

## **2014 PRODUCER – SAG-AFTRA BASIC CABLE AGREEMENT FOR ANIMATED MOTION PICTURES**

The following agreement is entered into by Screen Actors Guild-American Federation of Television and Radio Artists (hereinafter “SAG-AFTRA” or “the Union”) and the Alliance of Motion Picture and Television Producers (hereinafter referred to as the “AMPTP” or the “Alliance”), acting on behalf of Producers which have authorized said Alliance to act on their behalf, a list of which is attached hereto as Exhibit A (hereinafter referred to collectively as “Producers” and individually as “Producer”).

This Agreement sets forth minimum salaries, terms and conditions of employment for performers employed as off-camera voice actors in animated motion pictures produced for initial exhibition on a basic cable service (hereinafter referred to as “animated basic cable motion pictures”), the principal recording of which commence on or after July 1, 2014, including new episodes of “Legacy AFTRA Basic Cable Animation Series,” the principal recording of which commence on or after July 1, 2014. “Legacy AFTRA Basic Cable Animation Series” are animated basic cable series which began principal recording prior to July 1, 2014 under the terms and conditions of an individual agreement between a single Producer, on the one hand, and AFTRA or SAG-AFTRA, on the other hand, covering animated basic cable motion pictures, and for which new episodes are recorded on or after July 1, 2014. A series is not a “Legacy AFTRA Basic Cable Animation Series” if only the pilot or presentation were produced under such an agreement or if the individual agreement with AFTRA or SAG-AFTRA has not expired.

1. Producer agrees that, except as modified below, all terms and conditions of the 2014 SAG-AFTRA Television Animation Agreement (hereinafter “the Television Animation Agreement”) shall apply to performers employed as off-camera voice actors in animated basic cable motion pictures, the principal recording of which commence on or after July 1, 2014, and are incorporated herein by reference. All terms and conditions set forth in the Television Animation Agreement that are applicable to “Legacy AFTRA Television Animation Series” shall be applicable to “Legacy AFTRA Basic Cable Animation Series.”
2. On days for which the Television Animation Agreement requires premium pay for travel, such travel time shall be compensated at straight time with respect to employment covered hereunder.

3. The following terms shall apply to the payment of compensation for reruns if the picture is exhibited more than once on a basic cable service:<sup>1</sup>

2 <sup>nd</sup> run	-	17% of performer's total applicable minimum salary
3 <sup>rd</sup> run	-	12% of performer's total applicable minimum salary
4 <sup>th</sup> run	-	11% of performer's total applicable minimum salary
5 <sup>th</sup> run	-	10% of performer's total applicable minimum salary
6 <sup>th</sup> run	-	6% of performer's total applicable minimum salary
7 <sup>th</sup> run	-	4% of performer's total applicable minimum salary
8 <sup>th</sup> run	-	4% of performer's total applicable minimum salary
9 <sup>th</sup> run	-	3.5% of performer's total applicable minimum salary
10 <sup>th</sup> run	-	3.5% of performer's total applicable minimum salary
11 <sup>th</sup> run	-	3% of performer's total applicable minimum salary
12 <sup>th</sup> run	-	2.5% of performer's total applicable minimum salary

For the 13<sup>th</sup> run and each subsequent run, the performer shall be paid 1.5% of the performer's total applicable minimum salary.

As to employment agreements covering all performers, the performer may agree to an advance payment for reruns on basic cable, provided the advance payment is separately listed and is paid in addition to the salary, which is separately and specifically set forth as salary (not including advances) in the performer's contract and, provided further, that the salary at which advance payments which are additional for such reruns is permitted shall be no less than two hundred percent (200%) of the applicable minimum salary.

4. No residuals are due for the "first sale" of the picture in Canada. The first sale is limited to the first license agreement (which may not exceed five (5) years, except that the Union shall not unreasonably withhold a waiver of the five (5) year limitation in the event of an outright sale, rather than a license, of the picture) with a Canadian broadcast service (which may be a free television, pay television or basic cable service).

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<sup>1</sup> See Section 82(c)(1)b) of the 2014 SAG-AFTRA Television Agreement which provides for a percentage residual for certain licenses of dramatic programs made for basic cable to a different basic cable service, which percentage residual shall apply to animated basic cable motion pictures to the same extent that it applies to live action basic cable motion pictures.

5. If the picture is aired on domestic syndicated free television, each performer shall be paid compensation for each run as follows:<sup>2</sup>

1 <sup>st</sup> run	- 40% of performer's total applicable minimum salary
2 <sup>nd</sup> run	- 30% of performer's total applicable minimum salary
3 <sup>rd</sup> run	- 25% of performer's total applicable minimum salary
4 <sup>th</sup> run	- 25% of performer's total applicable minimum salary
5 <sup>th</sup> run	- 25% of performer's total applicable minimum salary
6 <sup>th</sup> run	- 15% of performer's total applicable minimum salary
7 <sup>th</sup> run	- 15% of performer's total applicable minimum salary
8 <sup>th</sup> run	- 15% of performer's total applicable minimum salary
9 <sup>th</sup> run	- 15% of performer's total applicable minimum salary
10 <sup>th</sup> run	- 10% of performer's total applicable minimum salary
11 <sup>th</sup> run	- 10% of performer's total applicable minimum salary

For the 12<sup>th</sup> run and each subsequent run, the performer shall be paid 5% of the performer's total applicable minimum salary.

6. Notwithstanding the provisions of Paragraph 5 above, if the picture is run on domestic syndicated free television after the picture has been run ten (10) times on a basic cable service or on a date more than one (1) year after the initial exhibition on a basic cable service, the first run of the picture on free television shall be deemed the third run of the picture under Paragraph 5 above and residuals shall be computed by multiplying the fixed residual amount otherwise due by a fraction, the denominator of which is four hundred seventy-five thousand dollars (\$475,000) with respect to a motion picture in excess of thirty (30) minutes in length, or three hundred thousand dollars (\$300,000) with respect to a motion picture of thirty (30) minutes or less in length, and the numerator of which is the Distributor's Gross up to a maximum of four hundred seventy-five thousand dollars (\$475,000) with respect to a motion picture in excess of thirty (30) minutes in length or three hundred thousand dollars (\$300,000) with respect to a motion picture of thirty (30) minutes or less in length.

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<sup>2</sup> See Sideletter O of the 2014 SAG-AFTRA Television Agreement Re: License of Free Television, Pay Television or Basic Cable Motion Pictures to Secondary Digital Channels which provides for a percentage residual under certain conditions, which percentage residual shall apply to animated basic cable motion pictures to the same extent that it applies to live action basic cable motion pictures.

7. If a picture subject to Paragraph 6 above is sold in combination with any other picture, the Producer shall allocate to each picture a fair and reasonable portion of the Distributor's Gross and shall include such amount in the numerator referred to in Paragraph 6. If the Union contends that the amount so allocated was not fair and reasonable, such claim may be determined by submission to arbitration and the arbitrator shall have the authority to determine the fair and reasonable amount to be so allocated.
8. If a picture subject to Paragraph 6 above is syndicated with advertising time withheld by the Distributor (*i.e.*, barter syndication), the fair market value of the amount allocated to the "barter" portion of the deal shall be included in the numerator referred to in Paragraph 6. If the Union contends that the amount so allocated does not represent the fair market value of the "barter," such claim may be determined by submission to arbitration and the arbitrator shall have the authority to determine the fair market value to be so allocated.
9. The Producer shall make the payments due pursuant to Paragraphs 3, 5 and 6 above within the time period set forth in Section 18(b)(5) of the 2014 SAG-AFTRA Television Agreement (hereinafter "the Television Agreement") and in the manner required by Section 18(e) of the Television Agreement. Simultaneously with each payment due pursuant to Paragraph 6, the Producer shall submit to the Union a statement showing the revenue amounts used to compute the multiplier.

The parties agree to establish a committee to discuss the time for payment of residuals due for reruns on basic cable.

10. The Producer affirms that, consistent with Section 18(e) of the Television Agreement, it shall provide the Union with prompt access to any and all documents or records of the Producer and will use its best efforts to provide access to all documents or records of the Distributor necessary to confirm compliance with the foregoing terms and conditions.
11. Notwithstanding language to the contrary which may be contained in the Schedules of the Producer – SAG-AFTRA Codified Basic Agreement of 2014 between the Union and Producer governing the employment of Background Actors, the provisions governing Background Actors shall cover programs made pursuant to this Agreement.

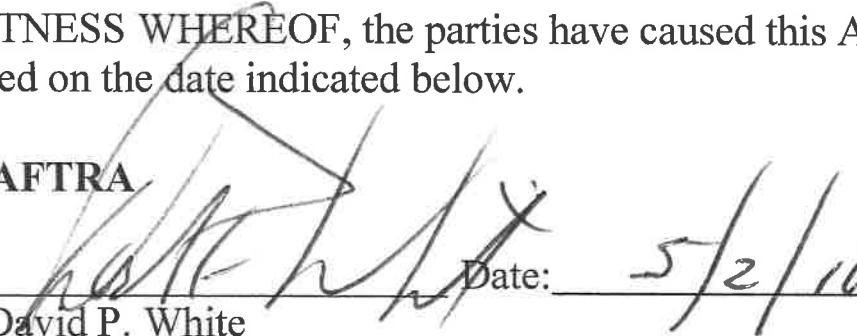
12. Producer agrees to check the appropriate box on the contribution remittance report form for the SAG Pension and Health Plans or AFTRA Health and Retirement Funds, as applicable, indicating that earnings reported are for work under this Agreement.
13. The term of this Agreement shall commence on July 1, 2014 and shall terminate on June 30, 2017. This Agreement shall be applicable to any animated basic cable motion picture for which initial recording commences on or after July 1, 2014.
14. The Sideletter re “Exhibition of Motion Pictures Transmitted Via New Media” in the 2014 SAG-AFTRA Television Agreement shall be applicable to animated motion pictures covered under this Agreement to the same extent as it applies to live action television motion pictures, except that: (A) references to “television motion pictures, the principal photography of which commence on or after [or ‘prior to’] July 1, 2014” shall be changed to “animated motion pictures produced for initial exhibition on a basic cable service, the principal recording of which commence on or after [or ‘prior to’] “October 1, 2014;” and (B) references to “July 1, 2014” shall be changed to “October 1, 2014.”
15. Article XXII of the 2014 SAG-AFTRA Television Animation Agreement regarding animated programs made for new media shall be applicable to animated motion pictures covered under this Agreement, except:
  - A. The definition of “Derivative New Media Production” shall be changed to read:

“A ‘Derivative New Media Production’ (“DNMP”) is an animated production for New Media based on an existing animated motion picture produced for initial exhibition on a basic cable service (the “Original Production”), to the extent that such production is covered under the terms of the Television Agreement.”

B. The reference in Paragraph J. ("Sunset Clause") to "the 2014 SAG-AFTRA Television Animation Agreement" shall be changed to "this Agreement."

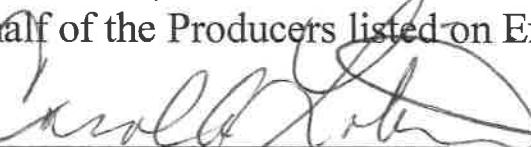
IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date indicated below.

**SAG-AFTRA**

By:  Date: 5/2/16  
David P. White

**ALLIANCE OF MOTION PICTURE AND TELEVISION PRODUCERS,**

on behalf of the Producers listed on Exhibit A

By:  Date: July 14, 2016  
Carol A. Lombardini

## **EXHIBIT A**

ACOD Inc.	Hostage Productions, Inc.
Acts of Witness Pictures, LLC	Isotropic Films LLC
Adelaide Productions, Inc.	Jeanne Starr Enterprises, Inc.
Agora Productions, Inc.	Josh Hetzler Productions, Inc.
Alive and Kicking, Inc.	Katy Mac Session Productions
Another Film Fund LLC	Kerner Films, LLC
Aspect Ratio, Inc.	Lake Hartwell Productions, Inc.
Blanc-Biehn Productions	Legendary Pictures Productions, LLC
Blithe Hollow, LLC	Lexmond Inc.
Brandon Street Films, LLC	Lonely Boy Production, Inc.
Buckeye Pictures, LLC	Lowry Rd Entertainment, Inc.
Bumper Car Films LLC	Measure, the Film LLC
Cartoon Network Studios, Inc.	Mountainair Films Inc.
Checks In Motion, Inc.	Muddy Water Entertainment, Inc.
Clobber Productions LLC	Nferno Productions, LLC
Clowntinuum Productions LLC	Oren Jacoby Productions Inc.
Constant Alchemy Productions, Inc.	d/b/a Storyville Films
Corporate Management Solutions, Inc.	Partricks Road Productions II, Inc.
Dean River Productions, Inc.	Pixar Talking Pictures
Dogwood Pictures	Post-Industrial Pictures, LLC
DreamWorks Animation LLC	Pressing Pictures, LLC
Ecosse Films Limited	Readcrest Productions, Inc.
Faith Street Film Partners, LLC	Reassembled Productions LLC
Film 49 Productions, Inc.	Redbud Pictures, LLC
Film McQueen LLC	Red Compass Media Inc.
Film Roman, LLC	RedLove Film LLC
FRB Productions, Inc.	Revolver Pictures, LLC
Frontier Productions LLC	Robin Red Breast, Inc.
Grucitta Productions, LLC	Rocking Frog Productions, LLC
Halfworld Productions LLC	Rutherford Bench Productions
HanWilCad Productions LLC	
Harmony Gold, USA Inc.	
HG Productions / Henry Golis	
HHG Productions, LLC dba	
Bonefide Productions	
Hithertofores Films, Inc.	

Scrambled Entertainment, Inc.

Shalonda Shaw

Smoked Gouda, LLC

Smuffking Productions

Specimen 00 Productions LLC

Squad Productions LLC

Starburns Industries, Inc.

Stol'n Heart Productions d/b/a

    Craig Young

Studiopolis, Inc.

Sydney Productions, Inc.

Talent Court Productions Inc.

Talent Solutions, Inc.

The Butler Did It Productions LLC

The FKPS Company

The Kingham Group, Inc.

The SKPS Company

Twentieth Century Fox Film Corporation

Two Strings, LLC

United Performers' Studio Co.

Universal Animation Studios LLC

Vedaware, LLC d/b/a Lovemakers

Walt Disney Pictures

Warner Bros. Animation Inc.

Warner Specialty Productions Inc.

WigTVFilms, LLC

Williams Street Productions LLC

Woodridge Productions LLC

Zevo 3 Productions, LLC

SIDELETTER

As of July 1, 2014

David White  
National Executive Director  
SAG-AFTRA  
5757 Wilshire Boulevard  
Los Angeles, California 90036-3600

**Re: Payment of Residuals for Animated Basic Cable Programs on a Basic Cable Service**

Dear David:

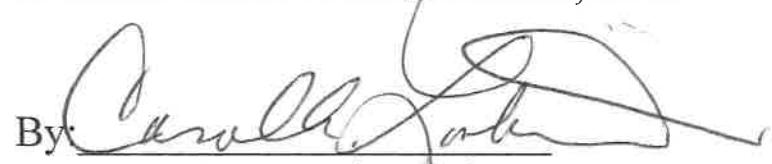
During the term of the 2014 Agreement, the Union shall identify to the AMPTP any Producer it believes has chronically failed to pay residuals on a timely basis for runs of an animated basic cable program on a basic cable service. The Union shall meet with the Producer and provide the Producer with the documents in its possession which support its belief that the Producer has been chronically paying late. The Producer shall then have an opportunity to investigate the existence and/or cause of the late payments. The Producer shall meet with the Union thereafter to advise of the findings of its investigation and any corrective action that it deems appropriate.

The AMPTP will use its good offices to facilitate the foregoing process.

Very truly yours,

On behalf of the respective signatory companies represented by the  
ALLIANCE OF MOTION PICTURE & TELEVISION PRODUCERS, INC.

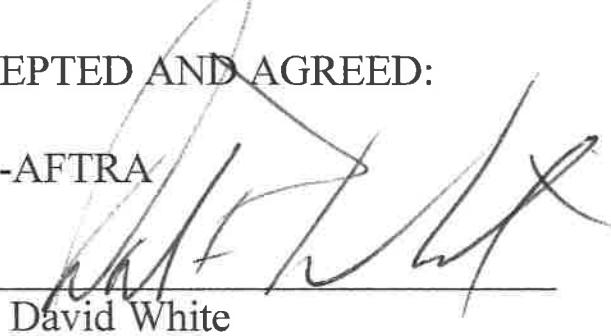
By:

  
Carol A. Lombardini  
President

ACCEPTED AND AGREED:

SAG-AFTRA

By:

  
David White  
National Executive Director

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