. Network Prime Time Variety

2nd Run	100% of applicable minimum
3rd Run	75% of applicable minimum
4th Run	50% of applicable minimum
5th Run	50% of applicable minimum
6th Run	25% of applicable minimum
7th Run	10% of applicable minimum
Each Subsequent Run	5% of applicable minimum

3. All Other Programs[4]

2nd Run	50% Network/40% Non-Network of applicable minimum
3rd Run	40% Network/30% Non-Network of applicable minimum
4th Run	25% of applicable minimum
5th Run	25% of applicable minimum
6th Run	25% of applicable minimum
7th Run	15% of applicable minimum
8th Run	15% of applicable minimum
9th Run	15% of applicable minimum
10th Run	15% of applicable minimum
11th Run	10% of applicable minimum

Continued...

[4] The residual bases for multi-camera prime time dramatic pilots or series are as set forth in Section 24-301 of the BA, not those set forth in this Article 7.B.3.

...Continued

12th Run	10% of applicable minimum
13th Run	5% of applicable minimum
Each Subsequent Run	5% of applicable minimum

However, the "applicable minimum" for 91-120 minute high budget dramatic non-network or network non-prime time programs shall be $38,834 for the period July 1, 2020 through June 30, 2021; $39,805 for the period July 1, 2021 through June 30, 2022; and $40,800 for the period July 1, 2022 through June 30, 2023.

4. Whenever a payment is due under the foregoing provisions of this Article 7.B. for telecasts, after the effective date of this Agreement, of a television program in a language or languages other than English, then, in lieu of such payment, the payment due the Director(s) of such television program shall be an aggregate amount equal to 1.2% of the Employer's "accountable receipts," as defined in Article 24, from the distribution of such television program for such telecasts. Such payment shall not affect the Employer's obligation to make the applicable rerun payments for telecasts of a program in English.

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

5. If an Employer licenses a television program (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 and Article 7, Section B.8. below does not apply, it shall have the option to elect to pay to the Director thereof four percent (4%) of the "Employer's gross" (as defined in Article 24 of this Agreement with respect to pay television exhibition of a free television program) 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 7. The foregoing applies to television programs, whether

produced under the 2020 FLTTA or any prior FLTTA, as to which free television residuals would otherwise be payable.

6. No residuals shall be payable during the first season of a non-network syndicated "All Other" series with a budget of: (a) $200,000 or less per episode for series with episodes between 16 and 30 minutes in length, or (b) $300,000 or less per episode for series with episodes between 31 and 60 minutes in length. During the second season of such series, residuals shall be payable at fifty percent (50%) of the amount otherwise due under this Agreement. During the third and each subsequent season of such series, residuals shall be payable as provided in Article 7 of the FLTTA.

7. In the event of a limited West Coast rerun of an awards program which has aired live and then is rerun beginning on the same day as the live broadcast, the residual payment shall be one-third (1/3) of the amount otherwise payable.

8. Broadcast Syndication Sales of Dramatic Programs Under a License Agreement Entered Into On or After July 1, 2020

   (a) Should an Employer enter into a license, on or after July 1, 2020, of a dramatic television program or series made for free television, basic cable, pay television, or a covered new media dramatic program or series or a dramatic program or series made for The CW for exhibition in broadcast syndication in the United States and/or Canada (*i.e.*, "domestic" broadcast syndication), it shall pay to the Director a percentage residual of two percent (2%) of the "Employer's gross" (as defined in Article 7.E.1.), whether such television program or series is produced under this FLTTA or any prior FLTTA and as to which a fixed residual or higher percentage residual otherwise would be payable.

   The foregoing does not apply: (i) to programs or series made for broadcast syndication; (ii) to residuals for reruns on The CW of dramatic programs made for The CW; (iii) to residuals for the reuse of a "high budget pay television motion picture," as defined in Article 29.D.(1)(d), on free television as provided in Article 29.H.(1)(b); (iv) to residuals for reruns of dramatic

free television programs in network prime time as provided in Article 7.B.1.(a) of the FLTTA; and (v) to any license agreement entered into prior to July 1, 2020, including options thereunder which may be exercised after July 1, 2020. As an example of subparagraph (v), assume that a current license agreement covers the sale to broadcast syndication of the first and second seasons of a dramatic series and also includes an option to license for exhibition in broadcast syndication all subsequent seasons of the series. Because the license agreement was in effect before July 1, 2020, the sale of all seasons of the series under that license agreement, even pursuant to the options, would not be covered by this provision.

(b) Payments due and payable hereunder shall be sent to the Guild within the time and in the manner required by Article 24.F.

(c) Employer will prepare an annual statement of the "Employer's gross" for dramatic television programs described in the first paragraph of this Article 7.B.8.(a) which have been licensed to domestic broadcast syndication pursuant to an agreement entered into on or after July 1, 2020. The annual statement will show cash, barter and any other consideration received by the Employer from the licensing to broadcast syndication of such programs and may be inspected by the Guild at the premises of the Employer upon notice by the Guild.

The Guild will have the right to audit these gross receipts-based residuals payments, and such audits shall be subject to the provisions of Article 7.G. of the FLTTA.

On a semi-annual basis, within ten (10) business days after a request by the Guild, the Employer shall provide for inspection by the Guild's designated employee or auditor, at Employer's premises in Los Angeles, all unredacted license, distribution, and other agreements pertaining to domestic broadcast syndication of covered programs that were entered into during the immediately preceding inspection period.[5] In any

[5] The Guild's designated employee or auditor shall have full access to all agreements, notwithstanding any confidentiality clause contained therein, and access to all sideletters,

subsequent semi-annual inspection, the Guild's designated employee or auditor may re-inspect any agreements previously inspected and inspect any agreements not previously inspected.

The information provided by the Employer to the Guild, or made available for its inspection, will be treated as confidential pursuant to Article 7.G. of the FLTTA, and appropriate arrangements will be made to safeguard the confidentiality of that information.

SECTION C. RERUN PAYMENTS

1. The Company shall pay as provided herein for each respective rerun, not later than four (4) months after the first broadcast of the respective rerun in any city in the United States or Canada. However, in the event any rerun is broadcast on a television network (or on a regional television network), or on The CW or MyNetwork TV, the Company shall make the appropriate rerun payment not later than thirty (30) days after the broadcast of such rerun.

2. All payments of additional compensation for reruns 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 the Director. The Company shall send with each check a statement of the title of the television program and the "run" or "runs" for which such payment is made. The Company shall keep or have access to those records necessary to determine the amount of rerun payments due any Director. The Guild shall have the right, at all reasonable times, to inspect such records and, at its cost, make copies of such records.

3. Should the Company fail to abide by the foregoing and there is no dispute as to the amount of the payment due, there shall accrue one percent (1%) per month as late charges on such unpaid amount from the date of such delinquency; provided, however, that this shall be subject to any legal defenses the Employer may have.

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exhibits, addenda, and other ancillary documents.

4. 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.

SECTION D. ADDITIONAL COMPENSATION FOR FOREIGN TELECASTS

1. If the Company desires to telecast any program in any part of the world outside the United States, its territories, possessions and Canada, the Company shall pay additional compensation for such foreign telecasting of not less than the following percentages of the Director's applicable minimum compensation as set forth herein for programs other than prime time dramatic programs (subject to the provisions of (e) below) and of the residual base set forth in Paragraph 2. below for foreign telecasting of prime time dramatic programs.

   (a) The Company will pay fifteen percent (15%) of the residual base (in the case of prime time dramatic programs) or of the applicable minimum compensation (in the case of programs other than prime time dramatic programs) for such programs not later than sixty (60) days after the first foreign telecast thereof.

   (b) The Company will pay an additional ten percent (10%) of the residual base (in the case of prime time dramatic programs) or of the applicable minimum compensation (in the case of programs other than prime time dramatic programs) for such program when the distributor's foreign gross for any such

program has exceeded $7,000 for a program of one-half hour or less; $13,000 for a program of more than one-half hour, but not more than one (1) hour; or $18,000 if such program is more than one (1) hour in length. The Director shall be entitled to the payment of not less than the above percentage, payable not later than sixty (60) days after such gross has been exceeded.

(c) The Company will pay an additional ten percent (10%) of the residual base (in the case of prime time dramatic programs) or of the applicable minimum compensation (in the case of programs other than prime time dramatic programs) for such program when the distributor's foreign gross for any such television program has exceeded $10,000 for a program of one-half hour or less; $18,000 for a program of more than one-half hour but not more than one (1) hour; or $24,000 if such program is one (1) hour or more in length. The Director shall be entitled to the payment of not less than the above percentage, payable not later than sixty (60) days after such gross has been so exceeded.

(d) After the Director has received a total of the amounts specified in (a), (b) or (c) above with respect to any program, the Director shall be paid one and two-tenths percent (1.2%) of the "Distributor's Foreign Gross" in excess of:

(i) $365,000 in Distributor's Foreign Gross for one-half (½) hour programs;

(ii) $730,000 in Distributor's Foreign Gross for one (1) hour programs;

(iii) $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;

(iv) $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;

(v) $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;

(vi) $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;

(vii) $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

(viii) 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 (i) through (viii) above, as applicable.

For the purpose of this subparagraph (d), 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 Article 7.B., 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 (i) through (viii) above.

The Director shall receive such additional monies pursuant to the payment provisions of Article 24.F., 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.

(e) This Section D. applies only to entertainment programs and complete sports event programs or self-contained segments therefrom.

2. (a) Foreign Telecasting Payments for Prime Time Dramatic Programs

	7/1/20	**7/1/21**	**7/1/22**[†]
LENGTH	RESIDUAL BASE % AND AMT.	RESIDUAL BASE % AND AMT.	RESIDUAL BASE % AND AMT.
½ hour	$16,700 15% = $2,505 10% = $1,670 10% = $1,670	$17,118 15% = $2,568 10% = $1,712 10% = $1,712	$17,632 15% = $2,645 10% = $1,763 10% = $1,763
1 hour	$30,179 15% = $4,527 10% = $3,018 10% = $3,018	$30,933 15% = $4,640 10% = $3,093 10% = $3,093	$31,861 15% = $4,779 10% = $3,186 10% = $3,186
1½ hours	$43,654 15% = $6,548 10% = $4,365 10% = $4,365	$44,745 15% = $6,712 10% = $4,475 10% = $4,475	$46,087 15% = $6,913 10% = $4,609 10% = $4,609
2 hours*	$57,131 15% = $8,570 10% = $5,713 10% = $5,713	$58,559 15% = $8,784 10% = $5,856 10% = $5,856	$60,316 15% = $9,047 10% = $6,032 10% = $6,032

*Over two (2) hours, prorate payment based on one (1) hour rate.

(b) Notwithstanding the foregoing, for those one-hour network prime time dramatic television series referred to in Article

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

7.B.1.(c)(i) above, the fifteen percent (15%), ten percent (10%) and ten percent (10%) of the applicable base amount referred to in Section D.1.(a) through (c) 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 Company obtains knowledge of the first foreign telecast and in no event later than six (6) months after the first foreign telecast.

3. (a) The term "foreign telecasting," as used herein, shall mean any telecast, whether simultaneous or delayed, outside the United States, its territories, possessions and Canada, other than a telecast on any of the following regularly-affiliated stations of a United States television network as part of the United States network television telecast: XEW-TV or XEQ-TV or XHTV or XHGC-TV, Mexico City; and XETV, Tijuana; and ZBM, Pembroke, Bermuda for CBS and NBC; and ZBF, Hamilton, Bermuda for ABC.

(b) Tijuana

This is to confirm our understanding concerning programs (live/tape and film) produced for network television which are played on Station XETV, Tijuana, Mexico.

It is agreed that if a network program is played on Station XETV as part of the network run, Station XETV will be treated as if it were a domestic station and the foreign fee provisions of our contracts shall not be applicable to such play.

In the event such programs are syndicated on Station XETV, the foreign provisions of our contracts shall apply.

4. As used herein, the term "Distributor's Foreign Gross" shall mean, with respect to any television program, the absolute gross income realized by the distributor of such program 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:

(a) Sums realized or held by way of deposits or security, until and unless earned, other than such sums as are non-returnable.

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." Such television motion picture is "available" when the first of the following occurs:

(i) 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

(ii) It first may be sold or rented by a retailer under the terms of the applicable license or distribution agreement.

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.

The amount of the non-returnable sum is "ascertainable" if:

(i) the non-returnable sum is for one television motion picture, means of exhibition, and territory, or

(ii) 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.

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.

(b) 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 program 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.

(c) 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 program subject to a foreign telecast payment under this Agreement shall also include programs, 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 programs which are subject to foreign telecast payment and other such programs, time, facilities or material and only the sums properly allocable to programs which are subject to a foreign telecast payment shall be included in the Distributor's Foreign Gross.

5. 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.

6. With respect to each television program which is distributed for foreign telecasting, Employer shall furnish reports to the Guild showing Distributor's Foreign Gross derived from such program until:

   (a) Such program has been withdrawn from distribution for foreign telecasting, or

   (b) The Director of such program has received the full additional payments for such foreign telecasting to which he or she is entitled pursuant to Section D.2. above.

   Such reports shall be rendered to the Guild on a quarterly basis during the first three (3) years in which any such program 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 program is currently being distributed for foreign telecasting.

SECTION E. BASIC CABLE EXHIBITION

1. Except as otherwise provided in Section B.1.(d) of this Article 7, upon release, on or after July 1, 2020, to basic cable of free television programs, as to which free television residuals would otherwise be payable, Company shall pay to the Director thereof the following percentage of the Employer's gross receipts obtained therefrom: With

respect to free television programs produced prior to July 1, 1984, said percentage shall be two and one-half percent (2.5%); with respect to free television programs 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 this Agreement 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 24 with respect to pay television exhibition of a free television program.

2. 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 the first nine paragraphs of Article 24, Section F.

SECTION F. COPYRIGHT ROYALTY TRIBUNAL

If, with respect to a particular free television program released on or after July 1, 2020, the Company has paid residuals pursuant to the percentage residual formula in Section B.1.(c) above, then any monies received by the Company from distributions by the Copyright Royalty Tribunal for such television program shall be subject to that percentage residual formula.

SECTION G. RESIDUALS AUDITS

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

In connection with such an audit, the Company 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 Company. 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: (i) to review, investigate or enforce claims against the audited Company arising under this Agreement or applicable law, (ii) pursuant to legal process, or (iii) after obtaining the Company'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 Company'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 Company so long as the Guild's communications are related to its obligation to review, investigate or enforce claims against the audited Company arising under this Agreement or applicable law, pursuant to legal process, or after obtaining the Company'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 Company to object or to seek an appropriate protective order.

At the election of the Company, the auditors and other Guild representatives shall be required to sign an agreement duplicating the confidentiality provisions in the preceding paragraphs of this Article 7.G., but without any modifications to these provisions unless consented to by the Guild.

In consideration of the foregoing agreements in this Article 7.G., the Company 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 Article 7.G. shall not apply to residuals audits conducted by the Guild for which (a) the date of audit entry is prior to July 1, 2020, and (b) there is a written confidentiality agreement executed by the Employer, the Guild and/or its auditors.

ARTICLE 8.

COMMERCIALS AND PROMOTIONAL ANNOUNCEMENTS

SECTION A. COMMERCIALS - SEE SIDELETTER #2

SECTION B. PROMOTIONAL ANNOUNCEMENTS

1. No additional compensation is payable to the Director of a program or episode of a series who also directs, within his or her included days for such program or episode, promotional announcements for the program or series; provided, however, that with respect to a promo for a series (as distinguished from the particular episode), the Director must be engaged for half or more of the series' episodes for the then-current season. If the Director of a program or episode is entitled to compensation for directing promotional announcements, either because such services are not performed within his or her included days, or in the case of a promo for a series because the Director has not been engaged for half or more of the series' episodes, such additional compensation shall be computed on the basis of Paragraph 2. below.

2. If a Director is engaged specifically and only for the purpose of directing promotional announcements, he or she shall be paid the applicable "additional day" rate in Article 6, with one day of preparation time allowed, provided that if the Director is called for a single day's employment and the recording of the promotional announcements takes five (5) hours or less, then the preparation requirement shall be included in the same day and only one (1) day's compensation shall be paid.

ARTICLE 9.

GENERAL CONDITIONS

SECTION A.

1. When a television program is transmitted via radio, the Employer shall pay the Director additional compensation in the amount of two percent (2%) of "Employer's gross" derived from the distribution of the program for such transmission. "Employer's gross" shall have the same meaning as set forth in Article 24, Section C.2. No separate payment shall be due if the program is subsequently made available via a "podcast." For the purpose of this provision, a "podcast" is defined as an audio file made available via a computer, tablet, mobile or other device.

   When the "Employer's gross" derived from such transmission is received from a related or affiliated entity that acts as the Distributor or exhibitor of the program, then the "Employer's gross" received by the Employer from the licensing of such rights shall be measured by the Distributor/exhibitor's payments to unrelated and unaffiliated entities in arms' length transactions for comparable programs, or, if none, then the amounts received by the Employer from unrelated and unaffiliated Distributors/exhibitors in arms' length transactions for comparable programs or series, or, if none, a comparable Distributor/exhibitor's payments to comparable unrelated and unaffiliated entities in arms' length transactions for comparable programs or series.

2. A Director shall not be denied his or her compensation for the original broadcast, live repeat broadcast or pre-recording of a television program by reason of the failure to broadcast or pre-record such program due to preemption.

3. Sustaining rates shall be seventy-five percent (75%) of commercial rates. Sustaining rates shall not be applicable to prime time programs.

4. Offset of Overscale Compensation

(a) Overscale cannot be used to credit or offset, in any manner, any payments required to be made to the Director. The only exception to this credit or offset prohibition is the right of the Employer to negotiate with the Director to credit or offset residuals against monies in excess of two hundred percent (200%) of scale. Residuals cannot otherwise be prepaid. Any prepayment must be specifically set forth in the deal memorandum in the specific dollar amounts to be credited or offset. The foregoing restrictions shall not apply to contracts of employment entered into on or before July 1, 1981 as to which the provisions of the 1978 Agreement shall apply.

The restrictions in the paragraph above shall not apply to news, sports and public affairs programs as to which compensation in excess of the applicable basic minimum compensation may be offset against other monies which may become due to the Director; provided that the Company and the Director have agreed in advance to such offset (and have set forth such agreement in the deal memorandum provided for in Article 14 hereof).

The provisions of Article 29, Section C., Paragraph 3. apply to Directors of programs covered under Article 29 of this Agreement in lieu of the provisions of this Paragraph 4.

(b) The Company may credit or offset excerpt fees and/or the director's share of compilation program fees against monies in excess of two hundred percent (200%) of scale for directors of "all other" programs produced for broadcast five (5) times per week and directors of strip variety programs (other than those regularly broadcast in the 11:30 p.m. - 12:30 a.m. time period EST/EDT or PST/PDT (one hour earlier in the Central and Mountain Time Zones). The Company shall specify the amount set aside for that purpose in the director's deal memorandum.

5. No reuse compensation shall be payable for additional showing(s) of a recorded closed circuit program, as the term is understood in the

broadcasting industry, as a closed circuit program or for non-broadcast presentations.

6. Replacement of Director

In the event the Company removes a Director from a program to which he or she has been assigned, such Director cannot be replaced by a person who was initially assigned to such program to perform duties not covered by an Agreement between the Company and the Guild. This paragraph shall not apply to emergency situations or to situations in which the Director has disqualified himself or herself from carrying out his or her assigned duties.

In the event of a change or substitution of a Director on a prime time dramatic program, the substituting Director shall only be guaranteed the unexpired portion of the previous Director's guarantee, at not less than double minimum compensation for the work performed.

7. In the case of any controversy as to allocations of residual payment, the amount allocable to each Director shall be resolved by the Guild and each individual Director involved shall be bound thereby.

8. Replacement of Director Who Furnished Material

If a Director is employed under a contract concurrently entered into with another contract in which a teleplay or other literary or underlying material for the tape production, written or controlled by the Director is acquired by the Employer and, if under such directing contract, the Employer reserves the right in a "pay-or-play" provision not actually to utilize the Director's services on the tape production, in whole or in part, then the Employer will expressly refer to such right in the deal memorandum it delivers under this Agreement prior to commencement of the Director's services and, further, will provide in said memorandum for an additional negotiated sum to be paid to the Director in the event that the Employer does exercise its pay-or-play right.

9. Payment to and Mitigation by Discharged Director

If a Director is removed from a tape production, the Employer shall forthwith deliver to the Guild for the Director all remaining unpaid non-deferred, non-contingent compensation as provided by such agreement. If the Employer disputes its obligation to pay said compensation to the Director, the amount in dispute shall be deposited with a mutually acceptable bank or other third party or a bank or other third party designated by an arbitrator. Such escrow agent shall distribute the amount deposited, together with interest accumulated, if any, according to the provisions of any settlement agreement or, if the dispute is not settled, according to the award of an arbitrator or judgment of a court of law.

If the Director is employed by third parties during the remaining period during which the Director was guaranteed employment in the tape production, Employer shall be entitled to an offset of the compensation arising from such new employment for such remaining portion of the guaranteed period against the compensation remaining unpaid under the earlier agreement. Under the described circumstances, the Guild guarantees repayment from the Director to the extent herein provided. Employer agrees that the Director shall have no obligation to mitigate damages arising from his or her removal and that the only obligation of the Director in such event will be to repay or offset sums as herein set forth if the Director, in his or her sole discretion, actually accepts employment during the remaining guaranteed period of the tape production.

10. Development Services

If a Director, at the request of an Employer, renders services in supervising development of a teleplay (as distinguished from reviewing or commenting upon a completed or substantially-completed teleplay) for a prime time dramatic program of ninety (90) minutes or longer, with the option to direct, and if such option is not

exercised or if he or she is replaced or the production is abandoned, he or she shall receive a minimum of $44,329 ($45,437 effective July 1, 2021 and $46,800[†] effective July 1, 2022) at the time a television program based on such teleplay is produced, if at all, provided one or more of the writers supervised by such Director in development is accorded writing credit and, provided further, the Company realizes revenues from the production. Payments made to the Director in connection with development shall apply towards the minimum of $44,329 ($45,437 effective July 1, 2021 and $46,800[†] effective July 1, 2022).

11. Holidays

Directors assigned to prime time dramatic programs shall receive additional compensation equivalent to an additional one-half (½) of the Director's actual *pro rata* daily salary if work is performed at the Employer's direction on any of the following holidays:

New Year's Day
Martin Luther King Jr. Day (effective January 1, 2022)
Presidents' Day
Good Friday
Memorial Day
Independence Day
Labor Day
Thanksgiving Day
Day after Thanksgiving
Christmas Day

If a holiday is not worked, but falls within a week assignment, the Company shall pay the Director his or her salary for such day. If any of the above holidays falls on Saturday, the preceding Friday shall be considered the holiday. If any of the above holidays falls on Sunday, the following Monday shall be considered the holiday. The foregoing shall not apply to Saturday or Sunday holidays occurring in distant location workweeks; in such cases, the holiday shall remain unchanged.

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

If the Employer in its basic film collective bargaining agreements with SAG-AFTRA, the Writers Guild or IATSE hereafter grants any new holiday, the same holiday shall be deemed included hereunder.

12. Suspension and Termination of Directors

(a) Except as expressly provided in this Article, the provisions of this Agreement with reference to the obligation of the Employer to furnish employment for the respective included days specified, or to provide for payment of salary in aggregate amounts herein specified, shall, of course, be subject to any and all rights of suspension and/or termination which the Employer may have by contract or otherwise in the event of any incapacity or default of the Director or, in the case of any interference, suspension or postponement of production by reason of strikes, acts of God, governmental action, regulations or decrees, casualties or any other causes provided for in the so-called "force majeure" clause of such Director's contract of employment or the force majeure provisions of this Agreement. No suspension or termination of Director's services shall be permitted or effected by Employer under such force majeure clause or provisions unless the entire cast is likewise suspended or terminated, as the case may be.

Subject to such rights of suspension and/or termination, the obligation of the Employer upon entering into a contract for the employment of a freelance Director to furnish employment during any of the foregoing included days of employment shall be wholly satisfied by the payment of the agreed salary for the applicable minimum period. With respect to programs of sixty-one (61) minutes or more in length, the illness or incapacity for one (1) week or less of a member of the cast or any other person in connection with the program shall not be considered "force majeure." With respect to programs under sixty-one (61) minutes in length, if the Director is suspended by reason of illness or incapacity of a member of the cast or any other person connected with the program, then the Director may forthwith terminate the employment, but if such termination occurs, the Employer may thereafter employ the same or another Director to fulfill the remaining portion of the

guaranteed period of employment. The Employer further agrees that if, despite such suspension, the star of the program is paid in whole or in part with respect to such program, then the Director will be paid in the same *pro rata* amount as the star is paid. The foregoing provision shall not apply to the continuation of payments to a term performer who is carried by the Employer under the provisions of a term contract.

(b) After the expiration of the period of suspension mentioned above, the Employer may not again suspend the Director for the same cause during the further continuance of the same cause of suspension, but if, after the termination of such cause, there is a new occurrence of the same or any other cause of suspension, the Employer may again exercise its rights under said "force majeure" clause.

(c) If the production of the program is cancelled and the Director is terminated due to such a "force majeure," then, in the event the production of such program is recommenced within six (6) months, the Director, subject to his availability, shall be offered reinstatement for the balance of his previous employment agreement to direct the program in accordance with the terms of such previous employment agreement, and such offer shall immediately be accepted in writing by the Director within forty-eight (48) hours after the offer is received and, if not, the offer shall be deemed to be rejected.

(d) The provisions of this Paragraph 12. shall not apply to contracts of employment entered into on or before the July 1, 1981, as to which the 1978 Agreement shall apply.

13. Office and Parking

(a) When the Employer is the owner or long-term lessee of a studio facility containing office space, the Employer will, if so requested, provide the Director of a prime time entertainment program or series or who is performing services at such facility with a private office at the studio.

(b) When the Director of a prime time entertainment program or series is performing services for Employer at a facility which is leased by Employer for the production of such program or series, the Employer will use its best efforts to comply with subparagraph (a) above.

(c) On distant location where private facilities are provided to others on the set or immediately adjacent thereto, a private facility shall also be provided the Director on the set or immediately adjacent thereto.

(d) For purposes of subparagraphs (a) and (b), an "office" shall be a room with a door which can be shut, adequate ventilation, a telephone, a desk and desk chair, room for no less than two (2) additional persons and good lighting. Sanitary facilities shall be in a reasonable proximity to said office. It is understood that at certain facilities the "office" may be a private dressing room or trailer which does not contain every one of the listed criteria, but such dressing room or trailer must be adequate to meet the Director's reasonable requirements.

(e) In those situations in which the Director utilizes an office in his or her home in connection with an employment agreement with the Employer, such utilization by the Director shall be deemed to be at the request of and for the convenience of the Employer. Employer acknowledges that Directors are frequently required to perform services hereunder at their homes.

(f) Employer shall use its best efforts to provide reasonable parking space for Directors at no charge while they are rendering services at major film lots or other facilities with comparable parking facilities in production, pre-production and post-production covered by this Agreement.

14. No images or sounds may be transmitted electronically from the stage or control booth without first informing the Director. Any instances of non-disclosed transmission shall be presented to the Creative Rights Standing Committee. The Employer shall use its best efforts to identify those places or persons that have access to such transmissions.

15. Change in Workweek

The provisions of Article 10, Part 2, Section D.12. shall also apply to Directors.

16. Directors' Holiday Hiatus

Notwithstanding the foregoing, if any Employer, because of the Christmas/New Year's holidays, schedules a hiatus in production of an episodic series or serial, the Director's work on an episode of the series or serial may be suspended during the hiatus, even though the Director has not completed his or her work in preparation or shooting of the episode. This suspension of pay is conditioned on all of the following:

(a) the hiatus is not longer than two (2) weeks;

(b) the Director must be notified at the time of engagement; and

(c) Christmas Day and/or New Year's Day (to the extent that one or both fall within the hiatus period) must be treated as holidays not worked under Paragraph 11 of this Article 9, Section A.

SECTION B.

The following conditions apply to all Employees: Directors, Associate Directors and Stage Managers.

1. Expenses

(a) On all remote and distant location assignments, the Company will pay all traveling and living expenses, and, if the assignment is overnight, the Company will provide first class hotel accommodations, one to a room.

(b) Coach class air travel shall be permissible for flights of less than 1,000 air miles when the flight is non-stop from departure point to final destination, provided that the Employer must

provide elevated coach class travel (*e.g.*, Economy Plus, Extended Leg Room, etc.), when available. In addition, flights between Los Angeles and Vancouver may be coach class.

Baggage fees and in-flight meals for coach class air travel shall be reimbursed, provided that a request for reimbursement with appropriate receipts is submitted within thirty (30) days after the flight.

(c) All other flights shall be business class when available and, if not available, first class.

(d) If an Employee covered under this Agreement is traveling on the same flight as another employee employed on the same production by the same Employer and the other employee is entitled to travel in a higher class of transportation pursuant to the minimum terms of the collective bargaining agreement under which he/she is employed, then the Employee covered under this Agreement shall be upgraded to the same class of transportation as is afforded to the other employee.

(e) Travel other than by air shall be first class.

(f) On all remote assignments, the Employer will provide meals.

2. Use of Automobile

(a) It is not mandatory that Employees use their own automobiles. An Employee who consents to a request by the Company to use his or her own automobile on Company business shall not be required to carry passengers or equipment. The Employee shall be compensated at the rate of thirty cents ($.30) per mile for the travel necessitated, plus tolls and reasonable parking expenses. If the Employer in its Basic Agreement with the I.A.T.S.E. hereafter increases the mileage expense rate, the same rate increase shall be deemed included hereunder.

(b) Any damage to the Employee's car during such use shall be paid for by the Company to the extent that the Employee is not otherwise compensated. The Company shall also indemnify

and hold the Employee harmless from all claims resulting from the use of his or her automobile.

3. When the Associate Director (Stage Manager) duties set forth herein are required to be performed at a facility (which is being used for the production of a program) pursuant to a previously existing collective bargaining agreement which mandates that such Associate Director (Stage Manager) duties must be exclusively performed by members of the bargaining unit covered by such previously-existing agreement, then the Company shall not be required to assign an Associate Director (Stage Manager). Except as limited by the foregoing or by applicable law, no Guild member employed in a Guild category shall be required to work with any non-Guild Director, non-Guild Associate Director or non-Guild Stage Manager.

4. Employees covered hereby will be paid for their services within ten (10) days after completion of their services, except when there is a delay in the completion of the editing of such commercial or pre-recorded program.

   (a) The Director shall be paid not less than ninety percent (90%) of his or her fee by the end of such ten (10) days, and the remainder after the completion of the editing of such commercial or program, but in no event later than four (4) weeks after the completion of the recording of the commercial or program.

   (b) An employee shall be paid his or her salary on Thursday for services rendered in the preceding calendar week.

   If Company fails to pay initial compensation when due under this Agreement, 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 Company 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 Company has failed to make such payment because the executed contract was not delivered by the Employee to the Company, 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 Company 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.

5. (a) All fees and compensation set forth in this Agreement are minimum. Fees and compensation in excess of minimum shall be the subject of individual negotiation between the Company and the individual Director, Associate Director or Stage Manager concerned.

(b) In the event that any Director, Associate Director or Stage Manager is not presently receiving the applicable minimum fees and compensation as set forth in this Agreement, his or her fees and compensation shall be increased at least to such minimum effective as of the date of this Agreement.

6. Travel Insurance

Employer will provide a minimum coverage of $200,000 of accidental death insurance to any Employee while required by Employer to travel by means of transportation furnished by Employer, other than by air, during Employee's assignment. In the event Employee is required to travel by air, then Employer will provide a minimum of $250,000 of accidental death insurance for each Employee so required to travel by air, and $350,000 of such accidental death insurance for each Employee in cases in which Employee is required to fly under the following circumstances:

(a) In all flights by conventional aircraft involving concurrent movement of seven (7) persons or less employed by Employer in which the Employee participates; and

(b) In all cases in which Employee is required to fly in a helicopter or in which the flight is in connection with the production of a program (other than ordinary travel to and from location, or

other general travel) such as lining up the shots, rehearsals, photography or scouting for locations.

In connection with transportation of Employees by air, Employer shall only use aircraft certified by proper governmental authority for the purpose for which it is to be used and such aircraft shall only be flown by appropriate licensed pilots. If a twin engine aircraft is reasonably available when it is required, Employer will use reasonable efforts to utilize the same if it is appropriate for the purpose.

In the event Employer is unable to provide the coverage stated above through Employer's insurance carrier, Employee shall be informed of this fact no later than arrival at the airport of departure. Employer shall reimburse the Employee with the cost of the premium paid by the Employee in order to obtain such coverage when Employee presents proper receipts.

Employer shall cover each employee engaging in underwater work with $250,000 of accidental death insurance.

7. When weather conditions warrant, the Company will supply to the Directors, Associate Directors and Stage Managers proper weather gear (apparel).

8. Underwater Work Allowance

When an Employee, at the direction of the Employer: (i) performs diving using a diving mask, air helmet or diving suit, including skin-diving in water ten (10) feet or more in depth, or (ii) descends in a submarine or diving bell, the Employee shall receive an allowance of $180 ($185 effective July 1, 2021) per such dive.

9. Aircraft Flight Pay

When an Employee is required to, and performs his or her regular, assigned duties, in connection with the actual recording of program material, either: (i) while flying in a helicopter, or (ii) in an aircraft of a type not normally used for passenger travel, or on a special flight

involving hazardous flying conditions, the Employee shall receive an allowance of $180 ($185 effective July 1, 2021) per flight.

As to both subparagraphs 8. and 9. of the foregoing provisions, the Guild will cooperate with the Company to avoid payments for unreasonable claims -- *e.g.*, claims for separate payments in the course of one (1) assignment for each time a diver surfaces, or each time an aircraft or helicopter makes a landing.

10. The Company will make available, at Guild's request, evidence of insurance coverage required hereunder.

11. Hold Harmless

The Employer shall save the Director, Associate Director and Stage Manager, as the case may be, 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 tape in which he or she renders services to the Employer as a Director, Associate Director or Stage Manager, as the case may be; provided, however, and subject to the conditions that:

(a) This Paragraph 11. 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 Director, Associate Director or Stage Manager, as the case may be;

(b) Immediately upon such Director, Associate Director or Stage Manager, as the case may be, 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 Director, Associate Director or Stage Manager, as the case may be, 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 this Agreement 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 Agreement, 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 (1) person in any one (1) accident or occurrence and in an amount not less than $4,000,000 for injury to or death of more than one (1) person in any one (1) 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.

12. Agreement Binding On Whom

Consistent with and subject to the provisions of Article 1, Section B., this Agreement is applicable to all live and tape programs produced anywhere in the world by signatories or subsidiaries in which signatories have fifty percent (50%) or more financial interest.

13. Borrowing an Employee's services through a loan-out company will not in any manner deprive the Employee of any benefits of this Agreement 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, residuals, Completion of Assignment Pay, unworked holiday pay, vacation pay and aircraft flight or underwater work allowances.

With respect to compensation and other payments which may be due under this Agreement, 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 Agreement, 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 by the Employer) would have been covered by this Agreement, 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.

14. 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.

15. Morals Clause

Employer agrees that it shall not include or enforce a so-called "Morals Clause," as that 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.

16. 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. Subcontracting

Employer agrees that in connection with the production of programs in which it owns the basic underlying property rights, it will not subcontract work to third parties for the purpose of evading its obligations under this Agreement. This provision shall not be construed in any way as to constitute an unlawful prohibition on the right of the Employer to contract. To the extent of any inconsistency between the terms hereof and any applicable law, the terms of such law shall control.

18. 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 nor 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 Agreement or any part or portion thereof.

19. Guild Access to Premises

During hours when an Employee covered under this Agreement is working, Employer shall admit officially-designated representatives of the Guild to its pre-production, production and post-production facilities where such Employee is working, for the purpose of transacting any business relative to this Agreement or a personal service agreement or deal memo of such 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.

20. Proof of Performance

Except as may otherwise be agreed in writing by the Guild and the AMPTP, the Guild, prior to the commencement of principal photography of a motion picture on which one or more Employees covered by this Agreement are employed, may require that the Company 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 30 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 Company and Distributor of the default and advise the Company of its right to cure same within thirty (30) days.

21. Waiver of New York Earned Safe and 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 Safe and Sick Time Act of 2013 (N.Y.C. Admin. Code, Section 20-911 *et seq.*); the New York State Paid Sick Leave Law of 2020 (New York Labor Law Section 196-b); 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 San Francisco Public Health Emergency Leave Ordinance (San Francisco Police Code Article 33P); 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 City of Los Angeles Emergency Order regarding Supplemental Paid Leave Due to COVID-19 (amended June 24, 2021); the Los Angeles County COVID-19 Worker Protection Ordinance (Title 8, Chapter 8.200 of the Los Angeles County Code); the Los Angeles County Employee Paid Leave for Expanded Vaccine Access (Title 8, Chapter 8.205 of the Los Angeles County Code); the Long Beach COVID-19 Paid Supplemental Sick Leave Ordinance (Chapter 8.110 of the Long Beach Municipal Code); the Oakland Sick Leave Law (Municipal

Code Section 5.92.030.); West Hollywood Sick Pay Ordinance (Municipal Code § 5.130 *et seq.*); Chapter 4.62.025 of the Santa Monica Municipal Code (enacted by Ordinance No. 2509); 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; the New Jersey Paid Sick Leave Act (C.34:11-56a *et seq.*); 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; Irvington, New Jersey (Ordinance No. MC-3513); Montclair, New Jersey (Chapter 132 of the General Legislation of the Township of Montclair, NJ); 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.

22. <u>California Sick Leave</u>

(a) Accrual. Eligible Employees (as described in subparagraph (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, 2020; 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, 2020.

(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."[6] 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 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:

(i) Show the amount of available paid sick leave on the Employee's pay stub or a document issued together therewith; or

(ii) 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

[6] "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.

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.
Employer shall notify the Guild of the name and contact information of the designated Employer representative for purposes of administering this provision.

(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 Article 9, Section B.22. 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.

SECTION C. SAFETY

1. The Employer is responsible for ensuring a safe working environment. To facilitate this, the Employer shall have a Safety Program that defines the safety responsibilities of, and authority granted to, Employees working under this Agreement. Employers operating in California may satisfy this requirement by developing and maintaining an effective Injury and Illness Prevention Program ("IIPP") in compliance with state law, which shall include a statement of roles and responsibilities substantially similar to those set forth below. Employers operating outside California may satisfy this requirement by adhering to the division of roles and responsibilities set forth below and are encouraged to model their Safety Program on the requirements of an IIPP as provided under California law.

All Employees are required to understand and adhere to the Employer's Safety Program and their duties under it and to report safety concerns in good faith. No Employee shall be discharged or otherwise disciplined for refusing in good faith to work on a job that exposes him or her to a clear and present danger to life or limb, or for making a good faith report to the Employer, his or her supervisor or the Employer's Production Safety Department (if any) relating to the safety of another employee or bystander exposed to a clear and present danger to life or limb. It is the shared commitment of the AMPTP and DGA to vigorously protect all employees from retaliation for exercising this responsibility.

(a) Employer

The Employer is responsible for ensuring that health and safety are taken fully into account when the production is budgeted and that proper resources for the management of health and safety and the fulfillment of the Safety Program are provided. Practical day-to-day responsibility for ensuring that the Safety Program is properly implemented may be delegated to an Employee (or other designee) ("Safety Program Designee"); however, the Employer always has the ultimate responsibility for ensuring a safe working environment and shall support the Safety Program Designee in the implementation and administration of the Safety Program. To that end, the Employer shall designate and identify to the Safety Program Designee an individual (*e.g.,* a line producer or production executive) to serve as a point of contact in the event the Safety Program Designee requires additional support and/or resources on safety issues for a given production. If the Employer has a Production Safety Department, it shall also identify an employee of the Production Safety Department to serve as a resource on safety matters for a given production.

(b) Director

The Director shall promote the importance of a safe working environment for the production, including by supporting the Safety Program Designee in the implementation and

administration of the Safety Program and supporting the Stage Manager in maintaining a safe set. The Director is responsible for considering the health and safety implications of directorial decisions. In carrying out his or her directorial duties, the Director shall obtain guidance on safety matters from the Safety Program Designee, the Stage Manager, department heads, supervisors, or other individuals with relevant safety expertise, as applicable, and may rely upon their advice. The Director is encouraged to ask questions about any safety-related matter.

(c) Stage Manager

It is understood that safety issues and responsibility for implementing and administering the Safety Program during prep, load-in, wrap and strike is typically assigned to persons not covered by the FLTTA. The first-assigned[7] Stage Manager reports to the executive-in-charge ("EIC")/line producer[8] on safety issues and is responsible for implementing and administering the Safety Program with respect to the cast and crew on set, during rehearsals and production. The first-assigned Stage Manager is responsible for coordinating on set safety and for conveying safety requirements to all talent/cast and crew members and supporting department heads and supervisors in meeting their Safety Program responsibilities. The first-assigned Stage Manager may also delegate specific safety responsibilities as appropriate. In carrying out his or her safety responsibilities, the first-assigned Stage Manager shall obtain guidance on safety matters from department heads, supervisors, or other individuals with relevant safety expertise, as applicable, and may rely upon their advice. The first-assigned Stage Manager shall communicate with the Director, EIC/line producer and the Production Safety Department (if

[7] Notwithstanding the reference to "first-assigned," the Company may re-assign duties that are typically assigned to the "first-assigned" Stage Manager to a different Stage Manager (including, but not limited to, a Head, Lead or Key Stage Manager) at any time.

[8] The parties recognize that the first-assigned Stage Manager will typically report to either an "Executive-in-Charge" or a line producer (or Unit Production Manager, if one is engaged), but may also report to another production executive, depending on the production.

any) regarding any health and safety concerns that are identified prior to and during any production day. In addition, the first-assigned Stage Manager shall ensure that proper control measures have been implemented and communicated to all involved, including by conducting safety meetings and, if requested by the Employer, including appropriate information on call sheets. The first-assigned Stage Manager has the authority to halt any production activity that poses a risk to cast or crew members' health or safety and shall not be discharged or otherwise disciplined for exercising this authority in good faith.

Stage Managers employed in addition to the first-assigned Stage Manager report to the first-assigned Stage Manager on safety issues and shall assist the first-assigned Stage Manager in communicating with the Director, EIC/line producer and the Production Safety Department (if any) regarding any health and safety concerns and ensuring that proper control measures have been implemented and communicated to all involved.

(d) Associate Director

When working on the stage, studio or on location when no Stage Manager has been assigned, the Associate Director has the responsibilities of the first-assigned Stage Manager as detailed above.

When working in the control room/booth, the Associate Director shall assist the first-assigned Stage Manager with any health and safety concerns and, if requested by the Stage Manager, ensure that proper control measures have been implemented and communicated to all involved.

Associate Directors employed in addition to the first-assigned Associate Director shall support the first-assigned Associate Director and first-assigned Stage Manager in implementing the Safety Program.

(e) Production Safety Department

Employers are encouraged to establish a Production Safety Department as a resource to assist productions in identifying and resolving environmental, health and safety issues and to support production personnel in complying with the Safety Program. The Production Safety Department (if any) shall inform the Safety Program Designee of any environmental, health or safety issues identified prior to and during any production day, if known to the Production Safety Department.

2. The First Stage Manager 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.

3. The Directors Guild-Producer Training Plan Safety Passport Training Course, which includes the Contract Services Administration Trust Fund ("CSATF") "A" course, is mandatory for the following individuals who are hired in California: Associate Directors and Stage Managers. Such individuals shall have ninety (90) days from their initial date of employment to successfully complete the Safety Passport Training Course.

The Directors Guild-Producer Training Plan Safety Passport Training Course, which includes the CSATF "A" course and any training specific to a particular region, all of which training shall be made available online, shall be mandatory for the following individuals who are hired in the United States (other than California): Associate Directors and Stage Managers. Such individuals shall have ninety (90) days from their initial date of employment to successfully complete the Safety Passport Training Course.

It is understood and agreed that the Directors Guild-Producer Training Plans will fund all aspects of the mandatory training using existing funds through their reserves.

The Directors Guild-Producer Training Plans shall pay a stipend to Employees who attend the Safety Passport Training Course at a rate not less than that paid to employees covered under the Producer-

IATSE Basic Agreement and West Coast Studio Local Agreements who attend safety training courses offered by CSATF.

The Employment Criteria List shall be updated to reflect an individual's successful completion of the Safety Passport Training Course. For individuals not on the Employment Criteria List, the parties will devise a method to reflect the individual's successful completion of the Safety Passport Training Course.

Any Associate Director or Stage Manager who fails to successfully complete the Safety Passport Training Course within the training deadline set forth herein will be suspended from the Employment Criteria List until he or she successfully completes the training course. Upon successful completion of the Safety Passport Training Course, any such Associate Director or Stage Manager who was suspended from the Employment Criteria List shall regain his or her status on the applicable list. Any individual not on the Employment Criteria List who fails to successfully complete the Safety Passport Training Course will be ineligible to work until he or she successfully completes the training course. Upon successful completion of the Safety Passport Training Course, any individual not on the Employment Criteria List shall regain eligibility for employment.

Associate Directors and Stage Managers shall continue to be permitted to attend, on a voluntary basis, any CSATF training courses if space permits, and the Employment Criteria List shall be updated to reflect an individual's successful completion of such courses. For individuals not on the Employment Criteria List, the parties will devise a method to reflect the individual's successful completion of such courses.

SECTION D. ISAN NUMBERS

Employer shall provide the International Standard Audiovisual Number ("ISAN"), if any, for a television program where known by the Employer.

ARTICLE 10.

BASIC MINIMUM COMPENSATION AND CONDITIONS FOR ASSOCIATE DIRECTORS AND STAGE MANAGERS

PART 1. PRIME TIME DRAMATIC PROGRAMS[9]

The minimum salaries and conditions of employment set forth in this Part 1. shall govern the employment of Associate Directors and Stage Managers on prime time dramatic programs.

SECTION A. MINIMUM SALARIES

1. Salary

PERIOD	TYPE OF RATE	Associate Director	First Stage Manager	Stage Manager
7/1/20 - 6/30/21	Studio Workweek	$5,225	$4,338	$3,749
	Distant Location Workweek	7,311	6,060	5,239
7/1/21 - 6/30/22	Studio Workweek	5,356	4,446	3,843
	Distant Location Workweek	7,494	6,212	5,370
7/1/22 - 6/30/23†	Studio Workweek	5,517	4,579	3,958
	Distant Location Workweek	7,719	6,398	5,531

[9] See Article 32 for terms and conditions applicable to multi-camera prime time dramatic pilots, presentations and series.

† See text of footnote 12 on page 135.

A studio workweek shall consist of five (5) days (freelance or term contract). A distant location workweek shall consist of six (6) of seven (7) days (freelance or term contract).

2. Production Fee

In addition, Employer agrees to pay a production fee to all Associate Directors and to the First Stage Manager working in conjunction with a shooting unit for all days except as specifically outlined below. Starting with commencement of principal shooting or second unit shooting, if separate, and continuing until completion of principal shooting or second unit shooting, as the case may be, the production fee shall be calculated on the basis of the weekly amounts set forth below. The production fee shall not be payable for those days on which shooting is suspended or not in progress by reason of the following circumstances: (i) suspension of production for force majeure; (ii) seventh days not worked; (iii) studio sixth days not worked; (iv) unplanned interruptions in shooting of five (5) consecutive days or more; and (v) interruptions in shooting as to which Employer gives not less than twenty-four (24) hours advance notice to Employees.

Notwithstanding the foregoing, in so-called three camera shows, one day of rehearsal or camera blocking shall be added in the computation of the days for which the production fee is payable.

PERIOD	TYPE OF RATE	Associate Director	First Stage Manager
7/1/20 - 6/30/21	Studio Workweek	$ 970	$ 910
	Distant Location Workweek	1,189	1,181
7/1/21 - 6/30/22	Studio Workweek	994	933
	Distant Location Workweek	1,219	1,211
7/1/22 - 6/30/23†	Studio Workweek	1,024	961
	Distant Location Workweek	1,256	1,247

The production fee is not payable to any additional Stage Managers.

The production fee shall be included in the computation of Pension Plan and Health Plan payments but shall be excluded from all other computations, such as rest period invasion payments, Completion of Assignment Pay, etc.

The studio workweek production fee shall be prorated at one-fifth (1/5) per day, including sixth and seventh days worked at the Employer's direction. The distant location workweek production fee shall be prorated at one-sixth (1/6) per day, including for seventh days worked at the Employer's direction.

3. Daily Rate for Employees Employed on a Daily Rate

Minimum payment shall be one-fourth (¼) of the applicable studio or location weekly rate, including one-fourth (¼) of the applicable production fee when payable pursuant to Paragraph 2. above.

† See text of footnote 12 on page 135.

SECTION B. OTHER WORKING CONDITIONS

1. Completion of Assignment Pay

(a) All freelance Associate Directors and Stage Managers, upon completion of an assignment, shall receive Completion of Assignment Pay as follows:

(i) Those employed for at least four (4) days per week shall receive one (1) week's pay if employed for two (2) or more consecutive weeks or two and one-half (2½) days of pay if employed under two (2) weeks. Completion of Assignment Pay shall be based on actual (including overscale) salary paid and shall be computed by totaling all compensation earned and dividing the total thereof by the number of weeks worked.

(ii) Those employed for two (2) or three (3) days per week for at least three (3) consecutive weeks shall receive one-twentieth (1/20) of the minimum weekly rate for each day worked since the last layoff, up to a maximum payment equal to the minimum weekly rate.

(iii) Production fee and rest period invasion payments are not included for purposes of computation of Completion of Assignment Pay.

(b) If, after completion of an assignment, the Associate Director or Stage Manager either

(i) is carried on his or her salary, or

(ii) is assigned to another position (whether or not subject to this Agreement) at a salary not less than the minimum salary of an Associate Director or Stage Manager, respectively, provided that if such subsequent assignment is to a theatrical motion picture or a television program ninety (90) minutes or longer, and Employer notifies the Employee not later than ten (10) days before the end of the Employee's then current

assignment that the Employee is to be assigned to another position, no Completion of Assignment Pay accrues until completion of the final assignment, and then only for one (1) Completion of Assignment Payment; the amount payable at that time to be not less than the minimum salary of an Associate Director or Stage Manager, respectively.

(c) In any event, the maximum number of Completion of Assignment Payments required to be made by an Employer to a given Associate Director or Stage Manager in any single program season is five (5) plus the final payment.

(d) Notwithstanding the provisions of subparagraph (a) above, with respect to long-form television motion pictures and series on distant location, there is no Completion of Assignment Pay with respect to any hiatus of at least one (1) week in duration which includes the Christmas and/or New Year's Day holiday, so long as the following conditions are observed:

(i) unworked holiday pay is paid for Christmas and/or New Year's Day, as applicable;

(ii) as to Employees on distant location, Company will provide the Employee with travel to and from the location and their residence; if Company and Employee agree that the Employee will remain on location, Company will provide *per diem* and housing; and

(iii) the hiatus period is a maximum of two (2) consecutive weeks.

2. Wage Schedules

(a) Daily Associate Directors and Stage Managers shall be paid on a daily basis as set forth in Section A. above. When such employee is laid off and requests pay, he or she shall be paid at the time of layoff or paycheck shall be mailed within twenty-four (24) hours, excluding Saturday, Sunday and holidays.

A daily Associate Director or a daily Stage Manager who commences work on a particular day, which work continues past 1:00 a.m. of the following day, and who has worked at least fourteen (14) hours, including meal periods, before being dismissed on such following day, shall be considered to have a call for such particular day and also for such following day. For example, a daily Associate Director or a daily Stage Manager who commenced work at 11:00 a.m. on Thursday and worked until 2:30 a.m. Friday shall be considered to have a call for both Thursday and Friday. If he or she commenced work at 10:00 p.m. on Thursday and worked until 2:00 a.m. on Friday, he or she would not be considered to have a call for Friday. In any event, if such daily Associate Director or daily Stage Manager does not work past 1:00 a.m. of such following day, he or she shall not be deemed to have worked on such day. For example, if such daily Associate Director or daily Stage Manager commenced work at 9:00 a.m. on Thursday and worked until 12:30 a.m. on Friday, he or she would not be considered to have a call for work on Friday.

(b) Weekly Employees shall be paid on the weekly basis for all full payroll weeks of employment, and on the fractional weekly basis (Paragraph 3. below) for other days of employment.

3. Workweek

(a) Studio Workweek: A full "studio workweek" for weekly employees shall consist of five (5) consecutive days excluding a studio sixth day and studio seventh day at the "studio workweek rate" set forth in Section A. above. If a weekly Associate Director or Stage Manager is specifically instructed and required by Employer to perform work at a studio or a local location on a sixth and/or seventh day, under the direction and control of Employer, then such weekly Employee shall be compensated at the applicable following rate:

(i) For each sixth day so worked, Employee shall be paid one hundred fifty percent (150%) of either of the following:

(A) his or her actual gross daily salary; or

(B) one-fifth (1/5) of his or her actual gross weekly salary.

(ii) For each seventh day so worked, employee shall be paid two hundred percent (200%) either of his or her actual gross daily salary or one-fifth (1/5) of his or her actual gross weekly salary.

(iii) The production fee, if applicable, shall be included in the calculation of *pro rata* compensation for the purpose of calculating studio sixth or seventh day or holiday pay.

The above provisions shall apply to Associate Directors and Stage Managers who, having commenced work on the previous day, continue to work past 1:00 a.m. on such sixth or seventh day, or day of layoff, as the case may be, and who worked at least fourteen (14) hours, including meal periods, before being dismissed on such sixth day, seventh day or day of layoff, as the case may be. In any event, Associate Directors and Stage Managers who do not so work past 1:00 a.m. on such sixth day, seventh day or day of layoff shall not be deemed to have worked on such day by reason of work between 12:00 midnight and 1:00 a.m. of that day.

The parties confirm that an Employee who works a regular five (5) day studio workweek and who also works on either of the two (2) designated days off in that workweek shall be paid a sixth day worked premium for work on the designated day off. Further, an Employee who works on both designated days off of the workweek shall be paid, for work on the second designated day off, a seventh day worked premium for work on the designated day off.

(b) Distant Location Workweek: A full "distant location workweek" for weekly Employees shall consist of seven (7) consecutive days when sixth and seventh days are distant location days at the "distant location workweek rate" provided in Section A. above. Said distant location workweek rate is

computed at seven-fifths (7/5) of the minimum studio workweek rate and such payment shall include sixth days worked on distant location. If Employee is instructed and required by Employer to perform work at a distant location on a seventh day under the direction and control of Employer, then such Employee shall be paid an additional one-fifth (1/5) of his or her actual or prorated studio weekly salary, for a total of eight-fifths (8/5) of his or her actual or prorated studio weekly salary for a seven (7) day location workweek, including work on a seventh day.

(c) In any workweek which consists of a combination of studio and distant location days, or for any work period of less than a week following the guaranteed employment period, each studio day shall be paid for at one-fifth (1/5) of the studio workweek rate plus the production fee, and each location day shall be paid for at one-seventh (1/7) of the distant location workweek rate plus the production fee, as provided herein. In no event shall such a workweek be paid at less than the weekly rate for five (5) studio days or six-fifths (6/5) of the studio rate for six (6) days if worked.

Notwithstanding the foregoing, in the case of a workweek shift for a weekly Employee that results in a partial workweek either before or after one (1) full week of employment, the Company may prorate the days worked for weekly Employees as provided above.

(d) The day of departure for and the day of return from distant location shall be deemed distant location days. However, when an Employee travels home at the end of production or of his/her assignment on the sixth or seventh day of his or her distant location workweek and performs no other work on this day, the travel day shall be paid at one-fifth (1/5) of the studio workweek rate.

(e) Employees shall be advised of any shift in the workweek prior to the commencement of that workweek. In the event that the Employee would receive fewer than two (2) consecutive days off in the workweek as a result of the shift change, the

following alternative shall be available: Once during the production of a motion picture, or in the case of episodic television, once between hiatus periods (*i.e.*, between the commencement or resumption of production and a cessation of principal photography for the series for at least one (1) week), the Company may shift the workweek, without incurring added costs, by adding one (1) or two (2) days off consecutive with the sixth and/or seventh days off of the prior workweek and/or by shifting a workweek commencing on Tuesday to a workweek commencing on Monday, provided that the intervening Sunday is a day off.

The parties confirm that the foregoing "shift in workweek" provision applies to a "round trip" switch so that the Company is permitted to return the workweek to the originally scheduled workweek, without incurring any additional costs (*e.g.*, a Monday-Friday shift which is switched to Tuesday-Saturday can be returned to Monday-Friday without incurring any additional costs).

Except as provided above, the Company shall pay the appropriate premium for the sixth and/or seventh day worked in the workweek.

In no case may the Company shift the workweek to avoid paying for an unworked holiday.

(f) The parties confirm that under this Paragraph 3. of Article 10, Part I, Section B., an Employee who works a regular five-day studio workweek and who also works on either of the two designated days off in that workweek shall be paid a sixth day worked premium for work on the designated day off. Further, an Employee who works on both designated days off of the workweek shall be paid, for work on the second designated day off, a seventh day worked premium for work on that designated day off.

4. Extended Workday

(a) Programs other than Single Camera Tape

With respect to programs other than single camera tape programs, an Associate Director or Stage Manager who works more than sixteen (16) hours on any work day before being dismissed shall receive an additional day's salary for each four (4) hour period or portion thereof worked beyond sixteen (16) hours.

(b) Single Camera Tape Programs

(i) Associate Director

With respect to single camera tape programs and on camera rehearsal and taping days only, the workday of an Associate Director shall be deemed to begin at the general crew call and end at the end of camera rehearsal or taping. When the end of camera rehearsal or taping occurs at a distant location or a "bus to" local location, actual travel time is added to the end of the workday. On other workdays, the length of the workday shall be determined by actual time worked, including the meal period.

On camera rehearsal taping days only, and when there is only one (1) Associate Director and one (1) Stage Manager assigned to the program, the following incremental payments shall apply:

- if the workday is more than fourteen (14) hours but not more than sixteen (16) hours, an additional one-half (½) day of salary, and

- if the workday is more than sixteen (16) hours but not more than twenty (20) hours, a further additional one-half (½) day of salary, and

- if the workday is more than twenty (20) hours, a further additional day of salary for each four (4) hour period or portion thereof by which the workday exceeds twenty (20) hours.

On days other than camera rehearsal or taping, or if the combined number of Associate Directors and Stage Managers is at least three (3), an Associate Director whose workday exceeds sixteen (16) hours shall receive an additional day of salary for each four (4) hour period or portion thereof worked beyond sixteen (16) hours.

(ii) Stage Manager

With respect to single camera tape programs and on camera rehearsal and taping days only, the workday of a Stage Manager shall be deemed to begin at the earliest of the general crew call, make-up personnel call or hairdressing personnel call. The workday is deemed to end one-half (½) hour after the end of camera rehearsal or taping in the studio or a "report to" local location or one (1) hour after the end of camera rehearsal or taping at a distant location or a "bus to" local location. When the end of camera rehearsal or taping occurs at a distant location or "bus to" local location, actual travel time is added to the end of the workday. On other workdays, the length of the workday shall be determined by actual time worked, including the meal period.

On camera rehearsal and taping days only, and when there is only one (1) Associate Director and one (1) Stage Manager assigned to the program, the following incremental payments shall apply:

- at the studio or a "report to" local location, if the workday is more than thirteen (13) hours but less than sixteen (16) hours, an additional one-half (½) day of salary, or

- at a distant location or "bus to" local location, if the workday is more than fourteen (14) hours but less than sixteen (16) hours, an additional one-half (½) day of salary, and

- if the workday is more than sixteen (16) hours, a further additional day of salary for each four (4) hour period or portion thereof by which the workday exceeds sixteen (16) hours.

On days other than camera rehearsal or taping or if the combined number of Associate Directors and Stage Managers is at least three (3), a Stage Manager whose workday exceeds sixteen (16) hours shall receive an additional day of salary for each four (4) hour period or portion thereof worked beyond sixteen (16) hours.

In all cases, if more than one (1) Stage Manager is employed, the Employer may stagger their hours to avoid extended workday payments as long as a Stage Manager is present at the start and at the end of the workday.

(c) Special Rules for Extended Workday Payments in the New York Metropolitan Area

(i) For Employees Who Report Within the Thirty Mile Zone

When an employee reports for work within the thirty (30) mile "report-to" zone in the New York metropolitan area as described in Article 10, Part 3, Section J. of this Agreement, the employee's workday shall commence at general crew call or the make-up and hairdressing personnel call, whichever is applicable, at the location.

(ii) For Employees Who Report Outside the Thirty (30) Mile Zone

When an employee reports to work at a location which is outside the thirty (30) mile report-to zone in the New York metropolitan area as described in Article 10, Part 3,

Section J. of this Agreement, other than a distant (overnight) location, such location shall be considered a "bus to" local location for purposes of determining the employee's extended workday. The workday of an employee who is required to report to such a location shall be deemed to commence at the scheduled pick-up time of the crew from a mutually agreed-upon point in the area bounded by 125th Street and the Battery or from the perimeter of the area bounded by 125th Street and the Battery. If no pick-up is provided, then the workday shall be deemed to commence at the time that results when the start of the workday as defined in subparagraphs (a) or (b) above is adjusted backward to include the amount of time needed to travel to the location from a mutually agreed-upon point in the area bounded by 125th Street and the Battery or from the perimeter of the area bounded by 125th Street and the Battery. The point used for determining the start of work time for the crew shall likewise be used for determining the commencement of the workday for any employee hereunder. Likewise, when no pick-up is provided, the amount of time needed to travel to the location as determined under the Motion Picture Studio Mechanics, Local #52 Agreement shall be used in determining the commencement of the workday for employees hereunder.

When an employee is required to work at such a location, an additional half-hour shall be added to the number of hours at which an extended workday payment is triggered under subparagraphs (a) or (b) above, based upon the workday starting at the time provided in the preceding paragraph and ending as provided in subparagraphs (a) or (b) above.

(d) Rate of Pay

As used in this Paragraph 4., a day of salary shall be in all cases one-fifth (1/5) of the studio workweek rate, and all such additional payments shall be excluded from all other computations.

(e) Meal Period

The meal period is included within the workday in all cases.

5. Holidays

(a) New Year's Day, Presidents' Day (third Monday in February), Good Friday, Memorial Day (last Monday in May), Independence Day, Labor Day, Thanksgiving Day, the day after Thanksgiving and Christmas Day shall be recognized as holidays. Effective January 1, 2022, Martin Luther King Jr. Day shall also be recognized as a holiday. If any of the above holidays falls on Sunday, the following Monday shall be considered the holiday. If the holiday falls on Saturday, the preceding Friday shall be considered the holiday except on distant locations not on a five (5) day per week shooting schedule.

(b) When such a holiday not worked falls within the weekly or longer guaranteed period of employment, no deduction shall be made from the guaranteed compensation. If such a holiday falls within a full workweek of employment following the guaranteed period of employment, such employee shall be paid his or her full weekly compensation. When such a holiday occurs within a partial workweek following the guaranteed period of employment: (i) if such Employee works the day before and the day after such holiday in the studio, he or she shall be paid one-fifth (1/5) of his or her actual studio weekly salary plus production fee; (ii) if such Employee works the day before and the day after such holiday on distant location, he or she shall be paid one-seventh (1/7) of his or her actual distant location weekly salary including the production fee.

(c) For holidays worked, such Employee shall be compensated as follows:

(i) For each holiday worked in the studio or on local locations, Employee will be paid two hundred percent (200%) of his or her actual gross daily salary (an

additional one hundred percent (100%) of his or her actual gross daily salary).

(ii) For each holiday worked on distant location, Employee shall be paid an additional one-fifth (1/5) of his or her actual gross studio weekly salary (same extra payment as distant location seventh day worked).

(d) Holidays shall apply against the guaranteed period of employment whether or not worked.

(e) If the Employer in its "basic film" collective bargaining agreements with SAG-AFTRA, the Writers Guild or I.A.T.S.E. hereafter grants any new holiday, the same provision shall be deemed included hereunder.

6. Unworked Holidays

(a) Daily Employees: Daily Associate Directors and Stage Managers shall receive as compensation for unworked holidays 3.719% of employee's annual earnings under such schedule. Such compensation shall be payable by check sent to the Employee by April 15 in the calendar year subsequent to the calendar year in which such earnings are accumulated. Pay for unworked holidays which is paid to daily employees during distant location employment shall be offset against such Employee's annual holiday compensation, computed as above.

(b) Weekly Employees: The total amount of salary paid in the period of a calendar year to a weekly Employee hereunder for recognized holidays not worked shall be offset against an amount equal to 3.719% of such employee's accumulated weekly earnings within the same period. The employee shall be paid the amount by which such 3.719% computation exceeds the amount of unworked holiday pay such employee has received for such period.

The foregoing shall be subject to the following provisions:

(i) The weekly pay of an employee shall be deemed to mean his or her pay rate specified in the wage scale, plus overscale payment, if any. A day of holiday pay shall be considered as one-fifth (1/5) of his or her weekly rate of pay, plus overscale payment, if any, for studio workweeks and one-seventh (1/7) of such rate of pay for distant location workweeks.

(ii) Vacation pay and Completion of Assignment Pay shall be excluded from the 3.719% computation.

(iii) Additional holiday pay due hereunder shall be payable by check sent to the Employee by April 15 of the year subsequent to the calendar year in which such pay is earned.

(iv) The 3.719% computation shall not be applicable to any Employee hereunder for any calendar year in which he or she is paid for nine (9) recognized holidays.

(v) It is agreed that as to an Employer producing a program under a separate corporate set-up and not intended to be a continuous producing company, a freelance Associate Director or Stage Manager shall receive, with his or her closing check, as compensation for unworked holidays, 3.719% of his or her salary as provided in Paragraph 5.(b) above, subject to an offset of any unworked holiday pay such Employee has received for such period.

(vi) If the Employer in its Basic Agreement with the I.A.T.S.E. hereafter increases the rate of unworked holiday pay, the same rate increase shall be deemed included hereunder.

7. Distant Location Days

Associate Directors and Stage Managers shall receive, in addition to their current studio rate, a distant location incidental allowance of

twenty-two dollars ($22.00) (twenty-three dollars ($23.00) effective July 1, 2021) per day. The incidental allowance will be payable at the same time and in the same manner as the per diem allowance.

8. Rest Period

Any Associate Director or Stage Manager working in conjunction with a shooting unit shall be entitled to a nine (9) hour rest period.

(a) At the studio and nearby locations, the rest period starts one (1) hour after the company wrap and ends one (1) hour prior to the next shooting call of such shooting unit; for the Stage Manager, the rest period ends at the earlier of the first make-up call or the general crew call.

(b) At distant locations, the rest period starts one (1) hour after the company wrap plus normal travel time from shooting site to production office and ends one (1) hour prior to the next "company leaving" call of such shooting unit.

(c) There shall not be deemed to be any invasion of such rest period unless such rest period, as above defined, is less than nine (9) hours. If such rest period is less than nine (9) hours, the Associate Director or Stage Manager working in conjunction with the shooting unit shall be entitled to additional payment based on the following formula:

(i) If such rest period is more than four and one-half (4½) hours, he or she shall be entitled to receive one-quarter (¼) day of salary for each hour that such rest period is less than nine (9) hours.

(ii) If such rest period is four and one-half (4½) hours or less, he or she shall be entitled to receive one-quarter (¼) day of salary for each hour worked from the end of such invaded rest period until commencement of a full nine (9) hour rest period, as defined above, deducting from such payment only actual hours of rest given to Employee during the forced call.

(d) If such shooting unit has more than one Associate Director or more than one Stage Manager, then Employer may avoid such additional payment to the additional Employee or Employees in the respective category by specifically dismissing such additional Employee or Employees.

SECTION C. DUTIES

Associate Directors and Stage Managers employed on prime time dramatic programs shall perform the following duties in addition to those specified in Article 2. The Associate Director duties listed below may be performed by Stage Managers and Stage Manager duties listed below may be performed by Associate Directors.

1. Associate Directors

(a) Prepare breakdown and stripboard; prepare shooting schedule, keeping the same within time limitations imposed by budget, cast availability and the requirement of complete coverage of the script.

(b) If delegated by Producer, oversee the search, survey and management of locations and ascertain the specific requirements of those locations as they might affect the production. The Associate Director must be sent to each location site sufficiently prior to the commencement of photography to perform adequately his or her duties.

(c) Check weather reports.

(d) Prepare day out of day schedules for talent employment and determine cast and crew calls.

(e) Supervise the preparation of the call sheet for the cast and crew.

(f) Direct background action and supervise crowd control.

(g) May be required to secure minor cast contracts, extra releases and, on occasion, to obtain execution of contracts by talent.

(h) Supervise the functioning of the shooting set and crew.

2. Stage Managers

(a) Prepare call sheets, handle extras' requisitions, and other required documents for approval by the Associate Director, producer and/or the production office.

(b) Prepare the daily production report and end of day paperwork.

(c) Distribute scripts and script changes (after shooting has started) to cast and crew.

(d) Distribute call sheets to cast and crew.

(e) Distribute, collect and approve extra vouchers, placing adjustments as directed by the Associate Director on the vouchers.

(f) Communicate advance scheduling to cast and crew.

(g) Aid in the scouting, surveying and managing of locations.

(h) Facilitate transportation of equipment and personnel.

(i) May be required to secure execution of minor cast contracts, extra releases and, on occasion, to secure execution of contracts by talent. (Can also be delegated to Associate Director).

(j) Coordinate with production staff so that all elements, including cast, crew and extras, are ready at the beginning of the day, and supervise the wrap in the studio and on location (local and distant).

(k) Schedule food, lodging and other facilities.

(l) Sign cast members in and out.

(m) Maintain liaison between the production office and the Associate Director on the set.

(n) Assist the Associate Director in the direction and placement of background action and in the supervision of crowd control.

(o) May assist in the proper distribution and documentation of mileage money by the Producer's appointed representative.

The Company shall not assign or permit the duties of an Associate Director or a Stage Manager set forth in this Section C. to be performed by others except where, and to the extent that, if such prime time dramatic program had been recorded on film in the same facilities, Company could have assigned or permitted such duties to be performed by personnel not covered by a DGA agreement.

Furthermore, if the Company utilizes the live/tape services of any existing facility (*e.g.*, ABC, KTTV) which has traditionally supplied personnel not covered by this Agreement to perform duties covered under this Agreement by reason of this Section C., then this Section C. shall not preclude the Company from using such personnel to perform such duties while utilizing the live/tape services of such facility.

SECTION D. BUDGET DISCLOSURE

The Stage Manager shall be furnished appropriate information about the budget and terms of actors' deals as necessary to perform his or her duties.

SECTION E. TERMINATION

An Associate Director or First Stage Manager who is replaced without good cause after completing work on at least: (1) fifty percent (50%) of the episodes in a single television series order, excluding options, of thirteen (13) episodes or more; or (2) fifty percent (50%) of the days of recording on a long-form television program ninety (90) minutes or longer, shall be paid the following in lieu of any Completion of Assignment Pay required under Section B. above:

(a) An Associate Director or First Stage Manager working four (4) or five (5) days a week is entitled to three (3) weeks of Completion of Assignment Pay.

(b) An Associate Director or First Stage Manager working two (2) or three (3) days a week is entitled to Completion of Assignment Pay equal to three (3) times one-twentieth (1/20) of the minimum weekly rate for each day worked since the last layoff, but not more than three (3) times the weekly minimum rate.

In the event the Employer employs two "alternating" Associate Directors on any episodic television series, and replaces such alternating Associate Director(s) without good cause, such Employee(s) shall receive the payment provided in this Section E. if:

(i) Such Employee(s) would have worked on fifty percent (50%) of the episodes in the series order, provided that such order is for at least thirteen (13) episodes, excluding options; and

(ii) Such Employee(s) has completed work on fifty percent (50%) of the episodes on which he or she would have worked had he or she not been replaced.

SECTION F. NO CREDIT OR OFFSET

On prime time dramatic programs, overscale cannot be used to credit or offset in any manner any payments required to be made hereunder to the Associate Director or Stage Manager.

PART 2. PROGRAMS OTHER THAN PRIME TIME DRAMATIC PROGRAMS

The minimum salaries and conditions of employment set forth in this Part 2. shall govern the employment of Associate Directors and Stage Managers on programs other than prime time dramatic programs.

SECTION A. ASSOCIATE DIRECTORS

	7/1/20	7/1/21	7/1/22†
Daily, 8 hours	$764	$783	$806
Weekly, 40 hours	3,372	3,456	3,560
Daily Flat, 12 hours	1,023	1,049	1,080
Weekly Flat (12 hour days)	4,506	4,619	4,758
Overtime Rate (per hour)	143.25	146.81	151.13
Vacation Pay at 4% of Gross Compensation			

SECTION B. STAGE MANAGERS

	7/1/20	7/1/21	7/1/22†
Daily, 8 hours	$696	$713	$734
Weekly, 40 hours	3,110	3,188	3,284
Daily Flat, 12 hours	951	975	1,004
Weekly Flat (12 hour days)	4,166	4,270	4,398
Overtime Rate (per hour)	130.50	133.69	137.63
Vacation Pay at 4% of Gross Compensation			

† See text of footnote 12 on page 135.

SECTION C. ASSOCIATE DIRECTOR/STAGE MANAGER COMBINATION (when permitted)

	7/1/20	7/1/21	7/1/22[†]
Daily, 8 hours	$1,092	$1,119	$1,153
Daily Flat, 12 hours	1,489	1,526	1,572
Overtime Rate (per hour)	204.75	209.81	216.19
Vacation Pay at 4% of Gross Compensation			

SECTION D. HOURS OF WORK

The employment of Associate Directors and Stage Managers (herein called "Employee(s)") shall also be subject to the following provisions:

1. Before the start of any particular day or week for which an Employee is engaged on a freelance basis, the Employee shall be given notice of the particular category (*i.e.*, Associate Director or Stage Manager) and of the particular classification (*i.e.*, daily (8 hours), daily (flat), weekly (40 hours) or weekly (flat)) in which he or she is being employed for such day or week. An Employee may be engaged on a combination basis, *e.g.*, on a daily (8 hour) basis one day and on a daily (flat) basis the next day, followed immediately thereafter by employment on a weekly (40 hour) or weekly (flat) basis, etc. In no event shall the basis on which the Employee has been engaged for any particular day or week be changed after the beginning of such day or week, nor shall the basis on which the Employee has been engaged be changed from one daily classification to the other daily classification more frequently than once a week. Weeks, days and hours of employment of each Employee shall be completely within the discretion of the Company except for the limitations set forth below.

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

2. Daily (8 hours)

(a) A work day for an Employee employed on a daily (8 hours) basis shall consist of a minimum of eight (8) elapsed hours, including a reasonable time allowed for a meal.

(b) The Employee shall be paid at the overtime rate of time and one-half of the hourly rate for such daily eight (8) hour employment for each hour of work in excess of the eight (8) hours specified in (a) above.

3. Weekly (40 hours)

(a) A workweek shall commence on any day specified by the Company at the time of hiring.

(b) A workweek shall consist of up to five (5) days of work, each consisting of eight (8) elapsed hours with any two (2) consecutive days off specified by the Company. Such eight (8) hours shall include a reasonable meal period.

(c) The Employee shall be advised of his or her days off at the beginning of each workweek.

(d) Hours worked by the Employee in any workday in excess of eight (8) elapsed hours or in any workweek in excess of forty (40) hours shall be paid at the overtime rate of time and one-half of the hourly rate of pay for such weekly forty (40) hour employment.

(e) All hours worked by the Employee on his or her specified days off shall be paid for at the overtime rate of time and one-half of the hourly rate of pay for such weekly forty (40) hour employment.

(f) An Employee shall receive an amount equivalent to eight (8) hours of pay at the straight time rate for each regularly-scheduled day off occurring during an out-of-town assignment,

provided that no traveling occurs and no work is performed on such day off.

(g) If an Employee is entitled to overtime during any week for any purpose hereunder, the hours for which such overtime is paid shall be excluded in determining overtime hours for any other purpose.

(h) On any day on which an Employee is called in for any assignment, he or she shall be credited with a minimum of eight (8) hours of work on that day.

4. Daily (Flat)

An Employee who is required to work more than twelve (12) hours on any one tour of duty shall receive, for all hours of work in excess of such twelve (12) hours on such tour of duty, the overtime rate applicable to an Employee employed for daily eight (8) hour employment as set forth in Paragraph 2.(b). For purposes of this provision, the twelve (12) hours referred to above must be consecutive except for meal periods totaling not more than one (1) hour.

5. Weekly (Flat)

(a) A workweek shall commence on any day specified by the Company at the time of hiring. A workweek shall consist of any five (5) out of seven (7) consecutive days with any two (2) consecutive days off.

(b) An Employee who works on a sixth or seventh day shall be paid at time-and-one-half of the *pro rata* hourly rate of pay for the weekly (flat) for all hours worked, with a minimum payment of one hundred fifty percent (150%) of a day's pay.

(c) Hours worked by the Employee in excess of twelve (12) elapsed hours on a regular workday or in any regular workweek in excess of sixty (60) hours shall be paid at the overtime rate in Part 2, Section A., B. or C., whichever is applicable.

(d) An Employee shall receive the equivalent of eight (8) hours of pay at the straight time rate for each regularly-scheduled day off occurring during a distant location assignment, provided that no traveling occurs and no work is performed on such day off.

6. Rest Period

Any Associate Directors or Stage Managers working in conjunction with a taping unit or live broadcast shall be entitled to a nine (9) hour rest period. There shall not be deemed to be any invasion of such rest period unless such rest period is less than nine (9) hours. If such rest period is less than nine (9) hours, the Associate Directors or Stage Managers shall be entitled to additional payment of additional one-half time for each hour of invasion, computed in quarter-hour segments. For employees employed on a daily flat or weekly flat basis, the additional payment shall be an amount equal to one-third (⅓) of the applicable overtime rate, computed in quarter-hour segments.

7. Travel Time

(a) With respect to Daily (8 hours) and Weekly (40 hours) Employees, there shall be included in the elapsed time a proper allowance for necessary travel time to and from, and time spent at, remote points to which the Employee may be assigned by the Company, it being understood that:

(i) Eight (8) elapsed hours shall be credited for each day in which such Employee travels and performs no work at such remote point on such assignment.

(ii) Not less than eight (8) elapsed hours shall be credited for each day spent, except as indicated below, at such remote point on such assignment, but not more than eight (8) elapsed hours if he or she performs no work on such day.

(iii) Not less than eight (8) elapsed hours shall be credited for each day part of which is travel and part of which is worked at such remote point on such assignment, but in

no event shall more than eight (8) elapsed hours be credited for travel on that day.

(b) With respect to Daily (Flat) Employees, the Employee shall be credited with a day of work for each day spent in traveling and working, or on location at a remote assignment, provided that no such Employee shall be credited with more than eight (8) hours for travel in any day.

(c) With respect to Weekly (Flat) Employees, days spent in travel shall be treated in the same manner on location and shall be governed by Paragraph 5.(b) hereof.

(d) If an Employee's first assignment on a day is at a studio or facility in Los Angeles or New York City and his or her last assignment on that day is at a local remote location, the Employee will be credited with travel time back to such studio or facility.

8. General Conditions

Notwithstanding anything to the contrary contained herein, all work performed on conventions, elections, extended news and special events, film control/master control studio work, computer operation and operation Director's work shall be paid for at either the daily eight (8) hour or weekly forty (40) hour rate.

9. A single tour of duty extending beyond midnight shall be considered part of the workday on which the tour of duty began.

10. Production Fee

A production fee of $87.00 ($89.25 effective July 1, 2021 and $92.00[†] effective July 1, 2022) per day shall be paid to the Associate Directors and Stage Managers employed on a prime time entertainment program (other than a prime time dramatic program covered by Article 10, Part 1 above) on camera and camera blocking

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

days only. All Associate Directors and Stage Managers employed on a non-prime time entertainment program shall receive a production fee of $28.75 ($29.50 effective July 1, 2021 and $30.50[†] effective July 1, 2022) for each camera day and camera blocking day worked up to a maximum of $100.00 ($103.00 effective July 1, 2021 and $106.00[†] effective July 1, 2022) for any workweek.

11. Holidays

Associate Directors and Stage Managers shall receive as compensation for each holiday worked an additional sum equivalent to one-half (½) day of additional salary. Holidays shall include New Year's Day, Presidents' Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the day after Thanksgiving and Christmas. Effective January 1, 2022, Martin Luther King Jr. Day shall also be recognized as a holiday. If a holiday is not worked, but falls within a week assignment, the Company shall pay the Employee his or her salary for such day.

If any of the above holidays falls on Saturday, the preceding Friday shall be considered the holiday. If any of the above holidays falls on Sunday, the following Monday shall be considered the holiday. The foregoing shall not apply to Saturday or Sunday holidays occurring in distant location workweeks for prime time dramatic programs; in such cases, the holiday shall remain unchanged.

If the Employer in its "basic film" agreements with SAG-AFTRA, the Writers Guild or I.A.T.S.E. hereafter grants any new holiday, the same holiday shall be deemed included hereunder.

12. Change in Workweek

Employees shall be advised of any shift in the workweek prior to the commencement of that workweek. In the event that the Employee would receive fewer than two (2) consecutive days off in the workweek as a result of the shift change, the following alternative shall be available: Once during the production of a motion picture, or

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

in the case of episodic television, once between hiatus periods (*i.e.*, between the commencement or resumption of production and a cessation of principal photography for the series for at least one (1) week), the Company may shift the workweek, without incurring added costs, by adding one (1) or two (2) days off consecutive with the sixth and/or seventh days off of the prior workweek and/or by shifting a workweek commencing on Tuesday to a workweek commencing on Monday, provided that the intervening Sunday is a day off.

The parties confirm that the foregoing "shift in workweek" provision applies to a "round trip" switch so that the Company is permitted to return the workweek to the originally scheduled workweek, without incurring any additional costs (*e.g.*, a Monday-Friday shift which is switched to Tuesday-Saturday can be returned to Monday-Friday without incurring any additional costs).

Except as provided above, the Company shall pay the appropriate premium for the sixth and/or seventh day worked in the workweek.

In no case may the Company shift the workweek to avoid paying for an unworked holiday.

13. Distant Location Days

Associate Directors and Stage Managers who work on distant location shall receive an additional fee of fifty-five dollars ($55.00) for each day of work on distant location.

PART 3. PROVISIONS APPLICABLE TO ALL ASSOCIATE DIRECTORS AND STAGE MANAGERS[10]

The provisions of this Part 3. apply to all Associate Directors and Stage Managers.

SECTION A. EMPLOYMENT CRITERIA FOR ASSOCIATE DIRECTORS AND STAGE MANAGERS

Any person who has not heretofore been employed as an Associate Director or Stage Manager by a Company which has consented to be part of the multi-employer bargaining unit will be eligible for such employment if such person satisfies one of the following criteria:

1. Has been guaranteed thirty (30) days of employment by an Employer as an Associate Director or Stage Manager within ten (10) consecutive production weeks; provided that with respect to a Stage Manager assigned to a prime time dramatic program, the guarantee must be employment actually performing Stage Manager work or training under the supervision of the "first" Stage Manager for forty-five (45) days within nine (9) consecutive production weeks. Such a Stage Manager assigned to a prime time program may be employed at the rate of $2,718 per week ($2,786 effective July 1, 2021 and $2,870[†] effective July 1, 2022), provided the Stage Manager is not asked to work on more than one series during the same production week.

2. Has at least three (3) years of production experience in any capacity in the tape television or commercial production industry and has been a Director, Associate Director, Stage Manager or Production Associate of one (1) national program or fifteen (15) tape commercials; or

[10] See Article 32 for terms and conditions applicable to multi-camera prime time dramatic pilots, presentations and series.

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

3. Has been a Director, Associate Director, Stage Manager or Production Associate of fifteen (15) national programs or fifty (50) tape commercials; or

4. Is currently on the Assistant Director/Unit Production Manager Qualifications List and has satisfactorily completed the Guild-sponsored tape orientation seminar.

All employment referred to in subparagraphs 2. and 3. above must be performed in the United States or, if in another country, only on programs on which the employment of an American Associate Director or Stage Manager would not have been prohibited by labor restriction, law or quota.

Persons employed pursuant to Paragraph 1. above may be terminated for good cause or in an event of force majeure, without further obligation on the part of the Company.

As to a Company which has not consented to be part of the multi-employer bargaining unit, the criteria shall apply to any person who has not heretofore been employed as an Associate Director or Stage Manager by that Company.

SECTION B. PREPARATION TIME

1. Freelance Associate Directors and Stage Managers shall be guaranteed preparation time not less than that set forth within the following schedule:

   Preparation time applicable to programs covered by Article 6, Section A.1., 2. and 3. and Section B.1., 2. and 3. However, on programs covered by Article 6, Section B.1., B.2. and B.3., the Guild shall not unreasonably deny requests for waivers of the following preparation time requirements. The Company shall apply for such waiver not less than ten (10) days prior to commencement of the work.

Length of Program	NUMBER OF SUCH PROGRAMS ON WHICH CONTINUING EMPLOYMENT IS ASSIGNED	GUARANTEED PREPARATION DAY(S) PER PROGRAM	
		AD	SM
15 minutes or less		1 day each	1 day each
16 - 30 minutes inclusive	1 2 or more	3 days each 2 days each	2 days each 1 day each
31 - 60 minutes inclusive	1 2 or more	5 days each *3 days each	3 days each 2 days each
Over 60 minutes		5 days each	5 days each

*If, at the time of such AD's employment, the Company determines that three (3) days during a week will be used for shooting and camera blocking, then one (1) of the three (3) preparation days specified herein shall be deemed to be included in such three (3) shooting and camera blocking days.

2. Such above preparation time, when applicable, shall be guaranteed only to the first-assigned Associate Director and Stage Manager.

3. A preparation day means a day of employment on which there is no camera blocking, taping or live production.

SECTION C. CANCELLATION OF CALLS

A call from the Company engaging an Associate Director or Stage Manager may not be cancelled. When the Company does cancel a call, the Associate Director or Stage Manager will nevertheless be paid the agreed upon rate.

SECTION D. VACATIONS

Associate Directors and Stage Managers shall receive vacation pay computed at four percent (4%) of their gross compensation, excluding pension and health contributions, at the close of their assignment.

SECTION E. MEAL PERIOD

Reasonable time for appropriate meals shall be allowed all Employees hereunder.

SECTION F. CONFIRMATION OF EMPLOYMENT

With respect to the employment of an Associate Director or Stage Manager on a prime time entertainment program or series, and to the employment of an Associate Director or Stage Manager for five (5) days or more on other types of programs or series, the Company will confirm such employment in a written deal memo to the individual which contains the information set forth in Exhibit "E," attached hereto, and indicates, if applicable, the right to credit or offset. (Credit or offset information may be included under "Other Conditions.") On prime time dramatic programs, overscale cannot be used to credit or offset in any manner any payments required to be made hereunder to the Associate Director or Stage Manager.

The Company will deliver the deal memo to the individual prior to the rendition of services.

A copy of the deal memo will be sent to the Guild. In no event is any Associate Director or Stage Manager to commence services before delivery of the deal memo to the Guild, except in cases of *bona fide* emergency. Employer may require the Associate Director or Stage Manager to sign a copy of the deal memo prior to permitting the Associate Director or Stage Manager to commence services.

SECTION G. PRODUCTION REPORTS

When production reports are prepared for a program, the Company will make the production reports available for inspection by the Guild.

SECTION H. REPLACEMENT

This provision applies to Associate Directors or Stage Managers who have been employed on a weekly basis on a production or series for at least the three (3) consecutive workweeks prior to replacement. Should it appear necessary to replace such an Employee, the preferred practice is that the Employee be made aware of the reason(s) therefor at least two (2) days in advance. However, the Employee need not be told that replacement is contemplated. If such Employee is replaced, other than for cause, without so being made aware, the Employee shall be entitled to one (1) week plus two (2) additional days of salary in addition to any other payments due under the FLTTA, but in no event more than he/she would have received had he/she worked until the completion of the production or the season.

The AMPTP has expressed concerns about potential misuse of this provision. In light of those concerns, the DGA and AMPTP agree that, upon request of the AMPTP, they shall meet to review its operation and to identify problems and issues relating to its implementation. At that time, the AMPTP shall advise the Guild of any instances or claims brought by the Guild which the AMPTP believes comprise examples of misuse of the purposes of the provision and the parties will attempt to resolve any disagreement on that subject. After said meeting, the parties shall, at either party's request, meet again to review whether there has been a repetition of the problems identified at the prior meeting or other misuse of this provision. If, after this second meeting, the AMPTP determines on a good faith basis that this provision has been applied in a manner which disregards the purpose thereof as intended by the parties at the time of its negotiation and that further efforts to resolve identified problems would not be productive, then, at any time thereafter, the AMPTP may, upon three (3) months notice, cancel the provisions of this Section H.

Nothing herein is intended nor shall it be construed to imply any guarantee of employment beyond the minimum period guaranteed by the Agreement.

SECTION I. ELIMINATION OF DUPLICATE CONTRIBUTIONS FOR ASSOCIATE DIRECTORS/REVIEW OF ASSOCIATE DIRECTOR REST PERIODS

The parties agree that they will work together to attempt to eliminate situations in which Employers are obligated to make duplicate contributions to more than one collectively-bargained benefit plan on behalf of DGA-represented Associate Directors whose work in television editing is covered by more than one collective bargaining agreement. The DGA agrees that, so long as the employees, with the consent of all affected collective bargaining representatives, have the opportunity to elect the health and retirement plans to which Employer contributions should be made, the Employer shall not be obligated to make duplicate contributions covering the same work to any other collectively-bargained plan. The DGA further agrees to meet with Employers to identify other terms and conditions of employment which duplicate or conflict with other collective bargaining agreements and to work on devising mutually agreeable contractual modifications. Finally, the DGA commits to its continued willingness to participate in a study of the utilization of Associate Directors in television editing, and to address issues raised as a result of the study in the next negotiations.

The study shall also include an examination of the adequacy of the rest period for Associate Directors on non-shooting days.

SECTION J. WORK IN THE NEW YORK METROPOLITAN AREA

The following applies to work in the New York metropolitan area only.

Any location within a radius of thirty (30) miles of Columbus Circle ("the thirty (30) mile report to zone"), other than Sandy Hook, New Jersey, shall be a "report to" location without any travel payment requirement.

SECTION K. CAMERA PLACEMENT FOR AWARDS PROGRAMS

The Employer shall make good faith efforts to notify the lead Associate Director and lead Stage Manager of the placement of all camera and audio plots for "behind the scenes" and related material for any awards program.

ARTICLE 11.

PENSION AND HEALTH

SECTION A. PENSION

1. The Company shall contribute to the Directors Guild of America – Producer Pension Plan eight percent (8%)[11] (eight and one-half percent (8.5%) effective July 1, 2021) of the gross compensation, including residuals and foreign use payments, of Directors, Associate Directors and Stage Managers.[12] For purposes of computing such Company contribution in connection with any television tape, and

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[11] During the 2020 negotiations, the parties agreed to increase the pension contribution rate by one percent (1.0%) effective July 1, 2020. One-half percent (0.5%) of the one percent (1%) increase in the pension contribution rate was in recognition of the actions proposed by the DGA-appointed Trustees of the DGA-Producer Pension Plan and adopted by the entire Board of Trustees, resulting in structural changes which bolstered the financial status of the Plan.

[12] During the 2020 negotiations, the parties agreed that for each of the second and third years of this FLTTA, the Guild shall have the right to allocate up to one-half percent (0.5%) of the increases in certain minimum salary rates and residual bases to the Employer contributionrate to the Directors Guild of America–Producer Pension Plan ("Pension Plan") or the DirectorsGuild of America–Producer Health Plan ("Health Plan") by giving notice thereof to the AMPTPnot less than six (6) months prior to July 1, 2021 and July 1, 2022, respectively. The Guildprovided notice of its election to allocate one-half percent (0.5%) to the Pension Plan effectiveJuly 1, 2021; as a result, the Employer pension contribution rate increased by one-half percent(0.5%) effective July 1, 2021, and the increases in certain minimum salary rates and residualbases for the second year of this FLTTA were reduced by one-half percent (0.5%). There was no allocation of the increases in the third year of this FLTTA.

In addition, during the 2020 negotiations, the parties agreed that the increases in salary rates and pension or health contribution rates in the 2020 DGA Network Freelance Agreement would apply to the Directors of sports programs and news and commentary programs under the FLTTA. Pursuant to the 2020 Network Freelance Agreement, the Guild elected to allocate one percent (1%) of the salary increases for Directors of such programs to the Employer pension contribution rate effective July 1, 2020 and one-half percent (0.5%) of the salary increases for Directors of such programs to the Employer pension contribution rate effective July 1, 2021. Accordingly, the salary increases for Directors of such programs increased by one and one-half percent (1.5%) effective July 1, 2020 and an additional two percent (2%) effective July 1, 2021, and the Employer pension contribution rate increased by one percent (1%) from seven percent (7%) to eight percent (8%) effective July 1, 2020 and by an additional one-half percent (0.5%) to eight and one-half percent (8.5%) effective July 1, 2021. The Guild elected not to allocate any part of salary increases to the Pension or Health Plan contribution rate in the third year of the 2020 DGA Network Freelance Agreement.

except as provided below with respect to television pilots less than ninety (90) minutes in length and "daytime serials," gross compensation shall not include sums in excess of the greater of the following: (i) the aggregate of two and one-half (2½) times the applicable minimum initial compensation under this Agreement; or (ii) the initial compensation agreed upon in the individual Employee's contract. For television pilots, gross compensation shall not include sums in excess of $170,000 for a television pilot thirty (30) minutes or less, or $225,000 for a televison pilot over thirty (30) minutes but less than ninety (90) minutes. In no event shall the gross compensation for Directors of "daytime serials" (those employed under Article 6.D.1.) exceed $350,000 per Company per calendar year.

2. Each Employee shall also contribute to the aforesaid pension trust fund two and one-half percent (2½%) of the amount used as the basis for computing the Company's contribution as set forth in Article 11.A.1. above, and such amount shall be deducted by the Company from his or her compensation and paid directly to the pension trust fund on his or her behalf.

3. The contributions described above shall be transmitted directly to the Trustees of the Pension Plan according to Plan requirements.

4. Upon signing this Agreement, the Company acknowledges that it has received a copy of and is familiar with the provisions, terms and conditions of the Directors Guild of America–Producer Pension Plan Trust Agreement.

5. By the execution and delivery of this Agreement, the Company agrees to become a party to said Trust Agreement and bound by the terms and provisions thereof as now in effect or hereafter amended.

SECTION B. HEALTH

1. The Company shall contribute to the Directors Guild of America–Producer Health Plan ten and one-half percent (10.5%)[†] of the gross compensation, including residuals and foreign use payments for

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

Directors, Associate Directors and Stage Managers, or five dollars ($5.00) per day, whichever is greater. For purposes of computing such Company contribution in connection with any television tape, and except as provided below with respect to television pilots less than ninety (90) minutes in length and "daytime serials," gross compensation shall not include sums in excess of the greater of the following: (i) the aggregate of two and one-half (2½) times the applicable minimum initial compensation under this Agreement; or (ii) the initial compensation agreed upon in the individual Employee's contract. For television pilots, gross compensation shall not include sums in excess of $170,000 for a television pilot thirty (30) minutes or less in length, or $225,000 for a television pilot over thirty (30) minutes in length but less than ninety (90) minutes. In no event shall the gross compensation for Directors of "daytime serials" (those employed under Article 6.D.1.) exceed $350,000 per Company per calendar year.

Notwithstanding any provision of this Article 11 to the contrary, the Company shall contribute to the Directors Guild of America–Producer Health Plan fourteen and one-half percent (14.5%) of the vacation pay, as defined in Article 10, Part 3, Section D. of this Agreement, for Associate Directors and Stage Managers employed hereunder.

2. The contributions described herein shall be transmitted directly to the Trustees of the Health Plan according to Plan requirements.

3. Upon signing this Agreement, the Company acknowledges that it has received a copy of and is familiar with the provisions, terms and conditions of the Directors Guild of America – Producer Health Plan Trust Agreement.

4. By the execution and delivery of this Agreement, the Company agrees to become a party to said Trust Agreement and bound by the terms and provisions thereof as now in effect or hereafter amended.

ARTICLE 12.

PENSION AND HEALTH -- TRUST FUNDS AND DELINQUENCIES

SECTION A. TRUST AGREEMENTS

The Employer and the Guild agree to accept, assume and be bound by the separate Trust Agreements establishing the "Directors Guild of America–Producer Pension Plan" and "Directors Guild–Producer Health Plan," and all modifications, alterations and amendments made thereto. The Employer shall, upon request, be furnished a copy of said Trust Agreements by the Plan Offices.

SECTION B. TRUSTEES

The Employer irrevocably designates and appoints the Alliance of Motion Picture and Television Producers as its attorneys in fact for the selection, removal and substitution of Producer Plan Trustees of such Trusts. Producer Plan Trustees shall be appointed by the Alliance of Motion Picture and Television Producers, by the Network Group and the Association of Independent Commercial Producers, or other employer associations which are entitled to appoint Producer Plan Trustees under the terms of the Trust Agreements.

SECTION C. DELINQUENT CONTRIBUTIONS

The Employer specifically agrees to be bound by the provisions of the Trust Agreements referred to in this Section A., relating to the payment of attorneys' fees, court costs, interest, liquidated damages and auditing costs in connection with delinquent contributions and the collection of delinquent contributions to the Plans, as they now exist and as they may be modified in the future.

SECTION D. ARBITRATION

The Trustees of the Plans are not parties to this Agreement and are not obligated by this Agreement to arbitrate any of their rights under this Agreement; provided, however, the Guild retains the right to enforce the provisions of this Article 12.

SECTION E. LOAN-OUTS

The following shall apply with respect to the payment of pension and health contributions due when a Company borrows the services of an Employee from a domestic loan-out company, as defined herein, and such Employee renders services covered by this Agreement:

1. In its agreement with the loan-out company, the Company shall separately state the compensation applicable to services covered by this Agreement. If other services are involved and a dispute exists over the amount to be allocated to the covered services, the Employee's "customary salary" shall be given substantial consideration in resolving the dispute.

2. Contributions shall be based on the amount the Company pays the loan-out company for lending the Employee's covered services.

3. Agreements with loan-out companies for covered services of the loaned-out Employee shall provide that Company shall make pension and health contributions directly to the Plans on behalf of the loan-out company.

SECTION F. CLAIMS PERIODS

1. If, under any Agreement prior to the 1990 Agreement, a loan-out company, as defined therein, has failed to make the applicable pension and health contributions on behalf of the loaned-out Employee, Company shall not be liable for such contributions if the loan-out company failed to pay such contributions more than six (6) years prior to the date of commencement of the audit that gives rise to the claim (whether or not it is of the loan-out company's records or the borrowing Company's records).

   The date of commencement of the audit shall be deemed to be the date of actual audit entry, but in no event later than ninety (90) days after the date of the Plans' notice of intent to audit. In the event that the Plan(s) conclude, based on an audit of the loan-out company's records, that there exists a claim for unpaid contributions, the Plan(s) or the Guild must give the borrowing Company written notification of

any such claim for unpaid contributions at the time that the loan-out company is notified of such claim. In no event will the borrowing Company be liable for any such unpaid contributions which were due from the loan-out company more than six (6) years prior to the date that the borrowing Company was notified of the loan-out company's failure to make the contribution.

2. Other claims against Company for pension and health contributions must be brought within four (4) years from the date such contributions were due to the Health and Pension Plans.

3. In the event that the auditors find a consistent pattern of delinquencies with respect to a particular Employee or loan-out company employed on a particular project, then the six (6) year or four (4) year periods referred to in subparagraphs 1. and 2. above shall be extended to allow for the assertion of additional claims with respect to the employment of such Employee or loan-out company on such project.

4. Any claim for contributions not brought within the six (6) year or four (4) year periods referred to in subparagraphs 1. or 2. above, or within the extended period referred to in subparagraph 3. above, shall be barred.

5. The time limits in this Article 12, Section F. shall be tolled to the same extent as statutes of limitations under California law.

ARTICLE 13.

MOTION PICTURE AND TELEVISION FUND

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

ARTICLE 14.

CONTRACTS OF EMPLOYMENT

SECTION A. CONTRACTS

1. A separate written contract shall be made between the Company and each Director with respect to each engagement of the Director by the Company.

2. Negotiations Not to be Prolonged – Offsets to be Specified in Salary Paragraph – Deal Memorandum

   (a) All negotiations for the employment of freelance Directors will be carried on diligently and in good faith in order that a written contract of employment may be executed as soon as practicable. To further this end, the Guild will undertake to secure the full cooperation of the Directors and their agents.

   (b) Following the oral confirmation between Employer and a freelance Director, or his or her agent, of the rate of compensation and the starting date for a proposed employment of the freelance Director, the Employer will deliver to the Director, prior to his or her employment, a "deal memorandum." Such deal memorandum shall set forth at least the information contained in Exhibit "E," attached hereto. The deal memorandum submitted may contain further terms in addition to those specified in Exhibit "E," including part or all of the terms of the employment contract. A copy of the deal memorandum shall be delivered to the Guild concurrently by the Company.

   Following the deal memorandum, the Employer will, as soon as practicable, deliver to the Director a proposed written contract of employment of the freelance Director. Such contract shall clearly set forth the Director's weekly salary rate and, subject to the provisions of Article 9.A.4., shall clearly specify in the same paragraph whether or not and in what manner overscale

compensation may be offset by the Employer, except that the method of computation of percentage of receipts, revenues or profits which may be subject to offset may be contained outside such paragraph. Failure to comply with the provisions of the preceding sentence or to designate the offset rights in the deal memorandum shall mean the loss of any right to offset overscale compensation even if the offset right is contained in another part of such contract or any exhibit attached thereto. The provisions of this subparagraph shall be applicable only to the deal memoranda and contracts of employment entered into after the date of execution of this Agreement.

In connection with Directors of prime time dramatic programs, in no event is any Director to commence services before delivery of the "deal memorandum" to the Guild, except in cases of *bona fide* emergency. If such services commence prior to delivery of the "deal memorandum" to the Guild, the Guild may notify Employer to forthwith deliver such "deal memorandum" to the Guild. If Employer fails to deliver the "deal memorandum" within twenty-four (24) hours (excluding Saturdays, Sundays and holidays) after such notice, the Guild may order the Director to withhold services until a "deal memorandum" is delivered to the Guild. The Employer may require Director to sign a copy of the "deal memorandum" prior to permitting the Director to commence services.

In connection with Directors of programs other than prime time dramatic programs, if such services are commenced prior to delivery of the deal memorandum to the Guild, the Guild may notify Employer to forthwith deliver such deal memorandum to the Guild. If Employer fails to deliver the deal memorandum within five (5) business days after being so notified by the Guild, the Guild may inform the Director of his or her right to withhold services until a deal memorandum is delivered to the Guild.

3. The Company shall not enter into any contract with or employ any Director on terms less favorable to him or her than those contained in this Agreement. Nothing herein shall prevent a Director from

negotiating or obtaining more favorable terms than those contained in this Agreement.

4. When the contract contains an option to renew, the Company shall give the Director at least thirty (30) days notice of renewal.

5. The Company agrees that it will and does hereby modify all existing contracts and arrangements with Directors to bring the same into conformity with the provisions of this Agreement with respect to all work to be performed subsequent to the effective date hereof; provided, however, that nothing herein contained shall be deemed to modify or affect the terms of any existing contract or arrangement between the Company and any Director(s) which are more favorable to such Director than the terms of this Agreement.

6. When a Director has been employed by the Company for more than twenty-six (26) weeks under any one contract or extension or renewal thereof, his or her individual contract of employment may not be suspended or terminated because of unavoidable absence for a period not in excess of four (4) weeks when such absence is due to sickness or other incapacity beyond his or her control; provided, however, that if such illness or other incapacity occurs at a period when the Company has the right to terminate such contract, this provision shall not in any way affect such right. The Company shall be obligated to compensate the Director during the first two (2) weeks of any such absence.

SECTION B. EMPLOYMENT

1. If the Company desires to employ a Director on one specified program, the Company may not bargain for complete exclusivity of such Director's services unless the Company agrees to pay the Director compensation of not less than $7,372 ($7,556 effective July 1, 2021 and $7,783[†] effective July 1, 2022) per week or double minimum, whichever is greater. Except as otherwise provided in the preceding sentence, a Director employed on one specified program

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

may not be required to perform services exclusively for the Company until the first day of rehearsal.

However, the Director employed on a non-exclusive basis shall in any event be available prior to the first day of rehearsal to meet the reasonable requirements of the Producer and to perform the directorial services for which he or she is employed.

2. The Company agrees that if it enters into an agreement with an Employee covering both services covered by this Agreement and, in addition, services not covered by any collective bargaining agreement between the Company and the Guild, the Company will pay to the Employee a sum of money in excess of the minimum compensation applicable to the services covered by this Agreement. In such case, the Company shall be conclusively presumed to have fulfilled its obligation to pay applicable minimum compensation under this Agreement so long as the amount paid by the Company to the Employee is in excess of all minimum compensation required to be paid to the Employee under this Agreement.

SECTION C. INDIVIDUAL CONTRACTS

The Company agrees that every individual contract between the Company and every member of the Guild, with respect to services rendered hereunder, shall contain and shall be deemed to contain the following clause:

"In the event this contract is of longer duration than the Guild Agreement covering such employment, then, for such period of duration and until a new Agreement is agreed to, we covenant not to bring or maintain any action or proceeding against you because you refrain from rendering any services under this contract by reason of any strike or work stoppage called or ordered by the Guild. In such event, we covenant (1) that neither the Guild nor any of its members or representatives shall be deemed to have induced you to breach this contract; and (2) that for the direct benefit of the Guild and its representatives, we will not bring or maintain any action or proceeding against them, or any of them, based upon or arising either out of the existence of this contract or out of your failure to render services under this contract. Upon the resumption of work after such strike or stoppage, all the terms and conditions of this contract shall be reinstated for the balance

of the term hereof; provided, however, if a collective bargaining agreement covering work of the type provided for herein is signed by us, you will, from and after the effective date provided for in such agreement, receive the benefit of any applicable provisions of such agreement which may be more favorable to you than the terms of this contract. We further agree that your obligations hereunder shall be subject and subordinate to your primary obligation to the Guild to obey its rules and orders."

The provisions of this Section shall survive the expiration or cancellation of this Agreement as to all such contracts with members of the Guild in existence while this Agreement is in effect. The Guild agrees that, during the term of this Agreement, it will not adopt or issue any rule or order that is in derogation of any of the terms and conditions of this Agreement.

SECTION D. ON OR ABOUT

1. All contracts entered into for the employment of Directors for the purpose of directing television programs as described herein shall provide an "on or about" starting date: it being agreed that the phrase "on or about" shall allow a latitude of one (1) week either prior to or after the starting date specified in such contract for high budget shows as described herein.

2. With reference to all other shows and commercials, "on or about" shall be administered as set forth above, but with a latitude of not more than three (3) days before or after the specified starting date.

3. Any "on or about" starting date may be postponed by agreement of the parties only to a specified date. There can be no second "on or about" date.

4. This Section D. does not apply to series contracts.

ARTICLE 15.

AUTHORITY OF DIRECTORS

SECTION A.

It is recognized that the functions and duties of Directors are of a professional creative character.

SECTION B.

The Company shall take all steps which, in its opinion, are reasonable and are within the framework of the Company policies and methods to support the authority of the Director with respect to the direction of the rehearsal and performance of each program or commercial for which he or she is employed.

SECTION C.

Within such policies, the Company shall recognize that during rehearsal periods, the direction of the component parts of the production shall be the responsibility of the Director, and any changes or suggestions shall be made to the Director; and the Company shall aid the Director by refusing admittance to persons not authorized by them to the studio and control room or the control site at remotes during rehearsal and performance.

SECTION D.

It is understood that only the Director may direct. Given the nature of the control room, conversation must be kept at a minimum, and all persons should follow the proper chain of command.

SECTION E.

In order to provide the most creative environment possible for the Director and actor(s) in casting sessions, no one shall be present at casting sessions except those persons designated by the Director, the individual Producer or the Company and all such persons shall have a reasonable purpose for attending.

ARTICLE 16.

CREDITS

SECTION A. TELEVISION CREDITS

1. The Company shall give video credit to the Director for each show he or she directs.

   (a) The Company shall not delete such credit on reruns or delayed broadcasts.

   (b) The Company will not hereafter and during the term hereof enter into any agreement with any guild, craft, union or labor organization in which it agrees to accord members thereof credit which includes the word "Director" or any derivation thereof; and,

   (c) that except as required by agreements heretofore executed by the Company, the Company will not grant to an individual, other than a Director, any form of paid advertising credit which includes the word "Director," "direction" or any derivation thereof.

   (d) It is understood that the Company shall not enter into any agreement with any union, guild or other firm, person or corporation which restricts in any manner the right of a Director to negotiate for screen, paid advertising or other credits in any form desired by him or her, subject to waiver.

   (e) When two (2) or more episodes of the same series are exhibited back-to-back, whether in the medium of original exhibition or in a subsequent medium of exhibition, the Employer may place the "Directed by" credits before the first episode, so long as the "Directed by" credits are clearly identified with the correct episode or title or a designation such as Part I or Part II and appear on separate cards (unless all applicable episodes were directed by the same Director). The cards will be the last cards

before the first scene of the picture or, when permitted, the first cards after the last scene. Each card will be in the clear on screen for not less than two (2) seconds.

2. Credits – Size and Location For Prime Time and High Budget Dramatic Programs

(a) The Director shall be given credit on television programs on a separate title card which shall be the last title card before the first scene of the entertainment portion of the program or the first title card following the last scene of the entertainment part of the program, provided that all credits to Directors may be given in the same frame. However, in the case of split credits when credit is given to any person before the first scene of the program, the Director shall be given the last solo credit card before the first scene of the program. For the purpose of this clause, the credits of the established stars playing a continuing role in the scenes, or of well-established stars in the industry, shall not be considered credits of a person. No commercial or other material shall intervene between the Director's credit card and the body of the program.

(b) No commercial or advertising matter, audio or visual, shall appear on or above the Director's card either as background or otherwise.

(c) The Director's credit shall be in such contrast to the background and/or such color as to be clearly visible, and shall be of not less than two (2) seconds in the clear.

(d) The credit shall read "Directed by _____" without the addition of any qualifying or descriptive language whatsoever; provided that the addition of credits for other functions to the credit as Director shall not be construed as qualifying language, and provided further that the Company shall not be required to give more than one credit to the Director.

(e) The Company shall give video credit to the Associate Director and Stage Manager on all programs.

(f) Whenever audio credit is given any other talent on a simulcast, the Director shall receive audio credit in addition to video credit.

3. Credits – Size and Location For Other Than Prime Time and High Budget Dramatic Programs

(a) The Company shall not delete the Director's credit on reruns or delayed broadcasts. The Company shall inform all stations to which the program is sold that such credit shall not be deleted on any play, rerun or delayed broadcast and the Company shall use its best efforts to secure complete compliance therewith.

(b) Such credit shall appear immediately before or immediately after one of the following:

(i) the most prominent credit to the Producer;

(ii) the most prominent credit to the Writer;

(iii) the entertainment portion of the program.

(c) On prime time variety programs, the Director's credit shall be immediately before or immediately after the credit to the Producer (which term does not include the Executive Producer).

(d) Such credit shall be of equal size to the most prominent credit appearing on the program. Insofar as manner of presentation is concerned, the credit to the Director of any type of program except prime time or high budget shall be on a separate frame if the Producer (which term does not include the Executive Producer) receives credit on a separate frame, provided that all credits to the Directors may be given in the same frame.

(e) The Credit shall read "Directed by _____" without the addition or any qualifying or descriptive language whatsoever, provided that the addition of credits for other functions to the credit as Director shall not be construed as qualifying language,

and provided further that the Company shall not be required to give more than one credit to the Director.

(f) On a program broadcast two (2) or more times per week, when directed by one (1) or more Directors, credit need be given only once per week to each Director, Associate Director and Stage Manager; however, such credit must be given on a program actually directed by the Director receiving such credit.

(g) Except as otherwise provided in this contract, any person who does not direct all elements of the program during broadcast, closed circuit or pre-recording, as the case may be, shall not receive credit as the Director of the program as such, in any form.

(h) Whenever audio credit is given any other talent on a simulcast, the Director shall receive audio credit in addition to video credit.

(i) The Company shall give video credit to the Associate Director and Stage Manager on all programs.

4. Paid Advertising

(a) On a prime time entertainment program, whether or not produced by the Company, the Company agrees that whenever it gives credit in paid advertising to any person(s) other than the stars appearing in the program, the Director(s) of the program shall receive credit in such paid advertising. The credit shall be of equal size to the credit accorded any such other person(s), unless the Company shall have determined in good faith that the name of such other person(s) has significant audience appeal. The name of the production company, as distinguished from the name of an individual producer, shall not be construed as a credit to another person(s) for the purpose of this paragraph.

(b) The foregoing obligation to give credit on paid advertising shall not apply to group advertising, or advertisements less than eight (8) column inches in size unless the individual Writer or

Producer is given credit in such advertisement, or advertising in radio or television or to congratulatory ads.

(c) An inadvertent failure on the part of the Company to comply with this Section shall not constitute a default by the Company or a breach of this Agreement. In the event there is a dispute as to whether an alleged breach is casual or inadvertent, the dispute shall be referred to arbitration for determination as provided elsewhere in this Agreement.

5. The following provisions shall apply to Associate Director and Stage Manager credits on prime time entertainment programs:

(a) Employer shall accord credit in a "prominent place" on all positive prints of each prime time entertainment program, recording of which commences during the term hereof, to the Associate Director and principal Stage Manager rendering their services for the production.

(b) The term "prominent place" means no less than a separate card, or its equivalent in a crawl, shared by no more than three (3) names. The only "technical" credits which may receive a more prominent place shall be those of the lighting director, the art director and the editor.

(c) Nothing herein shall preclude any of the above-named Employees from negotiating credit provisions more favorable than those specified herein.

(d) If more than one Associate Director or Stage Manager performs work on a prime time entertainment program, the Guild and all such Employees shall be notified in writing as to the credit intended to be given. Should any such individual be dissatisfied with such determination, he or she may immediately appeal to the Guild and notify Employer that he or she is so doing. The Guild shall then determine the issue within seven (7) days. Employer agrees to be bound by such determination as to credit.

6. On a program taped in whole or in part in a foreign country on which Employer employs both Associate Directors and/or Stage Managers subject to this Agreement and Associate Directors and/or Stage Managers not subject to this Agreement, if either the Associate Director or Stage Manager subject to this Agreement works on the production less than fifty percent (50%) of the taping days, he or she will receive screen credit either on a card immediately following the credit accorded to the foreign Associate Director or Stage Manager, as the case may be, or with the credits for the U.S. crew.

SECTION B. GUILD TO DETERMINE CONTROVERSY OVER CREDITS

Should more than one Director do substantial work on a program, the Guild and all such Directors shall be notified in writing as to the directorial credit intended to be given. Should any such Director be dissatisfied with such determination, he or she may immediately appeal to the Guild and notify the Employer in writing that he or she is doing so. The Guild may then determine the issue. The Employer agrees to be bound by such determination as to credits.

SECTION C. NOTICE OF CREDITS

On dramatic programs of over ninety (90) minutes, the Employer shall give notice to the Guild of the contents of main and end titles before copies are made, for the purpose of checking compliance with the credit provisions of this Agreement. After such notice is given, there can be no changes relating to the term Director, direction or any derivation thereof, without first giving the Guild notice of such proposed changes or elimination. The form of the Director's credit on videotape or live or on paid advertising shall be "Directed by _____." In addition, the Employer shall submit to the Guild the proposed format of the final credit for each television episodic and anthology series (as distinguished from each segment), together with changes in such format of credits, before copies are prepared. This provision shall likewise be applied to each television special.

ARTICLE 17.

STAGING

SECTION A.

The category of personnel sometimes heretofore referred to as "stagers" is not deemed a separate craft and the function sometimes heretofore known as "staging" will be deemed for all purposes a directorial function.

SECTION B.

The terms and conditions of employment of persons engaged by the Company in performing the aforesaid directorial function shall be governed by this Agreement and such persons will be required to comply with all provisions of this Agreement.

SECTION C.

The Company will not give air credits in the form of "Staged by _____ _____" or any other credit utilizing any form of the word "stage" except that credit for staging choreography may be given where it is made clear that the staging is limited to dance numbers or dancing alone.

ARTICLE 18.

STRIKES - UNUSUAL DUTIES

A. In the event of any strike by any other union or by the Guild concerning members or matters not covered by this Agreement, the Employees covered by this Agreement shall not be required to perform duties not ordinarily performed by them prior to said strike.

B. (1) The Guild agrees that during the term hereof it will not call or engage in or assist any strike, slowdown or stoppage of work affecting television production against the Employer. The Guild agrees that it will use its best efforts in good faith to require its members to perform their services for the Employer. The Guild and the Employer mutually agree that during the term of this Agreement they will endeavor to promote goodwill, mutual understanding and real cooperation between members of the Guild and the Employer.

(2) Notwithstanding the foregoing provision, it shall constitute a material violation of this Agreement for the Employer to attempt to impose discipline as a result of the refusal of any Employee to cross any primary picket line duly authorized by the Guild.

(3) 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 Agreement 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.

ARTICLE 19.

NON-DISCRIMINATION

SECTION A. POLICY

1. The parties mutually reaffirm their policy of non-discrimination in the employment or treatment of any Employee because of race, creed, age, religion, gender, color, national origin, disability, or sexual orientation, in accordance with applicable state or federal laws.

2. Agreement by the Employer and the Guild to the provisions of this Article 19 shall not expand or contract any legal rights or obligations conferred under state and federal laws, including conferring a right of contribution upon the Employer against the Guild or vice versa.

SECTION B. REPORTS

1. The Employer shall submit to the DGA within forty-five (45) days following the recording of a single program or the last episode of the season of a television series or, in the case of strip dramatic, strip variety, quiz and game and "All Other" programs produced on an annual rather than seasonal basis, no later than February 15th of the following year, a report of the gender and ethnicity of persons employed in the classifications hereunder on that specific program or during that series' season or year, as applicable. If the Employer is unable to submit the report within the time period provided above, it may request an additional fifteen (15) business days within which to submit the report, and the Guild will not unreasonably deny the request. The report shall also identify Directors regardless of gender and ethnicity who are employed on prime time dramatic television programs and have no prior credits on prime time dramatic television programs. The report shall conform with the instructions and form set forth in Exhibit "A" of this Agreement. The Guild will acknowledge its receipt of the report from the Employer.

2. If Company has not submitted reports previously, the Guild will not unreasonably deny Company's request for an extension of time to submit the first report.

SECTION C. REPRESENTATIVES

1. The Employer shall designate an individual who shall be responsible for the preparation and submission of reports as provided in Section B. The Employer shall notify the DGA in writing of the individual so designated and any change in the individual so designated under this paragraph.

2. The Guild shall designate an individual to whom the reports shall be submitted and shall advise the Employers of the individual so designated and the manner in which the reports shall be submitted to that individual.

3. On ten (10) days' notice, the Guild or Employer may request a meeting between the individuals designated in Paragraphs 1. and 2. above to discuss the Employer’s compliance with the preparation and submission of reports required under Article 19, Section B.

SECTION D. ARBITRATION

1. The provisions in this Article 19 are not subject to arbitration except as provided in this Section D.

2. Should the Employer fail to submit any report required under Section B., the Guild may submit the matter to grievance pursuant to Article 20 and if the Employer does not submit such report to the Guild within ten (10) working days thereafter, the Guild may submit the grievance to arbitration in accordance with the procedures set forth in Article 20, with the exception of expedited arbitration.

   Should the Arbitrator determine that Employer did not comply with Section B., the Arbitrator shall award only the following remedies: an order to submit the required reports, as the Arbitrator deems

appropriate, and damages of $600 for the first breach and damages of no more than $1,500 and no less than $600 for each subsequent breach.

3. If, without good cause, either the Employer or the Guild fails to comply with Section C., the aggrieved party (*i.e.*, the Employer or the Guild) may submit the matter to grievance pursuant to Article 20, and if the respondent still does not meet as required or designate its representative under Article 19, Section C.1. or C.2., as applicable, within ten (10) working days thereafter, the aggrieved party may submit the matter to arbitration under Article 20, excluding expedited arbitration. Should the Arbitrator determine that the respondent breached Section C., the Arbitrator shall award appropriate remedies and damages not to exceed $5,000.

SECTION E. DIVERSITY MEETINGS

Each Employer will designate one or more high level creative, production or programming executives to meet on an individual Employer basis at least once per year with members of the DGA who have been designated by the Board of Directors of the DGA. Each such meeting will be held at the request of the DGA or the Employer, and any subject that the DGA or Employer executives wish to discuss relating to diversity will be suitable for discussion. Additional meetings may be scheduled by mutual agreement of the Employer and the Guild. Upon mutual agreement, the parties may seek the involvement and participation of the WGA and SAG-AFTRA.

In addition, each Employer agrees, on request from the DGA, to set up a limited number of meetings to discuss diversity on particular series. Prior to each such meeting, the parties agree to engage in a good faith dialogue regarding any proposed topic and potential attendees, which will include appropriate high level individuals involved in hiring decisions.

ARTICLE 20.

ARBITRATION

SECTION A. MATTERS SUBJECT TO GRIEVANCE AND ARBITRATION

1. Arbitrability

The following matters shall be subject to arbitration: All grievances, disputes or controversies over the interpretation or application of this Agreement and, in addition, all grievances, disputes or controversies over the interpretation or application of any Employee's personal services contract or deal memo with respect to (a) credit provisions, (b) cutting rights provisions, (c) preview rights provisions, (d) creative rights provisions (including, without limitation, all consultation and/or approval rights of any kind relating to any program), (e) money claims for unpaid compensation seeking $550,000 or less, (f) cash per diem payments for Employees only; provided, however, that grievances, disputes or controversies over the interpretation or application of any personal service contract or deal memo shall not be arbitrable if they relate to (1) perquisites such as per diem (except as provided above), travel arrangements, secretarial services and the like, (2) compensation measured by net or gross proceeds, or (3) other provisions not referred to in (a) through (f) hereinabove. The Arbitrator shall determine any dispute as to the arbitrability of any matter hereunder.

2. Limitation on Arbitrator's Power

The Arbitrator shall not have the power to vary, alter, modify or amend any of the terms of this Agreement or of any deal memo or personal service contract in making a decision or award.

3. Defenses, Setoffs and Counterclaims

(a) In any grievance or arbitration concerning a claim for unpaid compensation under an Employee's deal memo or personal

service contract, the Employer may assert any and all defenses, counterclaims and setoffs, including any defenses based on a claim of suspension or termination.

(b) In any grievance or arbitration concerning a claim for unpaid minimum compensation under this Agreement only, the Employer may, but need not, assert any and all defenses, including any defense based on a claim of suspension or termination and may, but need not, assert any setoff or counterclaim not exceeding the amount claimed by the Guild. It is expressly agreed that any award by the Arbitrator concerning the matter at issue in such arbitration shall not be binding, *res judicata* or serve as collateral estoppel upon either the Employer or Employee in any separate arbitration or court proceeding brought by the Employer or Employee, except that (i) the amount of any award and the amount of any setoff or counterclaim shall be credited against any liability of Employer to Employee or vice versa and (ii) Employer may not assert any claim, counterclaim or setoff against Employee in any subsequent arbitration or court proceeding if such matter was asserted in the arbitration, except to the extent the amount exceeds the amount claimed by the Guild in the arbitration.

SECTION B. GRIEVANCE PROCEDURE

1. Time Limits

The Guild or an Employer may file a grievance over any matter subject to the disputes procedure of this Article 20; provided, however, that a joint filing by the Guild and the Employee shall be required if the grievance relates to arbitrable matters in the personal service contract or deal memo in excess of minimums under this Agreement; and provided further, however, that any grievance must be filed on or before the earlier of:

(a) Twelve (12) months following the date on which the facts upon which the claim is based were discovered by the party bringing the grievance or arbitration proceeding; or

(b) (i) Four (4) years following the date on which the event in dispute occurred in cases involving pension and health contributions, residual compensation or other contingent or deferred compensation; or

(ii) Two (2) years following the date on which the event in dispute occurred in all other cases.

2. Grievance Notice

The grievance shall be in writing, state the essential facts of the claim and refer to the contractual provisions alleged to have been breached.

3. Grievance Meeting

Within ten (10) working days after the filing of the grievance, an authorized representative of the Guild and an authorized representative of the Employer shall meet and attempt to settle the dispute or difference.

SECTION C. ARBITRATION PROCEDURE

1. Parties

In any grievance or arbitration hereunder, only the Guild and the Employer shall be parties, except that in any grievance or arbitration involving claims for unpaid compensation under, or other arbitrable violations of, a personal service contract or deal memo, the Employee involved and the Employee's loan-out company, if any, shall also be parties.

2. Demand for Arbitration

If the dispute or difference is not settled at the meeting described in Section B.3. above, or if the other party refuses or fails to meet, the party aggrieved (hereinafter "claimant") may deliver to the other party (hereinafter "respondent") a written demand for arbitration which

shall set forth the basis of the dispute, the material facts, the position of the claimant and the relief sought. Such demand must be served not later than sixty (60) days after the filing of the grievance. The arbitration shall proceed as described in the Arbitration Procedure set forth below.

3. Respondent's Statement of Its Position

The respondent shall promptly, within five (5) business days following receipt of the demand for arbitration, inform the claimant (the Guild in the case of a joint filing) of its representative and serve a written statement of its position.

4. Selection of the Arbitrator

(a) Within ten (10) business days following service of the demand for arbitration, or within such additional time as the parties mutually agree upon, the parties will attempt to mutually agree upon an Arbitrator. If the parties do not mutually agree upon an Arbitrator, the Arbitrator next in rotation on an Employer-by-Employer basis from the following list of persons shall be automatically assigned to the arbitration. The parties' mutual selection of an Arbitrator shall not affect the rotation of the Arbitrators.

(i) The Los Angeles list of Arbitrators shall be as follows:

Norman Brand
Mark Burstein
Douglas Collins
Dixon Dern
William B. Gould IV
Joel Grossman
Andria Knapp
Kenneth Perea
Michael Prihar
Michael Rappaport
Barry Winograd

(ii) With respect to arbitrations held in New York, the list of Arbitrators shall be as follows:

Richard Adelman
Ralph Berger
Howard Edelman
Herbert Fishgold
Susan MacKenzie
George Nicolau
Joan Parker
Janet Spencer
Carol Wittenberg

(iii) Other Arbitrators may be added to the panels set forth in subparagraphs (i) and (ii) above from time to time by mutual agreement between the Guild and the Employer.

From July 1, 2020 to and including December 31, 2021, the Arbitrator shall be selected from the panels set forth in subparagraphs (a)(i) and (ii) above, as applicable, in rotation on an Employer-by-Employer basis, starting from the top of the list down and, during the remainder of the term of this Agreement, the Arbitrator shall be selected in rotation on the same basis, starting from the bottom of the list up.

(b) If no person on the list is available to hear the dispute, an Arbitrator shall be mutually selected by the Guild and the Employer. If they fail to agree, the Federal Mediation and Conciliation Service shall select the Arbitrator.

(c) If more than one Employer is named as a respondent in any arbitration complaint, the Arbitrator selected shall be the one next in line from the list of the Employer most recently a party to any arbitration.

(d) During the ten (10) business days or additional time mentioned in subparagraph (a) above, the claimant(s) and the respondent(s) shall each have the right to exercise two (2) peremptory challenges to the four (4) Arbitrators whose names

are next in order on the list immediately following the name of the Arbitrator last selected.

(e) If the Arbitrator selected cannot serve, a substitute shall be selected in accordance with the procedure set forth in subparagraphs (a)(i) or (ii), as applicable, and subparagraphs (b), (c) and (d), except the parties need not attempt to mutually agree on the substitute Arbitrator.

(f) The foregoing lists replace the lists of Arbitrators in all preceding Agreements, starting with the 1978 Agreement, and shall be effective as of July 1, 2020, notwithstanding anything to the contrary in any preceding Agreement.

5. Situs of Arbitration

All arbitrations shall be in Los Angeles, absent agreement by the parties, except that they shall be in New York if the personal service agreement out of which the dispute arose was negotiated, entered into and production was based in New York and a majority of the witnesses required for the arbitration hearing reside regularly in and around the New York area. Any dispute as to where the arbitration should be held shall be determined by an Arbitrator in Los Angeles selected according to the method set forth herein. If the Arbitrator determines that Los Angeles is the proper situs for the arbitration, he or she shall hear the merits thereof, provided he or she is available.

Arbitrations held in Los Angeles will alternate on an Employer-by-Employer basis between the Guild's offices and, at the election of the Employer, the AMPTP's offices, if available, or the Employer's offices, if in Los Angeles. The party providing the hearing room shall do so at no cost to the other.

6. Notification to Arbitrator

The claimant(s) shall notify the Arbitrator of his or her selection in writing with a copy to each respondent and, at the same time, furnish the Arbitrator with a copy of this Agreement, a copy of the demand

for arbitration and the name, address and telephone number of the person who will represent the claimant(s) in the arbitration hearing.

7. Hearing

(a) Upon receipt of the demand for arbitration, the Arbitrator shall forthwith set the date for the arbitration hearing after contacting the parties' representatives for their available dates. If possible, the date for the hearing shall be within fifteen (15) to thirty (30) days after the demand for the arbitration. The Arbitrator shall notify the parties of the time and place of the arbitration hearing.

(b) The arbitration hearing shall take place on the scheduled date. If either party fails to appear, the Arbitrator is specifically authorized and empowered to hear the matter on the evidence of the appearing party and enter an award based on such evidence.

(c) Each party shall bear the costs of presenting its own case. The fees of the Arbitrator and the hearing shall be allocated by the Arbitrator in his or her sound discretion.

(d) All hearings and deliberations conducted pursuant to the grievance and arbitration provisions of this Article 20 shall be closed to the public. Only authorized representatives of the Guild and Employer or witnesses called by the Arbitrator or by either party may attend.

(e) All written communication to and from the Arbitrator or writings filed in connection with the arbitration proceedings and all testimony and arguments at the arbitration shall be privileged.

8. Exchange of Information

The parties will cooperate in the exchange of information reasonably in advance of the hearing date regarding the expected utilization of documents and physical evidence. Not later than thirty (30) days

prior to the arbitration hearing, either party may make a written request to the other to produce, on a date not earlier than seven (7) days before the hearing, documentary evidence of the type producible pursuant to a *subpoena duces tecum*. The documents must be produced on the date requested, but the other party may object to the production of the documents to the same extent as though the documents were subpoenaed. Any such objection shall be considered by the Arbitrator at the hearing.

The introduction of documents or physical evidence shall not be precluded because they were not exchanged in advance of the hearing.

9. Award

The award of the Arbitrator shall be promptly furnished to the parties in writing and shall be final and binding on the Guild, the Employee and the Employer. An arbitration award interpreting any of the terms of this Agreement thereafter shall be binding upon the Guild and the Employer; provided, however, that in any subsequent arbitration between the Guild and the Employer involving an interpretation of the same term or terms of this Agreement, the Arbitrator may determine whether or not, as a result of the different combination of facts, the prior arbitration award is relevant or determinative of the issue in such subsequent arbitration.

SECTION D. EXPEDITED ARBITRATION PROCEDURE

1. Notwithstanding any other provision of this Agreement, any personal service contract or any deal memo, the following Expedited Arbitration Procedure shall be followed if, in the opinion of a party, a grievance will become moot or damages will be increased by reason of delay if processed through the above Grievance and Arbitration Procedure.

   (a) A Notice of Expedited Arbitration (so labeled by the claimant) shall be reduced to writing and given to the respondent and the first available Arbitrator listed in Section C.4.(a)(i) or (ii), as

applicable, who can hear the matter within two (2) business days following the filing of the Notice of Expedited Arbitration. The Notice of Expedited Arbitration shall include the name, address and telephone number of the claimant's representative(s) and the name of the person who represents the respondent. A copy of this Agreement and any applicable available personal service contract and/or deal memo shall be given to the Expedited Arbitrator along with the Notice of Expedited Arbitration.

(b) Upon receipt of the Notice of Expedited Arbitration, the Arbitrator shall, by telephone or facsimile, notify the parties of the time and place of the Expedited Arbitration hearing.

(c) An Expedited Arbitration hearing shall not be continued, absent agreement of the parties, except upon proof of good cause by the party requesting such continuance. The unavailability of any witnesses shall not constitute good cause unless the witness' testimony is relevant to the issues in the arbitration and could not be received by means consistent with fundamental fairness which do not require the witness' presence at the hearing.

(d) Sections A.1., A.2., A.3., B.1., C.1., C.4.(a) (last paragraph), C.4.(b), C.4.(c), C.5., C.7.(b) through (e) and C.9. of this Article 20 shall be applicable to this Expedited Arbitration Procedure, except that:

(i) the Expedited Arbitration Hearing shall be commenced not later than on the second business day next following receipt of the Notice of Expedited Arbitration;

(ii) the Arbitrator's written award shall be issued within two (2) business days from the end of the Expedited Arbitration Hearing, but failure to meet the deadline shall not oust the Arbitrator of jurisdiction;

(iii) the award shall be served on the parties by messenger or facsimile; and

(iv) the same list of Arbitrators for non-expedited arbitrations shall apply to Expedited Arbitrations, but the rotation shall be separate.

(e) Nothing contained in this Expedited Arbitration Procedure shall preclude the parties from discussing the settlement of the Expedited Arbitration, except that such discussion shall not delay the Expedited Arbitration Procedure.

(f) The failure of the claimant to serve the Notice of Expedited Arbitration within ten (10) business days following the date on which the facts upon which the claim is based were discovered by the party bringing the Expedited Arbitration shall constitute a waiver of the right to this Expedited Arbitration Procedure. If two (2) or more claims are submitted to Expedited Arbitration and the Expedited Arbitration Procedure has been waived or is inapplicable to one (1) or more claims, the same Arbitrator may determine the claims not subject to Expedited Arbitration, provided that such non-Expedited Arbitration claim or claims shall be determined in accordance with the regular Arbitration Proceedings, unless the parties agree otherwise.

(g) Any party to an arbitration hereunder may, if the circumstances hereinabove set forth exist, require that the arbitration be conducted as an Expedited Arbitration by serving appropriate notice to that effect.

(h) If the Expedited Arbitration involves multiple disputes or controversies, the Expedited Arbitrator may, upon the request of a party, bifurcate or separate such disputes or controversies and render separate awards, each of which shall be deemed final.

SECTION E. ARBITRAL REMEDIES

1. Authority of Arbitrator

The Arbitrator shall have the authority to grant or award one or more of money damages, orders to withdraw, cancel, change or re-do advertising material already issued or prepared, or to require Employer to change or re-do any titles, or to order backpay or reinstatement, or to order any other reasonable relief the Arbitrator deems appropriate in the circumstances, whether relating to credit on the screen or in advertising or any other arbitrable matter, in the event the Arbitrator finds a breach of this Agreement, or of those provisions of the personal service contract or the deal memo which are subject to arbitration pursuant to the provisions of Section A.1. hereof.

2. Consideration for Determining Remedies

In determining the appropriate remedy, the Arbitrator shall take into account such evidence as may be adduced by the claimant of similar prior violations by the respondent. The Arbitrator shall also take into account evidence of failure on the part of the claimant to notify the respondent promptly of the violation and evidence of inadvertent breach.

3. Compliance with Arbitrator's Award

Should the Arbitrator issue an award which in whole or part is not self-executing, and a party fails to comply with such award, the party aggrieved thereby may, but need not, submit the matter to the Arbitrator who issued the award.

SECTION F. COURT PROCEEDINGS

1. Arbitration Exclusive Remedy

Arbitration hereunder shall be the exclusive remedy in connection with claims for violation by the Employee, Guild or the Employer of the provisions of this Agreement and of the arbitrable provisions of

any personal service contract or deal memo other than claims for compensation.

2. Claims for Compensation

(a) The Employee shall have the right, prior to commencement of an arbitration by any party entitled thereto, to commence action in any court of competent jurisdiction with respect to unpaid compensation in any amount, and in any event regarding the non-arbitrable portions of Employee's personal service contract. Upon the filing of such action, the further operation of the procedures and remedies described in this Article 20 shall cease to apply to such dispute. The Guild shall have the right, but not the obligation, to be party in any such action in court.

(b) The Guild shall have the right to take to grievance and arbitration any claim by the Guild of an Employer's breach of this Agreement, including a failure to pay minimum compensation, regardless of whether or not such claimed breach may also involve a breach by the Company of its contract with the Employee. Such proceeding shall not affect the right of the Employee to pursue remedies at law or in equity, except as limited by the provisions of this Agreement.

(c) If the Employee and the Guild make a claim for unpaid compensation in an arbitration proceeding, then, to the extent of any unpaid non-contingent compensation in excess of $550,000, collection of such excess from the Employer shall be deemed waived. No Employee shall have the right to commence court proceedings to collect any unpaid compensation for which claim has been made in arbitration, including, but not limited to, compensation in excess of the jurisdictional amount of $550,000.

3. Petition to Confirm, Vacate or Modify Award

(a) Nothing in this Agreement shall preclude any court of competent jurisdiction from confirming, setting aside or

modifying any award hereunder in accordance with applicable law.

(b) Service of a petition to confirm, set aside or modify an arbitration award hereunder may be served by certified or registered mail, return receipt requested.

SECTION G. WITHDRAWAL OF SERVICES

Notwithstanding any provision of any personal service contract, deal memo or of this Agreement to the contrary, it shall not be a violation thereof for the Guild or any Employee (at the direction of the Guild) to withhold services from the Employer if the Employer fails or refuses to abide by the final award of any Arbitrator for any reason whatsoever.

ARTICLE 21.

WAIVERS

Waivers of any provisions of this Agreement between the Company and the Guild may be granted only by the Guild in its sole discretion and not by any member of the Guild. All requests by the Company for waivers shall be confirmed in writing forthwith. The Guild may also impose conditions in connection with waivers which are granted.

ARTICLE 22.

POSTING OF BOND

The Guild may require the posting of a bond to secure the payment of compensation, including pension, health, vacation pay, residuals, foreign play fees and all other monetary items due or becoming due to Employees in those categories represented by the Guild, and also may impose conditions to secure such payment.

ARTICLE 23.

OTHER USES OF TELEVISION PROGRAMS

SECTION A.

In the event the Company intends to release a program produced for broadcast under this Agreement in media other than television, radio, closed circuits, the Internet, or home pay television, the following conditions shall obtain:

1. Except as otherwise provided in Section B.1.(b) of this Article 23, if a recording of a television program covered by this Agreement is released in theatrical exhibition (excluding theater pay television), the Director of such program shall be paid, as separate and additional compensation for theatrical exhibition use of such program, an additional amount equal to that which a Director employed to direct a television program of like type and budget pursuant to the Basic Film Agreement of Directors Guild of America, Inc. in effect at the time such program was recorded would have received for theatrical exhibition of such television film.

2. Except as otherwise provided to the contrary in Articles 24 and 29 hereof, in the event the Company intends to produce programs which, if produced for television broadcast, would be covered by this Agreement, but which are intended for initial release in public transportation (*i.e.*, airplanes, ships, etc.) or in theater pay television (except sports programs as hereinafter provided) or for visual electronic systems used in connection with home television receivers or otherwise, or in the event the Company intends to release a television program covered by this Agreement for any of such uses, the Company shall notify the Guild at least fifteen (15) days prior to such intended production or release, and the Guild and Company agree to bargain in good faith at such time as to Directors' fees for such production or release. If no agreement is reached within thirty (30) days from the commencement of such negotiation, the Guild may, on ten (10) days written notice, terminate this Agreement.

3. When a sports program is broadcast as a television program and is also fed to theater pay television in the originating city only (if the originating city is blacked out), the Company shall pay to the Director additional compensation in an amount to be negotiated with the Director, but not less than an additional amount equivalent to the minimum compensation as herein listed for such program.

4. Except as otherwise provided to the contrary in Article 24 hereof, if a program covered by this Agreement is released in media other than the media specified hereinabove, including but not limited to the release of programs to educational television stations and closed circuit hotel broadcasts, and classrooms, educational, sales, medical, instructional and all other non-broadcast presentations, etc., the Company shall pay to the Director additional compensation in an amount to be negotiated with the Directors Guild, subject to the approval of the Director.

   However, if at any time during the term hereof, the use in such other media, including educational television and closed circuit hotel broadcasts, of programs recorded for television or for such other media shall in the Guild's judgment become a problem of major significance, the Company, at the request of the Guild, will meet with the Guild for the purpose of negotiating with respect to such problem. Upon failure to reach an agreement within sixty (60) days, the Guild may, on not less than ten (10) days written notice, (a) elect to terminate this Agreement or (b) submit the matter to binding arbitration. If the Guild elects not to terminate this Agreement or does not submit the matter to arbitration, upon receipt of written notice from the Guild, the Company agrees that it will refrain from using recordings of programs in the manner which has been the subject of negotiation. All compensation so negotiated or made a part of the arbitration award shall be retroactive to the date of this Agreement.

SECTION B.

1. Theatrical Exhibition

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

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

(i) If one or more episodes of a free television, pay television or basic cable series, either alone or in combination with another episode of the same or different series, or a long-form television program made for free television, pay television or basic cable, is exhibited theatrically with an admission charge after its initial exhibition on television (or its initial availability on a subscription consumer pay platform in the case of a Derivative New Media Production or Original New Media Production), the Employer shall pay to the Director an amount equal to three percent (3%) of the Employer's gross (as defined in Article 24, Section C.2.) 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:

(A) The theatrical exhibition shall take place at least twenty-four (24) hours after the episode's initial telecast or at least thirty (30) days after the initial telecast of a long-form television program;

(B) 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;

(C) 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 program.

(ii) If one or more episodes of a 30-minute or 60-minute free television, pay television or basic cable 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 its initial availability on a subscription consumer pay platform in the case of a Derivative New Media Production or Original New Media Production), the Employer shall pay to the Director an amount equal to three percent (3%) of the Employer's gross (as defined in Article 24, Section C.2.) 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:

(A) The theatrical exhibition shall not exceed six (6) days, which need not be consecutive;

(B) The episode, including the pilot, is part of a series order of at least six (6) episodes;

(C) The original Director, subject to his or her availability, shall supervise any additional editing at no additional salary. If the original Director is

not available, then the Company will assign the editing of the program to the Associate Director of such program, subject to his or her availability, or to the Producer or Executive Producer of such program or to another Director in accordance with Article 2, Section B.6.

(D) The original Director shall be offered employment to shoot any additional footage that may be required at the *pro rata* daily rate applicable to the television program.

(iii) 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.

(iv) The provisions of subparagraphs (b)(i) and (ii) 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.

(v) In the case of dispute as to the manner of allocation of the payment between Directors, or as to who will perform the editing services, the Guild will make the determination.

(vi) The provisions of subparagraph (d) of this Article 23, Section B.1. are superseded by this subparagraph (b).

(vii) The theatrical use fee provided in subparagraph (a) of this Article 23, Section B.1., less the amount of the percentage residual payment already paid, shall apply if the foregoing conditions are not met or if the television programs as theatrically exhibited are submitted for theatrical award consideration.

(viii) The provisions of this subparagraph (b) shall apply to the use after July 1, 2020 of any television episode or long-form television program for which a theatrical release payment is due, regardless of when produced.

(ix) 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 program. The information provided to the DGA will be treated as confidential pursuant to FLTTA Article 7, Section G.

(x) Payment for theatrical exhibition of a television program under this Article 23, Section B.1.(b) shall be paid to the Director within sixty (60) days after the end of the calendar quarter in which "Employer's gross" is received by the Employer.

(xi) The provisions of this subparagraph (b) shall expire on the termination date of the 2020 FLTTA 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, 2023.

(c) 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.

(i) 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 ($514 effective July 1, 2021);

(B) Excerpt thirty (30) seconds to two (2) minutes, $998 ($1,028 effective July 1, 2021) per excerpt;

(C) Excerpt over two (2) minutes, $998 ($1,028 effective July 1, 2021) for the first two (2) minutes plus $402 ($414 effective July 1, 2021) for each additional minute or fraction thereof.

(ii) The provisions of this subparagraph (c) relating to the use of excerpts apply to the use after July 1, 2020 of any excerpt from a television program, whenever produced.

(iii) The actual production company which produces the motion picture containing the excerpt requiring payment is obligated to make the payment, provided the company is signatory to this Agreement. Employer shall otherwise remain liable for the payment due.

(iv) If two (2) or more Directors are entitled to share any payment, the Guild shall determine the allocation among the Directors.

(d) If one television program is amplified or two or more television programs (or segments of programs) are combined into one integrated program and the same is released for theatrical exhibition, then, in that event, the additional payment due the Director or Directors pursuant to Paragraph 1. above shall be divided proportionately among them.

(i) Applicable theatrical scale shall be computed based on the combined production 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.

(ii) Except as otherwise provided in Article 23, Section B.1.(b) above:

If the Employer desires to combine two (2) or more complete television programs or episodes to make a new or expanded entity for theatrical release, the original Director (subject to reasonable availability) shall

supervise any additional editing or be offered employment to shoot any additional footage required. There shall be no compensation for up to one week of editing supervision. Any additional editing supervision and any shooting of additional footage shall be compensated at a rate equal to the initial rate. If more than one 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.

The Director or Directors involved shall be notified by Employer of its intent to amplify or combine such television program within five (5) days prior to the commencement of any required services hereunder.

(iii) Credit on television tapes released theatrically shall be in accordance with the theatrical film provisions of the Basic Agreement. Employer shall contract with any distributor of its television programs and shall itself accord credit to the Director of any television tape whenever credit with respect to such television tape is given in paid advertising to any person whomsoever in connection therewith other than the performers and other than when such advertising relates to an entire series of tapes which has a common producer or producers and has more than one Director.

2. Use of Television Tape Clips

Payment for the use on television of an excerpt from a television program covered by this Agreement or a predecessor Agreement shall be governed by the provisions of this subparagraph.

(a) No payment shall be required in the following circumstances:

(i) When used for promotional, trailer, news or review purposes; provided, however, that the length of such excerpt(s) shall not exceed one hundred twenty (120) seconds. However, the maximum length of excerpts from a free television program, other than a long-form television program (*i.e.,* a program 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 program 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 program 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 these length limitations, 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 which 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.

(ii) When used as a so-called "stock shot" (as customarily understood in the industry -- *i.e.*, shots excluding dialogue or identifiable characters).

(iii) 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 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 ($256 effective as of July 1, 2021) for each minute or portion thereof by which the recap exceeds such length limitation.

(iv) 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 programs(s) from which the excerpts in the flashback were taken an aggregate, one-time-only sum equal to $249 ($256 effective July 1, 2021) for each minute or portion thereof by which the flashback exceeds such length limitation.

(v) As heretofore, the use of excerpts from news programs on other programs shall not require any payment.

(b) For any use of excerpts which is not within the exceptions provided for in subparagraph (a) above nor Paragraph 4. (Television Compilations) below, 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:

(i) ten (10) seconds or less of excerpts from such program - $402 ($414 effective July 1, 2021); or

(ii) Over ten (10) seconds but not more than two (2) minutes of excerpts from such program - $1,201 ($1,237 effective July 1, 2021), or the applicable rerun fee, whichever is less; or

(iii) Over two (2) minutes but not more than ten (10) minutes of excerpts from such program - $1,201 ($1,237 effective July 1, 2021) for the first two (2) minutes, and $200 ($206 effective July 1, 2021) for each minute or portion thereof in excess of two (2) minutes, or the applicable rerun fee, whichever is less; or

(iv) Over ten (10) minutes of excerpts from such program - the applicable rerun fee;

provided, however, not less than $402 ($414 effective July 1, 2021) 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 rates set forth above.

(c) Notwithstanding the foregoing, no excerpt fee shall be payable to the Director of the program in which the excerpt is used if:

(i) 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;

(ii) 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

(iii) 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.

If an excerpt from a free television program is used on pay television or videodiscs/videocassettes, as such terms are used in Article 29, or basic cable, such use shall be treated in the same manner as though the excerpt were used on free television.

The provisions of this Paragraph 2. apply to the use after July 1, 2020 of an excerpt from a free television program, whenever produced.

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

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.

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

3. Tapes Exhibited Without Admission Charge

If a television tape is exhibited other than on free television, in a supplemental market or in New Media, 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 tape produced after August 1, 1978, 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 Article 23.B.1. 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 this Section. 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 this Section. Conversely, if a theatrical release payment is made to the Director under the provisions of this Section other than under this provision, then no further sum shall be payable under this provision.

4. 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 – the Director(s) of the excerpted material contained in the compilation shall be paid, 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 and tapes from which the excerpts are taken. Payment pursuant to this Paragraph relating to compilations shall not reduce or affect other payments which may become due to the Directors for use of the television films and tapes from which such excerpts are taken. Notwithstanding the foregoing, the Director of a compilation program which utilizes excerpts from a strip variety program such as "*Jimmy Kimmel Live*" shall not be entitled to any part of the compilation fee for the use of excerpts taken from the strip variety programs he/she directed, provided that he/she has been continuously employed as a Director on that strip variety program for at least one (1) year prior to production of the compilation program.

Programs that are the fifth episode in a week of a four-day-per-week strip program, or the sixth episode in a week of a five-day-per-week

strip program, when the fifth or sixth episode consists mainly of excerpts from that week's other episodes, shall not be considered "compilation" television programs, and shall instead be subject to the payment provided in Section B.5. of this Article 23.

5. For a television program that is the fifth episode in a week of a four-day-per-week strip program, or the sixth episode in a week of a five-day-per-week strip program, when the fifth or sixth episode consists mainly of excerpts from that week's other episodes, the Director(s), including Segment Director(s), shall be paid, in lieu of all other compensation, an aggregate sum equal to the applicable minimum compensation for a fifth or sixth episode of the program, as applicable, prorated as determined by the Guild. The fifth or sixth episode shall be treated as a regular episode of the series, and will be subject to reuse fees as would any other episode.

6. Excerpt from a Theatrical Motion Picture Used on Television

For use of excerpts from a theatrical picture in any television tape (other than a magazine or documentary program), including television tapes which consist substantially of excerpts of theatrical motion pictures, the following aggregate one-time-only sum shall be paid to the Directors for directorial services performed under a Basic Agreement (the Directors entitled to payment and proration of monies shall be determined by the Guild): (a) thirty (30) seconds or less of excerpts - $282 ($290 effective July 1, 2021); (b) over thirty (30) seconds but not over two (2) minutes of excerpts - $805 ($829 effective July 1, 2021); (c) over two (2) minutes of excerpts - $805 ($829 effective July 1, 2021) for the first two minutes and $203 ($209 effective July 1, 2021) for each minute or portion thereof in excess of two (2) minutes. For use of excerpts from a theatrical picture in any taped magazine or documentary program, the following aggregate one-time-only sum shall be paid to the Directors for directorial services performed under a Basic Agreement (the Directors entitled to payment and proration of monies shall be determined by the Guild): (a) thirty (30) seconds or less of excerpts - $266 ($274 effective July 1, 2021); (b) over thirty (30) seconds but not over two (2) minutes of excerpts - $761 ($784 effective July 1, 2021); (c) over two (2) minutes of excerpts - $761 ($784 effective July 1, 2021) for the first

two (2) minutes and $190 ($196 effective July 1, 2021) 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 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 of excerpts for news (as defined in Paragraph 2.(a) above) or review purposes. The provisions of this Paragraph 6. apply to the television use, after July 1, 2020, of an excerpt from any theatrical motion picture, the principal photography of which commenced on or after May 1, 1960. As to all theatrical motion pictures, the principal photography of which commenced prior to May 1, 1960, the Guild does not and will not make any claim for compensation for the exhibition of such motion pictures, or the use of excerpts therefrom, on television.

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

The actual production company which produces the program containing the excerpt requiring payment is obligated to make the payment required under this Paragraph, provided the company is signatory to this Agreement. 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 6. If the program is broadcast later in another market, the Director shall be paid the remaining fifty percent (50%).

The payment provisions set forth in this Section shall determine payment for the uses set forth in this Section in lieu of the provisions in any other Guild agreement.

ARTICLE 24.

SUPPLEMENTAL MARKETS

SECTION A. PROGRAMS COVERED

The provisions of this Article 24 relate and apply only to television programs as defined in Article 1, Section A., Paragraph 6.:

1. produced by the Company (hereinafter referred to as "the Employer") or within the provisions of Section G., Paragraph 1., and

2. the production of which commenced on or after July 1, 2020, which television programs are, either during the term hereof or any time thereafter, released in supplemental markets (as defined below); and

3. produced by the Employer with Employees under the terms of this Agreement or in the employ of the actual Producer as described in Section G., Paragraph 1., to which employment the provisions of this Section apply.

4. As used in this Article 24, the term "television programs" refers to television programs with the additional qualifications set forth in the above Paragraphs 1., 2. and 3.

Such a program is sometimes herein called "Such Program."

SECTION B. DEFINITIONS

The term "Supplemental Markets," as used in this Agreement, means only: The exhibition of television programs by means of cassettes (to the limited extent provided in Paragraph 1. of this Section B.) or pay television, as those terms are hereafter defined in this Section B., and the exhibition of television programs on any commercial carrier such as commercial airlines, trains, ships and buses (referred to herein as "in-flight").

1. Cassettes: For the purposes of this Article 24, a cassette is any audio-visual device, including without limitation, cassette, cartridge or phonogram or other similar audio-visual device now known or hereafter devised, containing a television program (recorded on film, disc, tapes or other material) and designed for replay through a television receiver or comparable device. The sale or rental of cassettes for replay through a television receiver or comparable device in the home or in closed-circuit use such as in hotel rooms constitutes the "Supplemental Markets."

2. Pay Television: The term "pay television," as used in this Article, shall mean exhibition on a home-type television screen by means of a telecast, cable, closed circuit, satellite to home or CATV when a majority of licensed systems meet the following tests:

   (a) a separate channel is provided for which the subscriber pays a separate fee (which fee is a substantial charge relative to other charges made to the subscriber) for that channel;

   and/or

   (b) the subscriber pays for the program or programs selected (except that a program or programs selected for which only a token charge is made shall not be considered pay television);

   and/or

   (c) the subscriber pays a fee for an encoded telecast, which fee is a substantial charge relative to other fees paid for encoded telecasts.

The foregoing tests cover those types of services and systems which exist in the industry today and are commonly understood in the industry today to be pay television services or systems.

The term "pay television," as used in this Article 24, shall also include the exhibition of programs through a television receiver or comparable device by means of telecast, cable, closed circuit, satellite or CATV for which the viewing audience (whether by the individual viewer or by the hotel, motel, hospital or

other accommodation where the viewer is) pays to receive the program by making a separate payment for such specific program. Exhibition in theaters or comparable places by such means is theatrical exhibition and shall not be considered pay television.

The term "Supplemental Markets" does not include the exhibition of a program by cassette or otherwise over a television broadcast station in free television, or in theatrical exhibition (and, for this purpose, "theatrical exhibition" includes what has previously been considered to be the educational market), the exhibition of programs on any commercial carrier (referred to herein as "in-flight") such as commercial airlines, trains, ships and buses, and other uses which have been traditionally considered theatrical exhibition of programs. Whenever reference is made in this Article 24 to pay television, such reference shall be deemed to include only those uses of programs as to which a charge is actually made to the subscriber (which may be a hotel, motel or other accommodation) for the program viewed, or for which the subscriber or viewer has the option, for a payment, to receive special programming over one or more special channels. Subject to Section E. of Article 7, the exhibition of programs made for free television exhibition on "basic cable" is considered free television exhibition, as distinguished from "Supplemental Markets" exhibition.

SECTION C. SUPPLEMENTAL MARKET DISTRIBUTION OTHER THAN BY CASSETTES

The following provisions of this Section C. apply to the distribution of any "Such Program" in "Supplemental Markets" other than by means of cassettes as defined in Section B.:

1. Percentage Payment:

   Employer shall pay additional compensation of one and two-tenths percent (1.2%) of the Employer's accountable receipts from the distribution of Such Program. Such payment is to be divided as follows: one-half (½) of such amount to be paid to the Director; one-third (⅓) of such amount to be paid to the Directors Guild of America–Producer Pension Plan (herein referred to as the "Pension Plan"); and a *pro rata* share of one-sixth (1/6) of such amount to be paid to the Associate Director and Stage Manager employed on such

program (such portion of such one-sixth (1/6) *pro rata* share to be based upon their respective minimum schedule wage rate hereunder). If more than one Director, Associate Director or Stage Manager renders services in connection with Such Program, the allocations of their respective portion of the *pro rata* shares shall be determined by the Guild and the Employees shall be bound by such determination.

2. Definition of Employer's Gross:

The term "Employer's gross," as used herein, means the worldwide total gross receipts derived by the distributor of Such Program (who may be the Employer or a distributor licensed by the Employer) from licensing the right to exhibit Such Program in Supplemental Markets other than by means of cassettes; provided, however, that in the case of any Such Program which is produced outside of the United States, if Such Program is subject to this Agreement and if such production is under an arrangement (herein referred to as a "foreign production deal") pursuant to which a foreign producer or distributor provides or guarantees any of the financing for the production of Such Program or furnishes any other consideration for such production and a foreign distributor acquires one or more foreign territories for the distribution of Such Program in Supplemental Markets, then no monies from any such distribution in any such foreign territory shall be included in Employer's gross except to the extent such foreign producer or foreign distributor is obligated to account to Employer or to the distributor of Such Program for such monies, and except for gross receipts received by such foreign distributor from such distribution in the United Kingdom.

If the distributor of Such Program does not distribute Such Program directly in Supplemental Markets, but employs a subdistributor to so distribute Such Program, then the "Employer's gross" shall be the worldwide total gross receipts derived by such subdistributor from licensing the right to exhibit Such Program in Supplemental Markets. In the case of an outright sale of the Supplemental Markets distribution rights, for the entire world, or in any territory or country, the income derived by the seller from such sale, but not the income realized by the purchaser or licensee of such rights, shall be the "Employer's gross." If any such outright sale shall include

Supplemental Markets exhibition rights and other rights, then (but only for the purpose of the computation required hereunder) the Employer shall allocate to the Supplemental Markets exhibition rights a fair and reasonable portion of the sale price which shall, for the purpose hereof, be the "Employer's gross." In reaching such determination, Employer may consider the current market value of Supplemental Markets exhibition rights in comparable television programs.

If the Guild shall contend that the amount so allocated was not fair and reasonable, such claim may be determined by submission to arbitration as herein provided; and in the event the Arbitrator shall find that such allocation was not reasonable and fair, he or she shall determine the fair and reasonable amount to be so allocated. If the outright sale includes Supplemental Market distribution rights to more than one television program, Employer shall likewise allocate to each Such Program a fair and reasonable portion of the sales price of the Supplemental Market rights; and if the Guild contends that such allocation is not fair and reasonable, the question may be determined by submission to arbitration as above provided. If the Arbitrator shall find that such allocation was not fair and reasonable, the Arbitrator shall determine the fair and reasonable amount to be so allocated to each Such Program. Nothing with respect to the price received on the outright sale of only Supplemental Markets distribution rights in a single Such Program shall be subject to arbitration except that in the event of a dispute, there may be arbitrated the question whether the price reported by the Employer to the Guild as having been received by the Employer on such outright sale is less than the amount actually received by the Employer on such outright sale.

The "Employer's gross" shall not include 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 such television program or on any monies to be remitted to or by the Employer, but there shall not be excluded from Employer's gross any net income tax, franchise tax or excess profit tax or similar tax payable by the Employer or such Distributor on its net income or for the privilege of doing business.

3. Definition of "Accountable Receipts"

The term "accountable receipts," as used herein, means one hundred percent (100%) of the "Employer's gross."

4. Employer's obligation shall accrue hereunder only after Employer's gross is received by Employer, but as to foreign receipts, such obligation shall accrue only when such receipts can be freely converted to U.S. dollars and are remitted to the United States, and until such time no frozen foreign receipts shall be included in Employer's gross. Payments of amounts accruing hereunder shall be made quarterly on the basis of quarterly statements, as hereinafter provided.

Upon request, and if permitted by the authorities of a foreign country, the Employer will transfer to the Pension Plan and to any Employee, in the currency of such foreign country, its or his or her share, if any, of frozen foreign receipts in such country, provided the recipient will bear any costs involved; and such transfer shall be deemed to be payment of an equivalent number of U.S. dollars at the then current free market rate for blocked funds of that category as determined by the Employer. Concurrently with such transfer, the recipient will pay to the Employer in U.S. dollars the total amount the Employer is required to withhold from such payment under all applicable laws. If the Employer utilizes frozen foreign currencies derived from exhibition of Such Program in Supplemental Markets by conversion thereof to properties that may be freely exported and turned to account, the amount so utilized by the Employer shall be deemed to have been converted to U.S. dollars at the then current free market rate for blocked funds of that category determined as above provided. Frozen foreign receipts from Supplemental Markets shall be deemed to be released on a "first-in, first-out basis," unless the authorities of the foreign country involved designate a specific period that would render such basis inapplicable. Such released funds shall be allocated between Such Program and other television programs distributed by the distributor in Supplemental Markets in the same ratio that receipts derived from the distribution of Such Program in Supplemental Markets within the foreign country bear to the total receipts derived from the distribution of Such Program and all other television

programs in Supplemental Markets within the foreign country during the applicable period, unless the authorities of the foreign country involved require another method of allocation, in which case such other method shall be used. Foreign receipts shall be accounted for in U.S. dollars at the rate of exchange at which such receipts are actually converted and remitted, and should any discounts, taxes, duties or charges be imposed in connection with the receipt or remittance of foreign funds, only so much of such funds as remains thereafter shall be included in accountable receipts. Employer shall not be responsible for loss or diminution of foreign receipts as a result of any matter or thing not reasonably within the control of the Employer. The Guild, the Pension Plan and the Employees shall be bound by any arrangements made in good faith by the Employer or for its account, with respect to the deposit or remittance of foreign revenue. Frozen foreign receipts shall not be considered trust funds and the Employer may freely commingle the same with other funds of the Employer.

No sums received by way of deposits or security need be included in Employer's gross until earned, but when the Employer is paid a non-returnable advance by a distributor, such advance shall be included in the Employer's gross.

5. Allocation of License or Sales Fee

If any license or outright sale of exhibition rights to Such Program in Supplemental Markets includes as a part thereof any commercial or advertising material, the Employer shall be permitted to allocate a reasonable amount (in accordance with then current standard charges in the industry) to such commercial or advertising material, and the amount so allocated shall not be included in Employer's gross hereunder.

SECTION D. SUPPLEMENTAL MARKET DISTRIBUTION ON CASSETTES

The following provisions of this Section D. apply to the distribution in Supplemental Markets of any Such Program by means of cassettes as defined in Section B. above.

1. Percentage Payment

Employer shall pay additional compensation of one and five-tenths percent (1.5%) of the "Employer's gross," as defined below, until the Employer's gross equals one million dollars ($1,000,000). Thereafter, Employer shall pay one and eight-tenths percent (1.8%) of Employer's gross in excess of $1,000,000. Such percentage payments are to be divided as follows:

(a) Until the Employer's gross equals $1,000,000, 1% thereof shall be paid to the Director, 0.3% thereof shall be paid to the Pension Plan and 0.2% thereof shall be paid to the Associate Director and the Stage Manager.

(b) After the Employer's gross exceeds $1,000,000, 1.2% thereof shall be paid to the Director, 0.36% thereof shall be paid to the Pension Plan and 0.24% thereof shall be paid to the Associate Director and the Stage Manager.

(c) The portion of the 1.5% and 1.8% percentage payment due the Associate Director and the Stage Manager shall be divided between them equally. If more than one Director, Associate Director or Stage Manager renders services in connection with Such Program, the allocations of their respective portion of the *pro rata* shares shall be determined by the Guild and the Employees shall be bound by such determination.

2. Definition of Employer's Gross

If the Employer is the Distributor or the Distributor is owned by or affiliated with the Employer, the "Employer's gross" derived from the distribution of Such Program by "cassettes" shall be twenty percent (20%) of the worldwide wholesale receipts derived by the Distributor. In such cases, if the Distributor is also the retailer, a reasonable allocation of the retail gross receipts shall be made as between the Distributor as distributor and the Distributor as retailer, and twenty percent (20%) of the former only shall be deemed to be "Employer's gross." The reasonableness of such allocation shall be subject to arbitration and, in such arbitration, generally prevailing trade

practices in the cassette industry with respect to dealings between non-related companies shall be relevant evidence. Such worldwide wholesale receipts shall not include:

(a) Rebates, credits or repayments for cassettes returned (and, in this connection, the Employer shall have the right to set up a reasonable reserve for returns);

(b) 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 such program or on any monies to be remitted to or by the Employer, but there shall not be excluded from Employer's gross any net income tax, franchise tax or excess profit tax or similar tax payable by the Employer or such Distributor on its net income or for the privilege of doing business;

(c) In the case of any Such Program which is produced outside of the United States, if Such Program is subject to this Agreement and if such production is under an arrangement (herein referred to as a "foreign production deal") pursuant to which a foreign producer or distributor provides or guarantees any of the financing for the production of Such Program or furnishes any other consideration for such production and a foreign distributor acquires one or more foreign territories for the distribution of Such Program in Supplemental Markets, monies from any such distribution in any such foreign territory, except to the extent such foreign producer or foreign distributor is obligated to account to Employer or to the distributor of Such Program for such monies, and except for gross receipts received by such foreign distributor from such distribution in the United Kingdom.

If the Distributor is not the Employer and is not owned by or affiliated with the Employer, the "Employer's gross" shall be one hundred percent (100%) of the fees received by the Employer from licensing the right to distribute Such Program by cassettes.

3. Employer's obligation shall accrue hereunder only after Employer's gross is received by Employer, but as to foreign receipts such obligation shall accrue only when such receipts can be freely converted to U.S. dollars and are remitted to the United States and, until such time, no frozen foreign receipts shall be included in Employer's gross. Payment of amounts accruing hereunder shall be made quarterly on the basis of quarterly statements, as hereinafter provided. Upon request, and if permitted by the authorities of a foreign country, the Employer will transfer to the Pension Plan and to any Employee, in the currency of such foreign country, its or his or her share, if any, of frozen foreign receipts in such country, provided the recipient will bear any costs involved; and such transfer shall be deemed to be payment of an equivalent number of U.S. dollars at the then current free market rate for blocked funds of that category as determined by the Employer. Concurrently with such transfer, the recipient will pay to the Employer in U.S. dollars the total amount the Employer is required to withhold from such payment under all applicable laws. If the Employer utilizes frozen foreign currencies derived from exhibition of Such Program in Supplemental Markets by conversion thereof to properties that may be freely exported and turned to account, the amount so utilized by the Employer shall be deemed to have been converted to U.S. dollars at the then current free market rate for blocked funds of that category determined as above provided. Frozen foreign receipts from Supplemental Markets shall be deemed to be released on a "first-in, first-out basis," unless the authorities of the foreign country involved designate a specific period that would render such basis inapplicable. Such released funds shall be allocated between Such Program and other programs distributed by the distributor in Supplemental Markets in the same ratio that receipts derived from the distribution of Such Program in Supplemental Markets within the foreign country bear to the total receipts derived from the distribution of Such Program and all other programs in Supplemental Markets within the foreign country during the applicable period, unless the authorities of the foreign country involved require another method of allocation, in which case such other method shall be used. Foreign receipts shall be accounted for in U.S. dollars at the rate of exchange at which such receipts are actually converted and remitted, and should any discounts, taxes, duties or charges be imposed in connection with the receipt or remittance of

foreign funds, only so much of such funds as remains thereafter shall be included in the Employer's gross. Employer shall not be responsible for loss or diminution of foreign receipts as a result of any matter or thing not reasonably within the control of the Employer. The Guild, the Pension Plan and the Employees shall be bound by any arrangements made in good faith by the Employer or for its account, with respect to the deposit or remittance of foreign revenue. Frozen foreign receipts shall not be considered trust funds and the Employer may freely commingle the same with other funds of the Employer. No sums received by way of deposits or security need be included in Employer's gross until earned, but when the Employer is paid a non-returnable advance by a distributor, such advance shall be included in the Employer's gross.

4. Allocation of License or Sales Fee

If any license or outright sale of exhibition rights to Such Program in Supplemental Markets includes as a part thereof any commercial or advertising material, the Employer shall be permitted to allocate a reasonable amount (in accordance with then current standard charges in the industry) to such commercial or advertising material, and the amount so allocated shall not be included in Employer's gross hereunder.

SECTION E. PARTICIPATING EMPLOYEES

If there is at least one participating Employee who performs services subject to this Agreement in connection with Such Program, the Employer shall pay the full amount of the percentage payment. The Guild shall determine the allocation of such payment among such participating Employees, provided that the Director(s), Associate Director(s) or Stage Manager(s) subject to this Agreement shall receive no less than their share as set forth in Sections C.1. and D.1. of this Article. If there are no participating Employees assigned to Such Program in a job category, the share of the percentage payment allocable to that job category shall be paid to the Directors Guild of America–Producer Health Plan. (This share will be paid directly to the Health Plan, but any report to the Guild under Article 24, Section F. shall disclose the amount so paid to the Health Plan.)

If any such Employee's services for Such Program are performed for the Employer on a loan-out basis, then, for the purposes of this Article 24, the Employer shall be deemed to be the employer, and the lender shall not have any responsibility hereunder with respect to Such Program.

SECTION F. REPORTS AND MANNER OF PAYMENT

Within a reasonable time after the expiration of each calendar or fiscal quarter, but not exceeding sixty (60) days, Employer will furnish or cause to be furnished to the Guild a written report showing the Employer's gross during the preceding quarter from the distribution of each Such Program by Employer in Supplemental Markets with respect to which Employer is required to make payments hereunder (whether distributed by the Employer or through another distributor).

A "non-returnable advance" is to be included in "Employer's gross" when Such Program is "available" and "identifiable" and the amount of the advance payment is "ascertainable."

Such Program is "available" when the first of the following occurs:

(1) The product 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.

Such Program is "identifiable" when the Employer first knows or reasonably should have known that a given motion picture is covered by a particular license or distribution agreement for its exploitation in the applicable market.

The amount of the advance payment is "ascertainable" if:

(1) the advance is for one motion picture, means of exhibition, and territory, or

(2) the total amount of the advance is for more than one motion picture, means of exhibition and/or territory, in which case the Employer shall

fairly and reasonably allocate such advance 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 advance is to be included in Employer's gross for that quarter. The Employer shall notify the Guild of its allocation when the report of "Employer's gross," which includes the advance, 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.

If Such Program is available in any territory or by any means of exhibition, and is identifiable and the amount of the advance is ascertainable, but the Employer does not provide the Guild with the information required by this Agreement and applicable law, then the advance shall be deemed includable in "Employer's gross" no later than six (6) months after the Employer receives it.

An advance 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 advance payment is directed by the Employer or license or distribution agreement, shall be considered as an advance payment received by the Employer.

Concurrently with the furnishing of each such report, the Employer will make the payments shown to be due by such report. All payments shall be made by checks payable to the order of the Pension Plan and the Employees (as the case may be) entitled thereto, and shall be delivered to the Guild for forwarding to the Pension Plan and such Employees, and compliance herewith shall constitute payment to the Pension Plan and such Employees.

No such payment need be made to the Pension Plan or to any individual participating Employee, until the amount due to the Pension Plan or to the respective individual has accumulated to an amount equal to or more than fifty dollars ($50.00) for such Pension Plan or such respective individual. However, at the end of any calendar or fiscal year, any amounts due shall be paid to the Pension Plan and any participating Employee.

The foregoing paragraph shall apply to any prior Agreement binding upon the Employer, notwithstanding anything to the contrary elsewhere in this Article 24.

No such reports need be furnished with respect to any period during which there was no such Employer's gross. The Employer shall make available for inspection by the Guild all distributor's statements and exhibitor's statements which are available to the Employer insofar as they relate to such Employer's gross, and all the financial terms of contracts pertaining to such Employer's gross, and the Guild shall have the right, at reasonable times, to examine the books and records of the Employer as to such Employer's gross pertaining to such distribution of any Such Program, at whatever place or places such records are customarily kept by the Employer. If the Guild requests that it be informed of the license fee paid under a license for the exhibition of Such Program in Supplemental Markets, or if the Guild requests that it be sent an extract of the financial terms of such a license, and if such information is not extensive in nature, the Employer will forward such information or extract without making it necessary for the Guild to send a representative to the offices of the Employer. In general, the Employer will cooperate in furnishing such information to the Guild by mail or telephone, when doing so is not unreasonable or burdensome. If more than one program is licensed in a single license agreement, the Employer shall inform the Guild, at its request, of the identity of the programs covered by the license, and shall make available for inspection by the Guild in the office where such license agreement is customarily kept a copy of the terms of such license showing the titles of the programs licensed under such agreement and the license fee for each such program. Employer agrees to cooperate in responding to reasonable inquiries from the Guild as to whether any such program is currently being distributed for telecasting on pay television or in any other Supplemental Market as herein defined. An inadvertent failure to comply with the reporting provisions of this section shall not constitute a default by the Employer hereunder, provided such failure is cured promptly after notice thereof from the Guild is received by the Employer.

Employer shall make all social security, withholding, unemployment insurance and disability insurance payments required by law with respect to the additional compensation provided for in this Article 24.

If the Employer shall fail to make any payment provided for in this Article 24 when and as the same becomes due and payable, it shall bear interest at the rate of one percent (1%) per month on the unpaid balance thereof commencing to accrue from the date payment is due.

The compensation payable under this Article 24 shall be excluded from the gross compensation upon which the Employer contributions are to be made to the Pension Plan and Health Plan.

If any Employee's employment agreement with the Employer requires that such Employee's compensation shall be based, in whole or in part, upon, or measured by, a percentage of the gross receipts derived from the distribution of Such Program, then such percentage compensation shall be credited against any amounts payable to such Employee hereunder, and likewise any payment due to such Employee hereunder shall be credited against such percentage compensation. When all or a part of any Employee's compensation is a specified sum of money, commonly known and referred to as a "deferment," such deferment may not be credited against amounts payable by the Employer to such Employee hereunder.

SECTION G. ASSUMPTION OF OBLIGATIONS

1. Acquisition of Title by Employer

   If the Employer was not the actual producer of Such Program which was produced by a signatory Employer but acquired title thereto by purchase, assignment, transfer, voluntary or involuntary, or by foreclosure of a chattel mortgage or security agreement or a pledgee's sale, Employer shall nevertheless be obligated to make the payments herein provided when Such Program is exhibited in Supplemental Markets, unless such payment required hereunder has already been paid.

2. Financing-Distribution Agreement by Employer

   The obligation of the signatory Employer hereunder with respect to the payments provided for in this Article 24 shall also apply to any Such Program produced by an independent producer under a contract between the signatory Employer and such independent producer for the production of such television program, and for the financing and distribution thereof by the signatory Employer. However, such signatory Employer shall not be liable for the payment of any Supplemental Market fees based on monies received by a foreign distributor under a foreign production deal as defined in subsections

C.2. and D.2.(c) with respect to which such foreign distributor or such independent producer is not obligated to account to such signatory Employer. Nor shall such signatory Employer be obligated to obtain any Distributor's Assumption Agreement from any foreign distributor referred to in subsections C.2. and D.2.(c) except if such foreign distributor is obligated to account thereunder to such signatory Employer with respect to monies as therein provided.

3. Employer Liability

It is expressly understood and agreed that Employer shall in all events remain bound hereunder to make the payments due by reason of the exhibition of each Such Program in Supplemental Markets, irrespective of the assumption of such liability by any other person, firm or company as hereinabove provided, except as otherwise expressly provided in this Agreement.

4. Failure to Deliver Assumption Agreement

The failure of Employer to obtain and deliver an executed assumption agreement as provided in Sections A.1. and D.1. of Article 30 shall be deemed a substantial breach of this Agreement.

5. Employer's Dissolution

If Employer dissolves and is no longer in the business of producing television programs and if a distributor assumes all of the obligations of the Employer under this Article 24 and the financial responsibility of the distributor is approved by the Guild in its discretion, the Employer shall thereupon be released of any obligation with respect to any payments due hereunder, provided that if the distributor which assumes all of the obligations of the Employer is permanently liable to pay the Supplemental Market fees provided for in this Article 24 with respect to the television programs for which the Employer is liable to make such payment of Supplemental Market fees, then the financial responsibility of such distributor shall be conclusively deemed approved and such Employer shall be released of any obligation with respect to any such payments.

6. Networks and Television Stations

No television network, station or advertising agency shall be required to execute any Distributor's Assumption Agreement or Buyer's Assumption Agreement, except if it is the distributor of Such Program in Supplemental Markets or the buyer of the Employer's Supplemental Markets rights in Such Program, as the case may be.

SECTION H.

The provisions of this Article 24 shall not apply to the distribution or exhibition in relation to Supplemental Markets of trailers or advertising a television program by shots, etc. substantially in the nature of a trailer, or to the use of stock shots.

SECTION I.

Notwithstanding the sooner termination of this Agreement, the parties hereto agree that the terms and conditions of this Article 24 shall apply and remain in full force and effect and without change to Such Programs produced by the Employer, the production of which commenced between July 1, 2020 and June 30, 2023, both dates inclusive, regardless of when (either during or at any time after the expiration of the term of this Agreement or of such period) Such Programs are released in Supplemental Markets, and regardless of the terms or provisions of any Agreement which is a modification, extension, or renewal of, or substitution for, this Agreement.

ARTICLE 25.

RADIO

In the event the Company intends to produce radio programs, it agrees to use the appropriate Guild personnel at rates of pay and under terms and conditions not less than those contained in the Freelance Radio Agreement.

ARTICLE 26.

NOTIFICATION – USE OF FACILITIES

The Company shall notify the nearest Guild office when its television facilities are rented or leased under a "bare wall" lease by another employer for the purpose of producing programs or commercials to be directed by a Director not employed by the Company. If the Company fails to notify the Guild prior to the production of the program or commercial, the Company shall become responsible under this Agreement for such production.

ARTICLE 27.

AGREEMENT TO BE INTERPRETED IN ACCORDANCE WITH LAW

In the event that any of the terms or conditions of this Agreement 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 Agreement.

ARTICLE 28.

EFFECTIVE DATE AND TERM

SECTION A.

This Agreement, except as otherwise specifically provided, shall be effective as of July 1, 2020 and shall terminate on June 30, 2023 unless sooner terminated as herein otherwise provided.

SECTION B.

The parties agree that at least sixty (60) days prior to July 1, 2023, they shall in good faith negotiate with respect to a new agreement to take effect upon the termination hereof.

SECTION C.

The provisions of the 2017 Agreement apply to services of Employees performed prior to July 1, 2020 on programs, the recording of which commenced before July 1, 2020.

ARTICLE 29.

MINIMUM SALARIES AND RESIDUAL COMPENSATION FOR DIRECTORS OF PROGRAMS PRODUCED MAINLY FOR THE PAY TELEVISION AND VIDEODISC/VIDEOCASSETTE MARKET[13]

SECTION A. APPLICABILITY OF THIS ARTICLE

1. Covered Programs

This Article is applicable to the employment of Directors for programs produced mainly for the "pay television" and/or the "videodisc/videocassette" market, as the quoted terms are defined below, except that the following types of programs produced mainly for such market are covered only by Section I., Paragraph 5. of this Article 29: industrial and religious programs, commercials, advertising shorts and trailers, educational, informational and instructional programs and documentaries. A program to which this Article is applicable is referred to herein as a "covered program," but such term does not include programs covered only by Section I., Paragraph 5.

2. Videodisc/Videocassette

The term "videodisc/videocassette," as used in this Article, shall mean disc, cassette, cartridge and/or other device serving a similar function which is sold or rented for play on a home-type television screen in the home.

3. Pay Television

The term "pay television," as used in this Article, shall mean exhibition on a home-type television screen by means of a telecast, cable, closed circuit, satellite to home or CATV when a majority of licensed systems meet the following tests:

[13] See modifications to this Article 29 in Sideletter No. 26 re Over-the-Top Delivery of Pay Television Services.

(a) a separate channel is provided for which the subscriber pays a separate fee (which fee is a substantial charge relative to other charges made to the subscriber) for that channel;

and/or

(b) the subscriber pays for the program or programs selected (except that a program or programs selected for which only a token charge is made shall not be considered pay television);

and/or

(c) the subscriber pays a fee for an encoded telecast, which fee is a substantial charge relative to other fees paid for encoded telecasts.

The foregoing tests cover those types of services and systems which exist in the industry today and are commonly understood in the industry today to be pay television services or systems.

4. Service and Subscribers

The term "service," as used in this Article, refers to a television service, such as HBO or Showtime, which licenses systems to exhibit programs on a pay television basis; in addition, the term "service" includes systems which have been licensed to exhibit the program on a pay television basis other than through such a service.

For the purposes of this Article 29, the term "subscribers" includes only pay television subscribers to services which make payments for the pay television exhibition of the covered program: (a) to the Employer, (b) to those acting pursuant to authority derived from the Employer, or (c) to an entity authorized by law to receive payment for the Employer. Only paying subscribers are counted in determining the number of subscribers for any purpose under this Article 29.

5. Exhibition Year

A service's "first exhibition year," as that term is used in this Article, is a one year period commencing on the date of the first pay television

exhibition by that service on a non-pay-per-view basis. A service's "subsequent exhibition year," as used in this Article, is a one year period commencing on the date immediately following the date the prior exhibition year ends. There may or may not be an exhibition of the program during a subsequent exhibition year. Notwithstanding the foregoing, if the number of subscribers, calculated as prescribed in Article 29, Section D.2., is fewer than six million (6,000,000) for the first exhibition year of a covered program, then a service's "subsequent exhibition year" is a one (1) year period commencing on the date of such first exhibition on a non-pay-per-view basis after the expiration of the prior exhibition year.

The exhibition year is utilized in determining subscriber residuals for non-pay-per-view exhibitions of a covered program (including sports and non-staged events), but is not applicable to pay-per-view exhibitions (including pay-per-view exhibitions of sports and non-staged event programs).

SECTION B. DIRECTORS' MINIMUM SALARIES

1. Initial Minimum

The initial minimum salary applicable to a Director employed in the making of a covered program shall be determined in accordance with the provisions of this Section B.

(a) Network Prime Time

The initial minimum salary for a covered program of a type generally produced for network prime time television shall be as follows:

(i) Fewer than one and one-half million (1,500,000) subscribers -- fifty percent (50%) of the applicable free television minimum. (This minimum is also applicable if there are no license agreements for the pay television exhibition of the program at the time the Director is employed.)

(ii) One and one-half million (1,500,000) subscribers or more but fewer than two million (2,000,000) subscribers -- seventy percent (70%) of the applicable free television minimum.

(iii) Two million (2,000,000) subscribers or more but fewer than three million (3,000,000) subscribers -- eighty percent (80%) of the applicable free television minimum.

(iv) Three million (3,000,000) subscribers or more -- one hundred percent (100%) of the applicable free television minimum.

The foregoing references to "applicable free television minimum" are to the minimum salary set forth in the Tape Agreement for a network prime time program of the same type and length. The number of subscribers is determined, as of the time the Director is employed, by the number of subscribers to all services which have contracted for the pay television exhibition of the program other than on a pay-per-view basis, plus the number of subscribers, if any, who have contracted to view the program on a pay-per-view basis.

(b) Other Than Network Prime Time - Excluding Local Distribution

The initial minimum salary for a covered program of a type not generally produced for network prime time shall be one hundred percent (100%) of the applicable minimum salary set forth in the Agreement for an other than network prime time program of the same type and length, unless the program is intended for local pay television distribution only.

If such minimum is higher than the minimum would be if it had been computed pursuant to subparagraph (a) above, then the applicable minimum shall be computed in accordance with subparagraph (a), using the network prime time rate and the applicable number of subscribers.

(c) Local Distribution

If the program is intended for local pay television distribution only, then the initial minimum salary shall be determined in accordance with the schedule set forth in subparagraph (a) above except that the references to "applicable free television minimum" shall be to the minimum salary set forth in the Agreement for an other than network prime time program of the same type and length. The term "local distribution," as used in this Article, means exhibition in no more than two (2) markets.

(d) Multiple-Times-Per-Week

The multiple-times-per-week formula set forth in the Agreement shall be applicable to programs of a type which are generally produced for multiple-times-per-week broadcasts in free television. This test shall substitute for the intended and actual broadcast pattern.

2. Adjustments of Initial Minimum

If the Employer has paid the Director less than one hundred percent (100%) of the applicable free television initial minimum salary, the Employer shall pay adjustments in the Director's initial salary according to the terms of this Paragraph 2. Nothing in this Agreement shall be interpreted to prevent the prepayment of adjustments in the initial minimum.

If videodiscs or videocassettes of a program are released for sale or rental to consumers prior to the commencement of the term of a pay television license, the initial minimum salary shall be adjusted to one hundred percent (100%) of the applicable free television minimum.

If a program intended only for local pay television distribution at the time the Director is employed is distributed in more than two (2) markets, the initial minimum salary shall be adjusted to the amount which would have been applicable had the program not been intended for local distribution.

The Director's initial minimum salary shall also be adjusted if the number of subscribers increases to a level requiring a greater percentage under Paragraph 1. of this Section B. For example, if the number of subscribers was fewer than one and one-half million (1,500,000) at the time the Director was employed and the Employer paid the Director fifty percent (50%) of the applicable free television minimum, the Employer must pay an adjustment to make the Director's salary seventy percent (70%) of the applicable free television minimum if the number of subscribers later increases to one and one-half million (1,500,000) (*i.e.*, the Employer must pay an additional 20% of such minimum).

For the purpose of determining if an adjustment in initial minimum salary is due and the amount of such adjustment, the number of subscribers previously counted for purposes of initial compensation and adjustments in initial compensation shall have added to it: (a) the number of subscribers to services which contract for the first time to exhibit the program on pay television, other than pay-per-view, after the Director was employed; (b) any increases in the number of subscribers at the beginning or end of a service's subsequent exhibition years (but not a service's first exhibition year); and (c) the number of subscribers who paid to view the program on a pay-per-view basis to the extent that such number is in excess of the number who had contracted for such viewing at the time the Director was employed.

A pay-per-view subscriber is counted each time the subscriber pays to view the program. If a pay-per-view subscriber who pays for the program once is thereby given the right to view the program more than once, or at any one of several alternate times, the subscriber is counted only one time.

If an adjustment in minimum compensation required by this Paragraph increases the applicable initial minimum compensation to an amount exceeding the initial compensation which the Director received, payment of such excess shall be made within thirty (30) days following the end of the calendar quarter during which the adjustment became due. Payment shall be by check payable to the order of the Director entitled thereto (or the Director's loan-out company) and shall be delivered to the Guild for forwarding to such

Director and compliance herewith shall constitute payment to the Director.

SECTION C. RESIDUAL COMPENSATION FOR PAY TELEVISION AND VIDEODISC/VIDEOCASSETTE EXHIBITION

1. The various methods of computing residual compensation for pay television and videodisc/videocassette exhibition are set forth in the following Sections:

   (a) Section D., pay television exhibition excluding (i) pay-per-view and (ii) sports and non-staged event programs;

   (b) Section E., pay television exhibition (including pay-per-view) of sports and non-staged event programs;

   (c) Section F., pay-per-view exhibition other than sports and non-staged event programs;

   (d) Section G., videodiscs/videocassettes.

2. Time and Method of Payment

   Notwithstanding any provision to the contrary, all residual payments due under Article 29 of this FLTTA or any predecessor FLTTA shall be paid to the Employee(s) and/or the Directors Guild of America-Producer Health Plan pursuant to Article 29, Section I.8. not later than thirty (30) days following the end of each calendar quarter during which such payments become due.[14] Payments to an Employee shall be made by check, payable to the order of the Employee, or to the Employee's loan-out company, as applicable, and shall be delivered to the Guild for forwarding to such Employee. Compliance herewith shall constitute payment to the Employee.

[14] Prior to the 2017 FLTTA, all residual payments required under Article 29 were sent to the Pay TV Fund Administrator for distribution. During the 2017 negotiations, the parties agreed to eliminate the Pay TV Fund Administrator and to require instead that all residual payments accrued on or after July 1, 2017 under Article 29 of this FLTTA or any predecessor FLTTA be paid pursuant to the procedure described herein.

3. Prepayment of residuals is allowed only to the extent expressly permitted in the following paragraph.

An Employer may negotiate with the Director of a two hour or longer program for the right to prepay residuals due under Article 29 of this Agreement only by crediting or offsetting against overscale initial compensation exceeding the greater of two hundred twenty-five thousand dollars ($225,000), or five thousand dollars ($5,000) for all guaranteed days (plus additional days worked), provided that the check for the prepaid residuals due to the Director shall be made payable to the Director (or the Director's loanout company, as applicable), not combined with any other payment and sent to the Director in care of the Guild. The overscale compensation threshold amounts set forth herein shall increase each year in the same manner and amount as the increase in salary rates for Directors of network prime time programs.

No prepayment of residuals will be permitted unless set forth in the "deal memorandum" in the specific amounts which are to be prepaid.

If an Employer has prepaid all or part of the Director's 83.3% share of the residuals, as permitted by this Paragraph, the share of residuals due the Associate Director(s) and Stage Manager(s) shall nonetheless be paid to them.

SECTION D. RESIDUAL COMPENSATION FOR PAY TELEVISION, EXCLUDING (i) PAY-PER-VIEW AND (ii) SPORTS AND NON-STAGED EVENT PROGRAMS

Residual compensation for pay television exhibition, other than pay-per-view, of covered programs other than sports and non-staged events shall be computed in accordance with this Section D.

1. Subscriber Residual for Services With Six Million (6,000,000) or More Subscribers for the First Exhibition Year of a Covered Program

A subscriber residual for a service with 6,000,000 or more subscribers for the first exhibition year of a covered program becomes due if there is an exhibition on pay television in the United States or Canada (excluding "the exempt run") during any exhibition year. Employer shall make a subscriber residual payment calculated by multiplying the number of subscribers to services which completed the first six (6) months of an exhibition year by the per subscriber rate.

If an exhibition (excluding "the exempt run") occurs during the first six (6) months of an exhibition year, the residual payment is calculated at the end of the six (6) months and paid within thirty (30) days following the calendar quarter in which the calculation is to be made. If there is an exhibition in the second six (6) months of an exhibition year and no exhibition (excluding "the exempt run") in the first six (6) months, the residual payment is calculated at the end of the exhibition year and paid within thirty (30) days following the calendar quarter in which the calculation is to be made.

(a) The Exempt Run

For the purpose of calculating the subscriber residual, the exhibitions of a program during one "run" (hereinafter called "the exempt run") on each pay television service are excluded. "The exempt run" is defined as an unlimited number of exhibitions within a twenty-four (24) hour period, but is limited to one exhibition between the hours of 6:00 p.m. and 11:00 p.m. The twenty-four (24) hour period shall be measured separately on each system licensed by a service. If a system is

licensed by more than one (1) service to exhibit the same program, there shall be an exempt run on such system for each such service.

(b) Pay-Per-View Exhibition

If a program covered by this Section D. is also exhibited on a pay-per-view basis, the pay-per-view subscribers shall not be counted for the purpose of calculating the subscriber residual.

(c) Counting Subscribers

A determination as to the number of subscribers for each service shall be made six (6) months after the beginning of each exhibition year of such service and that number shall constitute the number of subscribers for that year for that service.

In making each such determination, if the Employer and the Guild agree as to the number of subscribers, that number shall be used. Otherwise, the latest issue of a generally recognized authoritative publication, selected by agreement of the Guild and the AMPTP, shall be used; absent such agreement, "The Kagan Census of Cable and Pay TV" shall be utilized for determining the number of subscribers.

(d) Per Subscriber Rate

The per subscriber rate applicable to a service's first exhibition year is one hundred percent (100%) of the applicable free television minimum as of June 30, 2020, divided by thirty million (30,000,000), except for a covered program which is a "high budget pay television program." The applicable free television minimum is determined in the same manner as in Section B., Paragraph 1. of the 2017 FLTTA. A "high budget pay television program," as the term is used in this Article 29, is defined as a program which is eighty (80) minutes or longer and is budgeted at, or in excess of, five million dollars ($5,000,000), except for multi-part closed-end series in the genre of *Shogun*, *Roots* and *Masada*. The applicable residual

base to be used for purposes of calculating the per subscriber rate for "high budget pay television motion pictures" shall be $261,469. (The minimum initial salary for such programs is not affected by this subparagraph.)

The per subscriber rate for any exhibition year following the first exhibition year shall be a percentage of the per subscriber rate for the first exhibition year as shown in the schedule below:

Exhibition Year	Subscriber Factor
2	70%
3	50%
4	30%
5	25%
6	20%
7	15%
8	10%
9	10%
10	10%
11 and each subsequent year	5%

A table is attached hereto as Exhibit "B" - Part II setting forth the per subscriber rates for the various types of programs.

(e) <u>One Year's Unlimited Exhibitions</u>

The compensation set forth in this Paragraph 1. shall entitle the Employer to an unlimited number of non-pay-per-view exhibitions during the exhibition year for which such compensation is paid. (As provided in Section E., this subparagraph (e) is applicable to non-pay-per-view exhibition of sports and non-staged event programs.)

(f) Subscriber Residual Ceiling

Notwithstanding anything to the contrary above, no single exhibition year's residuals for a particular "covered program" shall exceed the Director's applicable minimum initial compensation for the program as of June 30, 2020.

2. Subscriber Residual For Services With Fewer Than Six Million (6,000,000) Subscribers for the First Exhibition Year of a Covered Program

A subscriber residual shall be due, to the extent required by this Article 29, if the "aggregate" number of subscribers to services which exhibit the program, calculated as provided in subparagraph (e) herein, exceeds the subscriber window.

(a) Subscriber Window

The "subscriber window" is an aggregate of three million (3,000,000) subscribers.

(b) The Exempt Run

For the purpose of determining if the subscriber window is exceeded and for the calculation of the subscriber residual, the exhibitions of a program during one "run" (hereinafter called "the exempt run") on each pay television service are excluded. "The exempt run" is defined as an unlimited number of exhibitions within a twenty-four (24) hour period, but is limited to one exhibition between the hours of 6:00 p.m. and 11:00 p.m. The twenty-four (24) hour period shall be measured separately on each system licensed by a service. If a system is licensed by more than one (1) service to exhibit the same program, there shall be an exempt run on such system for each such service.

(c) Pay-Per-View Exhibition

If a program covered by this Section D. is also exhibited on a pay-per-view basis, the pay-per-view subscribers shall not be counted for the purposes of determining if the subscriber window is exceeded or for calculating the subscriber residual.

(d) Counting Subscribers

A determination as to the number of subscribers for each service shall be made six (6) months after the beginning of each exhibition year of such service and that number shall constitute the number of subscribers for that year for that service.

In making each such determination, if the Employer and the Guild agree as to the number of subscribers, that number shall be used. Otherwise, the latest issue of a generally recognized authoritative publication, selected by agreement of the Guild and the AMPTP, shall be used; absent such agreement, "The Kagan Census of Cable and Pay TV" shall be utilized for determining the number of subscribers.

(e) Calculating Number of Subscribers for Payment of Subscriber Residual

The number of subscribers on which the subscriber residual shall be paid shall be calculated as follows:

(i) At the end of each calendar quarter, the number of subscribers (computed as in subparagraph (d) above) to services which completed the first six (6) months of an exhibition year during that quarter shall be added to the total of such numbers for all prior quarters in which a service completed the first six (6) months of an exhibition year. The sum so calculated is the "aggregate" number of subscribers. This procedure shall continue until the aggregate number of subscribers exceeds the subscriber window.

(ii) During the quarter in which the aggregate number of subscribers exceeds the subscriber window, a subscriber residual shall become due for the number of subscribers by which such window is exceeded.

(iii) During subsequent quarters, a subscriber residual shall become due for subscribers to services which completed the first six (6) months of an exhibition year during such quarter.

(iv) The computation provided for in (iii) above shall continue until the conclusion of the "program's first exhibition year" or until the "accountable receipts plateau" is reached, whichever is later. (The quoted terms in the preceding sentence are defined in Paragraph 3. of this Section D.)

(f) Calculation of Subscriber Residual Payment

The amount of the subscriber residual payment is calculated by multiplying the number of subscribers for which such payment is due by the per subscriber rate.

The per subscriber rate applicable to a service's first exhibition year is one hundred percent (100%) of the applicable free television minimum divided by fifteen million (15,000,000), except in the case of a covered program which is a "high budget pay television program." The applicable free television minimum is determined in the same manner as in Section B., Paragraph 1. A "high budget pay television program," as the term is used in this Article 29, is defined as a program which is eighty (80) minutes or longer and is budgeted at, or in excess of, five million dollars ($5,000,000), except for multi-part closed-end series in the genre of *Shogun*, *Roots* and *Masada*. For "high budget pay television programs," the theatrical minimum in the Directors Guild of America Basic Agreement, rather than the free television minimum, is used for determining the per subscriber rate. (The minimum initial salary for such programs is not affected by this subparagraph.)

The per subscriber rate applicable to a service's subsequent exhibition years shall be seventy percent (70%) of the rate applicable to the service's first exhibition year, whether or not a subscriber residual payment was due for such first exhibition year.

A table is attached hereto as Exhibit "B" - Part I setting forth the per subscriber rates for the various types of programs.

(g) One Year's Unlimited Exhibitions

The compensation set forth in this Paragraph 2. shall entitle the Employer to an unlimited number of non-pay-per-view exhibitions during the exhibition year for which such compensation is paid. (As provided in Section E., this subparagraph (g) is applicable to non-pay-per-view exhibitions of sports and non-staged event programs.)

(h) Subscriber Residual Ceiling

Notwithstanding anything to the contrary above, no single exhibition year's residuals for a particular "covered program" shall exceed the Director's applicable minimum initial compensation for the program.

3. Percentage Residual

A percentage residual shall be due, to the extent required by this Paragraph 3., only for services with fewer than six million (6,000,000) subscribers for the first exhibition year of a covered program.

(a) Accountable Receipts

The Employer shall pay a percentage residual equal to two percent (2%) of the "accountable receipts" which exceed the "accountable receipts plateau," except as otherwise provided in this Paragraph 3.

In determining whether the accountable receipts plateau has been reached, the following receipts shall be included: (i) accountable receipts from pay (other than pay-per-view) television (including receipts for the exempt run) and (ii) fees or other income received by the Employer as producer from videodisc/videocassette sales or rentals.

Once the accountable receipts plateau is reached, only accountable receipts from pay television (other than pay-per-view), are included in accountable receipts for the purpose of calculating the percentage residual. However, as described in subparagraphs (d) and (e) below, accountable receipts are exempt from assessment of the percentage residual if such receipts are:

(i) allocable to the "first year's receipts exemption;" or

(ii) allocable to any service's exhibition year (other than an exhibition year the receipts of which are allocated as in (i) above) the first six (6) months of which are completed prior to the program reaching the accountable receipts plateau.

(b) Accountable Receipts Plateau

The "accountable receipts plateau" shall be as follows:

(i) For "high budget pay television programs," as defined in this Article 29:

Production Cost	**Accountable Receipts Plateau**
$5,000,000	$10,000,000
Over $5,000,000	$10,000,000 plus $1,000,000 for each additional $1,000,000 of production costs over $5,000,000

(ii) For programs of a type generally produced for prime time network television:

Program Length	**Accountable Receipts Plateau**
0-30 minutes	$1,000,000
31-60 minutes	$2,000,000
61-90 minutes	$3,000,000
91-120 minutes	$4,000,000
Over 120 minutes	$1,000,000 for each additional one-half hour or fraction thereof

(iii) For programs other than those covered by (i) or (ii) above: when the applicable minimum initial compensation for a program is less than the minimum initial compensation for a program of the same length covered by (ii) above, the accountable receipts plateau shall be proportionately reduced in accordance with the following formula:

$$\frac{\text{Applicable Free Television Minimum Initial Compensation for Program Covered by Subparagraph (iii)}}{\text{Applicable Free Television Minimum Initial Compensation for Program of Same Length Covered by Subparagraph (ii)}} = \text{Accountable Receipts Plateau for Program Covered by Subparagraph (iii)}$$

The accountable receipts plateaus for such types of programs are set forth in Exhibit "C" attached hereto and have been computed in accordance with the foregoing formula.

(c) Program's First Exhibition Year

A "program's first exhibition year" is a one (1) year period commencing with the first exhibition of the program on pay television, other than on pay-per-view, on any service.

(d) First Year's Receipts Exemption

The accountable receipts from a service with an exhibition year which is completed during the program's first exhibition year shall be exempt from the payment of the percentage residual, provided that if the license is for more than one (1) year, a portion of the accountable receipts from the license shall be allocated arithmetically to that portion of the license falling within such exhibition year of the service. If such license should provide for an option and such option is exercised, neither the period covered by the exercise of such option nor the accountable receipts resulting from such exercise shall be included in the foregoing computations. (Exemption of accountable receipts pursuant to this subparagraph is referred to as "the first year's receipts exemption." Accountable receipts from pay-per-view exhibitions are excluded from calculations of accountable receipts under subparagraphs (d) and (e) herein.)

(e) Exhibition Year Exemption

Any exhibition year of a service which reaches its six (6) month point prior to the program reaching the accountable receipts plateau shall have an amount allocated to such exhibition year which shall be exempt from the payment of the percentage residual. Such amount shall be determined in the same manner as under subparagraph (d) above. To the extent that receipts are exempt under subparagraph (d) above, no additional exemption for such receipts shall be taken under this subparagraph (e).

(f) Accountable Receipts -- Pay Television

The term "accountable receipts," as used in this Paragraph 3., means the worldwide total gross receipts derived by the distributor of a covered program (who may be the Employer or a distributor licensed by the Employer) from licensing the right to exhibit the program (referred to in subparagraphs (f) and (g) herein as "such program") on pay television; provided, however, that in the case of any such program which is

produced outside of the United States, if such program is subject to this Agreement and if the production is under an arrangement (herein referred to as a "foreign production deal") pursuant to which a foreign producer or distributor provides or guarantees any of the financing for the production of such program or furnishes any other consideration for production and a foreign distributor acquires one or more foreign territories for the distribution of such program in pay television, then no monies from any such distribution in any such foreign territory shall be included in the gross receipts except to the extent such foreign producer or foreign distributor is obligated to account to Employer or the distributor of such program for such monies, and except for gross receipts received by such foreign distributor from such distribution in the United Kingdom.

If the distributor of such program does not distribute the program directly in pay television, but employs a subdistributor to so distribute such program, then gross receipts shall be the worldwide total gross receipts derived by such subdistributor from licensing the right to exhibit such program in pay television. In case of an outright sale of the pay television distribution rights, for the entire world, or any territory or country, the income derived by the seller from such sale, but not the income realized by the purchaser or licensee of such rights, shall be the "accountable receipts." If any such outright sale shall include pay television exhibition rights and other rights, then (but only for the purpose of the computation required hereunder) the Employer shall allocate to the pay television exhibition rights a fair and reasonable portion of the sales price which shall, for the purpose hereof, be the "accountable receipts." In reaching this determination, Employer may consider the current market value of pay television exhibition rights in comparable programs.

If the Guild shall contend that the amount so allocated was not fair and reasonable, such claim may be determined by submission to arbitration as herein provided; and in the event the Arbitrator shall find that such allocation was not reasonable and fair, he or she shall determine the fair and reasonable

amount to be allocated. If the outright sale includes pay television distribution rights to more than one program, Employer shall likewise allocate to each such program a fair and reasonable portion of the sale price of the pay television rights; and if the Guild contends that such allocation is not fair and reasonable, the question may be determined by submission to arbitration as above provided. If the Arbitrator shall find that such allocation was not fair and reasonable, the Arbitrator shall determine the fair and reasonable amount to be so allocated to each such program. Nothing with respect to the price received on the outright sale of only pay television distribution rights in a single such program shall be subject to arbitration except that, in the event of a dispute, there may be arbitrated the question of whether the price reported by the Employer to the Guild as having been received by the Employer on such outright sale is less than the amount actually received by the Employer on such outright sale.

Accountable receipts shall not include 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 such program or on any monies to be remitted to or by the Employer, but there shall not be excluded from accountable receipts any net income tax, franchise tax or excess profits tax or similar tax payable by the Employer or such Distributor on its net income for the privilege of doing business.

(g) Employer's obligation shall accrue hereunder only after accountable receipts are received by Employer, but as to foreign receipts, such obligation shall accrue only when such receipts can be freely converted to U.S. dollars and are remitted to the United States and, until such time, no frozen foreign receipts shall be included in accountable receipts.

Upon the Guild's request, and if permitted by law and the authorities of a foreign country which has frozen receipts, and if the foreign currency is freely convertible to a negotiable instrument, the Employer will transfer to any Employee and the DGA-Producer Health Plan, in the currency of such foreign country, its or his or her share, if any, of frozen foreign receipts

in such country, provided the recipient will bear any costs involved; and such transfer shall be deemed to be payment of an equivalent number of U.S. dollars at the then current free market rate for blocked funds of that category as determined by the Employer. Concurrently with such transfer, the recipient will pay to the Employer in U.S. dollars the total amount the Employer is required to withhold from such payment under all applicable laws. If the Employer utilizes frozen foreign currencies derived from exhibition of such program on pay television by conversion thereof to properties that may be freely exported and turned to account, the amount so utilized by the Employer shall be deemed to have been converted to U.S. dollars at the then current free market rate for blocked funds of that category determined as above provided. Frozen foreign receipts from pay television exhibition shall be deemed to be released on a "first-in, first-out basis," unless the authorities of the foreign country involved designate a specific period that would render such basis inapplicable. Such released funds shall be allocated between such program and other programs distributed by the distributor on pay television in the same ratio that receipts derived from the distribution of such program on pay television within the foreign country bear to the total receipts derived from the distribution of such program and all other programs on pay television within the foreign country during the applicable period, unless the authorities of the foreign country involved require another method of allocation, in which case such other method shall be used. Foreign receipts shall be accounted for in U.S. dollars at the rate of exchange at which such receipts are actually converted and remitted, and should any discounts, taxes, duties or charges be imposed in connection with the receipt or remittance of foreign funds, only so much of such funds as remains thereafter shall be included in accountable receipts. Employer shall not be responsible for loss or diminution of foreign receipts as a result of any matter or thing not reasonably within the control of the Employer. The Guild and the Employees shall be bound by any arrangements made in good faith by the Employer or for its account, with respect to the deposit or remittance of foreign revenue. Frozen foreign receipts shall not be considered trust funds and the Employer

may freely commingle the same with other funds of the Employer. No sums received by way of deposits or security need be included in accountable receipts until earned, but when the Employer is paid a non-returnable advance by a distributor, such advance shall be included in the accountable receipts.

(h) If any license or outright sale of exhibition rights to such program on pay television includes as a part thereof any commercial or advertising material, the Employer shall be permitted to allocate a reasonable amount (in accordance with then current standard charges in the industry) to such commercial or advertising material, and the amount so allocated shall not be included in the accountable receipts.

4. Foreign Pay Television Residuals

Residuals for pay television exhibition outside of the United States and Canada shall be two percent (2%) of "accountable receipts," as defined in Article 29, Section D.3.(f)-(h), except that for services with fewer than six million (6,000,000) subscribers for the first exhibition year of a covered program, such residuals shall be calculated according to Article 29, Sections D.2. and D.3.

SECTION E. RESIDUAL COMPENSATION FOR PAY TELEVISION EXHIBITION (INCLUDING PAY-PER-VIEW) OF SPORTS AND NON-STAGED EVENT PROGRAMS

Only subscriber residual payments and not percentage residual payments shall be applicable to pay television exhibitions (including pay-per-view) of sports and non-staged event programs. A non-staged event program is a program of an event which would have occurred whether or not the event was being recorded or broadcast, provided that the event is not substantially altered for the purpose of such recording or broadcasting. Paragraph 3. of Section D. shall not be applicable to such programs.

1. For services with six million (6,000,000) or more subscribers for the first exhibition year of a covered program, Paragraph 1. of Section D. shall be applicable with the following exceptions:

(a) for sports event programs, the base for determining the subscriber residual shall be $29,403 ($30,138 effective July 1, 2021 and $31,042† effective July 1, 2022) rather than the free television minimum as provided in subparagraph 1.(d);

(b) for pay-per-view exhibitions of sports and non-staged event programs, subparagraphs 1.(a) ("The Exempt Run"), 1.(b) ("Pay-Per-View Exhibition") and 1.(e) ("One Year's Unlimited Exhibitions") shall not be applicable. A pay-per-view subscriber shall be counted each time the subscriber pays to view the program. If a pay-per-view subscriber who pays for the program once is thereby given the right to view the program more than once, or at any one of several alternate times, the subscriber is counted only once.

2. For services with fewer than six million (6,000,000) subscribers for the first exhibition year of a covered program, Paragraph 2. of Section D. shall be applicable with the following exceptions:

(a) the subscriber residual cut-off in subparagraph 2.(e)(iv) shall not be applicable;

(b) for sports event programs, the base for determining the subscriber residual shall be $29,403 ($30,138 effective July 1, 2021 and $31,042† effective July 1, 2022) rather than the free television minimum as provided in subparagraph 2.(f);

(c) the subscriber window for sports event programs shall be in the same ratio to (but not more than) the subscriber window set forth in subparagraph 2.(a) as the free television minimum is to $29,403 ($30,138 effective July 1, 2021 and $31,042† effective July 1, 2022) (minimum salaries, which are computed pursuant to Section B., are not affected by this subparagraph (c)); and

(d) for pay-per-view exhibitions of sports and non-staged event programs, subparagraphs 2.(b) ("The Exempt Run"), 2.(c) ("Pay-Per-View Exhibition") and 2.(g) ("One Year's Unlimited Exhibitions") shall not be applicable. A pay-per-view

† See text of footnote 12 on page 135.

subscriber shall be counted each time the subscriber pays to view the program. If a pay-per-view subscriber who pays for the program once is thereby given the right to view the program more than once, or at any one of several alternate times, the subscriber is counted only once.

SECTION F. RESIDUAL COMPENSATION FOR PAY-PER-VIEW EXHIBITION OTHER THAN SPORTS AND NON-STAGED EVENT PROGRAMS

Only the percentage residual payments and not the subscriber residual payments are applicable to pay-per-view exhibition of other than sports and non-staged event programs, regardless of the number of subscribers to a service for the first exhibition year of a covered program. The percentage residual shall be payable on "accountable receipts," as described in subparagraph 3.(a) of Section D., from pay-per-view licensing received after the accountable receipts plateau has been reached.

In determining whether such accountable receipts plateau has been reached, only accountable receipts from pay-per-view licensing shall be included. That the pay-per-view receipts reach the accountable receipts plateau does not affect residual payments for non-pay-per-view exhibitions; that the non-pay-per-view receipts reach the accountable receipts plateau does not affect residual payments for pay-per-view exhibitions.

SECTION G. RESIDUAL COMPENSATION FOR VIDEODISCS/ VIDEOCASSETTES

1. For sales and for the licensing of rentals in the videodisc/ videocassette market, the Employer shall pay two percent (2%) of the fee or other payment actually received by the Employer as producer from the "net unit sales," as defined below, in excess of 100,000 units in the aggregate; except that if a covered program is exhibited on pay television other than pay-per-view prior to being released for sale or rental in the videodisc/videocassette market, the Employer shall commence paying two percent (2%) of such fees or payments from net unit sales either when the accountable receipts from such

television exhibitions and the receipts received by the Employer as producer from videodiscs/videocassettes combined exceed the accountable receipts plateau or when net unit sales exceed 100,000 units, whichever occurs earlier.

2. The term "disc," as used in this Section, shall refer to both videodiscs and videocassettes. The term "unit" shall refer to the disc or aggregate discs in each package released by the Employer for sale or rental. "Net Unit Sales" shall mean sales of units which are released by the Employer or its distributor for sale and are not returned, or are released by the Employer or its distributor for rental purposes.

3. It is recognized that some Companies hereunder may act both as producers and as distributors of disc units in covered sales and/or rentals. In such a case, the payment set forth above shall be based on either: (a) the fee or other payment received by the subsidiary, division or other department of the Employer which serves as the production branch, as distinguished from the subsidiary, division or other department of the Employer which serves as the distribution branch, or (b) when no separate subsidiary, division or other department serves as the production branch, a reasonable allocation of the gross receipts of the Employer from covered sales and/or rentals attributable solely to fees or other payments which would be made to a production subsidiary, division or other department of the Employer if one existed, or would be made to an outside producer. The reasonableness of such allocation in (b) above, or of the fee or other payment received by the production subsidiary, division or other department in (a) above, shall be determined by its license fee payments to outside producers for comparable disc units or, in the absence of such practice, by generally prevailing trade practice in the videodisc industry.

SECTION H. RESIDUAL COMPENSATION FOR EXHIBITION OF COVERED PROGRAMS IN OTHER MARKETS

This Section provides for the residual payments which are due for the exhibition of covered programs in markets other than the pay television and/or videodisc/ videocassette market.

1. Free Television Exhibition of Covered Programs[15]

(a) (i) If a covered program (other than a "high budget pay television program") is broadcast on free television pursuant to a license entered into prior to July 1, 2020, the Employer shall pay compensation as and when required pursuant to Article 7 of this Agreement and shall send to the Guild reports of such exhibitions as and when required by Article 7. For purposes of the payments required under this subparagraph (a), the first domestic telecast of a covered program on free television shall be deemed the second run. For services with six million (6,000,000) or more subscribers for the first exhibition year of a covered program, the "accountable receipts plateau" is disregarded and Employer shall be entitled to a discount of payments required under this subparagraph (a) of ten percent (10%) in perpetuity. For services with fewer than six million (6,000,000) subscribers for the first exhibition year of a covered program, the discount shall be twenty percent (20%) until the "accountable receipts plateau" is reached.

(ii) If a covered motion picture (other than a "high budget pay television motion picture") is broadcast on free television pursuant to a license entered into on or after July 1, 2020, the Employer shall pay compensation as and when required pursuant to Article 7, Section B.8. of this FLTTA. The foregoing applies to a covered television motion picture (other than a "high budget pay television motion picture") produced under this FLTTA or any prior FLTTA as to which a fixed residual or higher percentage residual otherwise would be payable.

[15] See modifications to this Article 29.H.1. in Sideletter No. 18 re: License to Secondary Digital Channels of Free Television, Basic Cable or Pay Television Motion Pictures or Motion Pictures Made for Home Video.

(b) If a "high budget pay television program" is broadcast on free television, Employer shall make payments in an amount computed in accordance with Article 24 of the Agreement as though the "high budget pay television program" were a free television program distributed in "supplemental markets." No amount of the 1.2% of accountable receipts shall be paid to the Pension Plan.

(c) As an alternative to the foregoing, for licenses of a pay television program for exhibition in syndication only in Canada, Employer shall have the option to elect to pay to the Director thereof four percent (4%) of the "Employer's gross" (as defined in Article 24) 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 this Section H.1.(c). The foregoing applies to television programs, whether produced under this FLTTA or any prior FLTTA, as to which free television residuals would otherwise be payable.

2. Basic Cable Exhibition of Covered Programs

If a covered program is licensed for exhibition on domestic basic cable (other than as part of domestic free television licensing), the Employer shall pay two percent (2%) of accountable receipts derived from such exhibition computed in accordance with Article 24. Exhibitions of a covered program on foreign basic cable are considered free television.

3. Theatrical Exhibition of Covered Programs

Article 23, Section B., Paragraph 1. of this Agreement shall be applicable to covered programs. If a covered program is exhibited theatrically, payment therefor shall be due and payable on the date the Employer releases the program for such exhibition.

4. Supplemental Market Exhibition of Covered Programs

If a covered program is licensed for exhibition in other supplemental markets (such as "in-flight"), Employer shall make payments in an amount computed in accordance with Article 24. No amount thereof shall be paid to the Pension Plan.

5. Other Exhibition of Covered Programs

Article 23, Section B., Paragraph 3. of this Agreement shall be applicable to covered programs exhibited other than on television, in supplemental markets or in New Media.

SECTION I. MISCELLANEOUS PROVISIONS

1. License Covering More than One Program

If a license agreement includes the right to exhibit more than one program in the pay television and/or videodisc/videocassette market, the Employer shall allocate a fair and reasonable portion of the fees from such license agreement to each covered program. If the Guild contends that such allocation was not fair and reasonable, such claim may be determined by submission to arbitration. In the event that the Arbitrator shall find that such allocation was not reasonable and fair, the Arbitrator shall determine the amount to be so allocated.

2. License Covering More than One Market

If a license agreement includes the right to exhibit a covered program in more than one market, the Employer shall allocate a fair and reasonable portion of the fees from such license to each such market. For this purpose, videodiscs/videocassettes, pay-per-view and non-pay-per-view are treated as separate markets. If the Guild contends that such allocation was not fair and reasonable, such claim may be determined by submission to arbitration. In the event that the Arbitrator shall find that such allocation was not reasonable and fair, the Arbitrator shall determine the amount to be so allocated.

3. Reports

Within thirty (30) days following any calendar quarter in which residual compensation or adjustments of initial compensation become due and payable under this Article 29, the Employer shall furnish or cause to be furnished to the Guild a written report showing the amount of compensation which became due and how such amount was determined.

Concurrently with the furnishing of each such report, the Employer will make any payments shown to be due by such report to the Employee(s) and/or the Directors Guild of America-Producer Pension and Health Plans pursuant to Article 29, Section I.8. Payments to an Employee shall be made by check, payable to the order of the Employee, or to his/her loan-out company, as applicable, and shall be delivered to the Guild for forwarding to such Employee. Compliance herewith shall constitute payment to the Employee. No such payment need be made for any program until the amount due for the respective covered program has accumulated to an amount equal to or more than one hundred dollars ($100). An inadvertent failure to comply with the reporting provisions of this Section shall not constitute a default by the Employer hereunder, provided such failure is cured promptly after notice thereof from the Guild is received by the Employer.

4. Availability of Records

The Guild shall have a continuous and continuing right to audit, to inspect and to photocopy records maintained by the Employer relating to the program which the Guild deems necessary to inspect and photocopy for the purpose of assuring compliance with the provisions hereof. If the Guild requests that it be sent an extract of the financial terms of the license of the program and if such information is not extensive in nature, the Employer will forward such information or extract without making it necessary for the Guild to send a representative to the offices of the Employer. In general, the Employer will cooperate in furnishing such information to the Guild by mail or telephone, when doing so is not unreasonable or burdensome.

The Employer shall keep or have access: (a) to complete records showing all pay television services to which a covered program has been licensed and the dates of exhibition by such services insofar as such dates are pertinent to determining payments under this Article 29; and (b) to records reflecting all pertinent receipts. If a covered program is released in free television pursuant to Article 29, Section H.1(a)(i) above, the Employer shall keep or have access: (a) to complete records showing all cities in the United States and Canada in which the program has been telecast on free television and the number of such telecasts in each such city, the television stations on which such telecast occurred and the dates thereof; and (b) to records reflecting all pertinent gross sums collected from free television exhibition outside of the United States and Canada. If a covered program is broadcast on free television pursuant to Article 29, Section H.1.(a)(ii) above, the Employer's obligations, and the Guild's right to audit, shall be governed by Article 7.B.8.(c). The Employer shall keep or have access to complete records showing the release or sale of covered programs for theatrical use.

5. Future Negotiations

With respect to production by the Employer of the types of programs covered only by this Paragraph 5., as provided in Section A., Paragraph 1., *i.e.*, industrial and religious programs, commercials, advertising shorts and trailers, educational, informational and instructional programs, and documentaries (herein referred to as a "Program" or "Programs"), the following provisions shall apply:

(a) With respect to hiring after July 1, 2020, and pending agreement on other conditions pursuant to subparagraph (b) below, the employment of any person to perform duties (which if performed by that person for free television would be covered by the Agreement) for a Program produced within the metropolitan areas of Los Angeles or New York, or any such person hired within such areas and sent therefrom to another location to perform such duties on a Program, shall be subject only to the Guild Shop provisions of this Agreement. The Guild agrees to make appropriate accommodations in its initiation fees in recognition of the economics of such

programming. Company shall give the Guild notice at least ten (10) days prior to commencement of production of any Program to be produced within the metropolitan areas of New York or Los Angeles or of any Program for which a person(s) is hired within the metropolitan areas of New York or Los Angeles and is sent to another location to perform duties which, if performed by that person for free television, would be covered by this Agreement.

(b) (i) Not earlier than sixty (60) days after July 1, 2020, either the Guild or Employer may notify the other that it wishes to bargain concerning rates and other conditions of employment to be applicable to Programs. The parties agree to commence such negotiations within thirty (30) days of receipt of such notice.

(ii) Any agreement reached pursuant to subparagraph (a) above shall not be retroactive and, except with respect to initial compensation, shall not modify the terms of employment under individual contracts then existing.

(iii) If no agreement is reached within sixty (60) days after bargaining has commenced, the Guild may, upon written notice to Employer, instruct its members to refuse to render services with respect to Programs. In such event, subparagraph (a) hereof shall no longer be applicable.

6. Charge for Late Payment

If Employer fails to pay an Employee's initial compensation when due, 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.

If the Employer fails to pay any residual compensation when due under this Article 29, interest shall accrue at the rate of one and one-half percent (1.5%) per month from the date payment is due.

7. Excerpts From a Pay Television Program

If an excerpt from a pay television program is used on television or videodiscs/videocassettes, and such use falls under Article 23, Section B., Paragraph 4. or within the exceptions in subparagraph (a) of Paragraph 2. thereof, the Employer shall pay the amount, if any, provided in such applicable provision. If use of the excerpt does not fall within such provisions or if such excerpts are otherwise within said subparagraph (a), but the aggregate running time of such excerpts from a single program exceeds the maximum applicable time limits, the Employer shall pay the following:

(a) Ten (10) seconds or less of excerpts from the program -- $402 ($414 effective July 1, 2021); or

(b) Over ten (10) seconds but not more than two (2) minutes of such excerpts -- $1,201 ($1,237 effective July 1, 2021); or

(c) Over two (2) minutes of such excerpts -- $1,201 ($1,237 effective July 1, 2021) for the first two (2) minutes and $200 ($206 effective July 1, 2021) for each minute or fraction thereof in excess of two (2) minutes.

The maximum length of excerpts from a program produced mainly for the videodisc/videocassette market that can be used for promotional purposes without payment of excerpt fee(s) is ten (10) minutes during the time period prior to the release of the motion picture in the home video market and within sixty (60) days thereafter.

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

The provisions of this Paragraph 7. apply to the use after July 1, 2020 of an excerpt from any program produced at any time mainly for the pay television and/or the videodisc/videocassette market.
The actual production company which produces the program containing the excerpt requiring payment is obligated to make the payment required under this Paragraph, provided the company is signatory to this Agreement. Employer shall otherwise remain liable for the payment due.

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

Notwithstanding the foregoing, no excerpt fee shall be payable to the Director of the program in which the excerpt is used if:

(a) 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;

(b) 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

(c) 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.

8. Except as otherwise specified in Article 29, all residuals paid pursuant to this Article 29 shall be divided as follows: 83.3% of such amount to be paid to the Director(s); 8.35% of such amount to be paid to the Associate Director(s); and 8.35% of such amount to be paid to the Stage Manager(s).

   If more than one Employee in one of the categories mentioned above renders services, subject to the FLTTA, in connection with a "covered motion picture" or "covered program," the allocation of each such Employee's respective portion of the share for such category shall be determined by the Guild, and the Employees shall be bound by such determination.

   If no Employee in a category mentioned above (excluding Director) performed services in connection with a "covered motion picture" or "covered program," the share for such category shall be allocated to the Director(s) thereof. Notwithstanding the foregoing, if no Employee in a category mentioned above (other than the Director) has been assigned to a ninety (90) minutes or longer "covered motion picture" or "covered program," the share for such category shall be paid to the Directors Guild of America-Producer Health Plan.

SECTION J. APPLICATION OF FREE TELEVISION PROVISIONS

Unless stated otherwise in this Article 29 or in this Section J., all other provisions of this Agreement applicable to free television programs shall apply to covered programs.

1. As the terms are used in Article 6, a Network Prime Time program or show means a program of a type generally produced for network prime time television; a Non-Network or Network Non-Prime Time program or show means a program of a type not generally produced for network prime time. Section M., Paragraph 2. and Section N. of Article 6 do not apply to covered programs.

2. The provisions of this Agreement do not apply to industrial and religious programs, commercials, advertising shorts and trailers, educational, informational and instructional programs and documentaries produced mainly for the pay television and

videodisc/videocassette market except to the extent set forth in Section I., Paragraph 5. of this Article 29.

3. Article 7 does not apply to a covered program except as set forth in Paragraphs 1.(a) and the last sentence of Paragraph 2. of Section H. of this Article 29. However, the same tests applicable to free television programs under Article 7 shall be applicable to covered programs in determining directors entitled to residual compensation.

4. Article 29, Section I., Paragraph 7. shall be applicable in lieu of Article 23, Section B., Paragraph 2. for the use of an excerpt from a covered program.

5. Article 24 does not apply to a covered program except to the extent and in the manner specifically provided elsewhere in this Article 29.

ARTICLE 30.

RESPONSIBILITY FOR RESIDUAL PAYMENTS

With respect to all television programs, the production of which commences on or after July 1, 2020, produced under the Directors Guild of America Inc. Freelance Live & Tape Television Agreement (hereinafter referred to as the "FLTTA"), which are rerun on free television or which are released to basic cable, in Supplemental Markets, for foreign telecasting or for theatrical exhibition, the following provisions shall be applicable:

SECTION A. DISTRIBUTOR'S ASSUMPTION AGREEMENT -- TELEVISION RERUNS, BASIC CABLE EXHIBITION, FOREIGN TELEVISION EXHIBITION, THEATRICAL EXHIBITION AND SUPPLEMENTAL MARKETS USE

1. Prior to the commencement of principal photography of each such television program in which one or more Employees covered by this Agreement renders services, if the Employer is not also the Distributor of such program for free television, basic cable, foreign television exhibition, theatrical exhibition or in Supplemental Markets (as applicable), Employer shall obtain from the Distributor having such distribution rights and deliver to the Guild a separate written agreement herein called "Distributor's Assumption Agreement," made expressly for the benefit of the Guild as representative of the Employees involved and, insofar as Supplemental Markets rights are concerned, for the benefit of the Directors Guild of America – Producer Pension Plan (hereinafter "the Pension Plan"), by which such Distributor agrees to assume and pay the amounts payable hereunder by reason of the exhibition of such program on free television, basic cable, foreign television, theatrically or in Supplemental Markets (as applicable), including applicable pension and health contributions (all such payments are collectively referred to as "Residuals"), when and as the same become due.

   In the event such Distributor is a signatory Employer, it shall be deemed automatically bound to such Distributor's Assumption

Agreement and delivery and execution of the Assumption Agreement shall not be necessary.

Such agreement shall be substantially in the following form:

DISTRIBUTOR'S ASSUMPTION AGREEMENT

In consideration of the execution of a DISTRIBUTION AGREEMENT between _____
("Employer")
and the undersigned Distributor, Distributor agrees that the television program presently entitled _____
_____
(the "Program") is subject to the Freelance Live & Tape Television Agreement of 2020 covering television programs and particularly to the provisions of Articles 1, 7, 23, 24, 29 and/or 31 (strike those of the following clauses (a), (b) (c), (d), (e) (f), (g) or (h) which are not applicable):

(a) Article 1.B.3.(b) thereof, pertaining to additional compensation payable to Directors when television programs are transferred to film and exhibited theatrically and Article 11 thereof, pertaining to applicable pension and health contributions, if any are required; and

(b) Article 7.B. thereof, pertaining to additional compensation payable to Directors when television programs are rerun on free television in the United States and Canada and Article 11 thereof, pertaining to applicable pension and health contributions, if any are required;

(c) Article 7.D. thereof, pertaining to additional compensation payable to Directors when television programs are telecast outside the United States and Canada and Article 11 thereof, pertaining to applicable pension and health contributions, if any are required;

(d) Article 7.E. thereof, pertaining to additional compensation payable to Directors when television programs are released to

basic cable and Article 11 thereof, pertaining to applicable pension and health contributions, if any are required;

(e) Article 23.A. and B. thereof, pertaining to additional compensation payable to Directors when television programs are released in theatrical exhibition and Article 11 thereof, pertaining to applicable pension and health contributions, if any are required;

(f) Article 24 thereof, pertaining to additional payments to Employees and the Pension Plan when television programs are released in Supplemental Markets;

(g) Article 29 thereof, pertaining to additional compensation payable to Employees when television programs produced mainly for the pay television and videodisc/videocassette market are exhibited as provided in Article 29.C., D., E., F., G. and H. thereof and Article 11 thereof, pertaining to applicable pension and health contributions, if any are required; and

(h) Article 31.A.4. thereof, pertaining to additional compensation payable to Directors when television programs produced primarily for the basic cable market are exhibited as provided therein, and Article 11 thereof, pertaining to applicable pension and health contributions, if any are required.

Distributor is distributing or licensing the Program for distribution (select one)

_____ in perpetuity (*i.e.*, for the period of copyright and any renewals thereof)

_____ for a limited term of ____ years

in the following territories and media (indicate those that are applicable):

Territory:

_____ Domestic (the U.S. and Canada, and their respective possessions and territories)

_____ Foreign (the world excluding the U.S. and Canada and their respective possessions and territories)

_____ Other (please describe):

Media:

_____ All

_____ Theatrical

_____ Home Video

_____ Pay Television

_____ Free Television (Domestic)

_____ Foreign Free Television

_____ Basic Cable

_____ Other (please describe):

_____ See description, attached hereto as Exhibit "A" and incorporated herein by reference.

Distributor hereby agrees, expressly for the benefit of the Directors Guild of America, herein called "the Guild" or "the DGA," as representative of the Employees who rendered services on the Program and, insofar as Supplemental Markets rights are concerned, for the benefit of the Directors Guild of America–Producer Pension Plan (hereinafter "the Pension Plan"), when the Program is exhibited on free television, foreign television, basic cable or theatrically or in Supplemental Markets (as applicable), to make the additional payments required thereby, if any, and the pension and health contributions required thereby, if any, with respect to the territories, media and term referred to above as provided in the

applicable Articles referred to hereinabove (all such payments are collectively hereinafter referred to as "Residuals"). Distributor, for and on behalf of the Employer, shall make all Social Security, withholding, unemployment insurance and disability insurance payments required by law with respect to the additional compensation referred to in the preceding sentence.

It is expressly understood that the right of Distributor to license the Program for exhibition on free television, foreign television, basic cable, theatrically or in Supplemental Markets (as applicable), or to exhibit or cause or permit the Program to be exhibited on free television, foreign television, basic cable, theatrically or in Supplemental Markets (as applicable), shall be subject to and conditioned upon the prompt payment of Residuals with respect to the territories, media and term referred to above in accordance with said applicable Articles. It is agreed that the Guild, in addition to all other remedies, shall be entitled to injunctive relief against Distributor in the event such payments are not made.

To the extent that Employer has executed a security agreement and financing statement in the Guild's favor in the Program and related collateral as defined in the DGA–Employer Security Agreement ("DGA Security Interest"), Distributor agrees and acknowledges that Distributor's rights in the Program acquired pursuant to the Distribution Agreement (to the extent those rights are included in the collateral covered by the Security Agreement) are subject and subordinate to the DGA Security Interest.

The Guild agrees that, so long as Residuals with respect to the Program for the territories, media and term referred to above are timely paid in accordance with said applicable Articles, the Guild will not exercise any rights under the DGA Security Interest which would in any way interfere with the rights of the Distributor to distribute the Program and receive all revenues from such distribution.

The Guild further agrees that if it exercises its rights as a secured party, it will dispose of collateral which encompasses any of Distributor's rights or interests in, or physical items relating to, the Program, only to a transferee which agrees in writing to be bound by the Guild's obligations under this Assumption Agreement.

Distributor agrees to keep (i) complete records showing all cities in the United States in which the Program(s) have been telecast and the number of telecasts in each such city, the television stations on which telecast, and the dates thereof; (ii) complete records showing Distributor's Foreign Gross for the Program(s) to the

extent that such records are pertinent to the computation of payments for foreign telecasting; (iii) records showing the date on which each such Program is first exhibited in theatrical exhibition anywhere in the world and the place of such exhibition; and (iv), complete records showing Employer's gross receipts from basic cable exhibition and from the distribution of such Program in Supplemental Markets. The undersigned Distributor shall also keep such records as are necessary for the computation of Residuals for reruns, foreign telecasting, basic cable exhibition, theatrical exhibition and Supplemental Market use for so long as such Residuals may be due or payable. The Guild shall have the right, at all reasonable times, to inspect any and all such records. If Distributor shall fail to make such payments as and when due and payable, Distributor shall pay late payment damages as specified in the applicable provision of the FLTTA, if any.

With respect to television programs produced mainly for the pay television and videodisc/videocassette market, Distributor shall comply with Articles 29.I.3. and 29.I.4. to the extent they apply to Distributor's distribution of the program.

If Distributor has acquired the rights to distribute the Program on free television, Distributor shall give the Guild prompt written notice of the date on which the Program is first telecast in any city in the United States for the second run and for each subsequent run thereafter. If the second or third run is on a network or run in network prime time, the notice shall state that fact.

If the Program is distributed for foreign telecasting and if Distributor has acquired the rights to distribute the Program for foreign telecasting, Distributor shall furnish reports to the Guild showing Distributor's Foreign Gross derived from the Program until (i) the Program has been withdrawn from distribution for foreign telecasting; or (ii) the Director(s) of the Program has (have) received the full additional payments for such foreign telecasting to which they are entitled pursuant to the FLTTA. Such reports shall be rendered to the Guild on a quarterly basis during the first three (3) years in which the Program is distributed for foreign telecasting, on a semi-annual basis for the next following two (2) years, and on an annual basis thereafter.

If the Program is distributed in Supplemental Markets and if Distributor has acquired the rights to distribute the Program in Supplemental Markets, Distributor shall furnish reports to the Guild, quarterly during each calendar year, showing Distributor's gross receipts derived from such Supplemental Market use for as long as Distributor receives any such gross receipts.

If the Program is distributed theatrically and if Distributor has acquired the rights to exhibit the Program theatrically, the Distributor shall give prompt written notice to the Guild of the date on which the Program is first exhibited theatrically (i) in the United States, its commonwealths, territories and possessions and Canada and/or (ii) in all other countries.

If the Program is distributed on basic cable and if Distributor has acquired the rights to distribute the Program on basic cable, the Distributor shall furnish reports to the Guild, quarterly during each calendar year, showing Distributor's gross receipts derived from such distribution for so long as Distributor receives any such gross receipts.

Distributor agrees to cooperate in responding to reasonable requests from the Guild as to whether the Program is currently being rerun on television, distributed for foreign telecasting, on basic cable, theatrically or in Supplemental Markets. An inadvertent failure to comply with any of the notice or reporting provisions hereof shall not constitute a default by Distributor hereunder, provided said failure is cured promptly after written notice thereof from the Guild.

In the event of any sale, assignment or transfer of Distributor's distribution or exhibition rights in the Program, Distributor shall remain liable for the Residuals unless Distributor obtains an executed Distributor's Assumption Agreement from such purchaser, assignee or transferee and the Guild approves in writing the financial responsibility of the party obtaining such rights. The Guild agrees that it will not unreasonably withhold its approval of the financial responsibility of any such purchaser, assignee or transferee. In the event that such purchaser, assignee or transferee is a Qualified Residual Payor, the financial responsibility of such purchaser, assignee or transferee shall be deemed automatically approved on the date the Guild receives written notice of the assumption of obligations hereunder by the Qualified Residual Payor. Nothing herein shall release Employer of its obligations under this Agreement or any other agreement between Employer and the Guild.

If the Guild does not approve in writing the financial responsibility of the party obtaining such rights, this DISTRIBUTOR'S ASSUMPTION AGREEMENT shall remain effective and binding upon Distributor, and Distributor shall be obligated to pay Residuals which accrue during the term for those territories and media for which it was granted distribution rights and all extensions and renewals. The Distributor shall have the right, at its election, to cause to be immediately submitted to arbitration, pursuant to the provisions of Article 20 hereof, the issue

of whether the Guild has unreasonably withheld the approval of the financial responsibility of such purchaser, assignee or transferee for payments due hereunder.

Distributor and the Guild hereby agree that all disputes based upon, arising out of or relating to this Assumption Agreement, other than the Guild's entitlement to injunctive or other equitable relief, shall be submitted to final and binding arbitration in accordance with the arbitration provisions contained in this Agreement. Notwithstanding the foregoing, Distributor agrees and acknowledges that the Guild is not precluded by this or any other provision of this Assumption Agreement from obtaining from a court injunctive relief or any other legal remedy at any time prior to arbitration or issuance of an arbitration award. The right to obtain injunctive relief from a court shall be applicable whether an arbitration proceeding has or has not been initiated and, further, without limitation, shall be applicable in conjunction with a proceeding to confirm and enforce an arbitration award against Distributor.

THIS DISTRIBUTOR'S ASSUMPTION AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA AND THE UNITED STATES, AS THE SAME WOULD BE APPLIED BY A FEDERAL COURT IN CALIFORNIA WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS. The Guild and Distributor agree that any arbitration or legal action or proceeding brought to interpret or enforce the provisions of this Distributor's Assumption Agreement (including an action to compel arbitration or a petition to vacate an arbitration award) shall be held or brought in Los Angeles County, California, and Distributor irrevocably submits to the jurisdiction of the federal and state courts therein. Notwithstanding the foregoing, the Guild, at its option, may bring a legal action or proceeding outside California under the following circumstances: (i) if Distributor has no principal place of business in California; or (ii) whether or not Distributor has a principal place of business in California, to enforce or execute upon an arbitration award or court order or judgment, in any jurisdiction in which Distributor's assets are located (and Distributor irrevocably submits to the jurisdiction of the courts of such places for purposes of such execution or enforcement). Distributor consents to service of process by personal delivery or by certified or registered mail, return receipt requested, to Distributor's general

counsel or to Distributor's representative identified below or by first class mail to Distributor when Distributor has not designated a representative or a general counsel, or by any other method permitted by law.

Date _____ _____
("Distributor")

Address: _____

_____

By: _____

_____
Please print name

Title: _____

Distributor's Representative or General Counsel:

_____

2. An inadvertent failure on the part of any such Distributor to comply with any of the reporting provisions of this Section A.1. shall in no event constitute a default by the Employer or such Distributor or a breach of this Agreement, provided that such failure is cured promptly after notice in writing thereof from the Directors Guild of America.

3. In the event of the expiration or termination of any distribution agreement, the obligation of Employer to obtain and deliver to the Guild such Distributor's Assumption Agreement shall apply as well to any subsequent distribution agreement entered into by Employer, and Employer shall obtain and deliver an executed Distributor's Assumption Agreement within ten (10) days after the execution of each such subsequent distribution agreement.

SECTION B. FINANCIAL ASSURANCES

With respect to any Program produced hereunder, the Guild, prior to the commencement of production of such program, may require such financial assurances from Employer as it deems advisable to insure performance of

Employer's obligations to pay the Residuals, including, without limitation, the execution of security agreements, guarantees or other protective agreements, subject, however, to the following:

1. If the Guild shall require financial assurances from the Employer in the form of a security agreement for a security interest in the Program, so long as the Residuals are timely paid with respect to all territories, media and term acquired by the Distributor in accordance with Articles 1, 7, 23, 24, 29 and/or 31 of this Agreement, as applicable, the Guild shall not exercise any rights under such security agreement which would in any way interfere with the rights of the Distributor to distribute the Program and receive all revenues from such distribution, provided that such Distributor has executed and delivered a Distributor's Assumption Agreement to the Guild and is in compliance with the terms thereof.

2. If any "Qualified Residual Payor," as that term is defined in Section C. below, assumes in perpetuity under the Distributor's Assumption Agreement the obligation to pay the Residuals for all territories and media with respect to the Program or guarantees in a written form satisfactory to the Guild (which shall include the Standard Letter of Guaranty set forth in Exhibit 2) all of such obligations thereunder, the Guild will release and cause to be discharged of record all such security interests, liens, charges or encumbrances entered into by or obtained from such Employer and will not require further financial assurances from such Employer; provided, however, the Employer's primary liability as an Employer shall not be released thereby.

3. If any "Qualified Residual Payor" acquires rights to distribute the Program in specific territories and media (but not all territories and media) in perpetuity, and has assumed responsibility for the payment of Residuals for such territories and media so acquired pursuant to the Distributor's Assumption Agreement or guarantees in a written form satisfactory to the Guild (which shall include the Standard Letter of Guaranty set forth in Exhibit 2) all of such obligations thereunder, then if the Employer has granted or thereafter grants a security interest in favor of the Guild in the Program and related collateral as defined in the DGA Security Agreement, the Guild: (a) agrees to modify the definition of the collateral in the DGA Security Agreement to exclude those territories and media acquired by such

Qualified Residual Payor; and (b) acknowledges Qualified Residual Payor's continuing rights of full, unlimited but non-exclusive access to and use of any and all physical items and elements relating to the Program.

4. If any "Qualified Residual Payor" acquires rights to distribute the Program in specific territories and media for a limited period of time, and has assumed responsibility for the payment of Residuals for such term and in such territories and media pursuant to the Distributor's Assumption Agreement or guarantees in a written form satisfactory to the Guild (which shall include the Standard Letter of Guaranty set forth in Exhibit 2) all of such obligations thereunder, then any security agreement or security interest obtained by the Guild from the Employer in connection with the Program shall remain in effect, but the Guild agrees: (a) to modify the definition of the collateral in the DGA Security Agreement to exclude those territories and media for the term of the rights acquired by the Qualified Residual Payor, including renewals and extensions; and (b) acknowledges the Qualified Residual Payor's continuing rights of full, unlimited but non-exclusive access to and use of any and all physical items and elements relating to the Program.

SECTION C. QUALIFIED RESIDUAL PAYORS

1. In addition to those distributors who have been deemed "Qualified Residual Payors" by the Guild due to their past bargaining relationship and/or Residuals payment history, the term "Qualified Residual Payor" shall mean a Distributor who satisfies the requirements set forth in Paragraphs (a) and (b) below:

   (a) Distributor has the financial history, liquidity, net earnings before interest, taxes and amortization, assets, and net worth to establish its present and future ability to pay Residuals arising from the exploitation of the Guild Programs being distributed.

   (b) The Distributor has been in business for five (5) or more years and has a history of prompt and proper payment of Residuals pursuant to the Guild contracts in five (5) consecutive years immediately prior to seeking Qualified Distributor status.

2. A Qualified Residual Payor shall have the right to elect, with respect to each DGA Program for which it has distribution rights, whether or not to assume Residuals obligations or guarantee the payment of Residuals in accordance with the Qualified Residual Payor's Letter of Agreement, for the territories, media and term for which it has distribution rights. However, the Qualified Residual Payor shall be entitled to the rights of a Qualified Residual Payor hereunder only when it elects to so assume such obligations or so guarantee the payment of Residuals.

3. In the event of a dispute as to qualifications of an applicant for Qualified Residual Payor status, Employer shall provide such financial assurances as the Guild may deem appropriate, which may include, but are not limited to, a security interest in the Program and related collateral, in which case Distributor shall acknowledge same.

   Said security interest shall remain effective unless and until it is established by agreement or in an arbitration, pursuant to the arbitration provisions contained in this Agreement, that the applicant Distributor meets the aforementioned requirements for qualification. Such applicant shall have the burden of proof that it satisfies the aforementioned requirements for qualification in any arbitration and shall, upon the Guild's request, furnish to the Guild all relevant financial or corporate information relating thereto as the Guild may reasonably require.

4. Any information submitted to the Guild in order to determine whether a distributor is entitled to status as a Qualified Residual Payor shall, at the Distributor's discretion, be subject to reasonable confidentiality arrangements.

5. In the event that a Qualified Residual Payor, after notice and a reasonable opportunity to cure, generally fails to report and/or pay Residuals when they are due or generally fails to pay obligations to creditors when they become due or in the event a petition is filed under the Bankruptcy Code by or against a Qualified Residual Payor, the Guild shall have the right to terminate the Distributor's Qualified Residual Payor status. The Distributor shall have the right to invoke the arbitration procedures described above to challenge such termination. Pending the resolution of such challenge, the Qualified

Residual Payor's status shall be considered terminated. The Guild agrees that it will not terminate a Qualified Residual Payor's status when there is a *bona fide* dispute as to whether Residuals are due, or a *bona fide* dispute as to the amount of Residuals due to the Guild, if the Distributor has otherwise timely reported and paid Residuals. In addition to the above, if a Guild audit conducted pursuant to this Agreement or other financial information discloses that the Qualified Residual Payor no longer meets the aforementioned standards for qualification, the Guild may initiate an arbitration pursuant to this Agreement to terminate the Qualified Residual Payor's status.

SECTION D. BUYER'S ASSUMPTION AGREEMENT

1. If the Employer shall sell, transfer or assign its rights to exhibit on free television, basic cable or foreign television any of the television programs produced hereunder, or its rights to distribute theatrically or in Supplemental Markets any of the programs produced hereunder in which one (1) or more Employees covered by the Agreement renders services, it shall obtain from such buyer, transferee or assignee a separate agreement, made expressly for the benefit of the Directors Guild of America as representative of the Employees involved and, insofar as Supplemental Markets rights are concerned, for the benefit of the Directors Guild of America–Producer Pension Plan (hereinafter "the Pension Plan"), requiring such buyer, transferee or assignee to comply with the provisions of this Agreement with respect to additional payments to Employees and/or the Pension Plan, and pension and health contributions, if any are required, by reason of the exhibition of such television programs on free television, basic cable or foreign television or the distribution of such television programs theatrically or in Supplemental Markets (as applicable), when and as the same become due. Such agreement shall be substantially in the following form:

BUYER'S ASSUMPTION AGREEMENT

For valuable consideration, the undersigned _____

_____

(INSERT NAME OF BUYER, TRANSFEREE OR ASSIGNEE) (hereinafter referred to as "Buyer") hereby agrees with

_____

(INSERT NAME OF EMPLOYER)

that each television program covered by this agreement ("the Program") (identified in the attached Exhibit "A") is subject to the Freelance Live & Tape Television Agreement of 2020 covering television programs and particularly to the provisions of Articles 1, 7, 23, 24, 29 and/or 31 thereof (strike those of the following clauses (a), (b), (c), (d), (e), (f), (g) or (h) which are not applicable):

(a) Article 1.B.3.(b) thereof, pertaining to additional compensation payable to Directors when television programs are exhibited theatrically and Article 11 thereof, pertaining to applicable pension and health contributions, if any are required; and

(b) Article 7.B. thereof, pertaining to additional compensation payable to Directors when television programs are rerun on free television in the United States and Canada and Article 11 thereof, pertaining to applicable pension and health contributions, if any are required;

(c) Article 7.D. thereof, pertaining to additional compensation payable to Directors when television programs are telecast outside the United States and Canada and Article 11 thereof, pertaining to applicable pension and health contributions, if any are required;

(d) Article 7.E. thereof, pertaining to additional compensation payable to Directors when television programs are released to basic cable and Article 11 thereof, pertaining to applicable pension and health contributions, if any are required;

(e) Article 23.A. and B. thereof, pertaining to additional compensation payable to Directors when television programs are released theatrically and Article 11 thereof, pertaining to applicable pension and health contributions, if any are required;

(f) Article 24 thereof, pertaining to additional payments to Employees and the Pension Plan when television programs are released in Supplemental Markets;

(g) Article 29 thereof, pertaining to additional compensation payable to Employees when television programs produced mainly for the pay television and videodisc/videocassette market are exhibited as provided in Article 29.C., D., E., F., G. and H. thereof and Article 11 thereof, pertaining to applicable pension and health contributions, if any are required; and

(h) Article 31.A.4. thereof, pertaining to additional compensation payable to Directors when television programs produced primarily for the basic cable market are exhibited as provided therein, and Article 11 thereof, pertaining to applicable pension and health contributions, if any are required.

Buyer is purchasing rights in the following territories and media (indicate those that are applicable):

Territory:

_____ Domestic (the U.S. and Canada, and their respective possessions and territories)

_____ Foreign (the world excluding the U.S. and Canada and their respective possessions and territories)

_____ Other (please describe):

Media:

_____ All

_____ Theatrical

_____ Home Video

_____ Pay Television

_____ Free Television (Domestic)

_____ Foreign Free Television

_____ Basic Cable

_____ Other (please describe):

_____ See description, attached hereto as Exhibit "A" and incorporated herein by reference.

Buyer hereby agrees, expressly for the benefit of the Directors Guild of America, hereinafter called "the DGA" or "the Guild," as representative of the Employees who rendered services on the Program and, insofar as Supplemental Markets rights are concerned, for the benefit of the Directors Guild of America–Producer Pension Plan (hereinafter "the Pension Plan"), when exhibited on free television, foreign television, basic cable or exhibited theatrically or in Supplemental Markets (as applicable), to assume and be bound by Employer's obligation thereunder to make the additional payments required thereby, if any, with respect to the territories and media referred to above and the pension and health contributions required thereby, if any, as provided in the applicable Articles referred to hereinabove (all such payments are collectively hereinafter referred to as "Residuals"). Buyer, for and on behalf of the Employer, shall make all Social Security, withholding, unemployment insurance and disability insurance payments required by law with respect to the additional compensation referred to in the preceding sentence.

It is expressly understood that the right of Buyer to license the Program for exhibition on free television, foreign television, basic cable, theatrically or in Supplemental Markets (as applicable), or to exhibit or cause or permit the Program to be exhibited on free television, foreign television, basic cable, theatrically or in Supplemental Markets (as applicable), shall be subject to and conditioned upon the prompt payment of Residuals with respect to the territories and media referred to above in accordance with said applicable Section(s). It is agreed that the Guild, in addition to all other remedies, shall be entitled to injunctive relief against Buyer in the event such payments are not made.

To the extent that Employer has executed a security agreement and financing statement in the Guild's favor in the Program and related collateral as defined in the DGA-Employer Security Agreement ("DGA Security Interest"), Buyer agrees and acknowledges that Buyer's rights to the Program acquired pursuant to the Purchase Agreement (to the extent those rights are included in the collateral covered by the Security Agreement) are

subject and subordinate to the DGA Security Interest. Buyer further agrees to execute a security agreement, mortgage of copyright, UCC-1, and other UCC documentation and any other document required under this Agreement or necessary or desirable in the Guild's discretion to continue the DGA Security Interest. The Guild agrees that, so long as Residuals with respect to the Program for all the territories and media referred to above are timely paid in accordance with said applicable Section(s), the Guild will not exercise any rights under the DGA Security Interest which would in any way interfere with the rights of the Buyer to distribute the Program and receive all revenues from such distribution.

The Guild further agrees that if it exercises its rights as a secured party, it will dispose of collateral which encompasses any of Buyer's rights or interests in, or physical items relating to, the Program, only to a transferee which agrees in writing to be bound by the Guild's obligations under this Assumption Agreement.

Buyer agrees to keep (i) complete records showing all cities in the United States in which the Programs have been telecast and the number of telecasts in each such city, the television stations on which telecast, and the dates thereof; (ii) complete records showing Distributor's Foreign Gross for the Program(s) to the extent that such records are pertinent to the computation of payments for foreign telecasting; (iii) records showing the date on which each such Program is first exhibited in theatrical exhibition anywhere in the world and the place of such exhibition; and (iv) complete records showing Employer's gross receipts from basic cable exhibition and from the distribution of such Program in Supplemental Markets. The undersigned Buyer shall also keep such records as are necessary for the computation of Residuals for reruns, foreign telecasting, basic cable exhibition, theatrical exhibition and Supplemental Market use for so long as such Residuals may be due or payable. With respect to programs produced mainly for the pay television and videodisc/videocassette market, Buyer shall comply with Articles 29.I.3. and 29.I.4. to the extent they apply to Buyer's distribution of the Program. The Guild shall have the right, at all reasonable times, to inspect any and all such records. If Buyer shall fail to make such payments as and when due and payable, Buyer shall pay late payment damages as specified in the applicable provision of this Agreement, if any.

In the event of any sale, assignment or transfer of Buyer's distribution or exhibition rights in the Program, Buyer shall remain liable for the Residuals, with respect to the territories, media and term referred to above, unless Buyer obtains an executed Buyer's Assumption Agreement and other documents required by the Guild from such purchaser, assignee or transferee and the Guild approves in writing the financial responsibility of the party obtaining such rights. The Guild agrees that it will not unreasonably withhold its approval of the financial responsibility of any such purchaser, assignee or transferee. Nothing herein shall release the Employer of its obligations under this Agreement or any other agreement between Employer and the Guild relating to the Program, unless the Employer has been relieved of liability pursuant to the provisions of this Article 30(b).

If the Guild does not approve in writing the financial responsibility of the party obtaining such rights, this Buyer's Assumption Agreement shall remain effective and binding upon Buyer.

Buyer and the Guild hereby agree that all disputes based upon, arising out of or relating to this Assumption Agreement, other than the Guild's entitlement to injunctive or other equitable relief, shall be submitted to final and binding arbitration in accordance with the arbitration provisions contained in Article 20 of this Agreement. Notwithstanding the foregoing, Buyer agrees and acknowledges that the Guild is not precluded by this or any other provision of this Assumption Agreement from obtaining from a court injunctive relief or any other legal remedy at any time prior to arbitration or issuance of an arbitration award. The right to obtain injunctive relief from a court shall be applicable whether an arbitration proceeding has or has not been initiated and, further, without limitation, shall be applicable in conjunction with a proceeding to confirm and enforce an arbitration award against Buyer.

If Buyer has acquired the rights to distribute the Program on free television, Buyer shall give the Guild prompt written notice of the date on which the Program is first telecast in any city in the United States for the second run and for each subsequent run thereafter. If the second or third run is on a network or the run is in network prime time, the notice shall state that fact.

If the Program is distributed for foreign telecasting and if Buyer has acquired the rights to distribute the Program for foreign telecasting, Buyer shall furnish reports to the Guild showing "Buyer's Foreign Gross" derived from the Program until (i) the Program has been withdrawn from distribution for foreign telecasting; or (ii) the Director(s) of the Program has (have) received the full additional payments for such foreign telecasting to which they are entitled pursuant to the FLTTA. Such reports shall be rendered to the Guild on a quarterly basis during the first three (3) years in which the Program is distributed for foreign telecasting, on a semi-annual basis for the next following two (2) years, and on an annual basis thereafter.

If the Program is distributed in Supplemental Markets and if Buyer has acquired the rights to distribute the Program in Supplemental Markets, Buyer shall furnish reports to the Guild, quarterly during each calendar year, showing Buyer's gross receipts derived from such Supplemental Market use for as long as Buyer receives any such gross receipts.

If the Program is distributed theatrically and if Buyer has acquired the rights to exhibit the Program theatrically, the Buyer shall give prompt written notice to the Guild of the date on which the Program is first exhibited theatrically (i) in the United States, its commonwealths, territories and possessions and Canada and/or (ii) in all other countries.

If the Program is distributed on basic cable and if Buyer has acquired the rights to distribute the Program on basic cable, the Buyer shall furnish reports to the Guild, quarterly during each calendar year, showing Buyer's gross receipts derived from such distribution for so long as Buyer receives any such gross receipts.

Buyer agrees to cooperate in responding to reasonable requests from the Guild as to whether the Program is currently being rerun on television, distributed for foreign telecasting, on basic cable, theatrically or in Supplemental Markets. An inadvertent failure to comply with any of the notice or reporting provisions hereof shall not constitute a default by Buyer hereunder, provided said failure is cured promptly after written notice thereof from the Guild.

THIS BUYER'S ASSUMPTION AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA AND THE UNITED STATES,

AS THE SAME WOULD BE APPLIED BY A FEDERAL COURT IN CALIFORNIA WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS. The Guild and Buyer agree that any arbitration or legal action or proceeding brought to interpret or enforce the provisions of this Buyer's Assumption Agreement (including an action to compel arbitration or a petition to vacate an arbitration award) shall be held or brought in Los Angeles County, California, and Buyer irrevocably submits to the jurisdiction of the federal and state courts therein. Notwithstanding the foregoing, the Guild, at its option, may bring a legal action or proceeding outside California under the following circumstances: (i) if Buyer has no principal place of business in California; or (ii) whether or not Buyer has a principal place of business in California, to enforce or execute upon an arbitration award or court order or judgment, in any jurisdiction in which Buyer's assets are located (and Buyer irrevocably submits to the jurisdiction of the courts of such places for purposes of such execution or enforcement). Buyer consents to service of process by personal delivery or by certified or registered mail, return receipt requested, to Buyer's general counsel or to Buyer's representative identified below or by first class mail to Buyer when Buyer has not designated a representative or a general counsel, or by any other method permitted by law.

DATE _____

BUYER _____

ADDRESS _____

BY _____

BUYER'S REPRESENTATIVE OR GENERAL COUNSEL _____

_____

2. The Employer agrees to deliver to the Guild an executed copy of the above referred to Buyer's Assumption Agreement within thirty (30) days after the sale, assignment or transfer of such television program, with the name and address of the purchaser or assignee.

3. Any inadvertent failure on the part of the Buyer to comply with any of the reporting provisions of this Section D. shall in no event

constitute a default by the Employer or such Buyer or a breach of this Agreement, provided that such failure is cured promptly after notice in writing thereof from the Directors Guild of America.

4. Upon delivery of such Buyer's Assumption Agreement and other documents from Buyer required under this Assumption Agreement and on condition that the Guild approves in writing the financial responsibility of the purchaser, assignee or transferee, Employer shall not be further liable for the keeping of any such records, or for the payment of Residuals in accordance with said applicable Section, it being agreed that the purchaser, assignee or transferee shall solely be liable therefor.

5. The Guild agrees that it will not unreasonably withhold its approval of the financial responsibility of any such purchaser, assignee or transferee, it being further agreed that if the Guild, within twenty-one (21) days of receipt of written notice of any such sale, assignment or transfer, has not advised the Employer that it disapproves the financial responsibility of such purchaser, assignee or transferee, the Guild will be deemed to have approved the financial responsibility thereof. If any such purchaser, assignee or transferee is a Qualified Residual Payor, then the financial responsibility of such purchaser, assignee or transferee shall be deemed automatically approved. In the event the Guild advises the Employer within such twenty-one (21) day period that it disapproves the financial responsibility of any such purchaser, assignee or transferee and Employer disputes such disapproval, the Employer shall have the right, at its election, to cause to be immediately submitted to arbitration pursuant to the provisions of Article 20 hereof, the issue of whether the Guild has unreasonably withheld the approval of the financial responsibility of such purchaser, assignee or transferee for payments due hereunder.

SECTION E. SECURITY INTERESTS -- EFFECT ON BUYER'S RIGHTS

To the extent that Employer has granted a security interest in favor of the Guild in the Program and related collateral as defined in any DGA Security Agreement, Buyer's rights in the Program acquired pursuant to the purchase agreement shall be subject to the following:

1. So long as the Buyer timely pays Residuals for the Program with respect to all territories and media in which Buyer has distribution rights in accordance with Articles 1, 7, 23, 24, 29 and/or 31 of this Agreement, as applicable, the Guild shall not exercise any rights under such security agreement which would in any way interfere with the rights of the Buyer to distribute the Program and receive all revenues from such distribution, provided that such Buyer has executed and delivered a Buyer's Assumption Agreement to the Guild and is in compliance with the terms thereof.

2. If any "Qualified Residual Payor" assumes in perpetuity under the Buyer's Assumption Agreement the obligation to pay the Residuals for all territories and media with respect to the Program or guarantees in a written form satisfactory to the Guild (which shall include the Standard Letter of Guaranty set forth in Exhibit 2) all of such obligations thereunder, the Guild will release and cause to be discharged of record all such security interests, liens, charges or encumbrances entered into or obtained from such Employer and will not require further financial assurances from such Employer.

3. If any "Qualified Residual Payor" acquires rights to distribute the Program in specific territories and media (but not all territories and media) in perpetuity, and has assumed responsibility for the payment of Residuals for such territories and media so acquired pursuant to the Buyer's Assumption Agreement or guarantees in a written form satisfactory to the Guild (which shall include the Standard Letter of Guaranty set forth in Exhibit 2) all of such obligations thereunder, then if the Employer has granted a security interest in favor of the Guild in the Program and related collateral as defined in the DGA Security Agreement, the Guild: (a) agrees to modify the definition of the collateral in the DGA Security Agreement to exclude those territories and media acquired by such Qualified Residual Payor; and (b) acknowledges Qualified Residual Payor's continuing rights of full, unlimited but non-exclusive access to and use of any and all physical items and elements relating to the Program.

SECTION F. QUALIFIED BUYER

1. In addition to those buyers who have been deemed "Qualified" by the Guild due to their past bargaining relationship and/or Residuals payment history, the term "Qualified Residual Payor" shall mean a Buyer who satisfies the requirements set forth in subparagraphs (a) and (b) below:

   (a) Buyer has the financial history, liquidity, net earnings before interest, taxes and amortization, assets, and net worth to establish its present and future ability to pay all Residuals arising from the exploitation of the Guild Programs being distributed.

   (b) The Buyer has been in business for five (5) or more years and has a history of prompt and proper payment of Residuals pursuant to the Guild contracts in five (5) consecutive years immediately prior to seeking Qualified Buyer status.

2. A Qualified Residual Payor shall have the right to elect, with respect to each DGA Program for which it has distribution rights, whether or not to assume Residuals obligations or guarantee the payment of Residuals in accordance with the Qualified Residual Payor's Letter of Agreement, for the territories and media for which it has distribution rights. However, the Qualified Residual Payor shall be entitled to the rights of a Qualified Residual Payor hereunder only when it elects to so assume such obligations or so guarantee the payment of Residuals.

3. In the event of a dispute as to qualifications of an applicant for Qualified Residual Payor status, Employer shall provide such financial assurances as the Guild may deem appropriate, which may include, but are not limited to, a security interest in the Program and related collateral, in which case Buyer shall acknowledge same. Said security interest shall remain effective unless and until it is established by agreement or in an arbitration, pursuant to the arbitration provisions contained in this Agreement, that the applicant Buyer meets the aforementioned requirements for qualification. Such applicant shall have the burden of proof that it satisfies the aforementioned requirements for qualification in any arbitration and shall, upon the Guild's request, furnish to the Guild all relevant

financial or corporate information relating thereto as the Guild may reasonably require.

4. Any information submitted to the Guild in order to determine whether a Buyer is entitled to status as a Qualified Residual Payor shall, at the Buyer's discretion, be subject to reasonable confidentiality arrangements.

5. In the event a Qualified Residual Payor, after notice and a reasonable opportunity to cure, generally fails to report and/or pay Residuals when they are due or generally fails to pay obligations to creditors when they become due or in the event a petition is filed under the Bankruptcy Code by or against a Qualified Residual Payor, the Guild shall have the right to terminate such Qualified Residual Payor status. The Qualified Residual Payor shall have the right to invoke the arbitration procedures described above to challenge such termination. Pending the resolution of such challenge, the Qualified Residual Payor's status shall be considered terminated. The Guild agrees that it will not terminate a Qualified Residual Payor's status when there is a *bona fide* dispute over whether Residuals are due to the Guild, or a *bona fide* dispute as to the amount of Residuals due to the Guild, if the Distributor has otherwise timely reported and paid Residuals. In addition to the above, if a Guild audit conducted pursuant to this Agreement or other financial information discloses that the Qualified Residual Payor no longer meets the aforementioned standards for qualification, the Guild may initiate an arbitration pursuant to this Agreement to terminate the Qualified Residual Payor's status.

ARTICLE 31.

PROGRAMS MADE PRIMARILY FOR THE BASIC CABLE MARKET

SECTION A. TERMS AND CONDITIONS FOR HIGH BUDGET DRAMATIC PROGRAMS ONE-HALF HOUR OR MORE IN LENGTH MADE PRIMARILY FOR THE BASIC CABLE MARKET

The following terms and conditions shall be applicable only to high budget dramatic programs one-half (½) hour or more in length which are made primarily for the basic cable market:

1. High Budget Figures

The term "high budget" shall mean programs whose budgets equal or exceed the following amount:

	"High Budget" Figures*	
Length of Program	**Effective 7/1/11**	**Effective 7/1/14**
30 minutes	$ 476,749	$ 550,000
60 minutes (but more than 30)	893,904	1,200,000
61 - 120 minutes	2,383,744	2,750,000
More than 2 hours	$2,383,744 for the first 2 hours plus $1,191,872 for each additional hour or portion thereof	$2,750,000 for the first 2 hours plus $1,375,000 for each additional hour or portion thereof

*The "high budget" figure in effect as of July 1, 2011 shall remain in effect for those dramatic programs at or above such budget figures as of June 30, 2014.

2. Initial Compensation and Included Days - Directors

(a) Effective July 1, 2020, initial compensation for directors employed on half-hour dramatic programs made for basic cable with a budget of $1,575,000 ($1,610,000 effective July 1, 2022) or more shall be $16,046 ($16,447 effective July 1, 2021 and $16,940[†] effective July 1, 2022) with a guarantee of three (3) preparation days and four (4) shooting days. The foregoing shall not apply to the first season of half-hour dramatic programs made for basic cable.

The following shall apply with respect to episodes of single-camera one-half hour television series:

The Employer shall notify the Director of the date, time and place of any table read as soon as the Employer has scheduled the table read, but in no event less than seventy-two (72) hours prior to the table read, except in the event of an unplanned change to the scheduling of the table read, in which case the Employer will notify the Director as soon as possible.

If the Director of an episode is guaranteed three (3) days of preparation and participates in a table read that occurs outside the guaranteed prep period, the Director shall be paid the full *pro rata* daily salary.

If the Director of an episode is guaranteed four (4) days of preparation consecutive with the first day of principal photography (including when a scheduled hiatus intervenes between prep and the commencement of principal photography) and participates in a table read for the episode that occurs on the business day immediately preceding the four (4) day prep period, the Director shall receive no additional payment.

If the Director of an episode is guaranteed four (4) days of preparation not consecutive with the first day of principal photography and participates in a table read that occurs outside

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

the four (4) day prep period, or if the Director of an episode is guaranteed four (4) days of preparation consecutive with the first day of principal photography and participates in a table read that occurs more than one (1) business day prior to the start of the four (4) day prep period, the Director shall be paid a "table read fee" equal to 25% of the applicable *pro rata* daily salary.

A Director of an episode who is guaranteed five (5) days of preparation need not be paid any additional fee for participating in a table read that occurs outside the guaranteed prep period.

This provision does not prohibit the Employer from utilizing one preparation day as a non-consecutive day, and the Director shall not receive the "table read fee" for any day which is already included in the guaranteed prep period or for which he or she is paid the full *pro rata* daily salary.

(b) Effective July 1, 2020, initial compensation for directors employed on one-hour dramatic programs made for basic cable with a budget of $2,900,000 ($3,000,000 effective July 1, 2022) or more shall be $32,093 ($32,895 effective July 1, 2021 and $33,882† effective July 1, 2022) with a guarantee of seven (7) preparation days and seven (7) shooting days. The foregoing shall not apply to the first season of one-hour dramatic programs made for basic cable.

(c) Initial compensation for Directors of two (2) hour high budget dramatic programs made primarily for the basic cable market shall be set at $91,193 ($94,473 effective July 1, 2021 and $96,277† effective July 1, 2022) for which there will be 42 included days, 27 shoot days and 15 prep days, provided that the 15 prep days are guaranteed actual prep days.[16]

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† See text of footnote 12 on page 135.

[16] The parties recognize that circumstances may not permit the Director to actually prep for fifteen (15) days. In that case, the Employer nevertheless would be responsible for paying the Director for all fifteen (15) guaranteed prep days.

(d) All other minimums, including the base rates for computing residuals, will be as provided in Article 6 of this Agreement for programs produced for syndication.

3. Initial Compensation - Other Employees

On those one-half (½) hour prime time dramatic programs budgeted at $937,660 or less, those one (1) hour dramatic programs budgeted at $1,256,178 or less, those two (2) hour dramatic programs budgeted at $3,996,928 or less and those dramatic programs exceeding two (2) hours in length budgeted at a figure which is the sum of $3,996,928 or less plus an additional $1,256,178 or less for each hour or portion thereof in excess of two (2) hours or less, all compensation for DGA employees other than the Director shall be 85% of the minimums provided in Article 10, Part 2. of this Agreement or Article 24 of the Basic Agreement, as applicable, in the first production season of the program, 90% of the minimums provided in Article 10, Part 2. of this Agreement or Article 24 of the Basic Agreement, as applicable, in the second and third production seasons of the program and 100% of the minimums provided in Article 10, Part 2. of this Agreement or Article 24 of the Basic Agreement, as applicable, in the fourth and subsequent production seasons of the program.

Employer may pay 85% of the minimums provided in Article 10, Part 2. of this Agreement or Article 24 of the Basic Agreement, as applicable, to Employees other than the Director employed on a pilot provided: (a) the pilot is picked up for a series order of at least thirteen (13) episodes within one year from delivery to the network; (b) the pilot airs as an episode during the first season of the series; and (c) the pattern budget for the series is no more than the threshold set forth above in this Article 31, Section A.3. In the event the pilot is not picked up, or the pilot is picked up but the pilot either does not air or the pattern budget for the series including the pilot exceeds the budget threshold set forth in Article 31, Section A.3., Employer shall pay the Employees other than the Director employed on the pilot the difference between what they were paid and 100% of the minimums set forth in Article 10, Part 2. of this Agreement or Article 24 of the Basic Agreement, as applicable.

Employees other than the Director employed on a program in existence as of June 30, 2017 with a budget that remains under the threshold set forth in Article 31, Section A.3. of the 2014 FLTTA shall be compensated at 83.5% of the minimums provided in Article 10, Part 2. of this Agreement, or Article 24 of the Basic Agreement, as applicable. If, however, such program exceeds the budget threshold set forth in the 2014 FLTTA, Employer may no longer pay 83.5% of the minimums and the program will be subject to the terms of the then-current FLTTA. Notwithstanding the foregoing, Employees other than the Director employed on the fourth or subsequent production seasons shall be compensated at 100% of the minimums provided in Article 10, Part 2. of this Agreement or Article 24 of the Basic Agreement, as applicable.

4. Residual Compensation[17]

(a) Residuals for basic cable re-use in the United States and Canada will be the following percentages of the applicable residual base:

Run	Percentage of Residual Base
2nd	17.0%
3rd	12.0%
4th	11.0%
5th	10.0%
6th	6.0%
7th	4.0%

continued...

[17] See modifications to this Article 31.A.4. in Sideletter No. 10 re: Second or Subsequent License of High Budget Dramatic Programs Made for Basic Cable to the Same or Different Basic Cable Service and in Sideletter No. 18 re: License to Secondary Digital Channels of Free Television, Basic Cable or Pay Television Motion Pictures or Motion Pictures Made for Home Video.

...continued

Run	Percentage of Residual Base
8th	4.0%
9th	3.5%
10th	3.5%
11th	3.0%
12th	2.5%
Each run thereafter	1.5%

(b) If, pursuant to a license entered into prior to July 1, 2020, the program is run on "domestic" syndicated free television after the ten (10) runs and after one (1) year following its first exhibition on basic cable, the residuals for such free television runs shall be two percent (2%) of the "Employer's Gross" derived from the distribution of the Program on domestic free television.

(c) If, pursuant to a license entered into prior to July 1, 2020, the program is run on "domestic" syndicated free television (excluding the first sale in Canada) before the program has had ten (10) runs on basic cable or sooner than one (1) year following the program's initial exhibition on basic cable, the residuals for such free television runs must be paid according to the percentages contained in Article 7.B.3. of this Agreement. The first run of the program on domestic free television shall be deemed the second run under Article 7 of this Agreement.

(d) Whenever a payment is due under the provisions of this Article 31, Section A.4. for exhibition of an English language "high budget" dramatic program made for basic cable that is subsequently exhibited on a foreign language basic cable channel in a language or languages other than English (dubbed, not subtitled) in the United States or Canada, the payment due to the Director of such television program shall be an amount equal to two percent (2%) of the "Employer's gross" derived from the distribution of such basic cable program for such exhibition. This payment shall not affect the Employer's

obligation to make the applicable rerun payments for the basic cable exhibition of the program in English.

When the "Employer's gross" derived from such exploitation is received from a related or affiliated entity that acts as the Distributor or exhibitor of the program, then the "Employer's gross" received by the Employer from the licensing of such rights shall be measured by the Distributor/exhibitor's payments to unrelated and unaffiliated entities in arms' length transactions for comparable programs, or, if none, then the amounts received by the Employer from unrelated and unaffiliated Distributors/exhibitors in arms' length transactions for comparable programs or series, or, if none, a comparable Distributor/exhibitor's payments to comparable unrelated and unaffiliated entities in arms' length transactions for comparable programs or series.

Notwithstanding any of the foregoing, the minimum payment pursuant to this subparagraph for any program licensed to a related or affiliated entity shall be $50 for a 30-minute program, $100 for a 60-minute program, $150 for a 90-minute program, or $200 for a 120-minute program, as applicable.

This subparagraph will apply to all basic cable programs produced under this 2020 FLTTA or any prior FLTTA, as to which residuals otherwise would be payable.

(e) The term "Employer's gross," as used herein, is defined in the same manner as that term is used in Article 24 of this Agreement with respect to the pay television exhibition of a free television program, but only to the extent of the "Employer's gross" derived from the distribution of the program on domestic free television.

(f) No residuals shall be due for the "first sale" of a program in Canada. The first sale is limited to the first license agreement (which may not exceed five (5) years) except that the DGA shall not unreasonably withhold a waiver of the five (5) year limitation in the event of an outright sale (rather than a license

of a program) with a Canadian broadcast service (which may be a free television, pay television or basic cable service).

(g) As an alternative to the foregoing, for licenses entered into prior to July 1, 2020 of a high budget dramatic program made for the basic cable market for exhibition in syndication only in Canada, Employer shall have the option to elect to pay to the Director thereof four percent (4%) of the "Employer's gross" (as defined in Article 24 with respect to the pay television exhibition of a free television program) 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 this Article 31. The foregoing applies to television motion pictures, whether produced under this FLTTA or any prior FLTTA, as to which free television residuals would otherwise be payable.

(h) Broadcast Syndication Sales of Dramatic Basic Cable Programs Under a License Agreement Entered Into On or After July 1, 2020

(i) Should an Employer enter into a license, on or after July 1, 2020, of a dramatic basic cable program or series for exhibition in broadcast syndication in the United States and/or Canada (*i.e.*, "domestic" broadcast syndication), it shall pay to the Director a percentage residual of two percent (2%) of "Employer's gross" (as defined in Article 7.E.1.), whether such television program or series is produced under this FLTTA or any prior FLTTA as to which a fixed residual or higher percentage residual otherwise would be payable.

The foregoing does not apply to a license agreement entered into prior to July 1, 2020, including options thereunder which may be exercised after July 1, 2020. As an example, assume that a current license agreement covers the sale to broadcast syndication of the first and second seasons of a dramatic series and also includes an option to license for exhibition in broadcast syndication all subsequent seasons of the series. Because the license

agreement was in effect before July 1, 2020, the sale of all seasons of the series under that license agreement, even pursuant to the options, would not be covered by this provision.

(ii) Payments due and payable hereunder shall be sent to the Guild within the time and in the manner required by Article 24.F.

(iii) Employer will prepare an annual statement of the "Employer's gross" for dramatic basic cable programs described in subparagraph (h)(i) above which have been licensed to domestic broadcast syndication pursuant to an agreement entered into on or after July 1, 2020. The annual statement will show cash, barter and any other consideration received by the Employer from the licensing to broadcast syndication of such motion pictures and programs and may be inspected by the Guild at the premises of the Employer upon notice by the Guild.

The Guild will have the right to audit these gross receipts-based residuals payments, and such audits shall be subject to the provisions of Article 7.G. of the FLTTA.[18]

On a semi-annual basis, within ten (10) business days after a request by the Guild, the Employer shall provide for inspection by the Guild's designated employee or auditor, at Employer's premises in Los Angeles, of all unredacted license, distribution, and other agreements pertaining to domestic broadcast syndication of covered pictures that were entered into during the immediately preceding inspection period. In any subsequent

[18] The Guild's designated employee or auditor shall have full access to all agreements, notwithstanding any confidentiality clause contained therein, and access to all sideletters, exhibits, addenda, and other ancillary documents.

semi-annual inspection, the Guild's designated employee or auditor may re-inspect any agreements previously inspected and inspect any agreements not previously inspected.

The information provided by the Employer to the Guild, or made available for its inspection, will be treated as confidential pursuant to Article 7.G. of the FLTTA, and appropriate arrangements will be made to safeguard the confidentiality of that information.

(i) All other reuse payments will be in accordance with the provisions of this Agreement. Except as provided herein, these programs will be treated in all respects as programs made for syndication with all terms and conditions as per this Agreement.

SECTION B. TERMS AND CONDITIONS FOR LOW BUDGET DRAMATIC PROGRAMS ONE-HALF HOUR OR MORE IN LENGTH MADE PRIMARILY FOR THE BASIC CABLE MARKET

The provisions of Sideletter No. 6 of this Agreement shall apply to dramatic programs one-half (½) hour or more in length which are made primarily for the basic cable market under budgets less than the "high budget" figures provided in Section A.1.

SECTION C. TERMS AND CONDITIONS FOR HIGH BUDGET VARIETY PROGRAMS MADE PRIMARILY FOR THE BASIC CABLE MARKET

1. <u>High Budget Figures</u>

The following terms and conditions shall be applicable only to "high budget" variety specials, series and strip programs whose budgets equal or exceed the following amounts:

Length of Program	"High Budget" Figures* Effective 7/1/17	"High Budget" Figures* Effective 7/1/19
30 minutes	$600,000	$650,000
60 minutes	$1,300,000	$1,400,000
More than 60 minutes	$2,000,000	$2,100,000
*Per program for variety specials; per episode for variety series; or per week for strip variety programs		

2. Residual Compensation

(a) Domestic Basic Cable Reuse

For purposes of this Article 31, Section C.2., an "exhibition" is defined as two (2) runs within a 24-hour period, beginning with the first televised run. An "Exhibition Period" is defined as a consecutive seven (7) day period during which there may be a maximum of five (5) exhibitions (including on any related or affiliated cable networks). If there are more than five (5) exhibitions during the consecutive seven (7) day period, the next Exhibition Period shall commence, regardless of whether it has been seven (7) days since the first televised run.

Initial compensation paid to the Director of a high budget variety special, episode of a series or strip program constitutes payment for one (1) exhibition (including on any related or affiliated cable networks). Thereafter, for each Exhibition Period, the Employer will pay to the Director the following percentage of the applicable minimum initial compensation for a non-network or non-prime time program provided in FLTTA Article 6, Section B.2. or D.2., as applicable:

Exhibition Period	Percentage of Applicable Minimum
First Exhibition Period	25%
Second Exhibition Period	10%
Third Exhibition Period	5%
Fourth and Subsequent Exhibition Periods	3.75%

For licenses for exhibition in basic cable only in Canada, the Employer shall pay two percent (2%) of the "Employer's Gross" as defined in FLTTA Article 24, Section C.2.

(b) Reuse in New Media

Reuse of a high budget variety special, episode of a series or strip program in New Media will be paid in accordance with the provisions of FLTTA Sideletter No. 14 (Exhibition of Motion Pictures Transmitted Via New Media).

(c) The residuals described in subparagraphs (a) and (b) above shall not be payable during the first season of a high budget variety series or strip program. Such residuals shall be payable at 50% of the amount otherwise due during the second season of a high budget variety series or strip program. During the third and subsequent seasons of a high budget variety series or strip program, residuals shall be paid as described in subparagraphs (a) and (b) above.

(d) Grandfathered Programs

The provisions of this Article 31, Section C.2. shall not apply to any high budget basic cable variety special that commenced production prior to July 1, 2017, or any high budget variety strip program, the first episode of which commenced production prior to July 1, 2017. For purposes of subparagraph (c) above, the current season of any high budget variety series (other than a strip variety program), the first episode of which commenced production prior to July 1, 2017, shall be treated as if it is the series' first season, and the subsequent season shall be treated as if it is the series' second season. Any seasons

thereafter shall have residuals payable as described in subparagraphs (a) and (b) above. Any program grandfathered under this subparagraph (d) will continue to be subject to FLTTA Sideletter No. 6, including but not limited to Paragraph 2 of that Sideletter.

3. Production Fee and Vacation Pay

For high budget basic cable variety specials, series and strip programs that meet the budget criteria set forth in Article 31, Section C.1. above, unless indicated otherwise on an Employee's deal memo, Associate Directors and Stage Managers will receive a production fee and vacation pay in addition to the Employee's negotiated salary.

4. All other terms and conditions, including residuals in other markets (*e.g.*, Supplemental Markets and foreign television), shall be governed by the provisions of FLTTA Sideletter No. 6.

SECTION D. TERMS AND CONDITIONS FOR OTHER ENTERTAINMENT PROGRAMS MADE PRIMARILY FOR THE BASIC CABLE MARKET

All other entertainment programs made primarily for the basic cable market (*i.e.*, entertainment programs made primarily for the basic cable market other than those covered by this Article 31, including variety programs that do not meet the "high budget" criteria in Article 31, Section C.1.) shall be subject to the provisions of Sideletter No. 6 of this Agreement.

ARTICLE 32.

TERMS AND CONDITIONS FOR MULTI-CAMERA PRIME TIME DRAMATIC PILOTS, PRESENTATIONS AND SERIES

The provisions of Article 24 of the Basic Agreement, "Terms and Conditions for Multi-Camera Prime Time Dramatic Pilots, Presentations and Series," cover multi-camera dramatic pilots, presentations and series episodes, the recording of which commences on or after July 1, 2020, provided that:

(a) any such episode is part of a series, the recording of which series commenced on or after February 10, 2002; and

(b) any such pilot, presentation or episode is intended for initial exhibition in prime time and is produced for either:

(i) free television;

(ii) the pay television/videocassette market and is of a type generally produced for network prime time; or

(iii) basic cable, is one-half hour or more in length and is "high budget" within the meaning of Article 31.A.1. of this Agreement.

The provisions of Article 24 of the Basic Agreement are deemed incorporated herein by reference as though set forth in full.

IN WITNESS WHEREOF, the parties hereto have caused this Producers–Directors Guild of America Freelance Live and Tape Television Agreement of 2020 to be executed on the date first above mentioned.

On behalf of each of the Companies represented by the
ALLIANCE OF MOTION PICTURE AND TELEVISION PRODUCERS, INC.

By _____
Carol A. Lombardini

DIRECTORS GUILD OF AMERICA, INC.

By _____
Russell Hollander

QUALIFIED RESIDUAL PAYOR LETTER OF AGREEMENT

As of July 1, 2020

Dear _____:

Reference is made to the provisions of Article 30 of the Freelance Live & Tape Television Agreement of 2020 ("FLTTA").

The Directors Guild of America ("the DGA" or "the Guild") hereby agrees that the undersigned Company satisfies the requirements for Qualified Residual Payor status with respect to each television program produced under a DGA FLTTA for which the undersigned Company, or any of the additional companies identified below, has distribution rights and has agreed to be bound by, perform, or guarantee the performance of, all the obligations to be performed by a Distributor/Buyer pursuant to the Distributor's or Buyer's Assumption Agreement, copies of which are attached hereto, and to adhere or guarantee adherence to all other provisions in Article 30 of the FLTTA including, without limitation, the arbitration provisions ("Such Program"), subject to the following conditions:

1. The undersigned Company shall, promptly after acquisition, notify the Guild in writing of the territories, media and term of distribution rights in Such Program which the undersigned Company, or any of the companies identified below, hereafter acquires.

2. As to Such Program, the undersigned Company shall be afforded all of the rights, and assume all of the obligations, of a Qualified Residual Payor under the FLTTA.

3. With respect to any Such Program for which the undersigned Company is acting as a guarantor, it agrees to execute and deliver, in a form acceptable to the Guild (which may include the Standard Letter of Guaranty set forth in Exhibit 2), an unconditional guarantee of payment of all Residuals and any obligations related to the reporting or payment of Residuals under the FLTTA.

4. With respect to any Such Program for which the undersigned Company has agreed to guarantee the payment of Residuals and performance of all other obligations of a Qualified Residual Payor,

the undersigned Company also agrees that the Guild may arbitrate against it disputes under this Letter of Agreement or under the FLTTA which relate to the performance of the obligations guaranteed pursuant to this Letter of Agreement to the same extent as it would be able to arbitrate such disputes against the Distributor/Buyer of a DGA Program. The Guild may initiate an arbitration against the undersigned Company in the event of a default by the signatory employer or other obligor without being required to arbitrate against employer or other obligor. Any arbitration shall be pursuant to the arbitration provisions of the FLTTA. Nothing herein shall be deemed to waive any rights and remedies that the Guild may have against the Employer when the undersigned Company is acting as guarantor. Notwithstanding the above, the Guild agrees not to initiate any claim or demand for arbitration against the Qualified Residual Payor as guarantor unless and until it has first made a written demand on the Employer and such demand remains unsatisfied for a period of not less than thirty (30) days.

5. THIS QUALIFIED RESIDUAL PAYOR'S LETTER OF AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA AND THE UNITED STATES, AS THE SAME WOULD BE APPLIED BY A FEDERAL COURT IN CALIFORNIA WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. The Guild and the Company agree that any arbitration or legal action or proceeding brought to interpret or enforce the provisions of this Letter of Agreement shall be held or brought in Los Angeles County, California, and Company irrevocably submits to the jurisdiction of the federal and state courts therein. Notwithstanding the foregoing, the Guild, at its option, may bring a legal action or proceeding outside California under the following circumstances: (a) if the Company has no principal place of business in California; or (b) whether or not the Company has a principal place of business in California, to enforce or execute upon an arbitration award or court order or judgment, in any jurisdiction in which the Company's assets are located (and the Company irrevocably submits to the jurisdiction of the courts of such places for purposes of such execution or enforcement). The Company consents to service of process by personal delivery or by certified or registered mail, return receipt requested, to the Company's general counsel or the Company's representative identified below or by first class mail to the Company when the Company has not designated a

representative or a general counsel, or by any other method permitted by law.

6. The undersigned Company acknowledges and agrees that the Guild may revoke its Qualified Residual Payor status pursuant to the provisions of the FLTTA. Likewise, the Guild agrees that the undersigned Company may, after an initial term of not less than two (2) years, rescind its Qualified Residual Payor status upon ninety (90) days notice to the Guild. Any Such Program for which the Qualified Residual Payor holds distribution rights which has commenced production prior to the expiration of such ninety (90) day notice period shall be subject to the provisions of this Letter of Agreement.

7. In the event of revocation by either the Guild or the Qualified Residual Payor, the undersigned Company agrees that it shall continue to be bound to the obligations of this Letter of Agreement with respect to all Such Programs distributed by the Qualified Residual Payor prior to revocation.

8. This Letter of Agreement may not be modified or amended, nor may any rights hereunder be waived, except in a writing signed by the party against whom enforcement of the modifications, amendment or waiver is sought.

9. This Letter of Agreement does not create, and shall not be construed as creating, any rights enforceable by the Employer of any Such Program or by any other person not a party to this Agreement.

10. If any provision of this Letter of Agreement is held by a court of competent jurisdiction to be invalid, illegal or unenforceable, the remaining provisions of this Letter of Agreement shall nevertheless remain in full force and effect.

11. This Letter of Agreement may be executed in multiple counterparts, copies of which shall be deemed an original and all of which taken together shall constitute one and the same instrument.

By: _____
(COMPANY)

_____
REPRESENTATIVE OR GENERAL COUNSEL

ACCEPTED AND AGREED:

By: _____
DIRECTORS GUILD OF AMERICA

STANDARD LETTER OF GUARANTY

Date:

Re: (Identify Program and Employer)

Dear _____:

1. This is to confirm that _____ _____ ("Guarantor"), a Qualified Residual Payor which is a signatory to the Qualified Residual Payor Letter of Agreement with the Directors Guild of America ("DGA"), hereby unconditionally guarantees the performance of all of the Employer's obligations to pay additional compensation ("Residuals") as required under the Directors Guild of America Freelance Live & Tape Television Agreement of 2020 ("FLTTA") and the Qualified Residual Payor Letter of Agreement (incorporated herein by this reference) which becomes payable under DGA's jurisdiction with respect to the television program entitled "_____" ("the Program"), as a result of the distribution, exhibition or exploitation of the Program in _____ [describe media, territories and term].

2. The undersigned further agrees to comply with all record-keeping and reporting obligations under the FLTTA with respect to the exhibition, distribution or exploitation of the Program, and the Guild shall have the right at reasonable times and upon reasonable notice to examine the books and records of Guarantor pertaining to such exhibition, distribution or exploitation as they relate to the payment of Residuals hereunder.

3. By executing this Guaranty, Guarantor acknowledges and agrees that it is guaranteeing the performance of all of the obligations required of a distributor by the Distributor's Assumption Agreement in the FLTTA with respect to the distribution, exhibition or exploitation of the Program in the media, territories and for the term referred to in Paragraph 1. above.

4. It is expressly understood that the right of Guarantor or Employer to distribute, exhibit or exploit the Program in the media, territories and for the term described in Paragraph 1. above shall be subject to and conditioned

upon the prompt payment of Residuals due therefor, in accordance with the FLTTA. Guarantor further agrees that the Guild shall be entitled to injunctive relief against Guarantor and/or Employer in the event that such payments are not made.

5. Nothing herein is intended, nor shall it be construed, to impose any greater obligations on the Guarantor than would apply to a Qualified Residual Payor under the Qualified Residual Payor Letter of Agreement. By the same token, Guarantor shall be entitled to all of the rights and benefits accorded to a Qualified Residual Payor.

6. This Guaranty is a continuing guaranty binding upon the Guarantor and its successors and assigns, and inuring to the benefit of, and enforceable by, the Guild and its successors and assigns. The obligations of Guarantor hereunder shall not be discharged, affected, impaired or released by any insolvency, bankruptcy, reorganization, merger, affiliation, liquidation, dissolution or similar proceeding.

7. Any demands against Guarantor for a default by the Employer shall be governed by Paragraphs 4. and 5. of the Qualified Residual Payor Letter of Agreement. Any written notices concerning the non-payment or other non-satisfaction of any obligation in connection with payment of Residuals under the FLTTA or Distributor's Assumption Agreement sent by the Guild to Employer with respect to the Program shall also be delivered to Guarantor in the manner set forth in Paragraph 8. below.

8. All notices, requests, demands or other communications required or permitted pursuant to this Guaranty shall be in writing and must be (a) given by personal delivery, or (b) sent by registered mail, postage prepaid, return receipt requested, or (c) sent by telecopy with a copy by mail, addressed to the party to receive the Notice at the following address or to such other address as a party hereto may hereafter specify pursuant to this paragraph. Notice will be deemed to have been duly given or made (a) immediately upon personal delivery, or (b) five (5) days from the date of mailing if mailed within the United States of America or seven (7) days from the date of mailing if mailed across national borders. Notice shall be sent as follows:

To Guarantor: _____
Address: _____
_____
Attention: _____
Facsimile: _____

With courtesy
copy to: _____
Address _____
Attention: _____
Facsimile: _____

To DGA: 7920 Sunset Boulevard
Los Angeles, CA 90046
Attention: Melissa Jean
Telecopier: (310) 289-2031

By: _____
Authorized Officer

_____
(Please type in name)

EXHIBIT "A"

INSTRUCTIONS

The minority codes utilized in this report represent the following:

W - WHITE

AF - AFRICAN-AMERICAN

H - HISPANIC

AS - ASIAN-AMERICAN

NA - NATIVE AMERICAN

When completing this report, the employment statistics must be reported in order that two (2) types of statistics can be obtained: The first statistic will indicate the number of persons employed in the respective category (referenced above) during that quarter; the second statistic will indicate the number of days worked or guaranteed in the respective categories for that quarter. Therefore, in each category there will be two (2) separate sets of statistics, one on top of the other separated by a horizontal slash (example below). The top statistic will represent the number of Employees working. The bottom statistic will be the number of days worked during the same quarter.

Example:

DIRECTOR						
	W	**AF**	**H**	**AS**	**NA**	**UNKNOWN**
MALE	1/56					
FEMALE		1/25				

In the above example, there was one (1) male White Director working during the quarter for a total of fifty-six (56) days worked or guaranteed. There was one (1) female African-American Director working for a total of twenty-five (25) days worked or guaranteed.

This report is to be submitted on a per-production basis, not on a per-episode basis. When the same DGA Employee is employed for multiple episodes in a continuing series, such Employee will only be counted once in the number of Employees' statistics, but such Employee's cumulative days worked shall be included in that statistic.

DGA EMPLOYMENT DATA REPORT

DATE:_____

PRODUCER:_____

PERIOD COVERED:_____

PROJECT:_____

DIRECTOR						
	W	**AF**	**H**	**AS**	**NA**	**UNKNOWN**
MALE						
FEMALE						

ASSOCIATE DIRECTOR						
	W	**AF**	**H**	**AS**	**NA**	**UNKNOWN**
MALE						
FEMALE						

STAGE MANAGER						
	W	**AF**	**H**	**AS**	**NA**	**UNKNOWN**
MALE						
FEMALE						

FIRST TIME DIRECTORS						
	W	**AF**	**H**	**AS**	**NA**	**UNKNOWN**
MALE						
FEMALE						

EXHIBIT "B" - PART I

SUBSCRIBER RATES FOR PROGRAMS MADE FOR PAY TELEVISION SERVICES WITH FEWER THAN 6,000,000 SUBSCRIBERS IN THE FIRST EXHIBITION YEAR OF THE PROGRAM

A. Dramatic Programs

1. Programs of a Type Generally Produced for Network Prime Time:

Program Length[18]	**7/1/20**	**7/1/21**	**7/1/22**
0 - 15 Minutes	.001233	.001264	.001296
16 - 30 Minutes	.001897	.001944	.001993
31 - 60 Minutes	.003221	.003302	.003384
61 - 90 Minutes	.005369	.005503	.005641
91 - 120 Minutes[19]	.009019	.009245	.009476

[18] The subscriber rate for "double length episodes" of an episodic series or serial is two hundred percent (200%) of the regular subscriber rate.

[19] For dramatic programs in excess of two (2) hours, the subscriber rate shall be computed at the two (2) hour rate plus a proration of the one (1) hour rate for any such time in excess of two (2) hours.

2. Programs of a Type Not Generally Produced for Network Prime Time:

a. High Budget

	7/1/20	**7/1/21**	**7/1/22**
0 - 15 Minutes	.000424	.000434	.000448
16 - 30 Minutes	.000807	.000827	.000852
31 - 60 Minutes	.001483	.001520	.001566
61 - 90 Minutes	.002371	.002430	.002503
91 - 120 Minutes	.002853	.002924	.003012

b. Low Budget

	7/1/20	**7/1/21**	**7/1/22**
0 - 15 Minutes	.000211	.000216	.000223
16 - 30 Minutes	.000363	.000372	.000383
31 - 60 Minutes	.000420	.000431	.000444
61 - 90 Minutes	.000534	.000548	.000564
91 - 120 Minutes[20]	.000643	.000659	.000678

[20] For dramatic programs in excess of two (2) hours, the subscriber rate shall be computed at the two (2) hour rate plus a proration of the one (1) hour rate for any such time in excess of two (2) hours.

B. Variety Programs[21]

1. Programs of a Type Generally Produced for Network Prime Time:

a. Variety Specials

	7/1/20	7/1/21	7/1/22
0 - 30 Minutes	.001581	.001621	.001669
31 - 60 Minutes	.002685	.002752	.002834
61 - 90 Minutes	.004474	.004586	.004724
Over 90 Minutes	.006476	.006637	.006837

b. Variety Series

	7/1/20	7/1/21	7/1/22
0 - 15 Minutes	.000453	.000465	.000479
16 - 30 Minutes	.000697	.000714	.000736
31 - 60 Minutes	.001208	.001238	.001275
61 - 90 Minutes	.002417	.002477	.002551
Over 90 Minutes	.002788	.002858	.002944

2. Programs of a Type Not Generally Produced for Network Prime Time:

a. High Budget

	7/1/20	7/1/21	7/1/22
0 - 15 Minutes	.000298	.000306	.000315
16 - 30 Minutes	.000457	.000469	.000483
31 - 60 Minutes	.000661	.000678	.000698
61 - 90 Minutes	.000865	.000887	.000913
Over 90 Minutes	.001223	.001253	.001291

[21] This category includes the studio Director of a "reality-type" program of the type of "*Real People*" and "*That's Incredible*."

b. Low Budget

	7/1/20	7/1/21	7/1/22
0 - 15 Minutes	.000211	.000216	.000223
16 - 30 Minutes	.000324	.000332	.000342
31 - 60 Minutes	.000420	.000431	.000444
61 - 90 Minutes	.000534	.000548	.000564
Over 90 Minutes	.000643	.000659	.000678

C. Quiz and Game Programs

1. Programs of a Type Generally Produced for Network Prime Time:

	7/1/20	7/1/21	7/1/22
0 - 15 Minutes	.000232	.000238	.000245
16 - 30 Minutes	.000356	.000365	.000376
31 - 60 Minutes	.000459	.000471	.000485
61 - 90 Minutes	.000529	.000542	.000559

2. Programs of a Type Not Generally Produced for Network Prime Time:

	7/1/20	7/1/21	7/1/22
0 - 15 Minutes	.000221	.000226	.000233
16 - 30 Minutes	.000340	.000348	.000358
31 - 60 Minutes	.000438	.000449	.000463
61 - 90 Minutes	.000504	.000516	.000532

D. Strip Programs

1. Dramatic (Type Not Generally Produced for Network Prime Time)

	7/1/20	**7/1/21**	**7/1/22**
0 - 15 Minutes	.000119	.000122	.000125
16 - 30 Minutes	.000183	.000187	.000192
31 - 60 Minutes	.000318	.000326	.000334

2. Variety - 5 per week *

	7/1/20	**7/1/21**	**7/1/22**
0 - 15 Minutes	.000355	.000363	.000374
16 - 30 Minutes	.000546	.000560	.000577
31 - 60 Minutes	.000679	.000696	.000717
Over 60 Minutes	.000801	.000821	.000846

* The rates are for each individual program.

3. Quiz and Game - 5 per week *

	7/1/20	**7/1/21**	**7/1/22**
0 - 15 Minutes	.000347	.000356	.000366
16 - 30 Minutes	.000534	.000548	.000564
31 - 60 Minutes	.000631	.000647	.000666
Over 60 Minutes	.000728	.000746	.000769

* The rates are for each individual program.

E. All Other Programs[22]

1. Programs of a Type Generally Produced for Network Prime Time:

	7/1/20	7/1/21	7/1/22
0 - 5 Minutes	.000083	.000085	.000088
5 - 10 Minutes	.000126	.000129	.000133
10 - 15 Minutes	.000175	.000179	.000185
15 - 30 Minutes	.000420	.000430	.000443
30 - 45 Minutes	.000454	.000465	.000479
45 - 60 Minutes	.000566	.000580	.000597

Over 60 Minutes: One hour rate plus rate for each additional half-hour

2. Programs of a Type Not Generally Produced for Network Prime Time:

	7/1/20	7/1/21	7/1/22
0 - 5 Minutes	.000056	.000057	.000059
5 - 10 Minutes	.000084	.000086	.000088
10 - 15 Minutes	.000117	.000119	.000123
15 - 30 Minutes	.000280	.000287	.000295
30 - 45 Minutes	.000303	.000310	.000319
45 - 60 Minutes	.000377	.000386	.000398

Over 60 Minutes: One hour rate plus rate for each additional half-hour

[22] This category includes the segment Directors of "reality-type" programs.

3. For 2-7 per week, use formula on pages 225-226 at Article 29, Section D., Paragraph 2.(f) of this Agreement.

F. Sports Programs:

7/1/20	7/1/21	7/1/22
.000157	.000160	.000164

G. Segments

Subscriber rate is based on length. See Article 6, Section B., Paragraph 4. and Article 6, Section J.

H. News and Commentary Programs

1. One per week	7/1/20	7/1/21	7/1/22
0 - 5 Minutes	.000012	.000012	.000013
5-less than 15 Minutes	.000014	.000015	.000015
15-less than 30 Minutes	.000031	.000031	.000032
30-less than 45 Minutes	.000081	.000082	.000084
45-less than 60 Minutes	.000086	.000088	.000090
60-less than 90 Minutes	.000105	.000107	.000109
90-less than 120 Minutes	.000114	.000116	.000119
120 Minutes or over	.000131	.000133	.000137

2. For 2-5 per week, use formula on pages 225-226 at Article 29, Section D., Paragraph 2.(f).

EXHIBIT "B" - PART II.

SUBSCRIBER RATES FOR PROGRAMS MADE FOR PAY TELEVISION SERVICES WITH 6,000,000 OR MORE SUBSCRIBERS IN THE FIRST EXHIBITION YEAR OF THE PROGRAM

A. Dramatic Programs

1. Programs of a Type Generally Produced for Network Prime Time:

Program Length[23]	**7/1/20-6/30/23**
0 - 15 Minutes	.000605
16 - 30 Minutes	.000930
31 - 60 Minutes	.001579
61 - 90 Minutes	.002632
91 - 120 Minutes[24]	.004421

2. Programs of a Type Not Generally Produced for Network Prime Time:

a. High Budget

	7/1/20-6/30/23
0 - 15 Minutes	.000207
16 - 30 Minutes	.000394
31 - 60 Minutes	.000724
61 - 90 Minutes	.001157
91 - 120 Minutes[24]	.001392

[23] The subscriber rate for "double length episodes" of an episodic series or serial is two hundred percent (200%) of the regular subscriber rate.

[24] For dramatic programs in excess of two (2) hours, the subscriber rate shall be computed at the two (2) hour rate plus a proration of the one (1) hour rate for any such time in excess of two (2) hours.

b. Low Budget

	7/1/20-6/30/23
0 - 15 Minutes	.000103
16 - 30 Minutes	.000177
31 - 60 Minutes	.000205
61 - 90 Minutes	.000261
91 - 120 Minutes[24]	.000313

B. Variety Programs[25]

1. Programs of a Type Generally Produced for Network Prime Time:

a. Variety Specials

	7/1/20-6/30/23
0 - 30 Minutes	.000771
31 - 60 Minutes	.001310
61 - 90 Minutes	.002183
Over 90 Minutes	.003159

b. Variety Series

	7/1/20-6/30/23
0 - 15 Minutes	.000221
16 - 30 Minutes	.000340
31 - 60 Minutes	.000589
61 - 90 Minutes	.001179
Over 90 Minutes	.001360

[25] This category includes the studio Director of a "reality-type" program of the type of "*Real People*" and "*That's Incredible*."

2. Programs of a Type Not Generally Produced for Network Prime Time:

a. High Budget

	7/1/20-6/30/23
0 - 15 Minutes	.000146
16 - 30 Minutes	.000223
31 - 60 Minutes	.000323
61 - 90 Minutes	.000422
91 - 120 Minutes[26]	.000596

b. Low Budget

	7/1/20-6/30/23
0 - 15 Minutes	.000103
16 - 30 Minutes	.000158
31 - 60 Minutes	.000205
61 - 90 Minutes	.000261
91 - 120 Minutes[26]	.000313

[26] For dramatic programs in excess of two (2) hours, the subscriber rate shall be computed at the two (2) hour rate plus a proration of the one (1) hour rate for any such time in excess of two (2) hours.

C. Quiz and Game Programs

1. Programs of a Type Generally Produced for Network Prime Time:

	7/1/20-6/30/23
0 - 15 Minutes	.000113
16 - 30 Minutes	.000174
31 - 60 Minutes	.000224
61 - 90 Minutes	.000258

2. Programs of a Type Not Generally Produced for Network Prime Time:

	7/1/20-6/30/23
0 - 15 Minutes	.000108
16 - 30 Minutes	.000166
31 - 60 Minutes	.000214
61 - 90 Minutes	.000246

D. Strip Programs

1. Dramatic (Type Not Generally Produced for Network Prime Time)

	7/1/20-6/30/23
0 - 15 Minutes	.000058
16 - 30 Minutes	.000089
31 - 60 Minutes	.000156

2. Variety - 5 per week *

	7/1/20-6/30/23
0 - 15 Minutes	.000173
16 - 30 Minutes	.000266
31 - 60 Minutes	.000331
Over 60 Minutes	.000391

* The rates are for each individual program.

3. Quiz and Game - 5 per week *

	7/1/20-6/30/23
0 - 15 Minutes	.000169
16 - 30 Minutes	.000261
31 - 60 Minutes	.000308
Over 60 Minutes	.000355

* The rates are for each individual program.

E. All Other Programs[27]

1. Programs of a Type Generally Produced for Network Prime Time:

	7/1/20-6/30/23
0 - 5 Minutes	.000041
5 - 10 Minutes	.000061
10 - 15 Minutes	.000085
15 - 30 Minutes	.000205
30 - 45 Minutes	.000221
45 - 60 Minutes	.000276

Over 60 Minutes: One (1) hour rate plus rate for each additional half-hour

2. Programs of a Type Not Generally Produced for Network Prime Time:

	7/1/20-6/30/23
0 - 5 Minutes	.000027
5 - 10 Minutes	.000041
10 - 15 Minutes	.000057
15 - 30 Minutes	.000137
30 - 45 Minutes	.000148
45 - 60 Minutes	.000184

Over 60 Minutes: One (1) hour rate plus rate for each additional half-hour

[27] This category includes the segment Directors of "reality-type" programs.

3. For 2-7 per week, use the formula at Article 29, Section D., Paragraph 1.(d), at pages 221-222 of this Agreement.

F. Sports Programs:

7/1/20-6/30/23
.000078

G. Segments

Subscriber rate is based on length. See Article 6, Section B., Paragraph 4. and Article 6, Section J.

H. News and Commentary Programs

1. **One per week**

	7/1/20-6/30/23
0-5 Minutes	.000006
5-less than 15 Minutes	.000007
15-less than 30 Minutes	.000015
30-less than 45 Minutes	.000040
45-less than 60 Minutes	.000043
60-less than 90 Minutes	.000052
90-less than 120 Minutes	.000056
120 Minutes or over	.000064

2. For 2-7 per week, use the formula at Article 29, Section D., Paragraph 1.(d), at pages 221-222 of this Agreement.

EXHIBIT "C"

ACCOUNTABLE RECEIPTS PLATEAU

A. High Budget Programs

$10,000,000 plus $1,000,000 for each additional $1,000,000 of production costs over $5,000,000.

B. Dramatic Programs

1. Programs of a Type Generally Produced for Network Prime Time:

Length	Plateau
0 - 30 Minutes	$1,000,000
31 - 60 Minutes	$2,000,000
61 - 90 Minutes	$3,000,000
91 - 120 Minutes	$4,000,000

Add $1,000,000 to the 91-120 Minute plateau for each additional one-half (½) hour or fraction thereof that the program exceeds 2 hours in length.

2. Programs of a Type Not Generally Produced for Network Prime Time:

   a. High Budget

Length	Plateau
0 - 15 Minutes	$ 299,018
15 - 30 Minutes	299,468
31 - 60 Minutes	700,664
61 - 90 Minutes	1,088,223
91 - 120 Minutes	981,383

b. Low Budget

Length	Plateau
0 - 15 Minutes	$155,974
15 - 30 Minutes	155,957
31 - 60 Minutes	238,065
61 - 90 Minutes	272,112
91 - 120 Minutes	259,912

For programs over one hundred twenty (120) minutes, apply the formula at Article 29, Section D., Paragraph 3.(b)(iii), at page 228 to determine the accountable receipts plateau.

C. Variety Programs

1. Programs of a Type Generally Produced for Network Prime Time

a. Variety Specials

Length	Plateau
0 - 30 Minutes	$ 892,766
31 - 60 Minutes	$1,785,517
61 - 90 Minutes	$2,678,608
Over 90 Minutes	$3,076,613

b. Variety Series

Length	Plateau
0 - 15 Minutes	$ 350,246
16 - 30 Minutes	$ 349,574
31 - 60 Minutes	$ 714,447
61 - 90 Minutes	$1,285,908
Over 90 Minutes	$1,177,750

2. Programs of a Type Not Generally Produced for Network Prime Time

a. High Budget

Length	Plateau
0 - 15 Minutes	$210,475
16 - 30 Minutes	$209,894
31 - 60 Minutes	$357,223
61 - 90 Minutes	$420,516
Over 90 Minutes	$471,852

b. Low Budget

Length	Plateau
0 - 15 Minutes	$155,974
16 - 30 Minutes	$155,957
31 - 60 Minutes	$238,065
61 - 90 Minutes	$272,112
Over 90 Minutes	$259,912

c. Segments Less than Five (5) Minutes in Length by an Additional Director: $119,640

D. <u>Quiz and Game Programs</u>

1. Programs of a Type Generally Produced for Network Prime Time

Length	Plateau
0 - 15 Minutes	$179,051
16 - 30 Minutes	$178,936
31 - 60 Minutes	$271,645
61 - 90 Minutes	$281,472

2. Programs of a Type Not Generally Produced for Network Prime Time

Length	Plateau
0 - 15 Minutes	$163,339
16 - 30 Minutes	$163,298
31 - 60 Minutes	$247,964
61 - 90 Minutes	$256,663

E. <u>Strip Programs</u>

1. Dramatic Programs of a Type Not Generally Produced for Network Prime Time

Length	Plateau
0 - 15 Minutes	$ 97,545
16 - 30 Minutes	$ 97,553
31 - 60 Minutes	$200,476

2. Variety - 5 per Week

Length	Plateau
0 - 15 Minutes	$ 52,471 per program
16 - 30 Minutes	$ 52,468 per program
31 - 60 Minutes	$ 76,933 per program
Over 60 Minutes	$ 81,622 per program

3. Quiz and Game - 5 per Week

Length	Plateau
0 - 15 Minutes	$ 51,358 per program
16 - 30 Minutes	$ 51,340 per program
31 - 60 Minutes	$ 71,445 per program
Over 60 Minutes	$ 74,180 per program

F. <u>All Other Programs (Including Segments of Reality-Type Programs)</u>

1. Programs of a Type Generally Produced for Network Prime Time - One per Week

Length	Plateau
0 - 5 Minutes	$ 61,620
over 5 - 10 Minutes	$ 93,044
over 10 - 15 Minutes	$129,133
over 15 - 30 Minutes	$201,702
over 30 - 45 Minutes	$256,735
over 45 - 60 Minutes	$320,261

2. Programs of a Type Not Generally Produced for Network Prime Time - One per Week

Length	Plateau
0 - 5 Minutes	$ 41,080
over 5 Minutes to 10 Minutes	$ 62,029
over 10 Minutes to 15 Minutes	$ 86,088
over 15 Minutes to 30 Minutes	$134,468
over 30 Minutes to 45 Minutes	$171,156
over 45 Minutes to 60 Minutes	$213,507

3. For 2 or more per week and for programs exceeding 60 minutes, use the formula at Article 29, Section D., Paragraph 3.(b)(iii), at page 228 of this Agreement.

G. News and Commentary Programs

1. One per Week

Length	Plateau
0 - 5 Minutes	$12,275
Over 5 - less than 15 Minutes	$15,385
15 - less than 30 Minutes	$21,277
30 - less than 45 Minutes	$66,282
45 - less than 60 Minutes	$70,918
60 - less than 90 Minutes	$77,585
90 - less than 120 Minutes	$66,410
120 Minutes	$76,882

2. For 2-5 per week, use the formula at Article 29, Section D., Paragraph 3.(b)(iii), at page 228 of this Agreement.

EXHIBIT "D"

ASSOCIATE DIRECTOR AND STAGE MANAGER DEAL MEMORANDUM

This confirms our agreement to employ you on the project described as follows:

ASSOCIATE DIRECTOR/STAGE MANAGER INFORMATION_____

Name:_____SSN# (last 4 digits):_____

Loan out:_____ FID #:_____

Address:_____ Tel.#:_____

Category: ☐ Associate Director ☐ Stage Manager

Start Date (on or about):_____ Guaranteed Period: _____
☐ Days ☐ Weeks

Salary (U.S.): $_____	Prime Time Dramatic	Other than Prime Time Dramatic
	☐ per Week (Studio)	☐ per Week (40 hours)
	☐ per Week (Distant Location)	☐ per Week (Flat 60 hours)
	☐ per Day (Studio)	☐ per Day (8 hours)
	☐ per Day (Distant Location)	☐ per Day (Flat 12 hours)

Additional Time: $_____ ☐ per Day ☐ per Week

Only if specifically hired for second unit or added scenes/retakes, check:
☐ Second Unit ☐ Added Scenes/Retakes

PROJECT INFORMATION_____

Picture or Series Title: _____

Episode #:_____ Episode/Segment Title:_____

Location (choose one or both):
□ Studio
□ Distant Location (City/State or Country):_____

Budget for Basic Cable Dramatic Programming (check one):

30 minutes:	☐ < $550,000	☐ ≥ $550,000 and ≤ $937,660	☐ > $937,660
31-60 minutes:	☐ < $1,200,000	☐ ≥ $1,200,000 and ≤ $1,256,178	☐ > $1,256,178
61-120 minutes:	☐ < $2,750,000	☐ ≥ $2,750,000 and ≤ $3,996,928	☐ > $3,996,928

Other Conditions:_____

_____

_____

This employment agreement shall be subject to termination in the event of any incapacity or default of the Employee or in the case of any suspension or postponement of production by reason of strikes, acts of God, governmental action, regulations, or decrees, or for any other customary "force majeure" reason.

This employment is subject to the provisions of the Directors Guild of America, Inc., Freelance Live & Tape Television Agreement.

Accepted and Agreed:

Signatory Employer (Company Name):_____

Signatory Employer Representative Signature: _____

Date: _____

Employee Signature:_____ Date:_____

EXHIBIT "E"

DIRECTOR DEAL MEMORANDUM

This confirms our agreement to employ you to direct the project described as follows:

DIRECTOR INFORMATION_____

Name:_____SSN# (last 4 digits):_____

Loan out:_____ FID #:_____

Address:_____ Tel.#:_____

Start Date (on or about):_____ Guaranteed Period:_____
☐ Days ☐ Weeks

Salary (U.S.): $_____ ☐ per Program ☐ per Week ☐ per Day

Additional Time: $_____ ☐ per Week ☐ per Day

Check, if applicable: ☐ Second Unit Director ☐ Segment ☐Added Scenes/Retakes

Additional Terms:_____

PROJECT INFORMATION_____

Picture or Series Title:_____

Episode #:_____ Episode/Segment Title:_____

Length of Television Program: ☐ 30 min ☐ 60 min ☐ 90 min
☐ 120 min ☐ Other (specify length):_____

If this is for Segment work, check here: ☐ Segment (specify length): _____

Is this a Pilot? ☐ Yes ☐ No

Produced Primarily for: ☐ Network ☐ Non-Network ☐ Basic Cable
☐ Pay TV ☐ Videodisc/Videocassette

Type of Show (choose one from each box, as applicable):

<table>
<tr>
<td>☐ Dramatic (includes sitcoms, pilots & presentations)
☐ Quiz & Game
☐ Variety
☐ Sports (specify event):
_____
☐ News & Commentary
☐ Local Freelance
☐ All Other</td>
<td>☐ Series produced prior to February 10, 2002
☐ Series produced after February 10, 2002
☐ Strip - 5 per week
☐ Movie or Mini-Series
☐ Other
_____</td>
<td>☐ High Budget
☐ Low Budget

☐ Live Broadcast</td>
<td>☐ Prime Time
☐ Non-Prime Time</td>
</tr>
</table>

The Employee hereby authorizes the Employer to deduct from his or her salary the amount specified in the Directors Guild of America Freelance Live & Tape Television Agreement as the Employee's contribution to the Directors Guild of America–Producer Pension Plan. The Employer will pay the amount so deducted directly to the Pension Plan on the Employee's behalf.

This employment is subject to the provisions of the Directors Guild of America, Inc., Freelance Live & Tape Television Agreement.

Accepted and Agreed:

Signatory Employer (Company Name):_____

Signatory Employer Representative Signature:_____

Date:_____

Employee Signature:_____Date:_____

Sideletter No. 1

Mr. J. Nicholas Counter III
Alliance of Motion Picture & Television Producers, Inc.
14144 Ventura Boulevard, Third Floor
Sherman Oaks, California 91423

Dear Mr. Counter:

With reference to the term "included days" in Article 6 of this Agreement, the Guild recognizes that practice in the industry cannot always treat included days in a consecutive manner. For example, on certain program series (both for the convenience of the Director and for the production) weekend days which are not worked are excluded from the number of included days.

As a result of discussions in our negotiations, it is our understanding that the Guild will not seek to disrupt existing practices on program series where no problems exist between the Director and the program producer as to the manner in which included days are treated. It is also our understanding that the Guild will not unreasonably withhold waivers in new situations where the requirements of the program production would make it difficult for the included days to be treated in a consecutive fashion.

Sincerely,

Glenn J. Gumpel
National Executive Director

Agreed:

J. Nicholas Counter III

Sideletter No. 2

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

Carol A. Lombardini
President
Alliance of Motion Picture and Television Producers, Inc.
15301 Ventura Boulevard, Building E
Sherman Oaks, California 91403-5885

Dear Ms. Lombardini:

Reference is made to the Directors Guild of America, Inc. Freelance Live and Tape Television Agreement of 2017 (herein referred to as the "Agreement") which is being executed concurrently with this letter. Companies signatory to the Agreement which are also signatory to the National Commercial Agreement of 2014 ("NCA"), or any successor Agreement thereto, shall be bound by the NCA in connection with any commercials they produce. Companies signatory to the Agreement which are not also signatory to the NCA shall be bound by the Agreement and the following provisions in connection with any commercials they produce.

1. Directors of commercials shall be employed on a daily basis at no less than the following rates of compensation:

   (a) $1,844 per day during the period July 1, 2020 to and including June 30, 2021; $1,890 per day during the period July 1, 2021 to and including June 30, 2022; and $1,947 per day during the period July 1, 2022 to and including June 30, 2023.

   (b) Any freelance Director employed to direct a commercial shall be entitled to a minimum of one day of preparation to be compensated at the above applicable daily rate; provided, however, that if the preparation, taping and editing of any such commercial, including all "wrap" time requiring the services of the Director, takes less than five (5) hours, no preparation payment shall be required. All preparation in excess of the minimum set forth above (including but not limited to rehearsals, location scouting and travel) shall be paid for at the above applicable daily rate. Compensation for editing shall likewise be paid at the above applicable daily rate.

2. (a) Associate Directors and Stage Managers will be employed under the terms and conditions of the Agreement.

(b) An Associate Director/Stage Manager may be assigned to a single camera commercial with no control room and with five (5) or fewer persons in the cast and crew at not less than the daily or weekly rate for a combination Associate Director/Stage Manager.

(c) The "less than five hours" clause contained in 1.(b) above shall likewise be applicable to the assignment of Associate Directors and Stage Managers.

3. Non-custom Commercials

(a) If a Director is employed specifically and only to do non-custom commercials, one day of preparation time shall be provided regardless of the length of employment or number of days spent in recording; provided, however, that if the Director is called for a single day of employment and the time period between the start of camera rehearsal and the completion of the actual recording and editing of the commercial material is five (5) hours or less, then the preparation requirement may be included in the same day and only one (1) day of compensation shall be paid.

(b) There shall be no limitation on the number of non-custom commercials the production of which a Director may direct in a day.

(c) Except as provided in this Agreement, non-custom commercials may be made without limitation or restriction on the type, length or use thereof.

4. Custom Commercials

(a) When the Director directs both the custom commercial and the entertainment part of the program on the same day, no additional compensation shall be paid for the commercial part over and above the compensation for the program.

(b) In the event that a recording of a custom commercial directed by the Director of the program is used in connection with more than one series of television programs or more than one show in a series, or in connection with any program directed by another Director, such Director shall be entitled to receive compensation for directing said commercial at not less than the then current minimum compensation for directing commercials.

Sincerely,

Russell Hollander
National Executive Director

Accepted:

Carol A. Lombardini

Sideletter No. 3

Mr. J. Nicholas Counter III
Alliance of Motion Picture & Television Producers, Inc.
14144 Ventura Boulevard, Third Floor
Sherman Oaks, California 91423

Dear Mr. Counter:

Should any program currently being produced by the Company on film, to which a UPM is assigned, be produced during the term of this Agreement on tape, the Company has agreed that it will continue to assign a UPM to the tape production of such program.

Sincerely,

Glenn J. Gumpel
National Executive Director

Agreed:

J. Nicholas Counter III

Sideletter No. 4

Mr. J. Nicholas Counter III
Alliance of Motion Picture & Television Producers, Inc.
14144 Ventura Boulevard, Third Floor
Sherman Oaks, California 91423

Dear Mr. Counter:

This will confirm our understanding regarding testing of television programs (tape and film) on CATV Systems. Such testing is conducted to measure audience reaction to television programming and either supplements or replaces the traditional testing of programs in theatres.

It is agreed that such tests may be conducted without payment or fee obligations to Directors or other classifications under our contracts with the Guild, under the following conditions:

(a) Testing will be limited to no more than 1,000 homes in any city in which the test is conducted.

(b) The testing will not be done in New York, Chicago or Los Angeles.

(c) Upon request, the Company will supply to the Guild, on a confidential basis, information on the programs which have been tested, the dates of the tests, the number of homes involved and the results of the tests.

Sincerely,

Glenn J. Gumpel
National Executive Director

Agreed:

J. Nicholas Counter III

Sideletter No. 5

Mr. J. Nicholas Counter III
Alliance of Motion Picture & Television Producers, Inc.
14144 Ventura Boulevard, Third Floor
Sherman Oaks, California 91423

Dear Mr. Counter:

The following sets forth our understandings and agreements relative to network prime time dramatic or variety summer programs.

If a Company intends to produce a network prime time dramatic or variety "summer program(s)" (as defined below), the Guild will be notified of such intent and agrees to meet with the Company to negotiate a schedule of program rates for Directors applicable only to such "summer program(s)." If no agreement is reached, the applicable rates in Article 6.A.1 and 6.B.1 shall apply.

A summer program is any program which is originally broadcast during any twelve (12) consecutive week period between June 1 and September 15 established by a Network in any year as the period during which summer rates may be paid. Any program broadcast during such twelve (12) week period may be paid the summer show rate, except a pilot for a series to be broadcast in a non-summer period. In the event a summer program which is paid the summer rate is rerun in a non-summer period, the Director's initial compensation will be adjusted to the regular show scale and the additional compensation for the rerun will also be paid.

Sincerely,

Glenn J. Gumpel
National Executive Director

Agreed:

J. Nicholas Counter III

Sideletter No. 6

As of July 1, 2002;
Revised as of July 1, 2005;
Revised as of July 1, 2008;
Revised as of July 1, 2011;
Revised as of July 1, 2017;
Revised as of July 1, 2020

Carol A. Lombardini
President
Alliance of Motion Picture and Television Producers, Inc.
15301 Ventura Boulevard, Building E
Sherman Oaks, California 91403-5885

Dear Ms. Lombardini:

It is hereby agreed between us with respect to production by the Company of entertainment programs primarily for the basic cable market which are not covered under Article 31 of this Agreement, the following provisions shall apply:

1. With respect to hiring after July 1, 2020 and pending agreement on other conditions pursuant to Paragraph 2. below:

   (a) The employment of a Director for a dramatic program thirty (30) minutes or longer produced in the United States under a budget less than (i) $476,749 for a thirty (30) minute series in existence as of July 1, 2014 and $550,000 for all other thirty (30) minute programs; (ii) $893,904 for a one (1) hour series in existence as of July 1, 2014 and $1,200,000 for all other one (1) hour programs; (iii) $2,383,744 or less for a series longer than one (1) hour but not longer than two (2) hours in existence as of July 1, 2014 and $2,750,000 for all other programs longer than one (1) hour but not longer than two (2) hours; and (iv) for a program longer than two (2) hours, $2,750,000 for the first two (2) hours and $1,375,000 for each additional hour or portion thereof, shall be subject only to Article 9, Section B., Paragraph 11 (Hold Harmless), Article 20 (Arbitration), the Guild Shop provisions and the provisions of Articles 11 and 12, relating to the Pension and Health Plans, of this Agreement. The Guild agrees to make appropriate accommodations in its initiation fees in recognition of the economics of basic cable programming. In addition, Company shall advise the Guild of the employment of any Director, by supplying a copy of a deal memo or, if none exists, a start slip or equivalent documentation. Company shall notify the Guild of its intention to produce such a program at least thirty (30) days prior to commencement of production.

(b) The employment of a Director for a program covered by this Sideletter No. 6 (other than one covered by Paragraph 1.(a) above), produced within the metropolitan areas of Los Angeles or New York, or any Director hired within such areas and sent therefrom to another location to perform such duties on such a program, shall be subject only to Article 9, Section B., Paragraph 11 (Hold Harmless), Article 20 (Arbitration), the Guild Shop provisions and the provisions of Articles 11 and 12, relating to the Pension and Health Plans, of this Agreement. The Guild agrees to make appropriate accommodations in its initiation fees in recognition of the economics of basic cable programming. In addition, Company shall advise the Guild of the employment of any Director, by supplying a copy of a deal memo or, if none exists, a start slip or equivalent documentation. Employer shall notify the Guild of its intention to produce such a program at least thirty (30) days prior to commencement of production.

(c) In the event that, on any such program, there are Associate Director or Stage Manager duties to be performed which are not performed by the Director and which in free television would necessitate the assignment of an Associate Director or Stage Manager, such Employee shall be subject to Article 9, Section B., Paragraph 11 (Hold Harmless), Article 20 (Arbitration), the Guild Shop provisions of this Agreement, the provisions of Articles 11 and 12 relating to the Pension and Health Plans and the second through eighth paragraphs of Article 9.C. relating to mandatory safety training. The Company shall also specify provisions for overtime and premiums for work on the sixth or seventh day worked in a workweek and work on holidays at the time of hiring, which shall not be less than applicable law and shall be set forth in the Employee's deal memo or, if none exists, a start slip or equivalent documentation; otherwise, the Employee will receive overtime pay and premium pay for work on sixth and seventh days and holidays according to FLTTA Article 10, Part 2, Section D. based on the Employee's negotiated salary. In addition, Company shall advise the Guild of the employment of any Associate Director or Stage Manager by supplying a copy of a deal memo or, if none exists, a start slip or equivalent documentation.

2. (a) Either the Guild or Company may, at any time, notify the other that it wishes to bargain concerning rates and other conditions of employment to be applicable to such programs. The parties agree to commence such negotiations promptly within fifteen (15) days of receipt of such notice for any non-series television motion picture ninety (90) minutes or longer or thirty (30) days of receipt of such notice for all other such programs.

(b) Any agreement reached pursuant to subparagraph (a) above shall not be retroactive nor shall it modify the terms of employment under individual contracts then existing, except with respect to minimum rates.

(c) If no agreement is reached within fifteen (15) days after bargaining has commenced for any non-series television motion picture ninety (90) minutes or longer, or if no agreement is reached within sixty (60) days after bargaining has commenced for all other such programs, the Guild may, upon written notice to Company, instruct its members to refuse to render services with respect to such programs. In such event, neither subparagraph 1.(a) nor subparagraph 1.(b) hereof shall be applicable.

(d) If a Company fails to provide timely notice of its intention to produce such program as provided in subparagraph 1.(a), then subparagraph 2.(c) above shall not apply and the Guild may, not earlier than twenty-four (24) hours after written notice to the Company, instruct its members to refuse to render services with respect to such programs. If no agreement is reached and the Guild instructs its members to refuse to render services with respect to such programs, then neither subparagraph 1.(a) nor subparagraph 1.(b) hereof shall be applicable.

Sincerely,

Russell Hollander
National Executive Director

Agreed:

Carol A. Lombardini

Sideletter No. 7

Mr. J. Nicholas Counter III
Alliance of Motion Picture & Television Producers, Inc.
15503 Ventura Boulevard
Encino, California 91436

Dear Mr. Counter:

This letter confirms our agreement concerning Article 20, Section C., Paragraph 4.(d).

If any Arbitrator on the list of Arbitrators in Paragraph 4.(a) of Article 20, Section C. represents a party in the arbitration or a person whose interests will be directly affected by the outcome of the arbitration or is otherwise disqualified or unavailable, such Arbitrator's name shall be deemed absent from the list of Arbitrators for the purpose of the claimant(s) or respondent(s) exercising a peremptory challenge.

Nothing herein shall be deemed to preclude the parties from waiving an Arbitrator's conflict of interest, subject to such Arbitrator's consent.

Sincerely,

Jay D. Roth
National Executive Director

Agreed:

J. Nicholas Counter III

Sideletter No. 8

As of July 1, 2017;
Updated as of July 1, 2020

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

Re: Director Employed on a Non-Dramatic Program Assigned to Direct Scenes for a Strip Quiz and Game or Strip Variety Program

Dear Mr. Hollander:

During negotiations for the 2020 FLTTA, the parties agreed that, notwithstanding any other provision of this Agreement (including Articles 6.D.2. and 6.D.3.), the following minimum payments shall apply to the assignment of a Director under the circumstances described below.

1. When a Director employed on a non-dramatic program (other than a strip quiz and game program) produced under a DGA collective bargaining agreement is concurrently assigned to direct scene(s) five (5) minutes or less in length as broadcast for a strip quiz and game program under this Agreement, and the Director's services do not exceed one (1) hour, the minimum payment for the Director's services shall be $1,198 ($1,228 effective July 1, 2021 and $1,265† effective July 1, 2022) for each such assignment.

2. When a Director employed on a non-dramatic program produced under a DGA collective bargaining agreement is assigned to direct scene(s) five (5) minutes or less in length as broadcast for a strip variety program under this Agreement, and the Director's services do not exceed one (1) hour, the minimum payment for the Director's services shall be the "less than five (5) minutes in length" segment fee applicable to a variety program set forth in Article 6, Section B.4.

Sincerely,

Carol A. Lombardini

ACCEPTED AND AGREED:

Russell Hollander
National Executive Director

† See text of footnote 12 on page 135.

Sideletter No. 9

Glenn J. Gumpel
Directors Guild of America, Inc.
7950 Sunset Boulevard
Los Angeles, California 90046

Dear Mr. Gumpel:

Reference is made to the Directors Guild of America, Inc. Freelance Live and Tape Television Agreement of 1987 ("the Agreement").

Company recognizes the Guild's concern regarding the security of Employees working at film lots or network facilities in Los Angeles where videotape production is done and parking is not provided on the lot, and Employees must work after sunset or before sunrise.

The Company agrees to make reasonable accommodations in such situations, which might include providing transportation or escorts between the work place and the parking place, assigning someone to bring the Employees' cars onto the lot after dark, or allowing the Employees to leave work and bring their own cars onto the lot.

Sincerely,

J. Nicholas Counter III

Agreed:

Glenn J. Gumpel

Sideletter No. 10

As of July 1, 2014;
Revised as of July 1, 2017;
Updated as of July 1, 2020

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

Re: <u>Second or Subsequent License of High Budget Dramatic Programs Made for Basic Cable to the Same or Different Basic Cable Service</u>

Dear Mr. Hollander:

Reference is made to the provisions of Article 31.A.4. of the 2020 DGA FLTTA.

During the 2017 negotiations, the parties agreed that residuals for any second or subsequent license of a high budget dramatic program or series made for basic cable to any basic cable service shall be paid in accordance with the terms of this sideletter, rather than pursuant to Article 31.A.4., when the program or series is no longer in production. Specifically, with respect to any such license, the Employer shall pay two percent (2%) of "Employer's gross receipts" (as defined in Article 7.E.1.), provided that, for a second or subsequent sale to the same basic cable service to which the program or series was originally licensed, all runs licensed under the license agreement for the initial basic cable exhibition subject to a fixed residual have been exhausted. Employer shall be deemed to have exhausted all unused runs under the initial license agreement upon payment under the run-based residual formula of a number of runs under the second license to the same basic cable service equal to the number of all unused runs under the initial license.

When the "Employer's gross" derived from such exploitation is received from a related or affiliated entity that acts as the Distributor or exhibitor of the program, then the "Employer's gross" received by the Employer from the licensing of such rights shall be measured by the Distributor/exhibitor's payments to unrelated and unaffiliated entities in arms' length transactions for comparable programs, or, if none, then the amounts received by the Employer from unrelated and unaffiliated Distributors/exhibitors in arms' length transactions for comparable programs or series, or, if none, a comparable Distributor/exhibitor's payments to comparable unrelated and unaffiliated entities in arms' length transactions for comparable programs or series.

Notwithstanding any of the foregoing, the minimum payment pursuant to this Sideletter for any program licensed to a related or affiliated entity shall be $100.00 for a 30-minute program, $200.00 for a 60-minute program, $300.00 for a 90-minute program, or $400.00 for a 120-minute program, as applicable.

The foregoing applies to motion pictures, whether produced under the 2020 FLTTA or any prior FLTTA, as to which residuals otherwise would be payable. For purposes of this Sideletter, a "high budget" dramatic program or series made for basic cable means any program or series made for basic cable before July 1, 1999 or a program or series made for basic cable on or after July 1, 1999 that meets the high budget test in effect at the time the basic cable program or series was produced.

Sincerely,

Carol A. Lombardini

ACCEPTED AND AGREED:

Russell Hollander
National Executive Director

Mr. J. Nicholas Counter III
President
Alliance of Motion Picture &
Television Producers
14144 Ventura Boulevard
Sherman Oaks, California 91423

Dear Mr. Counter:

This letter confirms our mutual understanding of the interpretation of the new residual formula in subparagraph (c)(i) of Article 7.B.1.

(1) Coverage

The formula applies only to episodes of one-hour network prime time dramatic series which were not exhibited in syndication before July 1, 1987. It applies to episodes produced under this BA and any earlier BA.

The new formula is:

(a) 2.6% of Employer's gross until Employer's gross exceeds $400,000 per episode; and

(b) 1.75% of Employer's gross thereafter.

If the series is licensed to markets representing less than one-third of all U.S. television households, the Employer simply pays the percentage residual, not the "customary" fixed residual payments triggered whenever there are additional runs in any city in the U.S. or Canada.

If the series is licensed in markets representing one-third or more of all U.S. television households, the above percentage payment still applies, but is subject to a "floor" which is 50% of the applicable fixed residuals and a "ceiling" which is 150% of the applicable fixed residuals.

(3) Applying the Formula

A few examples can best illustrate how the formula operates.

Suppose that the Employer licenses a series comprising 100 episodes for six (6) runs in markets representing more than one-third of all U.S. television households. The license fees for same total $30,000,000, which will be paid out over five (5)

years. In the first quarter of the license period, the Employer receives $2,000,000; in the second quarter, the Employer receives an additional $1,000,000; there are no additional receipts in the third or fourth quarters. (For convenience, assume that the quarters of the license period coincide with calendar quarters.)

Assume that each episode has already had two network exhibitions. Under the syndication deal, one run of half of the episodes occurs in the first quarter; in the second quarter, the remaining 50 episodes are run once; no additional runs of any episode occur in the third quarter; in the fourth quarter, a second run of all episodes takes place.

Assume for the sake of convenience that all episodes were made in the July 1, 1986 to June 30, 1987 time period.

Under these facts, payments would be made as follows:

(a) The First Quarter

Since the Employer first received money in the first quarter of the license period, residuals must be paid within sixty days after the end of that quarter. The amount of the residual is calculated as follows:

To the extent possible, the total license fees should be prorated equally among all episodes. Therefore, each episode will be credited with $20,000 of receipts in the first quarter. The Employer must pay 2.6% of that amount ($520) to the Director; subject, however, to the "floor" since the series is licensed in markets representing more than one-third of all U.S. television households. This means that the payment cannot be less than 50% of the fixed residual that would otherwise be due. Because some episodes have been run once, while others have not been run, the "floor" will differ among the episodes.

As to the episodes that have not been run in syndication, the floor is zero (0). This is because fixed residual payments are only due if a run occurs. Since no run has occurred, no fixed residual would be payable. Accordingly, the Directors of episodes not run in the first quarter should receive $520, (i.e., 2.6% of $20,000).

As to the episodes that have been run, the floor is 50% of the fixed residual payments that would otherwise be due. The fixed residual payment for this run is 30% (the percentage payable for the third non-network run) of $10,262 (the

base amount applicable to one-hour network prime time programs produced between July 1, 1986 and June 30, 1987), or $3,078.60. The floor is 50% of that amount or $1,539.30. Therefore, those Directors of episodes run once in syndication in the first quarter would receive $1,539.30.

(b) The Second Quarter

Within sixty (60) days following the end of the second quarter, the following residual payments should be made:

(1) First, it must be determined whether the group of Directors whose episodes ran in the first quarter are entitled to additional payments because of the Employer's receipt of an additional $1,000,000 ($10,000 per episode). To make this determination, it is necessary to compare the percentage payment against the floor. The percentage payment for each episode would amount to $780 (2.6% of $30,000). Since no additional runs of these episodes have taken place, the floor would remain at $1,539.30. Since this group has already received that amount, no further payment would be due after the second quarter.

(2) The group of Directors who received $520 after the first quarter would be entitled to additional compensation after the second quarter since their episodes have now been rerun. The Employer would be obligated to pay each member of this group 2.6% of $30,000 or $780, but not less than 50% of the fixed residual that would otherwise be due (i.e., 50% x [30% x $10,262]), or $1,539.30. The payment of $520 made in the first quarter may be deducted from this amount. Therefore, an additional payment of $1,019.30 must be made to this group of Directors.

(c) The Third Quarter

Since there are no additional receipts and no additional runs in the third quarter, no additional payments would have to be made.

(d) The Fourth Quarter

Following the fourth quarter, additional payments will be due, even though the Employer received no additional monies, since all episodes were run again. This means that the floor will have to be recalculated. The floor would be 50% x [(30% + 25%) x $10,262], or $2,822.05. (The percentage applied

to the base amount for the third non-network run is 30%; for the fourth non-network run, the percentage is 25%.) Amounts previously paid ($1,539.30) should be deducted from this amount. Therefore, an additional $1,282.75 would be owed to each Director.

Sincerely,

Glenn J. Gumpel
Executive Director

Agreed:

J. Nicholas Counter III

Sideletter No. 12

J. Nicholas Counter III
President
Alliance of Motion Picture & Television Producers
15503 Ventura Boulevard
Encino, California 91436

Re: Distributor's/Buyer's Liability for Residuals; Notice and Opportunity to Cure Default

Dear Nick:

Reference is made to Article 30 of the Directors Guild of America Freelance Live & Tape Television Agreement of 1996 relating to responsibility for residuals. As part of the agreement reached during the 1996 negotiations, portions of Articles 7, 24 and 29 were deleted and Article 30 was added in their place to include provisions under which the Directors Guild of America has agreed not to exercise its rights as a secured party with respect to any television program and related collateral in a manner which would in any way interfere with the rights of the Distributor to distribute the picture and receive all revenues from such distribution so long as Residuals with respect to the picture for the territories, media and term held by the Distributor are timely paid in accordance with the applicable DGA Agreement.

This will confirm our agreement that any exercise of the Guild's rights as a secured party or disturbance of the Distributor's distribution rights will be preceded by a notice of default in the payment of Residuals from the Guild to the Employer and Distributor. Notice shall be sent to the last known address of Employer and to Distributor at the address indicated on the Distributor's or Buyer's Assumption Agreement. Such notice shall specify that the Employer and/or Distributor shall have thirty (30) days from the date of notice within which to cure the default, and the Guild shall refrain from exercising its rights as a secured party during this period. In the event that payment is made within such thirty (30) day cure period, then such payment shall be considered "timely" and the Guild shall have no right to exercise its rights as a secured party.

Sincerely,

Jay D. Roth

ACCEPTED AND AGREED:

J. Nicholas Counter

SIDELETTER NO. 13

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

Dear Jay:

Reference is made to the provisions of Article 10, Part 3, Section A. of the FLTTA which deals with employment criteria for Associate Directors and Stage Managers and was revised in the 1996 negotiations to read as follows:

> "Has at least three (3) years of production experience in any capacity in the tape television or commercial production industry and has been a Director, Associate Director, Stage Manager or Production Associate of one (1) national program or fifteen (15) tape commercials;"

The parties have agreed to this sideletter to assist them in interpreting the term "production experience," recognizing that job titles frequently are not an accurate reflection of job duties.

Following are examples of experience which are and are not considered "production experience" for purposes of determining an individual's eligibility for employment as an Associate Director or Stage Manager:

Acceptable Experience	Not Acceptable
Props	Production Office Secretaries
Lighting	Receptionists
Camera	Accountants (including Production Accountants)
Grip and Electric Crew	Controllers
Make-Up and Hair	Location Auditors
Set PAs	Writers
Script Supervisors	Writers' Assistants
Wardrobe	Guards and Custodial Staff
Editors	Labor Relations Personnel
Production Coordinators	

Sincerely,

J. Nicholas Counter III

ACCEPTED AND AGREED:

Jay Roth

Sideletter No. 14

SIDELETTER ON EXHIBITION OF MOTION PICTURES TRANSMITTED VIA NEW MEDIA

As of July 1, 2002;
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

Carol A. Lombardini
President
Alliance of Motion Picture and Television Producers
15301 Ventura Boulevard, Building E
Sherman Oaks, California 91403-5885

Re: Exhibition of Programs Transmitted Via New Media

Dear Carol:

This Sideletter confirms the understanding of the Guild and the Employers (collectively "the parties") concerning the application of the FLTTA to the exhibition on the Internet, mobile devices (such as cell phones or PDAs) and any other New Media platform known as of July 1, 2008 (hereinafter collectively referred to as "New Media") of covered television programs, the recording of which commenced on or after July 1, 1971.[1, 2]

1. License for Limited Period or Fixed Number of Exhibitions.

Where the subscriber pays for the program either on a subscription or per-picture basis, and where the payment is in exchange for the right to view the program for a fixed and limited period of time or a fixed number of exhibitions, the Employer shall pay residuals in an aggregate sum equal to one and two-tenths percent (1.2%) of the license fee paid by the licensee for the right to exhibit such program in New Media.[3]

[1] See Sideletter No. 23 for the residuals treatment applicable to a covered television program when exhibited on a virtual multichannel video programming distributor ("vMVPD").

[2] See Sideletter No. 26 for the residuals treatment applicable to a program produced for pay television (or an excerpt therefrom) when made available on an on-demand basis via the over-the-top delivery of a pay television service.

[3] As bargaining history, this language is based upon the following model: studio licenses to Moviefly the right to transmit the program on the Internet to the viewer who pays Moviefly on a subscription or per-picture basis. Such payment would enable the viewer to view the program for a fixed and limited period of time or limited number of exhibitions. For example, if CPT

When the Employer's receipts from the licensing of such exhibition are received from an entity which acts as the exhibitor and in which the Employer has a financial interest, the reasonableness of the fee received by the Employer from the licensing of such exhibition shall be determined by the exhibitor's license fee payments to unrelated entities for comparable programs.

The parties agree that the residuals due under this Section 1 shall be payable in the same manner and to the same extent as applicable to pay television and pay-per-view as provided in the following FLTTA provisions (subject to conforming changes as necessary):

- Article 24.C.1. (second and third sentences only) (*pro rata* shares);
- Article 24.C.4. (foreign receipts);
- Article 24.E. (participating employees);
- Article 24.F. (reports and manner of payment; non-returnable advances; late payment; exclusion from pension and health requirements; gross participations);
- Article 24.G.1., 24.G.2., 24.G.3., 24.G.4. (transfer and assumption);
- Article 24.I. (continuing obligations); and
- Article 30 (financial responsibility).

2. Paid Permanent Downloads (aka "Download-To-Own" Or "Electronic Sell Through" ("EST")).

The following shall apply to television programs released on or after July 1, 2008:

When the consumer pays for an EST copy of a television motion picture or program, the Employer shall pay residuals at the rate of 1.8% of 20% of "Employer's gross" on the first 100,000 units and at the rate of 3.5% of 20% of "Employer's gross" thereafter.

For FLTTA-covered programs, the above percentage shall be payable as follows: 66.67% to the Director; 6.665% to the Associate Director; 6.665% to the Stage Manager; and 20% to the DGA-Producer Pension Plan. FLTTA Article 24, Section E. shall apply.

3. Advertiser-Supported Streaming.

The following shall apply to the streaming of television programs on a free-to-the-consumer basis on advertiser-supported services transmitted via the Internet or mobile device.

Holdings, Inc., through Columbia-TriStar Home Entertainment, licenses to Moviefly the right to exhibit a CPT Holdings, Inc. program, the residuals shall be based upon 100% of the license fee paid by Moviefly to Columbia-TriStar Home Entertainment for such program.

A. Free Streaming Windows

(1) Simultaneous/Live Linear Free Streaming Windows

The Employer shall be entitled to stream or otherwise transmit a television program, whether produced under the 2020 FLTTA or any prior FLTTA, simultaneously with its exhibition on television without payment. The foregoing applies to simultaneous streaming, cellular transmission and any other means of transmission that currently exists or may be hereafter developed.

(2) Initial Exhibition Free Streaming Windows

The Employer shall be entitled to stream a television program without payment during the following free streaming windows applicable to the initial exhibition of the television program on television (hereinafter referred to as the "initial exhibition free streaming window" or "initial exhibition free streaming windows"):

(a) Library Product. For television programs, the principal photography of which commenced on or after July 1, 1971 but before July 1, 2014, as to which free television residuals are still payable, the initial exhibition free streaming windows are as set forth in Section 3.A.(1)(a) of Sideletter No. 14 of the 2011 FLTTA. For television programs, the principal photography of which commenced on or after July 1, 2014 but before July 1, 2017, the initial exhibition free streaming windows are as set forth in Section 3.A. of Sideletter No. 14 of the 2014 FLTTA. For television programs, the principal photography of which commenced on or after July 1, 2017 but before July 1, 2020, the initial exhibition free streaming windows are as set forth in Section 3.A. of Sideletter No. 14 of the 2017 FLTTA.

(b) Current Product. For television programs, the principal photography of which commences on or after July 1, 2020, the initial exhibition free streaming window is a seven (7) consecutive day period, except that:

(i) A twenty-four (24) consecutive day period shall apply to the first seven (7) episodes of the first season of a series and any one-time television program; and

(ii) A seventeen (17) consecutive day period shall apply to daytime serials and children's programming.

Each of the foregoing initial exhibition free streaming windows provided in this subparagraph (b) may be divided between the period immediately prior to and immediately following the initial exhibition of the program on television in any ratio determined by the Employer, except that for each episode of a series in its first season, the free streaming window may commence up to thirty (30) days before the initial exhibition on television of the episode.

(3) Broadcast Television Rerun Free Streaming Windows

The Employer shall be entitled to a free streaming window for any program produced for initial exhibition on broadcast television, the recording of which commenced on or after July 1, 1971, whether produced under the 2020 FLTTA or any prior FLTTA, as to which free television residuals are still payable, of seven (7) consecutive days for each rerun of the program on broadcast television, with the seven (7) consecutive day period measured separately for each city in the United States and Canada. The seven (7) consecutive day period may be divided between the period immediately prior to and immediately following the rerun in any ratio determined by the Employer. If the program is rerun more than once in any seven (7) consecutive day period, the Employer shall be entitled to a free streaming window only for a single seven (7) consecutive day period surrounding one of the runs.

B. Availability on an MVPD AVOD Service During Free Streaming Windows.[4] The Employer shall be entitled to make television programs, the principal photography of which commences on or after July 1, 2020, available for viewing on an advertiser-supported video-on-demand service of a multichannel video programming distributor ("MVPD") (hereinafter referred to as an "MVPD AVOD service") during the free streaming windows set forth in Paragraphs A.(2)(b) and (3) above of this Section 3, without any additional payment.

C. Use of Excerpts During Free Streaming Windows. The Employer shall be entitled to stream excerpts of television programs in New Media or on an MVPD AVOD service during any free streaming window described in Paragraphs A. or B. above of this Section 3, without any additional payment.

D. Residuals for Streaming Outside All Free Streaming Windows.

(1) Library Product. For television programs, the principal photography of which commenced on or after July 1, 1971 but before July 1, 2014, as to which free television residuals are still payable, the residuals for streaming outside the free streaming windows are as set forth in Section 3.A. of Sideletter No. 14 of the 2011 FLTTA. For television programs, the principal photography of which commenced on or after July 1, 2014 but before July 1, 2017, the residuals for streaming outside the free streaming windows are as set forth in Section 3.D. of Sideletter No. 14 of the 2014 FLTTA. For television programs, the principal photography of which commenced on or after July 1, 2017 but before July 1, 2020, the residuals for streaming outside the free streaming windows are as set forth in Section 3.D. of Sideletter No. 14 of the 2017 FLTTA.

[4] For convenience, the parties have agreed to address in this Sideletter the use of television programs, the principal photography of which commences on or after July 1, 2020, on an advertiser-supported video-on-demand service of a multichannel video programming distributor ("MVPD") (hereinafter referred to as an "MVPD AVOD service"), even though exhibition on an MVPD AVOD service does not fall within the definition of an exhibition on a New Media platform.

(2) Current Product:

For television programs, the principal photography of which commences on or after July 1, 2020:

(a) If the Employer makes such television program available for streaming outside the free streaming window(s) provided in Paragraph A. above of this Section 3 on a free-to-the-consumer, advertiser-supported service transmitted via the Internet or mobile or other device or on an MVPD AVOD service or any similar service that exists or may hereafter be developed, the Employer shall pay residuals as follows:

(i) If the Employer makes the television program available for streaming outside all free streaming windows, but within one (1) year of the expiration of the free streaming window applicable to the initial exhibition, it shall pay five and one-half percent (5.5%) of the applicable residual base set forth in subparagraph (iv) below for a twenty-six (26) consecutive week period beginning on the first day that the television program is made available for streaming following the expiration of the free streaming window and within the one-year period following the television exhibition.

(ii) If the Employer makes the television program available for streaming outside all free streaming windows for all or any part of the twenty-six (26) consecutive week period immediately following the twenty-six (26) consecutive week period described in the preceding paragraph, but within one (1) year of the expiration of the initial exhibition free streaming window, then it shall pay five and one-half percent (5.5%) of the applicable residual base set forth in subparagraph (iv) below for a twenty-six (26) consecutive week period beginning on the first day that the television program is made available for streaming during such twenty-six (26) consecutive week period.

(iii) None of the aforementioned twenty-six (26) consecutive week periods shall cover a period that is more than one (1) year after the expiration of the initial exhibition free streaming window. In the event that streaming of the television program is commenced on a date that does not allow for the full twenty-six (26) consecutive week period of use within one (1) year of the expiration of the initial exhibition free streaming window, then the payment for that period shall be prorated in weekly units to cover the shorter use period.

For example, suppose that the Employer streams a television program during a free streaming window and then does not stream the program again until thirty-nine (39) weeks after the expiration of the window period. Since only thirteen (13) weeks remain within the one (1) year period, a payment of one-half of the amount that would

otherwise be due for the twenty-six (26) week streaming period would be payable for streaming during the thirteen (13) week period.

(iv) Residual Base

(A) The residual base for dramatic programs other than multi-camera prime time dramatic programs and other than strip dramatic non-network and network non-prime time programs shall be as follows:

Length	7/1/2020	7/1/2021	7/1/2022
7 Minutes and Under	$ 3,209	$ 3,289	$ 3,371
8-15 Minutes	6,704	6,872	7,044
16-30 Minutes	16,616	17,031	17,457
1 Hour	30,029	30,780	31,550
1½ Hours	43,441	44,527	45,640
2 Hours	56,853	58,274	59,731

(B) The residual base for multi-camera prime time dramatic programs other than strip dramatic non-network programs shall be as follows:

Length	7/1/2020	7/1/2021	7/1/2022
30 Minutes	$ 14,766	$ 15,135	$ 15,513
1 Hour	26,834	27,505	28,193
1½ Hours	40,151	41,155	42,184
2 Hours	51,062	52,339	53,647

(C) The residual base for all non-dramatic programs and strip dramatic non-network and network non-prime time programs shall be the applicable minimum.

(b) If, upon expiration of the one (1) year period following expiration of the initial exhibition free streaming window and outside all free streaming windows, the Employer makes available a television program for streaming, then it shall pay residuals at the rate of two percent (2%) of "Employer's gross," as defined in Section 5 of this Sideletter. Notwithstanding the foregoing, if the Employer did not make the television program

available for streaming during the one (1) year period following its initial exhibition on television, or if it was available for streaming only during a free streaming window, then the foregoing payment shall apply beginning one (1) year after initial exhibition of the television program on television.

(c) Revenues derived from foreign streaming shall be included in "Distributor's Foreign Gross," as provided in Article 7, Section D. of the FLTTA.

E. Use of Excerpts During Any Paid 26 Consecutive Week Period Within First Year After Initial Exhibition of the Program. The payment set forth in Paragraph D.(2) above shall also entitle the Employer to use excerpts from that television program in New Media or on an MVPD AVOD service during the same period as is covered by the streaming payment, without any additional payment therefor.

4. Use of Excerpts in New Media or on an MVPD AVOD Service.

A. In addition to the use of excerpts permitted in Paragraphs C. and E. of Section 3 above, Employer may use an excerpt or excerpts from a television program (other than a long-form television program) for promotional purposes in New Media or on an MVPD AVOD service, provided that such excerpt(s) does not exceed five (5) minutes in length. Employer may use an excerpt or excerpts from a long-form television program or from a program made for the home video market for promotional purposes in New Media or on an MVPD AVOD service, provided that such excerpt(s) does not exceed ten (10) minutes in length.

B. The following uses of an excerpt or excerpts in New Media or on an MVPD AVOD service shall be considered "promotional" and shall require no payment, whether or not the Employer receives revenue in connection therewith:

(1) When used to promote the exhibition of a television program or series or a program made for home video on free television, basic cable, or pay television, and "'tune in' information" is included. "'Tune-in' information" for promotional purposes is sufficient when it informs the consumer where he or she can view the program or series from which the excerpt is taken. The tune-in information may appear on-screen or in a "click-through" format – *i.e.*, accessible through links. It is agreed that the network channel or station "bug" alone does not suffice. It is also understood that the Employer is not required to provide the same level of "'tune-in' information" as is commonly provided in traditional network television promotional announcements.

(2) When used to promote the traditional home video release or any "special edition" home video release of a television program or series or a program made for home video, and the availability of the program in home video is referenced.[5]

[5] It is understood that the "special edition" provision allows the Employer to promote a motion picture in home video in connection with the theatrical exhibition of a sequel to that motion picture. For example, Warner Bros. is entitled to promote sales in home video of *Harry*

(3) When used to promote the theatrical exhibition of a program, and reference to the theatrical release is included. Reference to the theatrical release shall be unnecessary if the excerpt(s) is used as part of a "teaser" advertising campaign.

(4) When used to promote the exhibition of a program made for home video or a television program or series in New Media in connection with the availability of an electronic copy of the program or series for rental, purchase or ad-supported streaming via the Internet or other New Media platform and instructions are included for renting, purchasing or streaming an electronic copy of the program from the website or other New Media platform on which the excerpt appears or a direct link is provided to another website or New Media platform where an electronic copy of the program or series can be rented, purchased or streamed, or when used to promote the exhibition of a television program or series on an MVPD AVOD service and instructions are included for viewing the television program or series on the MVPD AVOD service.

(5) When used for "viral" promotion in New Media of any use or exhibition of a television program or series or a program made for home video, if the excerpt is circulated non-commercially to multiple websites or made available for individuals to circulate. The fact that the viral excerpt is exhibited on a revenue-generating site owned by or affiliated with the Employer shall not render this exception inapplicable, provided that the excerpt is released without payment to other sites.

C. The use of excerpts shall not be considered "promotional" within the meaning of subparagraph B. above if the excerpts are used on a New Media site which archives the contents of several prior seasons of the series and is designed to enable the viewer to search the archives using a sophisticated search engine, as distinguished from a New Media site which offers excerpts from several prior seasons of a series that are intended as a recap of the events that transpired during those prior seasons or that are intended to promote the exhibition or sale of full episodes of the series from which the excerpts are taken.

D. If the use of an excerpt or excerpts in New Media or on an MVPD AVOD service is not within one of the promotional provisions in subparagraph B. above, or if the excerpt(s) used from a program, the principal photography of which commences on or after July 1, 2020, exceeds the length limitations set forth in subparagraph A. above:

(1) There shall be no payment for the use of excerpts from a television program on a free-to-the-consumer New Media platform or on an MVPD AVOD service during the free streaming windows. Further, if the Employer pays the “New Media program fee” pursuant to Paragraphs D.(2)(a) and/or (b) of Section 3 of this Sideletter, then payment for the

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Potter and the Sorcerer’s Stone (the first of the *Harry Potter* movies) in connection with the theatrical exhibition of *Harry Potter and the Deathly Hallows* (the seventh of the *Harry Potter* movies).

use of the entire program in New Media or on an MVPD AVOD service shall also constitute payment for the free-to-the-consumer use of any portion thereof in New Media and on an MVPD AVOD service during the corresponding time period.

(2) If an excerpt from a television program is used on a free-to-the-consumer New Media platform or on an MVPD AVOD service outside all free streaming windows, but within one (1) year following expiration of the initial exhibition free streaming window,[6] and the use of the excerpt of the television program is not otherwise permitted or paid for under Paragraph D.(2)(a) and/or (b) of Section 3 above, the Employer shall pay for such use as follows:

(a) For an excerpt(s) up to two (2) minutes in length, the lesser of $50 or the "applicable New Media program fee."[7]

(b) For an excerpt(s) in excess of two (2) minutes in length but not more than four (4) minutes in length, the lesser of $157.50 or the "applicable New Media program fee."

(c) For an excerpt in excess of four (4) minutes in length, the "applicable New Media program fee."

(3) If an excerpt is from a television program and is used on a free-to-the-consumer New Media platform or on an MVPD AVOD service, outside all free streaming windows and more than one (1) year following the expiration of the initial exhibition streaming window,[8] the Employer shall pay two percent (2%) of "Employer's gross," as defined in Section 5 of this Sideletter.

(4) If an excerpt is from a program made for home video and is used on a free-to-the-consumer New Media platform, the Employer shall pay one and two-tenths percent (1.2%) of "Employer's gross," as defined in Section 5 of this Sideletter.

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[6] If the television program has not been streamed during the one (1) year period following initial exhibition on television, or if it has been streamed only during the free streaming windows, then the payment required by Paragraph D.(2) of Section 4 of this Sideletter shall apply until one (1) year after initial exhibition of the television program on television.

[7] The "applicable New Media program fee" for television programs is the applicable fee for the use of the entire program in New Media as provided in Paragraph D.(1) and (2) of Section 3 of this Sideletter.

[8] If the television program has not been streamed during the one (1) year period following initial exhibition on television, or if it has been streamed only during the free streaming windows, then the payment under this Paragraph D.(3) of Section 4 of this Sideletter shall apply beginning one (1) year after initial exhibition of the television program on television.

(5) If an excerpt(s) from a television program is used on a "consumer pay" platform, and the use is not within one of the promotional provisions in subparagraph B. above, Employer shall pay one and two-tenths percent (1.2%) of "Employer's gross," as defined in Section 5 of this Sideletter, for television programs. This formula shall apply to a "hybrid" use where the consumer pays for the excerpt and advertising revenues are also derived by the Employer from such use. Such revenues shall be incorporated in "Employer's gross."

(6) All payments for the use of excerpts in New Media or on an MVPD AVOD service during the term of this Agreement shall be made to the DGA-Producer Health Plan without attribution to any individual(s).

E. Notwithstanding the foregoing:

(1) If excerpts from the current season of a series and excerpts from past seasons of the series are used together on an ad-supported, free-to-the-consumer basis or on an MVPD AVOD service and the use is not within one of the promotional provisions in subparagraph B. above and payment is otherwise due, then the Employer shall pay two percent (2%) of "Employer's gross," as defined in Section 5 of this Sideletter, for all such excerpts.

(2) No payment shall be required for the free-to-the-consumer "non-commercial" promotional use of excerpts in excess of the length limitations set forth in subparagraph A. above if the Director is credited. A "non-commercial" use is a use from which the Employer and its related and affiliated entities, including, but not limited to, distributors and exhibitors, receive no revenues, including, but not limited to, advertising revenues.

(3) It is understood that the use of an excerpt from a television program or a program made for home video shall not require any payment hereunder if the use would not require a payment under the television excerpt provisions of the FLTTA.

5. <u>"Employer's Gross"</u>

A. Definition

The term "Employer's gross," for purposes of all reuses in New Media or on an MVPD AVOD service of motion pictures and television programs made for traditional media and of Original and Derivative New Media Productions (each hereinafter referred to as "such Picture"), shall be as defined in FLTTA Article 24.C.2.[9] "Employer's gross" shall also include amounts derived from making available a television program, the principal photography of which commenced on or after July 1, 2020, on an MVPD AVOD service in connection with transactions for which residuals are payable under this Sideletter.

[9] For sake of clarity, "Employer's gross" specifically includes advertising revenues when the license, distribution, or other agreement provides for sharing in such revenues.

When the "Employer's gross" derived from New Media or MVPD AVOD exploitation is received from a related or affiliated entity that acts as the exhibitor/retailer of such Picture, then the "Employer's gross" received by the Employer from the licensing of such rights shall be measured by the exhibitor/retailer's payments to unrelated and unaffiliated entities in arms' length transactions for comparable pictures, or, if none, then the amounts received by the Employer from unrelated and unaffiliated exhibitors/retailers in arms' length transactions for comparable pictures, or, if none, a comparable exhibitor/retailer's payments to comparable unrelated and unaffiliated entities in arms' length transactions for comparable pictures.

B. Agreements and Data

On a semi-annual basis, within ten (10) business days after such request, the Employer shall provide for inspection by DGA's designated employee or auditor, at Employer's premises in Los Angeles, full access[10] to all unredacted license, distribution, and other agreements pertaining to New Media exploitation of covered pictures that were entered into during the immediately preceding inspection period. In any subsequent semi-annual inspection, the DGA's designated employee or auditor may re-inspect any agreements previously inspected and inspect any agreements not previously inspected.

Upon request, in a manner to be mutually agreed upon in good faith, the Employer shall expeditiously provide, or make available, to DGA data in its possession or control, or the possession or control of its related distribution entities, regarding the New Media exploitation of covered pictures, such as number of downloads or streams by source and ad rates.

The provisions of this Paragraph B. of Section 5 do not apply to agreements with or relating to a multichannel video programming distributor ("MVPD") or any similar service that currently exists or may hereafter be developed.

C. Recordkeeping and Reporting

Payment for exploitation of covered pictures in New Media or on an MVPD AVOD service shall be due sixty (60) days after the end of the quarter in which the "Employer's gross" from such exploitation is received. The Employer shall accompany such payments with reports regarding the "Employer's gross" derived from such exploitation, which shall be specified by medium and source whenever reasonably possible and will be separated from revenues derived from exploitation of such Pictures in traditional media. Along with such payments, the Employer shall provide DGA with unredacted copies of all corollary distributor's, sub-distributor's, and exhibitor's statements relating to the reported "Employer's gross." The DGA and the Employer shall discuss and agree upon a method of making available to the DGA the information required by this Paragraph C.

[10] Full access includes access to all agreements, notwithstanding any confidentiality clause contained therein, and access to all sideletters, exhibits, addenda, and other ancillary documents.

Where the Employer allocates revenues between New Media rights and other rights in any such Picture, among New Media rights in multiple such Pictures, or otherwise, it shall specify such allocation.

D. Confidentiality

The information provided to DGA by the Employer will be treated as confidential pursuant to FLTTA Article 7.G. and appropriate arrangements will be made to safeguard the confidentiality of that information.

E. Other Terms and Conditions

Except as expressly provided herein, all other terms and conditions of the FLTTA, including, but not limited to FLTTA Article 20 and FLTTA Article 7.G., shall apply; in the event of a conflict, the terms and conditions of this Sideletter shall control.

6. Sunset Clause

The parties recognize that this Sideletter is being negotiated at a time when the business models and patterns of usage of motion pictures and other productions in New Media are in the process of exploration, experimentation and innovation. Therefore, Sections 2, 3, 4 and 5 of this Sideletter expire on the termination date of the 2020 FLTTA and will be of no force and effect thereafter. No later than sixty (60) days before that expiration date, the parties will meet to negotiate new terms and conditions for reuse of Made for New Media Productions and of motion pictures and television programs in New Media to be in effect thereafter.

The parties further acknowledge that conditions in this area are changing rapidly and that the negotiation for the successor agreement will be based on the conditions that exist and reasonably can be forecast at that time. For example, the parties acknowledge that with respect to the formula in Section 2 for the electronic sell-through of motion pictures and television programs, the growth of electronic sell-through could adversely impact traditional home video sales. In future negotiations, the parties agree that the criteria to be considered in good faith in determining whether the electronic sell-through residual should be increased or decreased include patterns of cannibalization of the home video market and changes in the wholesale price.

7. Reservation of Rights

With respect to television programs, the Employer has agreed to a separate payment for this use because New Media exhibition is at this time outside the primary market. The Employer reserves the right in future negotiations to contend that the pattern of release has changed so that this use constitutes or is a part of the primary market of distribution of television programs, and that, therefore, no additional payment pursuant hereto should be made with respect to the exhibition of television programs (including those covered by this Agreement) in New Media. The Guild reserves the right in future negotiations to contend to the contrary, and further

to assert that regardless of whether other exhibitions are or have become part of the primary market, residual provisions for programs so exhibited should be improved.

Very truly yours,

DIRECTORS GUILD OF AMERICA, INC.

By:_____
Russell Hollander
National Executive Director

ACCEPTED AND AGREED:

The respective signatory companies represented by
The ALLIANCE OF MOTION PICTURE AND
TELEVISION PRODUCERS, INC.

By:_____
Carol A. Lombardini
President

Sideletter No. 15

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

Ms. Carol A. Lombardini
Alliance of Motion Picture and Television Producers, Inc.
15301 Ventura Boulevard, Building E
Sherman Oaks, California 91403-5885

Dear Ms. Lombardini:

Reference is made to the provisions of Articles 11 and 12 of the Directors Guild of America Freelance Live and Tape Television Agreement of 2020 (the "Agreement"). The parties to said Agreement hereby agree to amend those provisions by adding the following:

1. For purposes of this Sideletter No. 15 ("Sideletter Agreement"):

a. "Plans" shall mean the Directors Guild of America–Producer Pension and Health, Trainee, and Qualification List Program Plans and associated Trust Agreements.

b. "Supplemental Plan" shall mean the Directors Guild of America–Producer Pension Plan (Supplemental Plan).

c. "Limit" shall mean the limits set forth in Internal Revenue Code Section 401(a)(17) and 415.

d. "Excess Employer Contributions" shall mean Employer Supplemental Plan Contributions attributable to compensation in excess of the Limit, but not including contributions scheduled under the Supplemental Plan.

e. "Excess Employee Contributions" shall mean Employee Supplemental Plan Contributions attributable to compensation in excess of the Limit.

f. "Excess Contributions" shall mean Excess Employer Contributions and Excess Employee Contributions.

g. "Inc." shall mean DGA - Producers Pension and Health Plans, Inc., a non-profit California corporation.

h. "Board" shall mean the Board of Directors of Inc.

2. Inc. will act only as agent of Employers and the acts of Inc. pursuant to this Sideletter Agreement shall be undertaken in its capacity as agent. Employers will send directly to Inc. their payments containing amounts corresponding to Employers' obligations to all Plans and Employee contributions to the Supplemental Plan. Inc. will discharge each Employer's obligation to contribute to all Plans other than the Supplemental Plan by making the contributions to such Plans within a timely fashion after receipt of funds from that Employer. Inc. will discharge each Employer's obligation to contribute to the Supplemental Plan by making the contributions to that Plan within a timely fashion after receipt of funds from that Employer and will hold any Excess Employer Contributions for return to the Employee as described below. Within two (2) months after the end of each calendar quarter, Inc., in its capacity as agent of the Employer, will return Excess Employee Contributions received during that quarter directly to the Employee. In the event that Inc., acting as agent for the Employers, fails to discharge an obligation it has undertaken on behalf of an Employer under this Sideletter Agreement, unless otherwise provided herein, that Employer will continue to be responsible for that obligation.

3. Inc. will invest funds it holds as agent of Employers in interest bearing accounts. Inc. will pay its expenses first out of such interest and next out of Excess Employer Contributions. Title to such accounts will be in the name of Inc. as agent of the Employers.

4. Inc. will pay the Plans for administrative services and a fair portion of relevant insurance charges to cover the handling of Inc. funds. The Plans will keep adequate records relating to such payments.

5. In the fourth quarter of each year, Inc. will calculate for each applicable Employee the Excess Employer Contributions (as reasonably determined by Inc.) made on behalf of such Employee plus the *pro rata* share of applicable interest less applicable expenses and less an amount, if any, reasonably necessary to maintain an adequate reserve for Inc. as determined from time to time by the Board, for the preceding four (4) quarters ("Net Excess Employer Contributions"). Inc. shall be obligated to use Net Excess Employer Contributions solely (1) to pay applicable pension withholding taxes, and (2) to return the remaining amount to the relevant Employee as a distribution from the Supplemental Plan.

6. Inc. will enter into agreements with the Plan Trusts regarding insurance, supply of goods and services, and personnel, which agreements shall be terminable by either party upon one month's notice.

7. This Sideletter Agreement may be terminated by the Guild upon delivery to Inc., the Plans and the Employers' representatives of written notice of termination. Such notice must be delivered within the time limits set forth below to be effective. The notice shall set forth the reason for the termination, which shall be one or more of the following:

a. the earnings of Inc. on agent deposits for a particular period of twelve (12) calendar months were either less than what could be earned when invested in a 3-month Treasury-Bill or were less than the amount the Guild considered reasonable, and notice shall be given within two (2) months after the annual meeting of the Board of Directors;

b. the operating expenses of Inc., including administrative fees, net bank charges, insurance expense, professional fees, and office supplies, for a particular period of twelve (12) calendar months were either greater than fifteen percent (15%) above the average of the last five (5) years or were greater than the Guild considered reasonable, and notice shall be given within two months of the annual meeting of the Board of Directors;

c. the potential liability of Inc. or any of its Board members or officers was greater than reasonable under the circumstances, in the opinion of the Guild;

d. an aggregate amount of at least $250,000 of the payments Inc. is required to make in any calendar year to the Plan Trusts, to the Employers and to the Employees under this Sideletter Agreement is delinquent by more than ten (10) business days, excluding any time necessary for staff to receive additional information or resolve discrepancies or payment errors with contributing employers, and notice shall be given while such payments remain delinquent; or

e. the Guild determines that there has been a change in the law which renders unnecessary the continued existence of Inc.

8. In the event the Guild terminates this Sideletter Agreement, within one (1) month of such termination:

a. Inc. will pay to the Plan Trusts all amounts held by Inc. at that time due from Employers to the Plan Trusts. Such payments shall be made within three (3) business days of termination.

b. Inc. will pay to the relevant Employees all Excess Employee Contributions held by Inc. at that time.

c. If the monies held by Inc. as agent of the Employers ("agent monies") are sufficient to pay the amounts due to the Plan Trusts and Employees, the Employers' obligations will be discharged and, subject to Paragraph 5, Inc. will then return the Net Excess Employer Contributions to the affected Employees.

d. If the agent monies are insufficient to pay such amounts due by reason of an investment loss of principal in the interest bearing accounts, the Guild will pay to the Plan

Trusts and relevant Employees the shortfall, not to exceed the amount of investment loss of principal.

9. This Sideletter Agreement may be terminated by Inc. (acting upon resolution of the Board adopted by majority vote) upon delivery to the Guild, the Plans and the Employers' representatives of written notice of termination. Such notice must be delivered within the time limits set forth below to be effective. The notice shall set forth the reason for the termination, which shall be one or more of the following:

a. the earnings of Inc. on agent deposits for a particular period of twelve (12) calendar months were either less than what could be earned when invested in a 3-month Treasury-Bill or were less than the amount Inc. considered reasonable, in each case for a period of at least three (3) calendar months, and notice shall be given within two (2) months after the annual meeting of the Board of Directors;

b. the operating expenses of Inc., including administrative fees, net bank charges, insurance expense, professional fees, and office supplies, for a particular period of at least twelve (12) calendar months were either greater than 15% above the average of the last five (5) years or greater than Inc. considered reasonable, and notice shall be given within two (2) months after the annual meeting of the Board of Directors;

c. the potential liability of Inc. or any of its Board members or officers was greater than reasonable under the circumstances, in the opinion of Inc.;

d. an aggregate amount of at least $250,000 of the payments Inc. is required to make in any calendar year to the Plan Trusts, to the Employers and to the Employees under this Sideletter Agreement is delinquent by more than ten (10) business days, excluding any time necessary for staff to receive additional information or resolve discrepancies or payment errors with contributing employers, and notice shall be given while such payments remain delinquent; or

e. the Board determines that there has been a change in the law which renders unnecessary the continued existence of Inc.

10. In the event Inc. terminates this Sideletter Agreement, within one (1) month of such termination:

a. Inc. will pay to the Plan Trusts all amounts held by Inc. at that time due from Employers to the Plan Trusts. Such payments shall be made within three (3) business days of termination.

b. Inc. will pay to the relevant Employees all Excess Employee Contributions held by Inc. at that time.

c. Subject to Paragraph 5, Inc. will then return the Net Excess Employer Contributions (plus a share of earnings, less a share of expenses) to the affected Employees.

11. In the event the Sideletter Agreement is terminated under either paragraphs 7 or 9 hereof, the termination will be effective at the close of business on the date the notice is delivered. Thereafter, Employers will make contributions directly to the Plan Trusts and Inc. will cease accepting additional monies from Employers. The Guild and the Employers will then attempt to design a different approach to the issue of compliance with the limitation on Supplemental Plan contributions.

12. Inc. shall be subject to the relevant arbitration provisions of the Agreements as if Inc. were the "Employer," as such term is used in such arbitration provisions.

13. This Sideletter Agreement is effective as of January 1, 2020.

Sincerely,

Russell Hollander

ACCEPTED AND AGREED:

Carol A. Lombardini

WE HEREBY EXPRESSLY AGREE TO BE BOUND BY THE PROVISIONS OF THIS SIDELETTER AGREEMENT.

DGA–PRODUCERS PENSION AND HEALTH PLANS, INC.,
a non-profit California corporation

By: _____
Lisa Read, President

Sideletter No. 16

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: Los Angeles and New York Panels of Arbitrators for Major Studios and Networks

Dear Mr. Hollander:

Reference is made to the provisions of Article 20.C.4. of the 2020 DGA Freelance Live and Tape Television Agreement.

During the 2020 negotiations between the Directors Guild of America and the Employers represented by the Alliance of Motion Picture and Television Producers, the parties agreed that, with respect to disputes involving the major studios (including those Employers on whose behalf a representative of a major studio is acting) and the networks, the Los Angeles panel of arbitrators shall be arranged in order according to a random draw which shall take place before July 1 of each year of the Agreement, rather than alphabetically, as provided in Article 20.C.4.(a)(i).

Pursuant to that procedure, the Los Angeles list of Arbitrators for such disputes during the period July 1, 2020 through June 30, 2021 shall be as follows:

Mark Burstein
Michael Prihar
William B. Gould IV
Douglas Collins
Andria Knapp
Michael Rappaport
Kenneth Perea
Barry Winograd
Dixon Dern
Norman Brand
Joel Grossman

Pursuant to that procedure, the New York list of Arbitrators for such disputes during the period July 1, 2020 through June 30, 2021 shall be as follows:

Joan Parker
Herbert Fishgold
Ralph Berger
Janet Spencer
Richard Adelman
Carol Wittenberg
Howard Edelman
Susan MacKenzie
George Nicolau

On July 1, 2021, and again on July 1, 2022, the parties shall again place the names of the foregoing Arbitrators in a hat and the names shall be drawn at random, one after the other, to establish the order in which the Arbitrators are to be assigned during the subsequent one year period.

The Arbitrator shall be selected in rotation, on an individual studio or network basis (which shall mean, for purposes of this provision only, all Employers for which a given studio is responsible as mentioned above) starting from the top of the list down, during each one (1) year period of the 2020 Agreement. The rotation shall continue to be on an individual studio or network basis, as provided above, and shall be unaffected by the selection of an Arbitrator by mutual agreement.

Sincerely,

Carol A. Lombardini

ACCEPTED AND AGREED:

Russell Hollander

SIDELETTER NO. 17

SIDELETTER RE ARBITRATION OF DISPUTES CONCERNING TRI-GUILD RESIDUALS AUDITS

As of July 1, 2002;
Revised 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

This Sideletter is entered into by and among the Writers Guild of America, West, Inc., on behalf of itself and its affiliate, Writers Guild of America, East, Inc. ("WGA"), the Directors Guild of America, Inc. and the Screen Actors Guild - American Federation of Television and Radio Artists (collectively "Guilds"), on the one hand, and the Alliance of Motion Picture and Television Producers ("AMPTP"), on behalf of the entities it represented in the negotiation of the 2020 Writers Guild of America Theatrical and Television Basic Agreement, the Directors Guild of America, Inc. ("DGA") Basic Agreement of 2020, the DGA Freelance Live & Tape Television Agreement of 2020, the Producer – Screen Actors Guild - American Federation of Television and Radio Artists ("SAG-AFTRA") Codified Basic Agreement of 2020 and the 2020 SAG-AFTRA Television Agreement [and all predecessor agreements listed in Exhibit A hereto to which such named parties were (are) signatory,[1] (collectively referred to as "Basic Agreements")], on the other hand.

A. MATTERS SUBJECT TO TRI-GUILD ARBITRATION

When there is unanimous agreement among the Guilds, the following matters shall be submitted to a tri-Guild arbitration:

Any dispute arising out of an audit conducted under the tri-Guild Gross Receipts Residuals Payment Monitoring Fund program concerning the interpretation or application, or alleged breach, of any residuals provisions of the Guilds' current or predecessor Basic Agreements, when such provisions are the same or substantially similar.

This tri-Guild procedure is not available when the residuals obligation(s) at issue is (are) payable, guaranteed or assumed by a "Qualified Distributor," "Qualified Buyer" and/or a "Qualified Residuals Payor," except by mutual agreement.

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[1] The Screen Actors Guild, and not SAG-AFTRA, was party to Sideletter No. 18 of the 1998, 2001, 2005, 2009 and 2011 Codified Basic Agreements.

B. GENERAL RULES

1. Parties

a. To the extent not inconsistent herewith, the arbitration provisions of the Guilds' Basic Agreements shall define the parties to a tri-Guild arbitration. Individuals and their respective loan-out companies shall not be parties to proceedings under this Sideletter.

b. The party against whom a tri-Guild arbitration is commenced is sometimes referred to herein as the respondent. Use of such term in the singular shall be deemed to include the plural.

2. Time Limits

The claim of each Guild is subject to the time limits set forth in its Basic Agreement.

3. Place of Hearing

All tri-Guild arbitrations shall be in Los Angeles, absent unanimous agreement of the parties to another situs.

The selection of the situs of the hearing room within the appropriate city shall be by mutual agreement of the Guilds and the respondent. If there is no such agreement, those parties will alternate in selecting the hearing room, with the party making the selection supplying the room at no charge to the other.

4. Award

The arbitrator may make any appropriate award to a Guild as permitted in that Guild's Basic Agreement. Such award shall be in writing and shall be limited as provided in each Guild's Basic Agreements. Subject to the provisions of those Basic Agreements, the award shall be final and binding upon the parties to the proceeding, whether participating in the proceeding or not.

5. Costs

The court reporter's per diem charges and the fee and the expenses of the arbitrator shall be borne fifty percent (50%) by the Guilds and fifty percent (50%) by the respondent. The cost of the arbitrator's copy of the transcript shall be shared seventy-five percent (75%) by the Guilds and twenty-five percent (25%) by the respondent.

6. **Notices**

a. All written notices referred to in this Sideletter commencing a tri-Guild proceeding shall be sent to the respondent by registered or certified mail or by personal delivery. If the moving party(ies) is (are) unable to effect service in this manner, service may then be effected by first class mail, postage prepaid, to the address for service last designated in writing to each of the Guilds by the respondent, together with publication in *Daily Variety, The Hollywood Reporter, The Los Angeles Times* and *The New York Times*. All other written notices may be sent to each party by messenger, certified mail, first class mail, facsimile or any other means agreed upon by the parties.

b. All notices sent by the Guilds to the respondent shall be sent to the address(es) designated by the respondent in writing to each of the Guilds at the time the respondent becomes signatory to each Guild's Basic Agreement. Should a signatory company change its address for the purpose of receiving notices relating to arbitration, the signatory company shall notify the Guilds of such new address, which shall then be substituted for the prior address.

c. Unless otherwise designated by a signatory company in a written notice to the Guilds, all notices sent by the Guilds to the respondent shall be addressed to the attention of its Labor or Industrial Relations Department or, in the absence of such department, to an officer of the respondent. If the respondent maintains an office in Los Angeles, California or its vicinity, all such notices shall be sent to said office.

d. A petition to confirm, modify or vacate, as the case may be, an arbitration award filed in any court of competent jurisdiction shall be served upon the respondent in such proceeding by registered or certified mail or by personal delivery. If the petitioner is unable to effect service in this manner, service then may be effected by first class mail, postage prepaid, to the address for service last designated in writing by the Company, together with publication in *Daily Variety, The Hollywood Reporter, The Los Angeles Times* and *The New York Times*.

7. **Conduct of Proceedings**

Except as set forth elsewhere herein, the arbitrator shall adopt such rules of procedure and shall conduct proceedings in such manner as he/she shall determine to be proper; provided, however, that each party to any arbitration shall be

afforded a reasonable opportunity to present evidence and argument before the arbitrator.

All hearings, deliberations and proceedings of the arbitrator shall be closed to the public. Only interested parties, their representatives and witnesses may attend.

C. ARBITRATION

1. Initiation of Proceedings

a. **When One or More Guilds Have Previously Served Separate Arbitration Claims and/or Grievances.**

A tri-Guild arbitration shall be initiated by the Guilds by written notice setting forth the particulars of the claim. The written notice shall describe all previously served claim(s) and/or grievance(s) to be submitted to the tri-Guild proceeding. The written notice shall be sent in accord with the procedures described in Section B.6. above, within eighteen (18) months following the date of the final audit report.

The tri-Guild procedure would not be available, however, when an arbitrator has been selected to hear a claim filed separately by one of the Guilds.

b. **When No Arbitration Claims Have Been Previously Served By Any Guild.**

A tri-Guild arbitration shall be initiated by the Guilds by joint (*i.e.,* single) written notice setting forth the particulars of the claim, to be sent in accord with the procedures described in Section B.6. above. No grievance proceedings shall be utilized.

2. Respondent's Written Statement of Position

The respondent shall, within ten (10) business days following receipt of the notice of invocation of a tri-Guild proceeding, inform all Guilds of its representatives and serve a written statement of its position.

3. Selection of Arbitrator

The arbitrator shall be a neutral third party. The parties shall in good faith attempt to mutually agree upon an arbitrator within ten (10) business days after the respondent's receipt of the notice of invocation of a tri-Guild proceeding. Should

the parties fail to so agree, the arbitrator shall be selected by the "Strike Process" as follows:

a. The arbitrators listed in subparagraph e.(2) below shall constitute the list of arbitrators.

b. On a respondent-by-respondent basis, the Guilds collectively and the respondent shall alternate on a case-by-case basis in first striking a name from the list of arbitrators. Thereafter, the other party shall "strike" a name from the list. The parties shall continue to alternate in striking names from the list, until one (1) arbitrator's name remains.

c. The arbitrator whose name remains (after the Strike Process is completed) shall be the arbitrator.

d. The "Strike Process" shall commence within two (2) business days following completion of the ten (10) business day period referred to in Section 3. above and must conclude no later than three (3) business days following completion of the ten (10) day period referred to in Section 3. above.

e. In the event that one of the parties fails to participate in the Strike Process, or fails to strike in order and/or timely, the other party may thereupon select the arbitrator to hear the matter.

(1) If there is more than one respondent, then the respondent which is the real party in interest shall participate in the striking process with the Guilds. In the event that such respondents cannot agree on which of them is the real party in interest, then such respondents shall determine by lot which of them shall participate in the striking process with the Guilds.

(2) The authorized list of arbitrators is as follows:

Sara Adler
Howard Block
Dixon Dern
Joseph Gentile
Fredric Horowitz
Edgar A. Jones, Jr.
Anita Christine Knowlton
Michael Rappaport
Sol Rosenthal

Additional names may be added from time to time by mutual agreement of the parties, provided that the panel shall consist of an odd number of arbitrators at all times.

4. **Substitution of Arbitrators**

If the arbitrator selected cannot serve, a substitute shall be selected in accordance with Section 3. above.

5. **Notice of Hearing**

The arbitrator or, at his/her request, one of the parties shall give written notice to the parties of the time and place of the arbitration hearing. In fixing such date, the arbitrator shall consult the parties and shall consider the time reasonably necessary for the parties to prepare their cases.

6. **Exchange of Information**

The parties will cooperate in the exchange of information reasonably in advance of the hearing date regarding the expected utilization of documents and physical evidence. Not later than thirty (30) days prior to the arbitration hearing, any party may make a written request to the other to produce, on a date not later than five (5) days before the hearing, documentary evidence of the type producible pursuant to a *subpoena duces tecum*. The documents must be produced on the date requested, but the other party may object to the production of the documents to the same extent as though the documents were subpoenaed. Any such objection shall be considered by the arbitrator at the hearing.

The introduction of documents or physical evidence shall not be precluded because they were not exchanged in advance of the hearing.

7. **Hearing**

a. The arbitrator may, upon a showing of good cause, continue the hearing. The arbitration hearing shall be continued by mutual agreement of the parties.

b. The arbitration shall take place as noticed or continued regardless of whether one (1) or more of the parties fails to participate.

8. **Defenses**

The respondent may assert any and all defenses available to it, including those available against only one or two Guilds.

9. **Waiver of Time Limits**

Any and all time limits in this Sideletter may be waived by the mutual consent of the parties.

10. **Confidentiality**

The parties and the arbitrator shall maintain the confidentiality of business records and/or other documents introduced at the hearing as if the provisions of Article 53.B. of the WGA Minimum Basic Agreement, Article 17-400 of the DGA Basic Agreement, Article 7.G. of the DGA Freelance Live and Tape Television Agreement and Article 6.1 of the SAG-AFTRA Codified Basic Agreement applied.

D. ARBITRATION OF DISPUTES WHICH INVOLVE QUESTIONS OF JURISDICTION OR ARBITRABILITY

1. **General**

An objection to jurisdiction or arbitrability shall first be determined by the arbitrator prior to proceeding with a hearing on the merits. If the arbitrator determines that there is jurisdiction and that the dispute is arbitrable, the arbitrator shall proceed to a decision on the merits; provided, however, that the party contesting arbitration or jurisdiction shall not, by proceeding to a determination of the merits of such arbitration, be deemed to have waived its position that the dispute is not arbitrable or that the arbitrator does not have jurisdiction. If the arbitrator rules he/she has no jurisdiction over the dispute or that the dispute is not arbitrable, then each party shall be free to pursue the remedies available to it.

2. **Timeliness Defense**

If the respondent alleges that the claim is time-barred under one or more of the Guilds' Agreements, such defense shall be bifurcated and heard in a separate proceeding in advance of the proceeding on the merits, absent consent of all parties to decide this defense in the same proceeding. In a bifurcated proceeding, only the parties to the Agreement under which the timeliness defense has been raised shall be parties. These parties shall select a different arbitrator to decide the timeliness defense under the procedures described above in Section C.3., unless

they agree to use the same arbitrator selected to decide the merits of the tri-Guild claim. The arbitrator shall refrain from issuing a decision on the merits of any tri-Guild claim subject to a timeliness defense until issuance of the decision on such defense.

E. ARBITRATION EXCLUSIVE REMEDY

Arbitration under this Sideletter shall be the exclusive remedy in connection with claims hereunder against the respondent concerning the interpretation or application, or alleged breach, of any residuals provisions of the Guilds' current or predecessor Basic Agreements.

Very truly yours,

Directors Guild of America, Inc.

Screen Actors Guild-American Federation of Tele

Writers Guild of America, West, Inc.,
on behalf of itself and its affiliate,
Writers Guild of America, East, Inc.

Carol A. Lombardini, President
Alliance of Motion Picture and
Television Producers, Inc.

they agree to use the same arbitrator selected to decide the merits of the tri-Guild claim. The arbitrator shall refrain from issuing a decision on the merits of any tri-Guild claim subject to a timeliness defense until issuance of the decision on such defense.

E. ARBITRATION EXCLUSIVE REMEDY

Arbitration under this Sideletter shall be the exclusive remedy in connection with claims hereunder against the respondent concerning the interpretation or application, or alleged breach, of any residuals provisions of the Guilds' current or predecessor Basic Agreements.

Very truly yours,

Directors Guild of America, Inc.

Screen Actors Guild-American Federation of Television and Radio Artists

Writers Guild of America, West, Inc.,
on behalf of itself and its affiliate,
Writers Guild of America, East, Inc.

Carol A. Lombardini, President
Alliance of Motion Picture and
Television Producers, Inc.

Exhibit A to Sideletter No. 17

WGA Collective Bargaining Agreements:

1960 Network TV Film Agreement

1960 Network Live TV Agreement

1960 Network Documentary Agreement

1960 Theatrical Agreement

1960 Screen Agreement (Universal)

1960 TV Film Agreement (AMPP)

1960 TV Film Agreement (Independent)

1960 TV Film Agreement (Freelance)

1963 Live TV Agreement (Networks)

1963 Network Documentary Agreement

1963 Screen Agreement

1963 Screen Agreement (Universal)

1965 Live TV Agreement (Networks)

1965 Network Documentary Agreement

1965 Screen Agreement (Universal)

1966 Theatrical Agreement (Independent)

1966 TV Film Agreement (Freelance)

1967 Ext. to 1966 TV Film Agreement (Freelance)

1968 Live TV Agreement (Networks)

1968 Network Documentary Agreement

1970 Network Film MBA

1970 Theatrical & TV Agreement (AMPTP)

1971 Ext. to 1968 Live TV Agreement (Networks)

1971 Network Documentary Agreement

1973 Networks Basic Agreement

1973 Network Documentary Agreement

1973 Theatrical & TV Agreement (AMPTP)

1977 Networks Basic Agreement

1977 Network Documentary Agreement

1977 Theatrical & TV Agreement (AMPTP)

1977 Theatrical & TV Agreement (8 Companies)

1981 Theatrical & TV Agreement (AMPTP)

1985 Theatrical & TV Agreement (AMPTP)

1988 Theatrical & TV Agreement (Independent)

1988 Theatrical & TV Agreement (Ind Revised)

1988 Theatrical & TV Agreement (AMPTP)

1992 Ext. To 1988 Theatrical & TV Agreement

1995 Theatrical & TV Agreement (AMPTP)

1995 Theatrical & TV Agreement (Networks)

1998 Theatrical & TV Agreement (AMPTP)

1998 Theatrical & TV Agreement (Networks)

2001 Theatrical & TV Agreement (AMPTP)

2001 Theatrical & TV Agreement (Networks)

2004 Theatrical & TV Agreement (AMPTP)

2004 Theatrical & TV Agreement (Networks)

2008 Theatrical & TV Agreement (AMPTP)

2008 Theatrical & TV Agreement (Networks)

2011 Theatrical & TV Agreement (AMPTP)

2011 Theatrical & TV Agreement (Networks)

2014 Theatrical & TV Agreement (AMPTP)

2014 Theatrical & TV Agreement (Networks)

2017 Theatrical & TV Agreement (AMPTP)

2017 Theatrical & TV Agreement (Networks)

DGA Collective Bargaining Agreements:

1960 Directors Guild of America Basic Agreement

1964 Directors Guild of America Basic Agreement

1968 Directors Guild of America Basic Agreement

1973 Directors Guild of America Basic Agreement

1975 Directors Guild of America Freelance Live & Tape Television Agreement

1978 Directors Guild of America Basic Agreement

1978 Directors Guild of America Freelance Live & Tape Television Agreement

1981 Directors Guild of America Basic Agreement

1981 Directors Guild of America Freelance Live & Tape Television Agreement

1984 Directors Guild of America Basic Agreement

1984 Directors Guild of America Freelance Live & Tape Television Agreement

1987 Directors Guild of America Basic Agreement

1987 Directors Guild of America Freelance Live & Tape Television Agreement

1990 Directors Guild of America Basic Agreement

1990 Directors Guild of America Freelance Live & Tape Television Agreement

1993 Directors Guild of America Basic Agreement

1993 Directors Guild of America Freelance Live & Tape Television Agreement

1996 Directors Guild of America Basic Agreement

1996 Directors Guild of America Freelance Live & Tape Television Agreement

1999 Directors Guild of America Basic Agreement

1999 Directors Guild of America Freelance Live & Tape Television Agreement

2002 Directors Guild of America Basic Agreement

2002 Directors Guild of America Freelance Live & Tape Television Agreement

2005 Directors Guild of America Basic Agreement

2005 Directors Guild of America Freelance Live & Tape Television Agreement

2008 Directors Guild of America Basic Agreement

2008 Directors Guild of America Freelance Live & Tape Television Agreement

2011 Directors Guild of America Basic Agreement

2011 Directors Guild of America Freelance Live & Tape Television Agreement

2014 Directors Guild of America Basic Agreement

2014 Directors Guild of America Freelance Live & Tape Television Agreement

2017 Directors Guild of America Basic Agreement

2017 Directors Guild of America Freelance Live & Tape Television Agreement

SAG Collective Bargaining Agreements:

Producer-Screen Actors Guild, Inc. Memorandum of Agreement of 1960 to the Producer-Screen Actors Guild Codified Basic Agreement of 1952 and the 1956 Supplement

1960 Screen Actors Guild Television Agreement

Producer-Screen Actors Guild, Inc. Memorandum of Agreement of 1963 to the Producer-Screen Actors Guild Codified Basic Agreement of 1952, the 1956 Supplement and the Producer-Screen Actors Guild, Inc. Memorandum of Agreement of 1960

1964 Screen Actors Guild Television Agreement

Producer-Screen Actors Guild, Inc. Memorandum of Agreement of 1965 to the Producer-Screen Actors Guild Codified Basic Agreement of 1952, the 1956 Supplement, the Producer-Screen Actors Guild, Inc. Memorandum of Agreement of 1960 and the Producer-Screen Actors Guild, Inc. Memorandum of Agreement of 1963

Producer-Screen Actors Guild Codified Basic Agreement of 1967

1967 Screen Actors Guild Television Agreement

1971 Supplement to the Producer-Screen Actors Guild Codified Basic Agreement of 1967

1971 Screen Actors Guild Television Agreement

Producer-Screen Actors Guild Memorandum of Agreement of 1974 to the Producer-Screen Actors Guild Codified Basic Agreement of 1967 and the 1971 Supplement and the 1971 Screen Actors Guild Television Agreement

1974 Screen Actors Guild Television Agreement

Producer-Screen Actors Guild Codified Basic Agreement of 1977

1977 Screen Actors Guild Television Agreement

1980 Supplement to the Producer-Screen Actors Guild Codified Basic Agreement of 1977 and 1977 Screen Actors Guild Television Agreement

1983 Memorandum of Agreement between AMPTP and Screen Actors Guild, Inc. to the Producer-Screen Actors Guild Codified Basic Agreement of 1977, the 1977 Screen Actors Guild Television Agreement and the 1980 Supplement

Producer-Screen Actors Guild Codified Basic Agreement of 1986

1986 Screen Actors Guild Television Agreement

1986 Memorandum of Agreement between Independent Producers and Screen Actors Guild to the Producer-Screen Actors Guild Codified Basic Agreement of 1977, the 1977 Screen Actors Guild Television Agreement, the 1980 Supplement and the 1983 Memorandum of Agreement between AMPTP and Screen Actors Guild, Inc.

Producer-Screen Actors Guild Codified Basic Agreement of 1989

1989 Screen Actors Guild Television Agreement

Screen Actors Guild Codified Basic Agreement of 1989 for Independent Producers

Producer-Screen Actors Guild Codified Basic Agreement of 1992

1992 Screen Actors Guild Television Agreement

1992 Memorandum of Agreement between Independent Motion Picture and Television Producers and Screen Actors Guild to the Screen Actors Guild Codified Basic Agreement of 1989 for Independent Producers and the Screen Actors Guild Television Agreement of 1989 for Independent Producers

Producer-Screen Actors Guild Codified Basic Agreement of 1995

1995 Screen Actors Guild Television Agreement

Screen Actors Guild Codified Basic Agreement of 1995 for Independent Producers

Screen Actors Guild Television Agreement of 1995 for Independent Producers

Producer-Screen Actors Guild Codified Basic Agreement of 1998

1998 Screen Actors Guild Television Agreement

Screen Actors Guild Codified Basic Agreement of 1998 for Independent Producers

Screen Actors Guild Television Agreement of 1998 for Independent Producers

Producer - Screen Actors Guild Codified Basic Agreement of 2001 (including the Extension Agreement effective as of July 1, 2004)

2001 Screen Actors Guild Television Agreement (including the Extension Agreement effective as of July 1, 2004)

Screen Actors Guild Codified Basic Agreement of 2001 for Independent Producers (including the Extension Agreement effective as of July 1, 2004)

Screen Actors Guild Television Agreement of 2001 for Independent Producers (including the Extension Agreement effective as of July 1, 2004)

Extension Agreement for 2001 Screen Actors Guild Codified Basic Agreement

Producer - Screen Actors Guild Codified Basic Agreement of 2005

2005 Screen Actors Guild Television Agreement

Screen Actors Guild Codified Basic Agreement of 2005 for Independent Producers

Screen Actors Guild Television Agreement of 2005 for Independent Producers

Screen Actors Guild Codified Basic Agreement of 2009 for Independent Producers

Screen Actors Guild Television Agreement of 2009 for Independent Producers

Producer - Screen Actors Guild Codified Basic Agreement of 2009

2009 Screen Actors Guild Television Agreement

Screen Actors Guild Codified Basic Agreement of 2011 for Independent Producers

Screen Actors Guild Television Agreement of 2011 for Independent Producers

Producer - Screen Actors Guild Codified Basic Agreement of 2011

2011 Screen Actors Guild Television Agreement

Producer – SAG-AFTRA Codified Basic Agreement of 2014

2014 SAG-AFTRA Television Agreement

Producer – SAG-AFTRA Codified Basic Agreement of 2017

2017 SAG-AFTRA Television Agreement

Sideletter No. 18

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: <u>License to Secondary Digital Channels of Free Television, Basic Cable or Pay Television Motion Pictures or Motion Pictures Made for Home Video</u>

Dear Mr. Hollander:

During the 2017 negotiations, the parties discussed the residual formula for exhibition of television motion pictures on secondary digital channels. The parties agreed that instead of a fixed residual formula, an Employer shall pay a percentage residual formula of two percent (2%) of "Employer's gross receipts" (as defined in Article 7.E.1.) for any license to a secondary digital channel of any free television or pay television dramatic motion picture, non-dramatic program, motion picture made for home video or any basic cable program not subject to FLTTA Article 31.A.4.(b), as to which a fixed residual otherwise would be payable and that is out of production.

When the "Employer's gross" derived from this exploitation is received from a related or affiliated entity that acts as the Distributor or exhibitor of the program, then the "Employer's gross" received by the Employer from the licensing of such rights shall be measured by the Distributor/exhibitor's payments to unrelated and unaffiliated entities in arms' length transactions for comparable programs, or, if none, then the amounts received by the Employer from unrelated and unaffiliated Distributors/exhibitors in arms' length transactions for comparable programs, or, if none, a comparable Distributor/exhibitor's payments to comparable unrelated and unaffiliated entities in arms' length transactions for comparable programs.

Notwithstanding any of the foregoing, the minimum payment pursuant to this Sideletter for any program, except non-dramatic programs, licensed to a related or affiliated entity shall be $75.00 for a 30-minute program, $150.00 for a 60-minute program, $200.00 for a 90-minute program, or $250.00 for a 120-minute program, as applicable; and the minimum payment pursuant to this Sideletter for any non-dramatic program licensed to a related or affiliated entity shall be $50.00 for a 30-minute program, $100.00 for a 60-minute program, $150.00 for a 90-minute program, or $200.00 for a 120-minute program, as applicable.

Sideletter No. 18 (continued)

The foregoing applies to motion pictures, whether produced under the 2020 FLTTA or any prior FLTTA as to which residuals otherwise would be payable.

This Sideletter does not apply to licenses of dramatic programs to broadcast syndication entered into on or after July 1, 2020. (*See, e.g.,* Section B.8. of Article 7 of the 2020 FLTTA).

Sincerely,

Carol A. Lombardini

ACCEPTED AND AGREED:

Russell Hollander
National Executive Director

Sideletter No. 19

SIDELETTER RE HALF-HOUR SERIES SYNDICATED IN MARKETS REPRESENTING 50% OR FEWER OF U.S. TELEVISION HOUSEHOLDS

As of July 1, 2002;
Renewed as of July 1, 2005;
Renewed as of July 1, 2008;
Renewed as of July 1, 2011;
Revised as of July 1, 2014;
Revised as of July 1, 2017;
Revised as of July 1, 2020

Carol A. Lombardini
President
Alliance of Motion Picture and Television Producers
15301 Ventura Boulevard, Building E
Sherman Oaks, California 91403-5885

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

Dear Carol:

Reference is made to the provisions of Article 7., Section B.1.(b) of the FLTTA. 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, the fixed residuals payable pursuant to Article 7., Section B.1.(b) of the FLTTA 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, 2020 and terminating June 30, 2023 but only with respect to licenses entered into prior to July 1, 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 pursuant to a license agreement entered into prior to July 1, 2020, residuals for such series shall be payable at twenty percent (20%) of the "applicable minimum" under the FLTTA

for each such run but shall not constitute a "run" for purposes of Article 7., Section B.1.(b) of the FLTTA.

If the series is further syndicated pursuant to a license agreement entered into prior to July 1, 2020 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 Article 7., Section B.1.(b) of the FLTTA shall be due on any subsequent runs.

This experiment will only apply to series that have not yet been placed into syndication as of July 1, 2002 and that are subject to a license agreement entered into prior to July 1, 2020.

Very truly yours,

DIRECTORS GUILD OF AMERICA, INC.

By:_____
Russell Hollander
National Executive Director

ACCEPTED AND AGREED:

The respective signatory companies represented by
The ALLIANCE OF MOTION PICTURE AND
TELEVISION PRODUCERS, INC.

By:_____
Carol A. Lombardini
President

SIDELETTER NO. 20

As of July 1, 2002
Revised as of July 1, 2005

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

Re: Terms and Conditions for Non-Prime Time Multi-Camera Dramatic Programs

Dear Jay:

This will confirm our agreement that employees employed on multi-camera, dramatic programs intended for broadcast in other than prime time will be covered by the Freelance Live and Tape Television Agreement provided that the program is shot on videotape or is recorded digitally. With respect to multi-camera, dramatic programs produced on or after July 1, 2005 which are intended for broadcast in other than prime time and shot on film which, were they produced for broadcast in prime time, would be covered under Article 24 of the Basic Agreement, the Employer and the Guild will negotiate in good faith over the working conditions applicable to DGA-represented employees employed thereon. In the absence of an agreement, the wages and working conditions set forth in Article 24 of the Basic Agreement shall apply.

Sincerely,

J. Nicholas Counter III

ACCEPTED AND AGREED:

Jay D. Roth

Sideletter No. 21

As of July 1, 2002

Mr. J. Nicholas Counter III
Alliance of Motion Picture & Television Producers, Inc.
15503 Ventura Boulevard
Encino, California 91436

Re: Address Verification / Local Hires

Dear Mr. Counter:

This letter confirms our agreement that Employers shall obtain verification from an associate director or stage manager of his/her home address in order to employ that individual as a "local hire," as follows:

(a) The Guild will provide documentation of the home addresses of all members, and of other individuals who have been previously employed under this Agreement or who meet the employment eligibility criteria set forth in Article 10, Part 3, Section A of the FLTTA. Employer, the Guild and all Employees shall be bound by the Guild's listing of an individual's address for the purposes of determining whether he or she may be employed as a "local hire."

(b) In order to be employed as a "local hire," an individual who does not come within the categories described in subparagraph (a) above must provide the Employer with documentation that he/she has been a resident of the area in which he/she is to be employed for at least sixty (60) days prior to the first day of employment. This documentation shall comprise a valid state driver's license or photo identification issued by the federal or state government showing the local address of the individual, and at least one (1) of the following documents:

voter registration
automobile registration
mortgage statement
telephone or other utility bills

In the alternative, Employer may employ such an individual subject to the individual providing this documentation within three (3) days of the date of employment. If the individual fails to provide this documentation within the three (3) days, Employer must either provide all the conditions of distant location

employment (compensation and/or benefits), or terminate the employment forthwith.

In either case, Employer shall attach a photocopy of such documentation to the Employee's deal memo.

This sideletter is agreed subject to review by outside counsel for compliance with applicable state and federal law.

Sincerely,

Jay D. Roth

AGREED:

J. Nicholas Counter III

Sideletter No. 22

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

Ms. Carol A. Lombardini
Alliance of Motion Picture and Television Producers, Inc.
15301 Ventura Boulevard, Building E
Sherman Oaks, California 91403-5885

Re: Diversity

Dear Ms. Lombardini:

During the negotiations for the 2008 BA and FLTTA, the parties discussed their respective concerns regarding diversity in the production of television programs. The Employers and the DGA have agreed to address concerns regarding the implementation of BA Article 15 and FLTTA Article 19 as follows:

1. Both parties mutually understand the need to continue the diversity meetings with high level creative, production or programming executives, pursuant to BA 15-700 and FLTTA Article 19, Section E.

2. The Major Production Companies have agreed to continue their commitment of substantial resources to increase the employment of both experienced and emerging women and minority Directors in television. To this end, several programs have been instituted including the ABC/Touchstone Directing Assignment Initiative, the NBC Director in Training Program and the HBO/DGA Directing Fellowship. These programs and other initiatives have the potential to be an important source of employment opportunities. The DGA will continue to provide lists of women and minority Directors who may be available for assignment.

3. The DGA will endeavor to educate the DGA executive producers, supervising producers and/or showrunner members about the need to enhance the employment of women and minority Directors. In addition, the DGA will cooperate with other organizations, including the WGAw, at the Employer's request, to further the goal of diversity.

Sincerely,

Jay D. Roth
National Executive Director

Agreed:

Carol A. Lombardini

Sideletter No. 23

As of July 1, 2017;
Renewed as of July 1, 2020

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

Re: Virtual MVPD Services

Dear Mr. Hollander:

During the course of the 2017 negotiations, the parties discussed how the landscape of the free television marketplace has evolved from the past – when the exhibition of a given television program was only available to the viewer in the home on a television set on a linear channel at a specific scheduled time – to the current marketplace, commonly referred to as "TV everywhere" where the viewing public, in addition to viewing a program on a linear channel at a scheduled time, is also provided the time-shifted option to view the same program on a variety of digital devices on a video-on-demand ("VOD") basis. In addition, in the past, the bargaining parties agreed that television exhibitions on a linear channel provided through an MVPD, whether such channel was a free broadcast channel or a basic cable channel, were considered exploitation of free television rights even though the consumer paid a monthly fee to access such programming.

Consistent with the above, the bargaining parties agree that with respect to new internet-delivered "virtual MVPD" services, such as Sling TV and Sony's PlayStation Vue, and other like services, such as CBS All Access (collectively referred to hereafter as "vMVPD Services"), any VOD rights which are associated with exhibition of the program on a linear channel on the vMVPD Service (commonly referred to as "stacking rights") shall be considered exploitation of free television rights and not a form of pay or subscription television. Such "stacking rights" shall be treated the same as if such programs were exhibited on traditional MVPDs.

Under this framework, the parties clarified the treatment of covered television motion pictures[1] on vMVPD Services as follows:

[1] It is understood by the parties that the provisions set forth herein apply to television motion pictures, the principal photography of which commenced on or after July 1, 1971, whether produced under the 2020 BA or FLTTA or any prior BA or FLTTA, as to which free television residuals are still payable.

1. When the License for Linear Channel Exhibition of the Covered Television Motion Picture or Series on the vMVPD Service Includes On-Demand Availability

   a. When a linear channel on an MVPD is also offered on an vMVPD Service (such as when ABC is offered on Sling TV), no additional payment is required for the linear channel availability on the vMVPD Service.

   b. When a covered television motion picture is available on demand on the vMVPD Service pursuant to a license agreement with a channel or network that includes the right to exhibit the covered television motion picture or other episodes of the same series on a linear channel on the vMVPD Service, the same free streaming windows and residual formulas that apply to the on-demand availability of a covered television motion picture on an MVPD are applicable. (See Section 3 of Sideletter No. 14 to the FLTTA and the analogous provisions of Sideletter No. 15 to the Basic Agreement re: Exhibition of Motion Pictures Transmitted via New Media.)

   c. The use of excerpts from a covered television motion picture on the vMVPD Service pursuant to a license agreement with a channel or network that includes the right to exhibit the covered television motion picture or other episodes of the same series on a linear channel on the vMVPD Service shall likewise be governed by the provisions of Sections 3.C., 3.E. and 4 of Sideletter No. 14 to the FLTTA and the analogous provisions of Sideletter No. 15 to the Basic Agreement re: Exhibition of Motion Pictures Transmitted via New Media.

   d. The fixed residual payment applicable under Section 3.D. of Sideletter No. 14 to the FLTTA (and the analogous provisions of Sideletter No. 15 to the Basic Agreement) covers on demand availability on a free-to-the-consumer, advertiser-supported new media service and on an MVPD (or any similar service that exists or may hereafter be developed) and vMVPD Service.

   e. The on-demand availability provisions under Section 3 of Sideletter No. 14 to the FLTTA and the analogous provisions of Sideletter No. 15 to the Basic Agreement re: Exhibition of Motion Pictures Transmitted via New Media apply regardless of whether there are advertisements.

   f. When the Employer directly licenses the right to exhibit a covered television motion picture on a linear channel available only on a vMVPD Service(s), the supplemental exhibition on such channel, as well as any associated stacking rights and the use of excerpts, shall be treated in the

same manner as a license of a free television motion picture to basic cable. The exhibition rights on the linear channel shall be subject to a residual formula of two percent (2%) of Employer's gross (as defined in Article 24.C.2), and the stacking rights and use of excerpts shall be subject to the same free streaming windows and residual formulas that apply to the on-demand availability and use of excerpts of a covered television motion picture on an MVPD. (See Sections 3 and 4 of Sideletter No. 14 to the FLTTA and the analogous provisions of Sideletter No. 15 to the Basic Agreement re: Exhibition of Motion Pictures Transmitted via New Media.)

2. When the License Is for On-Demand Availability on the vMVPD Service

By contrast, when the Employer licenses the right to exhibit a covered television motion picture, or one or more episodes of a covered television series, on an on-demand basis on the vMVPD Service, and such rights are not associated with the right to exhibit the motion picture or episodes of the series on a linear channel on the vMVPD Service, the parties agree that Section 1 of Sideletter No. 14 to the FLTTA (and the analogous provision of Sideletter No. 15 to the Basic Agreement), which governs licenses to consumer pay new media platforms for a limited period or fixed number of exhibitions, shall apply.

In addition, when a program is made exclusively for on-demand availability on an vMVPD Service, it shall be treated as having been made for a subscription consumer pay new media platform subject to the provisions of Sideletter No. 28 re: Programs Produced for New Media.

Sincerely,

Carol A. Lombardini

ACCEPTED AND AGREED:

Russell Hollander
National Executive Director

Sideletter No. 24

As of July 1, 2005

Mr. J. Nicholas Counter III
Alliance of Motion Picture and Television Producers, Inc.
15503 Ventura Boulevard
Encino, California 91436

Re: Diversion of Pension Plan Contributions

Dear Mr. Counter:

During the recent negotiations for the 2005 BA and FLTTA, the parties discussed the possible need to divert Employer contributions from the Pension Plan to the Health and Welfare Plan.

Accordingly, the parties agree that, notwithstanding anything to the contrary in the BA or FLTTA, the parties reserve the right, upon mutual agreement, to divert a portion of the Employer contributions to the Directors Guild of America–Producer Pension Plan required under Paragraph 12-201 of the BA and Article 11, Section A.1. of the FLTTA, as well as the Pension Plan share of payments under Articles 18 and 19 of the BA and Article 24 of the FLTTA, to the Directors Guild–Producer Health and Welfare Plan, for as long a time period as the parties deem necessary.

Sincerely,

Jay D. Roth
National Executive Director

Agreed:

J. Nicholas Counter III

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.

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

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

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

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

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

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

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

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

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

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

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

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

Sincerely,

Carol A. Lombardini

ACCEPTED AND AGREED:

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.

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

	Running Time	Minimum Compensation	Guaranteed Days	Compensation for Days Beyond Guarantee
7/1/20	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

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

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

	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

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

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

	Running Time	Minimum Compensation	Guaranteed Days (days need not be consecutive)	Compensation for Days Beyond Guarantee
7/1/20	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

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

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

	Running Time	Minimum Compensation	Guaranteed Days	Compensation for Days Beyond Guarantee
7/1/20	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[†]	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

[†] 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[†]	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. Residual Compensation - FLTTA

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

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

[†] See text of footnote 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.

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

Running Time	**7/1/2020**	**7/1/2021**	**7/1/2022**[†]
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

(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**[†]
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.

Sideletter No. 26

As of July 1, 2017

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

Re: Over-The-Top Delivery of Pay Television Services

Dear Mr. Hollander:

The parties confirmed that when a pay television service (such as HBO, Showtime or Starz) is delivered to subscribers over-the-top ("OTT") without an additional subscription fee (such as HBO Go, Showtime Anytime or Starz Play), the OTT service is treated as part of the linear pay television service for all purposes under the DGA Basic Agreement (and FLTTA). It is understood that foreign sales of traditional pay television will be combined with foreign sales of OTT pay television for purposes of applying the two percent (2%) formula set forth in Article 29, Section D.4.

When a subscription fee is charged for over-the-top ("OTT") delivery of a pay television service (such as for HBO Now and the stand-alone New Media subscription services of Showtime and Starz), the OTT service shall be treated as part of the linear pay television service for all purposes under the DGA Basic Agreement (and FLTTA). It is understood that foreign sales of traditional pay television will be combined with foreign sales of OTT pay television for purposes of applying the two percent (2%) formula set forth in Article 29, Section D.4.

For example, during the first exhibition year on HBO and HBO Now of a pay television program produced for HBO, the subscriber residual payment is based on the total number of subscribers to HBO and HBO Now. In the event that an HBO program is available on HBO Now and not HBO during a subsequent exhibition year, the subscriber residual payment for the particular exhibition year is based on the cumulative subscribers to HBO Now and HBO, even if the exhibition is solely on HBO Now.

Sincerely,

Carol A. Lombardini

AGREED:

Russell Hollander

Sideletter No. 27

As of July 1, 2020

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

Re: **When Made-for-Television Motion Pictures or Made-for-SVOD Programs Are Initially Exhibited on a Different Platform in Television or New Media as the Primary Market**

Dear Mr. Hollander:

During the 2020 negotiations, the parties discussed the residual formula that should apply in certain situations when a program or episode made for television (e.g., free television, basic cable or pay television) or made for a subscription consumer pay new media ("SVOD") platform is, instead, initially exhibited in a different primary market.

To resolve the complexity and uncertainty that arises in these circumstances, the parties confirm that, in the event that a program made for television or an SVOD platform is initially exhibited on a different television or new media platform, the television or SVOD program is treated for residuals purposes as if it were made for the platform on which it is initially exhibited. If the platform on which the program is initially exhibited is subject to higher minimum initial compensation rates, the Employer shall pay any additional initial compensation necessary to meet the minimums applicable to the platform of initial exhibition within thirty (30) days of initial exhibition.

For example, a broadcast network orders a pilot and then orders seven episodes of the series that are intended for exhibition in network prime time. Before any episodes are broadcast on the network, the network decides that it does not want the series that has already been produced. Employer then sells the series to an SVOD platform where the episodes (including the pilot) are initially exhibited. In that situation, the residuals are determined as if the episodes were made for the SVOD platform. (No adjustment of initial compensation is required in this situation since the minimum salary rates and guarantees would have been no less than those of the SVOD platform.)

It is understood that the foregoing applies to television motion pictures and SVOD programs produced under this and any prior FLTTA that have not had an initial release.

The provisions of this Sideletter are experimental and shall expire on the termination date of the 2020 FLTTA.

Sincerely,

Carol A. Lombardini

AGREED:

Russell Hollander

Sideletter No. 28

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

Ms. Carol A. Lombardini
Alliance of Motion Picture and Television Producers, Inc.
15301 Ventura Boulevard, Building E
Sherman Oaks, California 91403-5885

Re: Programs Produced for New Media

Dear Carol:

The parties mutually recognize that the economics of New Media production are presently uncertain and that greater flexibility in terms and conditions of employment is therefore mutually beneficial. If one or more business models develop such that New Media production becomes an economically viable medium, then the parties mutually recognize that future agreements should reflect that fact.

A. Terms and Conditions for "Derivative New Media Productions."

A "Derivative New Media Production" is a production for New Media based on an existing dramatic, variety, quiz and game, or "all other" television motion picture or program that was produced under the FLTTA for "traditional" media – *e.g.*, a free television, basic cable, or pay television motion picture or program (the "Original Production").

1. A Director must be employed, except in those situations in which a Director would not be required to be employed if the program were made for free television. Furthermore, the present understandings between the DGA and the AMPTP and between the DGA and the Networks regarding exceptions to Director staffing, including, but not limited to, those situations addressed in Article 1, Section B., Paragraph 4.(c) of the FLTTA, remain in full force and effect. The Company shall pay the Director a salary for a Derivative New Media Production separate from any directing salary for the Original Production, which shall be subject to negotiation between the individual Employee and the Company, and which must be reported to the Guild in a deal memorandum specifying the salary and terms of employment no later than the start of principal photography.

2. Associate Directors and Stage Managers employed on the Original Production may be assigned to the derivative production as part of their regular workday on the Original Production. The work for the derivative production shall be considered part of the workday for the ADs and SMs on the Original Production and shall trigger extended workday

payments or overtime if work on the derivative production extends the workday on the Original Production past the contractually defined regular workday. If an Employee who is not employed on the Original Production is employed to perform Associate Director or Stage Manager duties exclusively for a derivative production, then the terms and conditions set forth below govern.

3. All terms and conditions of employment, including initial compensation and deferred compensation, if any, will be subject to negotiation between the Company and the individual Employee, except for Director's credit and residuals as set forth in Paragraphs (c) and (d) below and those provisions of the FLTTA incorporated herein by reference in Paragraph (a) below. DGA agrees it will not interfere in any such negotiations between the Employee and the Company.

(a) The following provisions of the FLTTA are incorporated herein. To the extent the provisions herein are inconsistent with the FLTTA, the provisions of this sideletter control.

(i) Article 3, Recognition.

(ii) Article 4, Guild Security.

Notwithstanding the Guild Shop provisions set forth in Article 4 of the FLTTA, an individual engaged as the Director of a Derivative New Media Production shall not be required to become a "member of the Guild in good standing" until he or she completes production of 120 total minutes of programming, as edited for exhibition. The 120 minutes of programming applies per Director, regardless of the number of Companies for which the Director works. The above provision applies only to Directors who are not, and have not previously been, members of the Guild and only to work performed on covered New Media productions.

(iii) Article 20, Grievance and Arbitration.

(iv) Articles 11 and 12, Pension and Health Plans.

(v) Although Article 2 is not applicable, it is understood that the Company may not assign any of the duties described therein to persons outside the bargaining unit. The Employer shall not be required to assign work to an Employee hereunder when the Employer would not be required to do so under the FLTTA.

(vi) Article 9, Section B., Paragraphs 11., 12., 13., 17., and 19.; Article 1, Section B., Paragraphs 1. and 2.

(vii) Article 9, Section C. shall apply, except that if no First Stage Manager is employed, the meeting described in the first paragraph may instead be called by the person who is designated as the safety officer.

(b) The Company shall advise the DGA of the employment of any Employee by forwarding to the DGA a copy of a deal memorandum, signed by both the Company and the Employee, which shall set forth at least the information required by Exhibits 1(A) and (B) attached to this sideletter no later than the start of principal photography.

(c) The Employer is required to accord screen credit to the Director if anyone else receives screen credit on the New Media Production. The Director's credit shall be in the form "Directed by" and must be in the same size and style of type as any other such credit. Credits may appear in the corner of the screen. "Click-through" credits may be used.

(d) Reuse - Refer to Section D. below.

(e) DGA agrees to make appropriate accommodations in its initiation fees in recognition of the economics of Made for New Media Productions.

B. Terms and Conditions for "Experimental New Media Productions" (Original Productions Only).

Coverage shall be at the Employer's option with respect to "Experimental New Media Productions." An "Experimental New Media Production" is defined as any Original New Media Production (1) for which the actual cost of production does not exceed: (a) $15,000 per minute of program material as exhibited, and (b) $300,000 per single production as exhibited, and (c) $500,000 per series of programs produced for a single order; and (2) does not utilize an employee in any DGA-covered category who has previously been employed under a DGA collective bargaining agreement.

The actual cost of the Experimental New Media Production shall consist of all direct costs actually incurred in connection with the Production. The only costs excluded in determining the actual cost of production shall be development costs, overhead charges, financing costs (*i.e.*, loan origination fees, gap fees, legal fees, and interest), contingency of up to ten percent (10%), essential elements insurance costs, the cost of the completion bond, marketing expenses, contingent payments to talent or other parties, and delivery items required by sales agents, distributors or sub-distributors (*i.e.* delivery materials beyond the answer print, NTSC Video Master if the Production is delivered on videotape, or the digital equivalent if the Production is delivered in a digital format).

C. Terms and Conditions for Original "Made for New Media" Variety Programs, Quiz and Game Programs, and "All Other" Programs.

A Director must be employed, except in those situations where a Director would not be required to be employed if the program were made for free television. Furthermore, the present

understandings between the DGA and the AMPTP and between the DGA and the Networks regarding exceptions to Director staffing, including, but not limited to, those situations addressed in Article 1, Section B., Paragraph 4.(c) of the FLTTA, remain in full force and effect. All terms and conditions of employment, including initial compensation and deferred compensation, if any, will be subject to negotiation between the Company and the individual Employee, except for Director's credit and residuals as set forth in Paragraphs 3. and 4. below and those provisions of the FLTTA incorporated herein by reference in Paragraph 1. below. DGA agrees it will not interfere in any such negotiations between the Employee and the Company.

1. The following provisions of the FLTTA are incorporated herein. To the extent the provisions herein are inconsistent with the FLTTA, the provisions of this sideletter control.

(a) Article 3, Recognition.

(b) Article 4, Guild Security.

Notwithstanding the Guild Shop provisions set forth in Article 4 of the FLTTA, an individual engaged as the Director of an Original New Media Production shall not be required to become a "member of the Guild in good standing" until he or she completes production of 120 total minutes of programming, as edited for exhibition. The 120 minutes of programming applies per Director, regardless of the number of Companies for which the Director works. The above provision applies only to Directors who are not, and have not previously been, members of the Guild and only to work performed on covered New Media productions.

(c) Article 20, Grievance and Arbitration.

(d) Articles 11 and 12, Pension and Health Plans.

(e) Although the provisions of Article 2 are not applicable, it is understood that the Company may not assign any duties described therein to persons outside the bargaining unit. The Employer shall not be required to assign work to an Employee hereunder when the Employer would not be required to do so under the FLTTA.

(f) Article 9, Section B., Paragraphs 11., 12., 13., 17., and 19.; Article 1, Section B., Paragraphs 1. and 2.

(g) Article 9, Section C. shall apply, except that if no First Stage Manager is employed, the meeting described in the first paragraph may instead be called by the person who designated as the safety officer.

2. The Company shall advise the DGA of the employment of any Employee by forwarding to the DGA a copy of a deal memorandum, signed by both the Company and the

Employee, which shall set forth at least the information required by Exhibits 1(A) and (B) attached to this sideletter no later than the start of principal photography.

3. The Company is required to accord screen credit to the Director if anyone else receives screen credit on the New Media Production. The Director's credit shall be in the form "Directed by" and must be in the same size and style of type as any other such credit. Credits may appear in the corner of the screen. "Click-through" credits may be used.

4. Reuse - Refer to Section D. below.

5. DGA agrees to make appropriate accommodations in its initiation fees in recognition of the economics of Made for New Media Productions.

D. Reuse of Productions Made for New Media.

1. Derivative New Media Productions.

(a) What Initial Compensation Covers.

Initial compensation for a Derivative New Media Production shall constitute payment for thirteen (13) consecutive weeks of use on all free-to-the-consumer, advertiser-supported platforms transmitted via the Internet or mobile devices (hereinafter "advertiser-supported platforms"), commencing with the first day that the Derivative New Media Production is available for exhibition on any advertiser-supported platform, and for a separate twenty-six (26) consecutive week period of use on any consumer pay New Media platform (hereinafter "consumer pay platform"), commencing with the first day that the Derivative New Media Production is available for exhibition on any consumer pay platform.

(b) Use on Advertiser-Supported Platforms Within One (1) Year Following Expiration of the Thirteen (13) Consecutive Week Period.

(i) If the Employer desires to use the Derivative New Media Production on advertiser-supported platforms beyond the thirteen (13) consecutive week period, but within one (1) year after expiration of the thirteen (13) consecutive week period, then the Employer shall make a residual payment equal to three and one-half percent (3.5%) of the following "residual base for syndication" as consideration for a twenty-six (26) consecutive week period of use, commencing with the first day that the Derivative New Media Production is available for use on any advertiser-supported platform following the expiration of the thirteen (13) consecutive week period:

(A) For a Derivative New Media Production that is derivative of a dramatic television motion picture or program of the type covered by the FLTTA other than a non-network or network non-prime time dramatic program and other than a strip dramatic non-network or network non-prime time program of the type covered by the FLTTA, the "residual base for syndication" is the residual base used under the BA to pay runs in syndication for a dramatic free television motion picture of the same length as the Derivative New Media Production.

(B) For a Derivative New Media Production that is derivative of a non-network or network non-prime time dramatic program or a strip dramatic non-network or network non-prime time program of the type covered by the FLTTA, the "residual base for syndication" is the residual base under the FLTTA used to pay runs in syndication for a free television program of the same length as the Derivative New Media Production. The residual base shall be prorated for a Derivative New Media Production ten (10) minutes or less in length in five (5) minute increments, to a five (5) minute base equal to one-third of the 0-15 minute base for programs 0-5 minutes in length, and to a ten (10) minute base equal to two-thirds of the 0-15 minute base for programs more than five (5) minutes, but not more than ten (10) minutes, in length. In no event shall the residual payment be less than $21.00.

(1) For example, for a Derivative New Media Production five (5) minutes in length that is derivative of a network prime time dramatic television motion picture, the residual payment is calculated by multiplying the residual base for syndication in the BA for a dramatic program 7 minutes and under in length ($3,070 as of July 1, 2020) by 3.5%.

(2) As a further example, for a Derivative New Media Production three (3) minutes in length that is derivative of a non-network or network non-prime time dramatic program of the type covered by the FLTTA, the residual payment is calculated by multiplying the prorated residual base for syndication applicable to the length of the Derivative New Media Production by 3.5%. In this case, the "residual base for syndication" is one-third of the applicable minimum compensation for a 0-15 minute non-network or network non-prime time dramatic program, or $2,119 (as of July 1, 2020). The applicable percentage rate (3.5%) is then applied to the $2,119 figure.

(3) If, in the preceding example, the Derivative New Media Production were instead seven (7) minutes in length, then the residual base would be the prorated ten (10) minute rate, or $4,238 (as of July 1, 2020), and the applicable percentage rate (3.5%) would then be applied to that figure.

(C) For a Derivative New Media Production that is more than ten (10) minutes in length and is derivative of a variety or quiz and game program of the type covered by the FLTTA (other than a network prime time variety special), and for a Derivative New Media Production of any length that is derivative of a program of the type covered under the "All Other Programs" category in the FLTTA, the "residual base for syndication" is the residual base under the FLTTA used to pay runs in syndication for a free television program of the same length and type as the Derivative New Media Production, *i.e.*, the applicable minimum initial compensation.

(1) For example, if the Derivative New Media Production is 22 minutes in length and is derivative of a network prime time quiz and game program, then the residual base is the applicable minimum compensation for a 16-30 minute network prime time quiz and game program, or $5,343 (as of July 1, 2020). The applicable percentage figure (3.5%) would then be applied to this base.

(2) Similarly, if the Derivative New Media Production is four (4) minutes in length and is derivative of a program in the "All Other Programs" category, the residual base is the applicable minimum compensation for a five (5) minute or less, once per week program under the "All Other Programs" category, or $833 (as of July 1, 2020). The applicable percentage figure (3.5%) would then be applied to this base.

(D) For a Derivative New Media Production that is ten (10) minutes or less in length and is derivative of a variety or quiz and game program of the type covered by the FLTTA (other than a network prime time variety special), the "residual base for syndication" is the residual base under the FLTTA used to pay runs in syndication for a free television program of the same length as the Derivative New Media Production, but the residual base shall be prorated as set forth in Section D.1.(b)(i)(B) above for a Derivative New Media Production ten (10) minutes or less in length.

(1) For example, for a Derivative New Media Production four (4) minutes in length that is derivative of a Network Prime Time Variety Series program of the type covered by the FLTTA, the residual payment is calculated by prorating the residual base for syndication and then multiplying the resulting figure by 3.5%. In this case, the "residual base for syndication" is the applicable minimum initial compensation for a 0-15 minute network prime time variety series program, one-third of which is $2,267 (as of July 1, 2020). The applicable percentage rate (3.5%) is then applied to the $2,267 figure.

(2) If, in the preceding example, the Derivative New Media Production were instead seven (7) minutes in length, then the residual base would be two-thirds of the 0-15 minute rate, or $4,534 (as of July 1, 2020), and the applicable percentage rate would then be applied to that figure.

(E) For a Derivative New Media Production five (5) minutes or less in length that is derivative of a Network Prime Time Variety Special program of the type covered by the FLTTA, the "residual base for syndication" is the minimum initial compensation for a variety program segment, or $2,430 (as of July 1, 2020). The base for a Derivative New Media Production variety program more than five (5) minutes, but not more than ten (10) minutes, in length that is derivative of a Network Prime Time Variety Special is $8,580 (as of July 1, 2020) and the base for a Derivative New Media Production variety program more than ten (10) minutes, but not more than fifteen (15) minutes, in length that is derivative of a Network Prime Time Variety Special is $14,824 (as of July 1, 2020).

(ii) If the Employer desires to use the Derivative New Media Production on advertiser-supported platforms for all or any part of the twenty-six (26) consecutive week period immediately following the twenty-six (26) consecutive week period described in Section D.1.(b)(i) above, but within one (1) year after expiration of the thirteen (13) consecutive week period, then the Employer shall make a residual payment equal to three and one-half percent (3.5%) of the "residual base for syndication," as that term is defined in Section D.1.(b)(i) above, as consideration for a twenty-six (26) consecutive week period of use, commencing with the first day that the Derivative New Media Production is available for use during such twenty-six (26) consecutive week period.

(iii) None of the aforementioned twenty-six (26) consecutive week periods shall cover a period that is more than one (1) year after the expiration of the thirteen (13) consecutive week period. In the event that use of the television motion picture on advertiser-supported platforms is commenced on a date that does not allow for the full twenty-six (26) consecutive week period of use within one (1) year of the expiration of the thirteen (13) consecutive week period, then the payment for that period shall be prorated in weekly units to cover the shorter use period.

(c) Use on Advertiser-Supported Platforms More Than One (1) Year Following Expiration of the Thirteen (13) Consecutive Week Period.

Upon expiration of the one (1) year period following expiration of the thirteen (13) consecutive week period, if the Employer desires to use the Derivative New Media Production on advertiser-supported platforms, then it shall pay residuals at the rate of two percent (2%) of "Employer's gross," as defined in Section 5 of Sideletter No. 14 re Exhibition of Motion Pictures Transmitted Via New Media.

(d) Use on Consumer Pay Platforms.

For use of a Derivative New Media Production on New Media platforms for which the consumer pays (*e.g.*, download-to-own, download-to-rent, paid streaming), the Employer shall pay a residual equal to 1.2% of the "Employer's gross," as defined in Section 5 of Sideletter No. 14 re Exhibition of Motion Pictures Transmitted Via New Media, attributable to the period beyond the twenty-six (26) consecutive week period of use.

(e) Use in Traditional Media.

The Employer shall pay residuals for the use of a Derivative New Media Production in "traditional media" (*e.g.*, free television, basic cable, pay television, home video) under existing FLTTA formulas, including Article 7, Section B.8. concerning broadcast syndication sales under a license agreement entered into on or after July 1, 2020.

(i) Free Television Exhibition Under Fixed Residual Formula.

(A) Except with respect to exhibition of Derivative New Media Productions that are more than fifteen (15) minutes in length as exhibited in network prime time, the fixed residual payments for free television exhibition of Derivative New Media Productions under Article 7, Section B.1., 2. and 3. shall be computed as follows:

The New Media exhibition of the Derivative New Media Production shall constitute the first run for purposes of calculating the fixed residual payments in free television under Article 7, Section B.1., 2. and 3. The residual base used to compute the payment shall be the residual base used to pay runs in syndication for a free television motion picture or program of the same category and length as the Derivative New Media Production. The residual base shall be multiplied by the percentage applicable to the run in question and the resulting product shall be the residual payment.

(1) As an example, suppose that a five (5) minute dramatic Derivative New Media Production that is derivative of a network prime time dramatic program is exhibited for the first time in network prime time. The applicable residual base is the residual base used for network prime time dramatic programs fifteen (15) minutes and under in length exhibited in syndication ($10,334 as of July 1, 2020). That figure will be multiplied by 50%, the percentage applicable to a second run on a network, for a residual payment of $5,167.

(2) If the same Derivative New Media Production were exhibited a second time on the network, that run would generate a residual payment of $4,134 ($10,334 x 40%).

(B) However, if the Derivative New Media Production is ten (10) minutes or less in length and is derivative of a program of the type covered under the non-network or network non-prime time strip dramatic, variety, or quiz and game categories covered by the FLTTA, then the residual base to be used in calculating the fixed free television residual payment under Article 7, Section B.3. shall be prorated in five (5) minute increments as set forth in Section D.1.(b)(i)(B) or (D) above, to a five (5) minute rate for programs 0-5 minutes in length and to a ten (10) minute rate for programs more than five (5) minutes, but not more than ten (10) minutes, in length.

(1) For example, suppose a Derivative New Media Production in the non-network prime time quiz and game category that is ten (10) minutes in length is shown once on network television, but not in prime time. The residual base is calculated by prorating the residual base for 0-15 minute non-network prime time quiz and game programs ($3,311 as of July 1, 2020) to take into account the shorter length of the Derivative New Media Production. In this case, the program is ten (10) minutes in length, so the prorated base is two-thirds of the 0-15 minute rate. The resulting residual payment is $1,104 ($3,311 x 2/3 x 50%).

(2) If the same Derivative New Media Production were subsequently exhibited a second time on the network, that run would generate a residual payment of $883 ($3,311 x 2/3 x 40%).

(3) If the same Derivative New Media Production were subsequently exhibited on television, whether on a network or not, the residual payment for that exhibition would be $552 ($3,311 x 2/3 x 25%).

(C) The fixed residual formula for reruns in network prime time of Derivative New Media Productions more than fifteen (15) minutes in length as exhibited is as follows: The New Media exhibition of the Derivative New Media Production shall constitute the first run for purposes of calculating the fixed residual payments for use in free television under Article 7, Section B.1., 2. or 3., as applicable. The residual payment shall be the amount payable under the FLTTA for a rerun in network prime time of a free television motion picture or program of the same type and length as the Derivative New Media Production.

(1) For example, if a dramatic Derivative New Media Production twenty (20) minutes in length that is based on a network prime time dramatic program is exhibited in network prime time, the residual payment is $13,258 (as of July 1, 2020), the same payment applicable to the rerun of a 30 minute network prime time dramatic program in network prime time.

(2) As another example, if a dramatic Derivative New Media Production forty-three (43) minutes in length that is based on a network prime time dramatic program is exhibited in network prime time, the residual payment is $24,963, the same payment applicable to the rerun of a 60 minute network prime time dramatic program in network prime time.

(ii) Exhibition on Pay Television, on Home Video and on Basic Cable.

For exhibition on pay television, the Employer shall pay residuals equal to 1.2% of "Employer's gross" pursuant to Article 24, Section C. of the FLTTA. For home video exploitation, the Employer shall pay residuals pursuant to Article 24, Section D. of the FLTTA. For exhibition on basic cable, the Employer shall pay residuals pursuant to Article 7, Section E. of the FLTTA.

2. Original New Media Productions.

(a) What Initial Compensation Covers.

Initial compensation for an Original New Media Production shall constitute payment for a twenty-six (26) consecutive week period of use on any consumer pay platform, commencing with the first day that the Original New Media Production is available on any consumer pay platform, and all uses on advertiser-supported platforms.

(b) Use on Consumer Pay Platforms.

(i) No payment shall be due for any use on consumer pay platforms for an Original New Media Production budgeted below $25,000 per minute of actual program material as exhibited.

(ii) For all uses of an Original New Media Production budgeted at or above $25,000 per minute of actual program material as exhibited on consumer pay platforms (*e.g.*, download-to-own, download-to-rent, paid streaming) beyond the twenty-six (26) consecutive week period, the Employer shall pay a residual equal to 1.2% of the "Employer's gross," as defined in Section 5 of Sideletter No. 14 re Exhibition of Motion Pictures Transmitted Via New Media, attributable to the period beyond the twenty-six (26) consecutive week use period.

(iii) Paragraph 2.(a) above shall apply to an Original New Media Production initially released on a consumer pay platform which is subsequently released on an advertiser-supported platform or vice versa.

(c) Use in Traditional Media.

The Employer shall pay residuals for the use of an Original New Media Production in "traditional media" (*e.g.*, free television, basic cable, pay television, home video) under existing FLTTA formulas, including Article 7, Section B.8. concerning broadcast syndication sales under a license agreement entered into or on or after July 1, 2020.

(i) Free Television Exhibition Under Fixed Residual Formula.

(A) Except with respect to exhibition of Original New Media Productions that are more than fifteen (15) minutes in length as exhibited in network prime time, the fixed residual payments for free television exhibition of Original New Media Productions under Article 7, Section B.1., 2. and 3. shall be computed as follows:

The New Media exhibition of the Original New Media Production shall constitute the first run for purposes of calculating the fixed residual payments in free television under Article 7, Section B.1., 2. and 3. The residual base used to compute the payment shall be the residual base used to pay runs in syndication for a free television motion picture or program produced for non-network or network non-prime time of the same category and length as the Original New Media Production. If the program category has both a high budget rate and a low budget rate, then the residual base shall be the base applicable to the low budget category. The residual base shall be multiplied by the percentage applicable to the run in question and the resulting product shall be the residual payment.

(B) However, if the Original New Media Production is ten (10) minutes or less in length and falls under the non-network or network non-prime time strip dramatic program, variety, or quiz and game categories in the FLTTA, then the residual base used in calculating the fixed free television residual payment under Article 7, Section B.3. shall be prorated in five (5) minute increments, to a five (5) minute rate for programs 0-5 minutes in length and to a ten (10) minute rate for programs more than five (5) minutes, but not more than ten (10) minutes, in length. The residual base is one-third of the 0-15 minute rate for programs not more than five (5) minutes in length and two-thirds of the 0-15 minute rate for programs more than five (5) minutes, but not more than ten (10) minutes, in length.

(1) For example, suppose an Original New Media Production in the non-network prime time quiz and game category that is ten (10) minutes in length is shown once on network television, but not in prime time. The residual base is two-thirds of the residual base for 0-15 minute non-network prime time quiz and game programs ($3,311 as of July 1, 2020), or $2,208, which is multiplied by 50% because it is treated as the second network run, for a residual payment of $1,104 ($3,311 x 2/3 x 50%).

(2) If the same Original New Media Production were subsequently exhibited a second time on the network, that run would generate a residual payment of $883 ($3,311 x 2/3 x 40%).

(3) If the same Original New Media Production were subsequently exhibited on television, whether on a network or not, the residual payment for that exhibition would be $552 ($3,311 x 2/3 x 25%).

(C) The fixed residual formula for reruns in network prime time of Original New Media Productions more than fifteen (15) minutes in length as exhibited is as follows: The New Media exhibition of the Original New Media Production shall constitute the first run for purposes of calculating the fixed residual payments for use in free television under Article 7, Section B.1., 2. or 3., as applicable. The fixed residual payment shall be the amount payable for a rerun in network prime time of a free television motion picture or program produced for non-network or network non-prime time of the same category and length as the Original New Media Production. If the program category has both a high budget and a low budget rate, then the residual base shall be the base applicable to the low budget category.

(ii) For exhibition on pay television, the Employer shall pay residuals equal to 1.2% of "Employer's gross" pursuant to Article 24, Section C. of the FLTTA. For home video exploitation, the Employer shall pay residuals pursuant to Article 24, Section D. of the FLTTA. For exhibition on basic cable, the Employer shall pay residuals pursuant to Article 7, Section E. of the FLTTA.

E. Sunset Clause.

The parties recognize that this Sideletter is being negotiated at a time when the business models and patterns of usage of productions made for New Media are in the process of exploration, experimentation and innovation. Therefore, all provisions of Section D. of this Sideletter expire on the termination date of the 2020 FLTTA and will be of no force and effect thereafter. No later than sixty (60) days before that expiration date, the parties will meet to negotiate new terms and conditions for reuse of such New Media Productions to be in effect thereafter. The parties further acknowledge that conditions in this area are changing rapidly and that the negotiation for the successor agreement will be based on the conditions that exist and reasonably can be forecast at that time.

Sincerely,

Russell Hollander
National Executive Director

AGREED AND ACCEPTED:

Carol A. Lombardini

EXHIBIT 1(A)
MADE FOR NEW MEDIA

DIRECTOR DEAL MEMORANDUM

This will confirm our agreement to employ you to direct a covered made-for-New Media project described as follows:

NAME:_____ LAST 4 DIGITS OF SSN:_____

LOAN-OUT:_____ FID #:_____

ADDRESS:_____

PHONE:_____ EMAIL:_____

Your SALARY shall be $_____☐ per project ☐ per episode ☐ per week ☐ per day

GUARANTEED PERIOD OF EMPLOYMENT (if any): _____

START DATE ON OR ABOUT: _____

CURRENT TITLE OF PROJECT: _____

☐ EPISODIC SERIES – Title/ID of Episodes Directed: _____
_____

☐ SINGLE PROJECT – Total run time (minutes) (approximately, if known): _____

PROJECT TYPE:

☐ Dramatic ☐ Variety ☐ Quiz/Game Show ☐ "All Other" ☐ Other_____

Other conditions (including credit above minimum):
_____
_____

The Employee hereby authorizes the Employer to deduct from his or her salary the amount specified in the Directors Guild of America Basic Agreement and/or Freelance Live and Tape Television Agreement as the Employee's contribution to the Directors Guild of America-Producer Pension Plan. The Employer will pay the amount so deducted directly to the Pension Plan on the Employee's behalf.

Accepted and Agreed:

Signatory Employer (Company Name):

_____

Signatory Employer Representative Signature:

_____

Date: _____

Employee Signature: _____

Date:_____

EXHIBIT "1-B"
MADE FOR NEW MEDIA
DEAL MEMORANDUM
(UNIT PRODUCTION MANAGER, ASSISTANT DIRECTOR,
ASSOCIATE DIRECTOR, STAGE MANAGER)

This will confirm our agreement to employ you for a covered made-for-New Media project described as follows:

NAME:_____ LAST 4 DIGITS OF SSN:_____

LOAN-OUT:_____ FID #:_____

ADDRESS:_____

PHONE:_____ EMAIL:_____

POSITION:

☐ Unit Production Manager ☐ First Assistant Director ☐ Key Second Assistant Director

☐ Second Second Assistant Director ☐ Additional Second Assistant Director

☐ Associate Director ☐ Stage Manager ☐ Other _____

Your STARTING DATE for such employment shall be_____

Your SALARY shall be $_____
☐ per project ☐ per episode ☐ per week ☐ per day ☐ per hour

CURRENT TITLE OF PROJECT:_____

☐ EPISODIC SERIES
Number of Episodes (if known): _____
Run Time per Episode (approximately, if known): _____

☐ SINGLE PROJECT — Total run time (minutes) (approximately, if known): _____

Other conditions:
_____
_____
_____
_____

The Employee hereby authorizes the Employer to deduct from his or her salary the amount specified in the Directors Guild of America Basic Agreement and/or Freelance Live and Tape Television Agreement as the Employee's contribution to the Directors Guild of America-Producer Pension Plan. The Employer will pay the amount so deducted directly to the Pension Plan on the Employee's behalf.

Accepted and Agreed:

Signatory Employer (Company Name):

_____

Signatory Employer Representative Signature:

_____

Date: _____

Employee Signature: _____

Date:_____

SIDELETTER NO. 29

As of July 1, 2011

Ms. Carol A. Lombardini
President
Alliance of Motion Picture and Television Producers, Inc.
15301 Ventura Boulevard, Building E
Sherman Oaks, California 91403-5885

Re: Serious Misconduct

Dear Carol:

During the negotiations for the 2011 Basic Agreement and Freelance Live & Tape Television Agreement, the parties discussed and agreed upon the need for a procedure to remove individuals who have engaged in serious misconduct from the Qualifications Lists and Eligible to Work Lists under the Basic Agreement and the employment eligibility criteria under the Freelance Live and Tape Television Agreement. The parties will establish a committee during the term of this Agreement to develop a specific standard for "serious misconduct" and procedure for the removal of individuals who engage in such misconduct from the Qualifications Lists and Eligible to Work Lists under the Basic Agreement and the employment eligibility criteria under the Freelance Live and Tape Television Agreement.

Sincerely,

Jay D. Roth
National Executive Director

Agreed:

Carol A. Lombardini

Sideletter No. 30

As of July 1, 2020

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

Re: Harassment Prevention Training for Directors

Dear Mr. Hollander:

During the 2020 negotiations, the parties discussed Director-specific harassment prevention training. The DGA and AMPTP believe that harassment prevention training is an important aspect of creating and maintaining a respectful work environment free of harassment.

The parties discussed alternative approaches to providing harassment prevention training for Directors, including the DGA's interest in in-person training. The DGA agrees that the Employers will have final say over the content of harassment prevention training and commits to work with the Employers to modify the existing CSATF Harassment Prevention 2 (HP 2) course to incorporate Director-related concerns by July 1, 2022. The parties agree that the Employers may require Directors to complete the existing CSATF online prevention course until July 1, 2022, at which time the new training program must be utilized.

Sincerely,

Carol A. Lombardini

AGREED:

Russell Hollander

Directors Guild of America, Inc.
7920 Sunset Boulevard
Los Angeles, California 90046
(310) 289-2000
www.dga.org